

Board of Regents' Meeting
October 9, 2012
9:00 a.m.
Student Union Building Ballroom C

AGENDA OF THE MEETING OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
 October 9, 2012
 9:00 a.m. – 11:30 a.m. 1:00 p.m. – 3:00 p.m. Student Union Ballroom C
 Regents Executive Session/Luncheon, 11:30 a.m. – 1:00 p.m. Cherry Silver Room

TAB

- I. Confirmation of a Quorum: Adoption of the Agenda, *Regent President Jack L. Fortner* 1
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- III. UNM 2020 Update, *Robert G. Frank, President, Steven G. Sloate, President, Cirra, Inc.*

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IV. Regent Committee Reports

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 2. UNMH Contract Transitional Hospital Corporation of New Mexico, Inc. d/b/a Kindred Hospital
 3. UNMH Contract with Comprehensive Care Services
 4. UNMH Contract with HealthSouth Rehabilitation Hospital of New Mexico
 5. UNMH Contract with DCI Donor Services
 6. UNMH Contract with Medtronic USA
 7. Capital Project Approval for UH-Main-IV Pharmacy Renovation
 8. Architect Selection for UNMH Alcohol & Substance Abuse Prevention Clinic-A/E Approval
 9. Internal Medicine/Cardiology-Staff Care (Non-Invasive Cardiologist Locum Tenens)
 10. Internal Medicine/Cardiology-CompHealth (Invasive/Interventionalist Locum Tenens)
 11. Capital Project Approval: Architect Selection & Capital Project for Health Sciences Center Animal Resource Facility Improvements
 12. Michael Olguin, Chair, UNMH Board of Trustees, as Designated Member of the Health Sciences Board of Directors.
 13. Reappointment of Lisa Rossignol, Parent Nominee, to Carrie Tingley Hospital Board of Directors.
 14. Appointment of Deborah Johnson to Sandoval Regional Medical Center, Inc. Board of Directors

Information Items:

15. Request for Approval of UNMH Contracts with Presbyterian Healthcare Services, Howmedica Osteonics-Stryker Spine, and Cardinal Health MP & S.

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 - Marisa Silva, President, GPSA
 - Caroline Muraida, President, ASUNM
 - Duffy Swan, President UNM Alumni Association
 - Gary Gordon, Chair, UNM Foundation
 - Greg Heileman, Executive Director & Secretary of Board, UNM Parent Association
 - Dr. Scott Obenshain, UNM Retiree Association

Public Comment

VI. Vote to close the meeting and to proceed into Executive Session.

VII. Executive Session will be held from 11:30 a.m. – 1:00 p.m. in the Cherry Silver Room

- 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)
- C. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1 H (8) NMSA (1978).
- D. Discussion and determination where appropriate of long range strategic planning related to public hospitals pursuant to Section 10-15-1H) (9) NMSA (1978).

VIII. E. Vote to re-open meeting.

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

IX. Adjournment

The University of New Mexico
Board of Regents' Meeting
September 11, 2012
Student Union Building Ballroom C
Meeting Minutes

Members present: President Jack L. Fortner, Vice President Don L. Chalmers, Secretary Treasurer Carolyn J. Abeita, J.E. "Gene" Gallegos, Bradley C. Hosmer, James H. Koch, Jacob P. Wellman (Quorum).

Administration present: President Robert Frank, Executive Vice President David Harris, Chancellor Paul Roth, Provost Chaouki Abdallah, Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Ava Lovell (Sr. Executive Officer, Finance and Administration), Vice President John T. McGraw (Research and Economic Development), Vice President Eliseo Torres (Student Affairs), Interim University Counsel Lee Peifer, Interim University Controller Elizabeth Metzger.

Regents' Advisors present: President Amy Neel (Faculty Senate), President Mary Clark (Staff Council), President Marisa Silva (GPSA), President Caroline Muriada (ASUNM), President Duffy Swan (Alumni Association), President Scott Obenshain (Retiree Association). Gary Gordon, (UNM Foundation), Parent Association representative unable to attend.

Regent Fortner called the meeting to order at 9:08 a.m.

I. Confirmation of a Quorum; Adoption of the Agenda, Regent Fortner

Motion to adopt the agenda passed unanimously (1st Abeita, 2nd Gallegos).

II. Approval of Summarized Minutes of the August 14, 2012 BOR, Regent Fortner

Motion to approve the minutes of the August 14, 2012 meeting passed unanimously (1st Koch, 2nd Abeita).

Comments from Regents (none)

III. President's Administrative Report, President Robert Frank

President Frank spoke about the Freeh Report, the report of the Special Investigative Council regarding the actions of the Pennsylvania State University related to the Child Sexual Abuse committed by Gerald Sandusky and the implications for UNM.

Dr. Frank also reported on the Jeanne Clery Act, passed in 1986, which requires higher education institutions that participate in federal student financial aid programs to collect statistics on, and make timely warnings regarding, designated "Clery Crimes" and to prepare and distribute an annual safety report. This annual report is a combined effort led by the UNM Police Department and includes campus offices as well as the Albuquerque Police Department.

These two items provide a mechanism for campuses to monitor the safety and risk on their campuses.

- **In the future, Clery Act data will be presented to the BOR as part of an annual review process.**

In addition to the fiduciary responsibility, the Freeh Report makes clear that risk assessment is one of the most important acts of the BOR. At Penn State, the administrators failed to inform the Board of the risks and the Board failed to ask what risks existed. It is the job of administrators and advisors to tell the Board about risk and your job to ask about it.

Many issues raised in the Freeh Report have no applicability to UNM.

- **Manu Patel and Pamina Deutsch will lead a review of the four compliance programs within UNM (Health Sciences, Finance, Athletics and Research) and their possible consolidation. A report will be presented in October 2012.**

Regent Abeita stated her initial opinion that cross-communications between the programs would be essential to the compliance process.

Regent Gallegos and Regent Hosmer noted that Clery Act compliance has been discussed, proposing that the basic responsibility be placed in the ASAR (Academic and Student Affairs and Research) Committee with a report to the Audit Committee. The Audit Committee would do spot verifications of the data in the report. Dr. Frank will provide recommendations for BOR committee processes.

Regent Chalmers said the Freeh Report is much more far-reaching than Penn State; it goes to governance and due diligence of the BOR. Involving the right people and using the resources we have as Regents and community members, we can determine the right questions to ask. Being on the BOR comes with serious responsibility and we must continually look for better ways to ask the right questions.

Regent Fortner said his initial response is that the compliance process would go through ASAR and ASAR would make referrals out as necessary. Committee assignments will not be decided today.

President Frank noted that one significant, explicit recommendation of the report, and it has been a point that has received a great deal of consideration by this BOR, is that Boards should bring community members into their activities as often as possible access outside views. He also presented other Freeh Report recommendations for Penn State and what opportunities they present in evaluating UNM. He especially recommended a review of programs for non-student minors.

Regent Wellman asked if the Clery Act reports had any impact on funding in any way; do we get any dollars for crime prevention if we have high statistics or are lower crime rates incentivized in any way? Vice President Torres said the reports are informational; they are not tied to any funding. Dr. Bova noted that Police Chief Guimond updates the statistics monthly. Dr. Frank said his office monitors, on a weekly basis, all incidents in the dormitories to maintain and improve the quality of residence life.

Public Comment, specific to agenda items (none)

IV. Regent Committee Reports (reports are included in BOR E-Book)

Finance and Facilities Committee, Regent Don Chalmers, Chair

Consent Items:

- A. Disposition of Surplus Property for Main Campus on list dated August 17, 2012
- B. Contract Approval:
UNM Mailing Systems-Pitney Bowes
- C. Approval of:
 1. Real Property Acquisition-Vacant Land, Central Ave./Madeira Dr. SE, SW Corner
 2. Real Property Acquisition-923 Vassar Dr. NE
 3. Real Property Acquisition-2130 Eubank Blvd. NE
- D. (Deleted-Approval of 2013 Mil-Levy Election UNM-Los Alamos)

Motion to approve consent agenda items A, B, & C passed unanimously (1st Chalmers, 2nd Gallegos).

Information Items:

- E. UNM Historic Preservation Plan

Regent Chalmers pointed out that this plan is a proposal, which may change pending inventories of buildings and items that are or may be designated as historic. The plan will come before the BOR at some future time. He recommended an inventory of antiques and artifacts held by the University.

F. Monthly Consolidated Financial Report, Liz Metzger, Interim University Controller, Ava Lovell, HSC Sr. Executive Officer, Finance & Administration

Ms. Metzger reminded the BOR that the report, for the 12 months ending 6/30/12, does not include Plant Funds, Endowment Funds or Internal Services. The Net Current Revenue was favorable at just over \$13 million. The transfers shown out of I&G (Instruction and General) are F&A (contracts and grant) transfers out. The transfers shown under Student Aid are transfers coming in from the Foundation.

Regent Gallegos asked EVP Harris if all or any part of the net favorable margin would be available to flow into the FY2013 budget. Mr. Harris responded that some of those funds are restricted or dedicated. After that, the margin is expected to be between \$8 million and \$9 million. Those funds will be used to meet the HED (Higher Education Dept.) reserve requirements and probably not be available for redistribution.

Regent Chalmers pointed out that the F&F (Finance and Facilities) Committee has already vetted this report.

Ms. Lovell said Health Sciences results are included in this report. The "Liability for Other Post Employment Benefits" (retiree health benefits) is of growing concern. The entire liability does not have to be booked at this time; we will be considering ways to mitigate the effect on the balance sheet. Regent Chalmers noted the first effect of booking the liability could be on our bond rating. He said that a long-term plan needs to be developed before the end of the year.

G. Contract Information

1. Championship Golf Course-E-Z Go Textron
2. Contract for Senior Retiree Health Plans, Helen Gonzales, VP Human Resources

Ms. Gonzales noted the plans she is presenting are for over-65 (years of age) retirees. As such, they are heavily subsidized by the federal government and we are pleased with the renewal rates. The rates are not final, but likely will be; they must be approved by CMS (the Centers for Medicare and Medicaid Services). While these particular liabilities are included in the Post Employment Benefits Ms. Lovell spoke about, they are not the major area of concern; the cost of under-65 retiree health benefits are of much greater concern. Regent Gallegos noted the UNM bond rating may be affected.

H. Annual Report of Disposition of Surplus Property

I. FY2013/2014 Budget Development Calendar

Andrew Cullen, AVP Planning, Budget & Analysis (OPBA), noted that the first three bullet points in the presentation highlight significant changes to the approval process, as requested by F&F. Additionally, the BOR committees that will be updated on the budget considerations and processes beginning as early as October are indicated.

Regent Hosmer said that two years ago the BOR asked that the administration bring forward policy options for setting tuition at the beginning of the process, rather than at the end. Last year, F&F had to assert a policy. He expressed the hope that this year the BOR will see policy options for tuition early in the process and he wondered at what point in the proposed schedule those option might be presented. Mr. Cullen said the state appropriations are unknown until late in the process, making that difficult.

Regent Chalmers agreed with Regent Hosmer, but noted that setting tuition policy is the responsibility of the BOR, not the OPBA. Last year, F&F said the BOR would attempt to hold tuition increases to the same percentage as the Cost of Living. To increase tuition and

fees to balance a budget proposal, instead of setting tuition and cutting expenses, is not the way budgeting should be done.

Regent Hosmer hopes that setting a tuition policy early will inform the BOR of rational choices, and the consequences of those choices, early enough to be useful.

Regent Chalmers said the BOR should be telling OPBA and the University the policy they should live with. While Regent Hosmer would like suggestions for policy options, Regent Chalmers believes it is the responsibility of the BOR to propose the options.

- **COO David Harris indicated that the administration could provide some options and ranges, recognizing that there are many uncertainties early on.**

J. Consideration of Regents' Finance and Facility Committee Charter

Regent Chalmers noted some items that should be changed in the proposed Charter. He believes that, after further discussion and clarification, a document can come before the BOR for consideration by the end of the year. He solicited feedback from the Regents.

Health Sciences Board, Regent Carolyn Abeita, Chair

Consent Items:

- A. Request for Approval of UNMH Contract with First Choice Community Care
- B. Request for Approval of UNMH Contract with Belimed
- C. Request for Approval of UNMH Contract with Cerner Corporation
- D. Request for Approval of UNMH Contract with Philips Medical
- E. Request for Approval of UNMH Contract with Hill Rom

Motion to approve consent agenda Items A, B, C, D, and E passed unanimously (1st Abeita, 2nd Hosmer).

- F. Request for Real Estate Approval of 2130 Eubank Blvd. NE, Albuquerque NM
- G. Request for Real Estate Approval of 5400 Central Ave. SE, Albuquerque NM
- H. Request for Real Estate Approval of 923 Vassar Dr. NE, Albuquerque NM

Consent agenda items F, G and H were approved under the F&F Committee Agenda.

- I. Architect Selection for UNM Medical Group, Sabana Grande Clinic
- J. Construction Manager at Risk for UNM Medical Group, Sabana Grande Clinic
- K. Approval of Michael Olguin and William Lang to UNM Hospital Board of Trustees

Motion to approve consent agenda Items I, J and K passed unanimously (1st Abeita, 2nd Wellman).

Academic/Student Affairs & Research Committee, Regent Bradley Hosmer, Chair

Consent Item:

- A. Approval of Summer 2012 Degree Candidates

Motion to approve consent agenda Item A passed unanimously (1st Hosmer, 2nd Abeita).

Degree Candidates

Doctoral and MFA Degree	100
Master's Degree	287
Bachelor's Degree	305
Associate's Degree	49
Total	741

Information Items:

- B. Enrollment Report, Terry Babbitt, AVP Enrollment Management

Dr. Babbitt reported that enrollment of 29,100 on the Albuquerque Campus is a record, by a slight margin. Credit hours increased slightly while graduate credit hours decreased slightly.

The number of new freshman increased by 2.5% even with the higher admission standards. Graduate student population, however, is down. About 8.8% of credit hours are on-line. He also detailed branch campus enrollments and student body ethnicity. Dr. Babbitt reported the retention rate for freshman who entered in 2011 is up 2.5% from the prior year.

Regent Chalmers expressed surprise that non-retention due to academic issues was much less prevalent than he expected. Dr. Babbitt noted that this is self-reported information; while we know that 20% of our freshman class is in some sort of academic trouble, they do not see the academic challenge as their biggest concern. The Regent pointed out that an academic problem that results in a student not passing 12 credit hours becomes a financial problem because they cannot retain the Lottery Scholarship.

Regent Hosmer complimented the Provost on the programs he has established to address retention issues.

Regent Abeita said financial management education needs to be provided. Dr. Babbitt said financial literacy is a re-emerging priority. Early alert programs are critical and ours begin as early as eight days the semester.

- **Regent Gallegos requested more information on non-resident students, their country or state of origin, and test scores.**

Dr. Babbitt reported that the incoming non-resident freshman class shows a 6% increase over last year and shows some emerging states. He told Regent Gallegos that although admission requirements were raised this year they did not refuse more students this year than last.

Regent Wellman asked if the enrollment measures up to the federal ethnicity targets we are working toward. He was told we are very close to the 50% required for "minority serving." Currently, the two-or-more category is not counted as it was not included in the definition.

Dr. Frank congratulated Provost Abdallah and his team on the significant 2.5% increase in retention. Dr. Frank also announced the extension of the appointment of Dr. Abdallah as Provost.

C. Update on Lobo Village/Casas Del Rio, Eliseo Torres, VP Student Affairs

Dr. Torres reported on the numerous initiatives to improve alcohol and substance abuse education, awareness and prevention. He also provided information on the occupancy rates for campus housing and the capital projects to improve the older campus housing units. He issued an invitation to the Grand Opening for Casas del Rio on October 9th.

Dr. Torres told Regent Abeita there has been a significant improvement in Lobo Village life. Regent Fortner reported that security has improved significantly. Regent Gallegos praised the incoming freshman arrival procedures at Casas del Rio.

Regent President Fortner and Regent Hosmer complimented Dr. Torres and the University on the approach taken on these issues. They have set up a system that appears to address permanently the issues involved. It is not something that is solved; it is something you keep working on to preserve a balance between independence and college life for young people and the goals of the University. It also sets up constant feedback from residents.

Audit Committee, Regent Gene Gallegos, Chair

A. Report from the Audit Committee Special Meeting 8/16/12

Regent Gallegos recommended that Regents read the Foundation audit report.

V. **Comments from Regents' Advisors** (reports received are included in BOR E-Book)

Faculty Senate, President Amy Neel. Dr. Neel made no remarks to supplement her written report.

Staff Council, President Mary Clark. Ms. Clark made no remarks to supplement her written report.

GPSA, President, Marisa Silva. In addition to her report, Ms. Silva introduced the new GPSA Chief of Staff, Saheb Saini. She thanked President Frank for including students in his budget steering committee.

- **Regent Fortner asked Lee Peifer to determine if a Student Regent has to be registered to vote, as the make-up of the BOR must adhere to a specified political party affiliation ratio.**

ASUNM, President Caroline Muriada. Ms. Muriada encouraged attendance at Fall Frenzy and Homecoming.

Alumni Association, President Duffy Swan. Mr. Swan had to leave the meeting early. Regent Fortner emphasized the Celebrate UNM in Rio Rancho event on Sept. 18th to welcome Dr. Frank.

UNM Foundation, Chair Gary Gordon. Mr. Gordon was not able to attend the meeting.

Parent Association. (none)

Retiree Association, President Scott Obenshain. Regent Fortner announced that Dr. Obenshain had taken a teaching position at the King Saud bin Abdulaziz University for Health Sciences, beginning the middle of November. Dr. Obenshain introduced Dr. Donald Duszynski who, as Interim-President, will assume leadership of the Alumni Association.

Public Comment

Kimberly Moss, NMEHCA (New Mexicans for Equal Health Care Access), expressed the group's concern with regard to the new UNM Hospital approved by the BOR in June 2012. The association's concerns are: 1) how will the hospital align with the mission of UNMH, 2) why wasn't the public engaged in the process and, finally, that it is unclear how the new hospital will be funded in the short and long term. The association is asking the BOR for a business plan outlining the short- and long-term fiscal plan and detailing how the hospital services will align with the UNMH mission. Additionally, the group asks that the BOR revisit the issue to allow for public comment via a town hall.

VI. Vote to close the meeting and to proceed into Executive Session

Motion to proceed into Executive Session passed unanimously at 11:30 a.m. (1st Gallegos, 2nd Abeita).

VII. Executive Session 11:30 a.m. – 12:30 p.m.

- 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).
- C. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8) NMSA (1978).

VIII. D. Vote to re-open the meeting.

Motion to return to open session passed at 12:30 p.m. (1st Fortner, 2nd Koch).

- E. Certification that only the matters described in Agenda item VII. were discussed in Executive Session and, if necessary, final action with regard to those matters will be taken in Open Session.

Motion to endorse the Foundation MOA contract passed unanimously, with a note that the final contract is to be reviewed by the Foundation Board (1st Hosmer, 2nd Abeita).

IX. Adjournment

Motion to adjourn the meeting passed at 12:35 p.m. (1st Gallegos, 2nd Abeita).



University Services

University Services Business Operations UNM Surplus Property
UNM Copy Center UnivServ Shipping and Receiving
UNM Mailing Systems UNM Inventory Control
UNM Records Management Chem Stores/CRLS
<http://www.unm.edu/~univserv/> Print Management Program

Date: September 14, 2012

To: Bruce Cherrin, Chief Procurement Officer
 Purchasing Department

From: Debra L. Fondino *D. Fondino*
 Associate Director, University Services

Subject: Equipment Disposition -- September 2012

Attached for your review and submission to the Board of Regents is the Surplus Property Disposition Detail list for the month of September, 2012.

Consistent with UNM Board of Regents Policy 7.9 and the Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM's inventory and disposed of in accordance with the above noted Regents Policy and Surplus Property Act.

Surplus Property Department
Disposition Detail List
as of 09/14/12

UNM#	Department surplusing equipment	Description	Manufacturer	Model#	Serial#	Year	Acquisition Cost	NBV	Method Of Disposal Desc	Disposal Date
(1) 234304	COP Pharmaceutical Sciences	TRACKER GPS	Columbus	AUTO TRACK SYS		1998	12,530.00	765.86	Obsolete	08/31/2012
N00006545	Computer Science	Server	JJTech	Dual Xeon DDRII	8105	2006	9,759.00	-	Obsolete	08/27/2012
(2) N00009417	CID Biodefenses PI #1	Incubator	ThermoElect	HERAcell 150 CO2	40546244	2006	8,372.00	1,295.43	Too Costly to Repair	09/09/2012
(2) N00007747	CID Biodefenses	Incubator	ThermoElect	HERAcell 150 CO2	40544910	2006	7,808.00	836.75	Too Costly to Repair	09/09/2012
(3) N00026818	HR Finance Tech & Business Svcs	Safe	FireKing	DM2520-3	SF2010016003	2010	6,090.16	4,719.91	Obsolete	09/14/2012
(4) 240405	Business Applications/IT Computer	PROJECTOR	InFocus	LP755ZY	3WWW95200695	2000	5,474.00	688.82	Too Costly to Repair	09/09/2012

Total Disposition Items: 7

Disposition value: 55,651.16

Disposition bookvalue: 8,286.77

September 14, 2012

Additional Notes to Surplus listings dated 09/14/12:

1 –Asset# 234304 is an Auto Tracker from the College of Pharmacy. Due to its age of 14 years, the parts are hard to find, making the cost of repairs increasingly costly.

2 –Asset# N00009417 and N00007747 are two incubators from the Center for Infectious Disease and Immunity (CIDI). Both require repair yet the CIDI believes that they cannot be repaired to work reliably. The motherboards need to be replaced and according to the manufacturer, even if repaired there is no guarantee that the units will work properly. CICI cannot allow for the incubators to be unreliable which would affect their research. New incubators have been purchased.

3 –Asset# N00026818 a Fire King Data Safe purchased through HR in conjunction with other departments. The safe was purchased in 2010 to serve as an offsite storage location for HR data backup media. The Bursar's office, where the safe was housed in Mesa Vista Hall, has relocated to the John and June Perovich Business Center and the department moving into the Bursar's old space does not wish to use or house the data safe. The safe is owned by Financial Services, the Office of Contract Archaeology and HR; however, moving the safe to any of these locations would obviate its use as an off-site storage location.

An alternate offsite, fire resistant cabinet has been located and will house the referenced backup media. The safe will be sold in an online auction with the proceeds being returned to the department.

4 –Asset# 240405 is a 12-year old projector. Although it has a net book value, it is long past its useful life. The projector should have been assigned a five-year life in Banner when purchased.

----- Note: Any item of value in this list will be re-sold through all means available, i.e.: Request for Bid, Auction house, special auction, online sale, to recover the maximum monies to re-invest in the mission of the requesting department.



Memo

To: David W. Harris, EVP for Administration, COO & CFO
From: Kim D. Murphy, Director of Real Estate *KDM*
Date: September 24, 2012
Re: ACC Student Housing: Lease Amendments (Lobo Village & Casas del Rio)

Lobo Village: First Amendment to Lease Agreement (UNM – Component I)

This lease amendment (see attached) incorporates applicable provisions of the Casas del Rio Lease Agreement and makes the Lobo Village lease consistent with the Casas del Rio lease, which was negotiated after the Lobo Village lease. The following substantive areas are now in agreement between the two lease documents, in addition to several “clean-up” items:

- a) Section 5.4 “Naming Rights”
- b) Section 7.3 “Student Information”
- c) Section 20.1 “Right to Mortgage”
- d) Section 20.2 “Amendment of Lease/Additional Agreements”
- e) Section 22.1 “Transfer by Lessee” (Subsection 22.1.5 only and Exhibit N)

Casas del Rio: First Amendment to Lease Agreement (UNM – Component II, Phase 1)

On February 14, 2012, the Board of Regents approved, in concept, a modification of the rent structure for this lease, which specifies the initial annual ground rent as \$484,742.00. This amendment codifies this modification, and acknowledges receipt by UNM of ACC’s payment of \$305,000.00 (“first year base rent”) toward initial annual ground rent. The balance of \$179,742.00 will be due and payable within 15 days following execution of the First Amendment.

Please see the following documents attached:

- a) First Amendment to Lease Agreement (UNM – Component II, Phase 1)
- b) BOR Agenda Item “I” (February 14, 2012): Casas del Rio Ground Rent Proposal
- c) BOR Agenda Item “I” (February 14, 2012): Meeting Minutes

Approval of both lease amendments is requested. Staff and outside counsel at the Rodey Law Firm will be present to discuss.

FIRST AMENDMENT TO LEASE AGREEMENT
(UNM – Component I)

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this “First Amendment”) dated as of the Effective Date (hereinafter defined) is by and between the REGENTS OF THE UNIVERSITY OF NEW MEXICO, a body corporate, on behalf of THE UNIVERSITY OF NEW MEXICO, a constitutionally created educational institution of the State of New Mexico (“Lessor”), and ACC OP (UNM SOUTH) LLC, a Delaware limited liability company (“Lessee”).

RECITALS

- A. Lessor and Lessee entered into and executed that certain Lease Agreement (the “Lease”) dated on or about May 28, 2010 with respect to certain Leased Premises (as defined in the Lease) in Bernalillo County, New Mexico and described therein.
- B. Lessor and Lessee desire to modify and amend the Lease as herein set forth.

AGREEMENTS

THEREFORE, intending to be legally bound, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

- 1. The following is hereby added as new Section 5.4 of the Lease:

“5.4 Naming Rights.

5.4.1 Lessee will choose the name for the Project, subject to the written approval of Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. Lessor shall have the unilateral right, at its option, in a fashion consistent with UNM policy, subject to the written approval of Lessee, which approval shall not be unreasonably withheld, conditioned or delayed, to name each of the 19 buildings constructed on the Leased Premises and the business center, theater, fitness center, and lounge area spaces within the community center building, and to obtain monetary compensation, contribution, or donation therefor. Lessor, at its expense, shall be entitled to have the named buildings and spaces within the community center building appropriately signed. Lessor shall bear any and all costs associated with its naming in accordance with the previous sentence, including without limitation the costs of signage.

5.4.2 Should Lessor and/or Lessee choose to suggest name(s) for other spaces within any of the buildings in the Leased Premises, the Committee shall have the right to accept or decline the suggestion and, if accepted, to determine the terms and conditions of the naming of the space

and to approve the name before it is affixed to the space to be named.”

2. Section 7.3 of the Lease is hereby deleted and the following is hereby substituted in lieu thereof:

“7.3 Student Information. Lessee and Lessor will work together to develop a process to coordinate the distribution of UNM Student information to Lessee (which coordination may involve Lessor’s Controller, Chief Information Officer and/or Enrollment Manager or successor offices). The parties agree that the Project will be treated the same as any other on-Campus housing facilities for this purpose. Except to the extent prohibited by applicable federal, state, or local laws, and subject to applicable UNM policies and procedures, Lessor will provide to Lessee on a timely basis, in an electronic format, contact information (name, classification, current local address, home address, email address, and other forms or methods of contact information) for all UNM Students and prospective students who have applied for admission to UNM, which contact information shall be used by Lessee for the purpose of marketing the Project and for no other purpose. Lessee shall reimburse Lessor for its actual cost of providing such information, without any mark-up, overhead or profit. Notwithstanding the foregoing, to the extent that either (a) current applicable State or federal law (including without limitation the Family Educational Rights and Privacy Act [FERPA] [20 U.S.C. § 1232g; 34 CFR Part 99]) is changed, (b) new applicable State or federal laws are enacted or (c) Lessor is legally challenged and, as a result of any of the above, Lessor hereafter becomes legally prohibited from providing student contact information to Lessee, Lessor agrees to disseminate Lessee’s marketing materials and information related to the Project to UNM Students, promptly following written request therefor by Lessee, in which event Lessee shall reimburse Lessor for its actual cost of disseminating Lessee’s marketing information, without any mark-up, overhead, or profit.

3. Sections 20.1 (Right to Mortgage) and 20.2 (Amendment of Lease/Additional Agreements) of the Lease are hereby deleted and the Sections 20.1 and 20.2 set forth on Exhibit A attached hereto are hereby substituted in lieu thereof for all purposes.

4. Section 22.1.5 of the Lease is hereby modified as follows:

(a) The third grammatical sentence of Section 22.1.5 of the Lease is hereby deleted and the following is hereby substituted in lieu thereof for all purposes:

“In the event that Lessor does not timely deliver to Lessee an Exercise Notice pursuant to this Section 22.1.5, then Lessor’s right to exercise the Purchase Right as to the specific Offer Notice extended from Lessee to Lessor shall expire and Lessee shall be free to thereafter market or offer

the Project for sale and Lessor shall not be entitled to deliver an Exercise Notice pursuant to Exhibit N for a period of five (5) years following Lessor's failure to timely deliver an Exercise Notice pursuant to this Section 22.1.5."

(b) The following is hereby added at the end of the last sentence of Section 22.1.5.3 of the Lease:

“; provided that Lessor shall not be entitled to deliver an additional Exercise Notice pursuant to Exhibit N for a period of five (5) years following a withdrawal of an Exercise Notice pursuant to this Section 22.1.5.3.”

5. Exhibit N (Lessor's Purchase Right) attached to the Lease is hereby deleted and Exhibit N attached hereto is hereby substituted in lieu thereof for all purposes.

6. The term “calendar year” as such term is used in Section 5.1.3 (Outperformance Rent) of the Lease is hereby deleted and the term “Lease Year” is hereby substituted in lieu thereof. The phrase “February 28 of the following calendar year” in the penultimate sentence of Section 5.1.3 of the Lease is hereby deleted and the phrase “that date which is sixty (60) days after the expiration of such Lease Year” is hereby substituted in lieu thereof.

7. The phrase “calendar year (or portion thereof)” in Section 5.2 (Statements) of the Lease is hereby deleted and the phrase “period for which such payment is applicable” is hereby substituted in lieu thereof.

8. The following is hereby added at the end of the first sentence of Section 2.5 of Exhibit D (Fair Market Value Determination) to the Lease:

“and (v) not have any material relationship or affiliation with either Lessor or Lessee which would presumably adversely affect his or her ability to render a fair, impartial determination of value.”

9. The following is hereby added at the end of Section 7.5 (Other Projects) of the Lease: Notwithstanding the foregoing, the term “Other Project” shall not include any student housing facility or project developed or constructed by ACC or any of its affiliates.

10. Address changes in Section 29 (Notices):

TO LESSOR: Real Estate Department
University of New Mexico
Attention: Director of Real Estate
Street address: 2811 Campus Boulevard NE
Albuquerque, NM 87106
Mailing address: MSC 3595, 1 University of New Mexico
Albuquerque, NM 87131-0001
Telephone: 505-277-4620
Facsimile: 505-277-6290

WITH COPIES TO: Office of University Counsel
University of New Mexico
Attention: Lee K. Peifer, Interim General Counsel
Street address: Scholes Hall, Room 152
Albuquerque, NM 87106
Mailing address: MSC05 3310, 1 University of New Mexico
Albuquerque, NM 87131-0001
Telephone: 505-277-5035
Facsimile: 505-277-4154

WITH COPIES TO: Rodey, Dickason, Sloan, Akin & Robb, P.A.
Attention: John P. Salazar, Esq.
Street address: 201 Third Street NW, Suite 2200
Albuquerque, NM 87102
Mailing address: P.O. Box 1888
Albuquerque, NM 87103-1888
Telephone: 505-765-5900
Facsimile: 505-768-7395

TO LESSEE: ACC OP (UNM South) LLC
c/o American Campus Communities
12700 Hill Country Boulevard, Suite T-200
Austin, TX 78738
Attention: President (URGENT)
Telephone: 512-732-1000
Facsimile: 512-494-0603

WITH COPIES TO: ACC OP (UNM South) LLC
c/o American Campus Communities
12700 Hill Country Boulevard, Suite T-200
Austin, TX 78738
Attention: General Counsel (URGENT)
Telephone: 512-732-1000
Facsimile: 512-494-0603

WITH COPIES TO: Glast, Phillips & Murray, P.C.

14801 Quorum Drive, Suite 500
Dallas, TX 75254-1449
Attention: Laura M. Keith
Telephone: 972-419-7129
Facsimile: 972-419-8329

11. The Lease, as modified and amended hereby, shall continue in full force and effect. This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be taken from one counterpart and inserted in other counterparts to form a single First Amendment document.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date indicated next to the respective signatures with the Effective Date to be the date of the last signature affixed hereto.

LESSOR:

REGENTS OF THE UNIVERSITY
OF NEW MEXICO, a body
corporate, on behalf of THE
UNIVERSITY OF NEW MEXICO,
a constitutionally created educational
institution of the State of New
Mexico

By: _____
David W. Harris
Executive Vice President for
Administration, COO and
CFO

Date: _____

[SIGNATURE PAGE OF LESSOR]

LESSEE:

ACC OP (UNM SOUTH) LLC, a
Delaware limited liability company

By: _____

Title: _____

Date: _____

[SIGNATURE PAGE OF LESSEE]

Exhibit A

20.1 Right to Mortgage. On one or more occasions, Lessee and every successor and assignee of Lessee shall have the right to enter into one or more Leasehold Mortgages, but no more than two Leasehold Mortgages concurrently; provided, however, that (a) the amount of the Loan secured by such Leasehold Mortgages, in the aggregate, shall not exceed an amount equal to seventy-five percent (75%) of the then fair market value of Lessee's leasehold estate in the Leased Premises as of the date the loan is made, as reasonably determined by the applicable Leasehold Mortgagee and (b) Lessee obtains a written preliminary indication by Moody's Investors Service (or its successor rating agency) and Standard & Poor's (or its successor rating agency), to the extent that such agency(ies) are then rating UNM's debt, that the borrowing to be secured by such Leasehold Mortgage will not be included in the calculation of direct or indirect debt of UNM or negatively affect UNM's credit rating (a "Rating Determination"). Lessee will (i) involve Lessor in its pursuit of a Rating Determination, (ii) keep Lessor advised as to the status of the Rating Determination and (iii) advise Lessor in advance of any meetings scheduled with rating agencies regarding the Rating Determination. Lessor agrees, at Lessee's request, to cooperate with Lessee in pursuing a Rating Determination and use its reasonable good faith efforts to obtain a Rating Determination. Notwithstanding the foregoing, Lessee shall not enter into a Leasehold Mortgage if the then aggregate balance of indebtedness secured by all Leasehold Mortgages imposed by Lessee on its interest under this Lease, when combined with the aggregate balance of indebtedness secured by leasehold mortgages placed by Lessee or an Affiliate on other Ground Leases contemplated by the Master Agreement, would exceed seventy-five percent (75%) of the then combined fair market value of Lessee's leasehold estate in the Leased Premises and the leasehold estate in the leased premises under such other Ground Leases as of the date the loan is made, as reasonably determined by the applicable Leasehold Mortgagee. Lessee shall not place or create any Leasehold Mortgage or other mortgage of any kind or lien or encumbrance purporting to affect Lessor's fee interest in the Leased Premises or Lessor's interest in this Lease. Lessee shall give at least thirty (30) days' prior written notice to Lessor of its intent to grant a Leasehold Mortgage, including in such notice the name and address of the proposed Leasehold Mortgagee and the amount of such Loan or Loans, and thereafter Lessee shall promptly furnish any other information regarding the Leasehold Mortgage which Lessor may reasonably request.

20.2 Additional Agreements. Lessor acknowledges that (a) Lessee's right to grant Leasehold Mortgages as permitted pursuant to Section 20.1 hereinabove is a valuable and important right to Lessee, (b) such right to grant Leasehold Mortgages is important to the continued success and viability of the Project, (c) without such right Lessee would not enter into this Lease and (d) if Lessor defaults in its obligations under this Section 20.2 and, as a result Lessee is unable to adequately finance the Project, Lessee may suffer economic losses. Lessor further acknowledges that any Leasehold Mortgagee will reasonably require reasonable and customary amendments to certain terms and provisions of this Lease, certain additional customary terms and provisions required to protect the Leasehold Mortgagee's interests and/or Lessor's execution of one

or more additional customary documents or agreements, as conditions to providing funding which will be secured by such Leasehold Mortgage. At all times while there is in effect any Leasehold Mortgage, Lessor agrees as follows:

20.2.1 Lessor will provide Leasehold Mortgagees with written notice of any default by Lessee, any termination of this Lease or any proceeding or arbitration in connection with this Lease at the same time and in the same manner that such notices are provided to Lessee.

20.2.2 Leasehold Mortgagees shall have a reasonable period of additional time (not less than 30 days in addition to the cure period provided to Lessee hereunder) to cure a default by Lessee under this Lease, and Lessor agrees to accept the cure of such default by a Leasehold Mortgagee.

20.2.3 If Lessor desires to terminate this Lease due to an Event of Default, Lessor shall give advance written notice thereof to Leasehold Mortgagees, and a Leasehold Mortgagee may prevent such termination by curing all monetary defaults by Lessee hereunder and curing all nonmonetary defaults by Lessee hereunder which are capable of being cured by Leasehold Mortgagee within the applicable cure period set forth in Section 27.1 (as extended pursuant to Section 20.2.2 above); provided, however, that if Leasehold Mortgagee is prevented from curing such nonmonetary default because such default may be cured or complied with only by Lessee, such default is not curable or because Leasehold Mortgagee does not have possession of the Leased Premises, then provided that Leasehold Mortgagee is using commercially reasonable efforts to gain possession of the Leased Premises Leasehold Mortgagee shall have a reasonable period of time (not less than 30 days, plus any time Leasehold Mortgagee is enjoined or stayed) after Leasehold Mortgagee gains possession of the Leased Premises to cure such default or Event of Default which is capable of being cured by Leasehold Mortgagee.

20.2.4 Any foreclosure or sale or conveyance in lieu thereof under any Leasehold Mortgage shall not be deemed a Transfer requiring Lessor's consent hereunder; provided that if the Leasehold Mortgagee or purchaser at foreclosure would not qualify as a Qualified Assignee, then such Leasehold Mortgagee or purchaser at foreclosure promptly shall thereafter either sell or convey the Leased Premises to a Qualified Assignee or engage a management company satisfying the requirements set forth in subparagraphs (b), (c) and (d), as applicable, in the definition of "Qualified Assignee" as set forth in Section 1 hereof to manage and operate the Leased Premises.

20.2.5 In the event Lessor terminates this Lease, Lessor shall notify Leasehold Mortgagee thereof in writing (a "Notice of Termination") and Leasehold Mortgagee may thereafter elect, by written notice thereof to Lessor within sixty (60) days after Leasehold Mortgagee receives written notice of such termination, to require Lessor to execute a new lease ("New Lease") with Leasehold Mortgagee on the same terms and conditions of this Lease and, in connection with the New Lease (i) Leasehold Mortgagee shall pay or cause to be paid to Lessor at the time of the execution and delivery of such New Lease, any and all sums that are at the time of execution and

delivery thereof due pursuant to this Lease regardless of such termination and, in addition thereto, all actual, reasonable expenses, including reasonable attorneys' fees, that Lessor shall have incurred by reason of such termination and the execution and delivery of the New Lease and that have not otherwise been received by Lessor from Lessee or other party in interest under Lessee, (ii) Leasehold Mortgagee shall agree to remedy any of Lessee's defaults of which the Leasehold Mortgagee was notified by Lessor's Notice of Termination and that are reasonably susceptible of being cured by Leasehold Mortgagee, and (iii) upon the execution and delivery of a New Lease, all Subleases shall thereupon be assigned and transferred, without warranty or recourse by Lessor to the extent of its interests, if any, to the lessee under the New Lease. Upon the execution of such New Lease, Lessor shall allow to the lessee named therein as an offset against the sums otherwise due under this Section or under the New Lease, an amount equal to the net income (net of any and all operating expenses paid or incurred by Lessor following the date of termination of this Lease) derived by Lessor from the Leased Premises during the period from the date of termination of this Lease to the date of the beginning of the term of such New Lease. In the event that more than one Leasehold Mortgagee timely notifies Lessor of its desire to enter into a New Lease, only the Leasehold Mortgagee whose Leasehold Mortgage is first in right and priority shall have the right to enter into a New Lease pursuant to this Section 20.2.5.

20.2.6 Leasehold Mortgagees shall be permitted to go upon the Project, from time to time.

20.2.7 There shall be no modification or amendment of this Lease without Leasehold Mortgagee's written approval. There shall be no voluntary surrender of this Lease by Lessee without Leasehold Mortgagee's written approval.

20.2.8 Leasehold Mortgagee shall not be liable for any duties, obligations, actions or inactions of the Lessee under this Lease prior to the date on which Leasehold Mortgagee takes possession of the Leased Premises, and in any event the Leasehold Mortgagees liability under this Lease shall be limited to its interest in the Leased Premises.

20.2.9 So long as any Leasehold Mortgage is in existence, unless this Lease has otherwise been terminated in accordance with its terms, the title to the Leased Premises and the leasehold estate of Lessee therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said title and said leasehold estate by Lessor or by Lessee or by a third party, by purchase or otherwise.

In the event that Lessee hereafter desires to enter into a Leasehold Mortgage, Lessor agrees to timely consider in good faith any modifications, clarifications or changes to this Lease and/or any other agreement reasonably requested by a Leasehold Mortgagee (including without limitation any modifications or amendments to the agreements set forth in this Section 20.2) which are reasonably requested by a Leasehold Mortgagee.

Exhibit N

Lessor's Purchase Right

Provided that Lessor is not then in default hereunder, (1) following the expiration of the tenth (10th) Lease Year, Lessor shall have the right ("Purchase Right"), at its option, to purchase all of the right, title and interest of Lessee under this Lease (the "Leasehold Interest"), subject to and in accordance with the terms and provisions of this Exhibit N and (2) pursuant to Section 22.1.5 of this Lease, Lessor shall have the right to purchase the Leasehold Interest, subject to and in accordance with the terms and provisions of Section 22.1.5 of this Lease. All capitalized terms used in this Exhibit N which are not otherwise defined in this Exhibit N shall have the meanings ascribed to such terms in the Lease Agreement to which this Exhibit N is attached (the "Lease"). The Purchase Right shall be exercised and consummated, if at all, in accordance with the following provisions:

1. Exercise. In order to exercise the Purchase Right, Lessor must deliver written notice of such exercise (the "Exercise Notice") to Lessee following the expiration of the tenth (10th) Lease Year. In order to be effective, the Exercise Notice must state as follows: "LESSOR HEREBY EXERCISES THE PURCHASE RIGHT PURSUANT TO PARAGRAPH 1 OF EXHIBIT N TO THE LEASE". In addition, in the event that there then exists any Leasehold Mortgage covering all or any portion of the Leasehold Interest, then the Exercise Notice, to be effective, must state unequivocally whether (a) Lessor elects to assume the indebtedness and obligations secured by such Leasehold Mortgage(s) (the "Assumption Election") or (b) Lessor elects to pay in full the entire outstanding balances of interest and principal due and owing pursuant to such Leasehold Mortgage(s) at the Closing (hereinafter defined) (the "Repayment Election"). Lessor acknowledges and understands that in the event that Lessor elects the Assumption Election, then Lessor must, as a condition to the effectiveness of the Exercise Notice, obtain the consent of the Leasehold Mortgagee(s) to such assumption.

2. Purchase Price. The purchase price ("Purchase Price") to be paid by Lessor to Lessee for the Leasehold Interests shall be the greater of (a) the Lessee's FMV, as determined in accordance with Exhibit D to the Lease, determined as of that date which is six (6) months prior to the Closing Date (hereinafter defined), (b) such amount as will result in Lessee receiving an unlevered Internal Rate of Return (as determined in accordance with industry standards) on the Project of nine percent (9%), as determined as of that date which is six (6) months prior to the Closing Date or (c) the total amount of all sums (including without limitation interest, principal, prepayment fees, prepayment penalties, defeasance costs, collateral replacement costs and other costs and fees of any Leasehold Mortgagee) due and owing under, or secured by, all Leasehold Mortgages as of the Closing Date (the "Leasehold Mortgage Amount"). Lessor may, by written notice thereof to Lessee on or before that date which is thirty (30) days after the Purchase Price is determined as hereinabove provided, withdraw the Exercise Notice. In the event that Lessor timely withdraws the Exercise Notice as set forth in the preceding sentence, then as to the Exercise Notice delivered to Lessee neither Lessor nor Lessee shall

thereafter have any further duties, obligations or rights pursuant to this Exhibit N. A withdrawal of an Exercise Notice pursuant to this Paragraph 2 shall not prejudice Lessor's continuing right to deliver additional Exercise Notices on subsequent occasions during the term of the Lease in accordance with this Exhibit N; provided that Lessor shall not be entitled to deliver an additional Exercise Notice pursuant to this Exhibit N for a period of five (5) years following a withdrawal of an Exercise Notice pursuant to this Paragraph 2. For purposes of this Paragraph 2, the meeting described in Section 2.1 of Exhibit D shall occur on or before that date which is ten (10) business days after Lessee's receipt of the Offer Notice.

3. Closing. The closing of the assignment of the Leasehold Interest by Lessee to Lessor (the "Closing") shall occur on or before that date which is thirteen (13) months following the date of Lessee's receipt of the Exercise Notice (the "Closing Date"). The Closing shall be held at the offices of a title insurance company located in Albuquerque, New Mexico ("Title Company") as directed by Lessee. At the Closing, the following shall occur:

(a) Lessor shall pay the Purchase Price to Lessee in cash, by wire transfer of federal funds, in US Dollars. In the event that there are any Leasehold Mortgages then in effect, then the Purchase Price shall be paid as follows:

(i) In the event that Lessor has elected the Assumption Election, then the portion of the Purchase Price to be paid to Lessee shall be equal to (A) the entire Purchase Price, less (B) the total amount of unpaid principal and accrued but unpaid interest owing pursuant to all Leasehold Mortgages as of the Closing Date.

(ii) In the event that Lessor has elected the Repayment Election, then the portion of the Purchase Price to be paid to Lessee shall be equal to (A) the entire Purchase Price, less (B) the Leasehold Mortgage Amount. In addition to paying the Purchase Price to Lessee, Lessor shall at Closing pay in full the entire Leasehold Mortgage Amount. Any and all escrows and impounds under any Leasehold Mortgages (including without limitation escrows or impounds for taxes, insurance and repairs) (collectively, "Impounds") shall be disbursed by the Leasehold Mortgagee to Lessee or, if such Impounds were deducted from the payoff amount paid by Lessor to the Leasehold Mortgagee, an amount equal to the balance of the Impounds shall be paid by Lessor to Lessee.

(b) Lessee and Lessor shall execute, acknowledge and deliver (i) an Assignment and Assumption of Leasehold Interests in form and substance reasonable acceptable to Lessor and Lessee and (ii) an Assignment and Assumption of Leases and Service Contracts in form and substance reasonably acceptable to Lessor and Lessee.

(c) Lessor shall pay any and all costs and expenses associated with the Closing, including without limitation transfer taxes, mortgage taxes, title insurance premiums, recording costs and any fees or expenses of the Title Company. Each of Lessor and Lessee shall be responsible for their own attorneys' fees and costs. In the

event that Lessor has elected the Assumption Election, then at Closing Lessor shall pay any and all assumption fees or similar fees relative to Lessor's assumption of the Leasehold Mortgages, together with any and all costs associated with such assumption, including without limitation legal fees, recording fees and transfer taxes.

(d) The following shall be prorated between Lessee and Lessor as of midnight of the day immediately preceding the Closing Date:

(i) All Rent and other payments due and owing pursuant to this Lease;

(ii) All rental and other payments received pursuant to Subleases; and

(iii) Utilities (including without limitation electricity, water, sewer, telephone and data communications), real and personal property taxes associated with the Project and all other operating expenses for the Project.

(e) All refundable security deposits then on hand with Lessee pursuant to Subleases, and any prepaid rents under Subleases attributable to periods of time after the Closing Date, shall be assigned and transferred by Lessee to Lessor or, at Lessee's option, credited to the Purchase Price. In the event that Lessor elected the Assumption Election, then Lessor shall pay to Lessee, in addition to the Purchase Price, an amount equal to all Impounds then existing under or in connection with the Leasehold Mortgages.

(f) Lessee shall deliver to Lessor all Subleases (together with associated sublease files), service contracts and keys to the Improvements. Lessee may, at its option, remove from the Project any and all computers proprietary or confidential materials and/or signage, and such property shall not be transferred or assigned to Lessor hereunder.

(g) In the event that Lessor elected the Assumption Election, then Lessor and Lessee shall execute such assumption agreements and other documentation as are required by the Leasehold Mortgagees relative to the assumption by Lessor of the Leasehold Mortgages.

(h) Effective as of the Closing, the Guaranty shall be deemed satisfied and released, and Guarantor shall have no further duties or obligations thereunder. Upon written request therefor by Lessee, Lessor shall execute any document reasonably requested by Lessee in order to evidence the satisfaction and release of the Guaranty, but such execution by Lessor shall not be deemed a condition to the effectiveness of the foregoing release.

4. Release under Leasehold Mortgages. In the event that there exists any Leasehold Mortgage as of the Closing Date, then notwithstanding anything set forth or implied herein to the contrary, as a condition precedent to Lessor's ability to exercise the

Purchase Right and to consummate the Closing and as a condition precedent to Lessee's obligation to consummate the Closing and assign the Leasehold Interest to Lessor, at or prior to Closing Lessee and any affiliate of Lessee which is a guarantor, surety or otherwise liable or responsible, in whole or in part, under or in connection with any Leasehold Mortgage must be unconditionally, irrevocably and unequivocally released from any and all duties, obligations, liabilities and responsibilities under all such Leasehold Mortgagees upon terms and provisions satisfactory to Lessee in its sole and absolute discretion.

5. Failure of Closing. In the event that Lessor delivers an Exercise Notice, but the Closing does not occur on or before the Closing Date due to a failure of any condition set forth in this Exhibit N or any other reason other than a default by Lessee hereunder, then the Purchase Right shall automatically expire and be of no further force and effect as of the Closing Date, and this Lease shall remain in full force and effect.

6. Lessor Approvals. In the event that Lessor delivers an Exercise Notice, but Lessor does not receive approval of the New Mexico Higher Education Department, or its successor entity, and the New Mexico State Board of Finance, or its successor entity (collectively, the "Lessor Approvals") on or before that date which is thirty (30) days prior to the Closing Date, then Lessor's Exercise Notice shall be deemed withdrawn and the Purchase Right shall automatically expire and be of no further force and effect as of the Closing Date, and this Lease shall remain in full force and effect. Lessor shall keep Lessee advised of the status of the Lessor Approvals and shall notify Lessee in writing when such Lessor Approvals are received.

FIRST AMENDMENT TO LEASE AGREEMENT
(UNM – Component II)

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") dated as of the Effective Date (hereinafter defined), is by and between the REGENTS OF THE UNIVERSITY OF NEW MEXICO, a body corporate, on behalf of THE UNIVERSITY OF NEW MEXICO, a constitutionally created educational institution of the State of New Mexico ("Lessor"), and ACC OP (UNM MAIN 1) LLC, a Delaware limited liability company ("Lessee").

RECITALS

- A. Lessor and Lessee entered into and executed that certain Lease Agreement (the "Lease") dated on or about May 20, 2011 with respect to certain Leased Premises (as defined in the Lease) in Bernalillo County, New Mexico and described therein.
- B. Lessor and Lessee desire to modify and amend the Lease as herein set forth.

AGREEMENTS

THEREFORE, intending to be legally bound, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

- 1. Section 5.1.1 is amended by deletion and substitution, as follows: all of the present language is deleted and the below language is inserted in substitution:

5. Rent.

5.1 Lessee shall pay as Rent the sums of the following amounts:

5.1.1 First Five Lease Years. During the first five (5) Lease Years, Lessee shall owe to Lessor annual Rent in the following amounts (the "Initial Rent"):

- 5.1.1.1 First Lease Year: \$484,742.00;
- 5.1.1.2 Second Lease Year: \$499,284.00;
- 5.1.1.3 Third Lease Year: \$514,263.00;
- 5.1.1.4 Fourth Lease Year: \$529,678.00; and
- 5.1.1.5 Fifth Lease Year: \$545,577.00.

The amount of \$305,000.00 of the Initial Rent for the first Lease Year has been heretofore paid by Lessee and received by Lessor. The remaining balance of Initial Rent for the first Lease Year shall be paid on or before fifteen (15) days following the Effective Date. Initial Rent shall thereafter be paid in advance and without prior notice or demand on the first day of the second, third, fourth and fifth Lease Year. Following the payment of Initial Rent due on the first day of the fifth Lease Year as hereinabove provided, Lessee shall have no further obligation

to pay Initial Rent hereunder.

2. The number "\$5,331,997.00" in Section 5.1.2(a)(i)(B) is hereby deleted and the number "\$5,339,529.00" is hereby substituted in lieu thereof.

3. Address changes in Section 29 (Notices):

TO LESSEE: ACC OP (UNM South) LLC
c/o American Campus Communities
12700 Hill Country Boulevard, Suite T-200
Austin, TX 78738
Attention: President (URGENT)
Telephone: 512-732-1000
Facsimile: 512-494-0603

WITH COPIES TO: ACC OP (UNM South) LLC
c/o American Campus Communities
12700 Hill Country Boulevard, Suite T-200
Austin, TX 78738
Attention: General Counsel (URGENT)
Telephone: 512-732-1000
Facsimile: 512-494-0603

WITH COPIES TO: Glast, Phillips & Murray, P.C.
14801 Quorum Drive, Suite 500
Dallas, TX 75254-1449
Attention: Laura M. Keith
Telephone: 972-419-7129
Facsimile: 972-419-8329

4. Lessor hereby waives (a) any Event of Default by Lessee prior to the Effective Date resulting from the failure by Lessee to comply with the provisions of Section 5.1.1 of the Lease regarding payment of Initial Rent for the first Lease Year and (b) the right to receive any late fee or interest accrued prior to the Effective Date in connection therewith pursuant to Section 27.4 of the Lease.

5. The Lease, as modified and amended hereby, shall continue in full force and effect. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be taken from one counterpart and inserted in other counterparts to form a single Amendment document.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Amendment is signed, sealed, executed and delivered by the parties as of the date indicated next to the respective signatures with the Effective Date to be the date of the last signature affixed hereto.

LESSOR:

REGENTS OF THE UNIVERSITY OF NEW MEXICO, a body corporate, on behalf of THE UNIVERSITY OF NEW MEXICO, a constitutionally created educational institution of the State of New Mexico

By: _____
David W. Harris
Executive Vice President for
Administration, COO and CFO

Date: _____

[SIGNATURE PAGE OF LESSOR]

LESSEE:

ACC OP (UNM MAIN 1) LLC, a Delaware limited liability company

By: _____

Title: _____

Date: _____

[SIGNATURE PAGE OF LESSEE]

Memo

To: David Harris, EVP for Administration, CFO & COO
From: Kim Murphy, Associate Vice President, LDC *KJM*
Date: January 31, 2012
Re: LDC Recommendation: Casas del Rio Ground Rent Proposal
(American Campus Communities)

Action:

On January 30, 2012, the Board of Directors of Lobo Development Corporation approved and recommends approval to the Regents Finance & Facilities Committee a proposal from American Campus Communities (ACC) to set the first year annual ground rent for Casas del Rio Student Housing Project (UNM – Component II, Phase I) on Main Campus at \$484,742.

Background:

The Ground Lease Agreement between the Regents of the University of New Mexico and ACC provides a formula for determining the first year ground rent based on Actual Total Development and Construction Costs determined at the completion of the project. This approach was necessary because at the time of the approval and execution of the Ground Lease Agreement ACC had not obtained final construction contract pricing on all components of the Project, and construction needed to be commenced by late May 2011 in order to meet the completion deadline of August 2012.

The formula in the Ground Lease Agreement for calculating the first year ground rent is based on the following parameters:

Target Total Development & Construction Cost: \$34,716,388
First Year Initial Rent: \$484,742
ACC Yield: 7.50%

The formula provides that if Actual Total Development and Construction Costs are greater than Target Total Development and Construction Costs, the difference is multiplied by ACC Yield and the product is subtracted from the

First Year Initial Rent. If Actual Costs are less than Target Costs, the difference is multiplied by one-half ACC Yield and the product is added to the First Year Initial Rent. The formula also provides that First Year Initial Rent can be no lower than \$305,000.

When its final development and construction project budget was determined, ACC agreed to review the ground rent formula calculations with UNM.

ACC Proposal:

ACC's revised Target Development and Construction Cost is currently \$39,417,359 or \$4,700,971 above the initial Target Cost. The increase is attributable to the following:

- Approximately \$3 million for the 4-pipe mechanical system upgrade which connects to the UNM Central Plant
- Approximately \$1.5 million for 17,271 SF added to the building program
- Approximately \$1.2 million (~3.5%) in general cost increases associated with subcontractor pricing relative to Lobo Village

Because of operational cost savings associated with connecting to the UNM Central Plant, ACC has agreed to lower its target yield from 7.50% to 7.25%, which will allow UNM to realize the target ground rent of \$484,742 for the initial year. An alternative proposed by ACC to fixing the initial year rent today at \$484,742 is to modify the formula parameters by revising Target Cost to \$39,417,359, lowering ACC Yield to 7.25% and increasing first year rent "floor" to \$400,000 and to run the ground rent formula based on Actual Cost at the completion of the project.

Analysis:

ACC's current projected total project cost is \$39,108,754 or about \$308,605 under the revised Target Cost. However, this amount does not reflect unused owner contingency of \$572,802. If this unused contingency were included the current projected total project cost budget would be \$39,681,556 or about \$264,197 over the revised Target Cost, and would result in an initial year ground rent to UNM of \$465,588.

According to ACC, at this time approximately 95% of the current projected total project cost (excluding unused contingency) is either expensed or committed, ie under contract. To date, the uncommitted future costs, including unused contingency, amount to approximately \$2.1 million or about 5% of the current projected total project cost budget. This is the potentially variable portion of the budget that will impact the UNM ground rent calculation.

Examination of ACC's current projected total project cost budget and a sensitivity analysis of the uncommitted future costs, including the unused owner contingency, suggests that final Actual Costs should come in close to revised Target Costs. Further, the opportunity for Actual Costs to be lower than revised Target Costs (resulting in initial year rent greater than \$484,742) appears remote. Therefore, the risk that Actual Costs will be higher than revised Target Costs appears greater than the likelihood that they will be lower.

ACC documents relating to revised Total Cost and first year ground rent are attached.

Conclusion & Recommendation

Based on the forgoing, as well as a determination that ground rent for Casas del Rio exceeds market rent for the 4.5 acre leased parcel, the Board of Directors of Lobo Development Corporation approved and recommends approval to the Regents Finance & Facilities Committee the setting of initial year annual ground rent at \$484,742 for the Casas del Rio project.

Upon approval by the Regents Finance & Facilities Committee and the Board of Regents, the EVP for Administration shall direct the preparation of an amendment of the Ground Lease Agreement with ACC and shall be authorized to execute such amendment to reflect this action.

The University of New Mexico
Board of Regents' Meeting
February 14, 2012
Student Union Building Ballroom C
Meeting Minutes

Members present: President Jack L. Fortner, Vice President Don L. Chalmers, J.E. "Gene" Gallegos, Bradley C. Hosmer, James, H. Koch, Jacob P. Wellman (Quorum).

Member unable to attend: Secretary Treasurer Carolyn J. Abeita.

Administration present: President David J. Schmidly, Executive Vice President David Harris, Chancellor Paul Roth, Provost Chaouki Abdallah, Vice President Josephine De Leon (Equity & Inclusion) Vice President Julia Fulghum (R&D), Vice President Helen Gonzales (Human Resources), Vice President Paul Krebs (Athletics), Vice President Ava Lovell (Controller), Vice President Bliseo Torres (Student Affairs), Interim University Counsel Lee Peifer.

Regents' Advisors present: President Tim Ross (Faculty Senate), President Mary Clark (Staff Council), President Katie Richardson (GPSA), President Jamie Roybal (ASUNM), President Waneta Tuttle (Alumni Association), Chair Gary Gordon (UNM Foundation), President Scott Obenshain (UNM Retiree Association).

Regent Fortner called the meeting to order at 9:01 a.m.

I. Confirmation of a Quorum; Adoption of the Agenda, Regent Fortner

Motion to adopt the agenda passed without dissent (1st Chalmers, 2nd Gallegos).

II. Approval of Summarized Minutes of the January 10, 2012 BOR Meeting, Regent Fortner

Motion to approve the minutes passed without dissent (1st Gallegos, 2nd Chalmers).

III. President's Administrative Report, President David Schmidly (report in BOR E-Book)

Priority 1. Provide leadership on the funding formula. HB (House Bill) 2 passed and for the first time in many years, there is no tuition credit. UNM is in line to receive nearly \$9 million in new I&G (Instruction and General) funding. Over the last three budget cycles, UNM has lost \$33 million in I&G funds, so this is a step in the right direction. In the NM Senate, approximately \$250 thousand was added to RPSPs (Research and Public Service Projects). Pension reform and capital outlay are still uncertain. Dr. Schmidly expressed thanks to Julia Fulghum and Curt Porter for their efforts, over several months, with the Funding Formula Task Force. Additionally, everyone at UNM owes thanks to David Harris, Marc Saavedra, Joe Thompson and the Government Relations team.

Priority 2. Continue development of the UNM Foundation. This year the Foundation has submitted 331 proposals totaling over \$121 million. President Schmidly is coordinating with incoming President Frank to assure a seamless transition in the fundraising efforts of the President's office

- **The Philanthropic Study Committee plan should be ready to submit to the Foundation Trustees and to the Regents in March.**

Priority 3. The Strategic Budget process is on track. The legislature is still in session, so we don't yet know the exact level of state support.

Priority 4. Work with the Office of the Provost to insure strong mission-centric operations. Arts & Sciences is on track to hire more than fifty faculty members, and the other colleges are hiring up to fifteen. The deans have developed multi-year hiring plans. We hope to be able to add twenty faculty members per year over the next ten years. President Schmidly confirmed to Regent Fortner that there are efforts to hire minority faculty. We should be able to increase, by 10% each year, the number of classes taught by tenure and tenure track faculty.

STC.UNM income for the year was over \$3 million, five new companies were started, and outreach to UNM and the community was broadened. Student interns have worked for STC for about seven years; they come from many areas of the University. It has a substantial portfolio of start-up companies, poised to grow and be acquired.

Ms. Begay Campbell said serving on the STC.UNM board allows her to see research all the way to commercialization. STC is now looking for a product that might bring UNM wide recognition; something like Gatorade® did for another university. She is proud to be a part of such a stable and efficient organization.

Regent Gallegos said it is a pleasure and an education to serve on the STC.UNM board. He stressed that STC is now over \$3 million in licensing income. Regent Chalmers pointed out that this is one way the university can help itself with funding and not rely on outside sources.



- I. Approval of Casas del Rio Ground Rent Proposal (American Campus Communities), Kim Murphy, Director, Real Estate

Motion to approve Casas del Rio ground rent proposal passed without dissent (1st Chalmers, 2nd Gallegos).

Mr. Miller explained this adjustment to the amount of ground rent for the initial year is due to updated contract pricing. The pricing was not finalized at the time the ground rent for this year was set. Per the agreement, the ground rent would be raised or lowered based on the total development and construction costs. The project is about \$4.7 million over the preliminary budget set in May 2011 due to three reasons: connecting to the UNM central heating and cooling system (\$3 million), architectural design changes (\$500 thousand) and less-than-favorable pricing from Lobo Village subcontractors (\$1.2 million). ACC offers to set the first year ground lease at \$484,742 or to change the parameters in the formula and do a total accounting at the end of the project. Because connecting to the central heating and cooling system will save some operational costs, ACC is willing to lower their target yield to 7.25% from 7.5%. Mr. Miller has determined that UNM is better served to accept the ground rent of \$484,742 for this first year. Lobo Development and the F&F Committee concur.

In response to Regent Wellman, Mr. Miller said this proposal would set the first year ground rent. The ground lease also provides, and these stipulations are not being modified by this change, that the initial rent would be increased by 3% per year for the first five years. The sixth year begins the variable rent scenario, whereby UNM gets a set percentage (9%) of ACC's gross revenue, with a floor set to protect the university against low occupancy levels. Mr. Miller said the initial rent received would stay with Lobo Development to provide seed capital for commercial development. As commercial development activity results in ground rent revenue to the University cash flow from ACC projects can be redirected.

Information Items:

- J. Provost's Five Year Forecast Budget Recommendation (draft) and PSAT Report Update, Chaouki Abdallah, Provost

Provost Abdallah reported to President Fortner that the newly hired faculty, and those to whom offers have been extended, reflect great diversity.

The PSAT (President's Strategic Advisory Team) suggested effort should be expended on retaining students, which leads to more graduates, quicker graduation, and less student debt. This proposal would approach those goals by hiring more tenure and tenure track faculty. That faculty mentors graduate students and attracts research funding.





Office of Capital Projects

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

DATE: September 26, 2012
TO: David W. Harris, EVP for Administration, COO & CFO
FROM: Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis
RE: Requested Approval

RECOMMENDED ACTION:

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

1. Revised Request for Capital Project Approval for KNME and Domenici Hall Electrical Upgrade to 12.47KV

Please see attached summary.

cc: Chris Vallejos, Associate VP, Institutional Support Services
Mary Kenney, Robert Doran -- PCD
W. Turner, R. Henrard, C. Martinez,
Mary Vosevich, Director, Physical Plant Department

REVISED REQUEST FOR CAPITAL PROJECT APPROVAL for
KNME & DOMENICI HALL ELECTRICAL UPGRADES TO 12.47KV
UNIVERSITY OF NEW MEXICO
October 9, 2012

REVISED 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 the KNME & Domenici Hall Electrical Upgrades To 12.47kV. This revision is due to RFP responses requiring a greater project budget than original approved budget.

PROJECT DESCRIPTION:

Convert Pete & Nancy Domenici Hall from PNM's electrical service to UNM's electrical service.

Convert KNME from PNM's electrical service to UNM's electrical service.

PROJECT RATIONALE:

The Domenici Hall facility is presently served from the very end of a PNM overhead line which experiences problems several times per year that interrupts research and creates patient scheduling issues. Converting the facility's electrical service from PNM to the UNM electrical system will increase reliability of the facility's electrical service and reduce utility costs.

The KNME facility is presently served from a PNM overhead line. Converting the facility's electrical service from PNM to the UNM electrical system will increase reliability of the facility's electrical service and reduce utility costs.

FUNDING:

The total original estimated Project Budget was \$660,000

The total estimated Revised Project Budget is \$750,000

- \$500,000 is funded from Physical Plant Department Utility Capital Reserves
- \$250,000 is funded from Physical Plant Department Utility Operation Carry Forward

MEMORANDUM

TO: Board of Regents of the University of New Mexico

THROUGH: President Robert G. Frank

FROM: Linda Warning, Chair of the Governing Board of the Harwood Foundation of the University of New Mexico

CC: David W. Harris, Executive Vice President for Administration/COO/CFO

DATE: August 18, 2012

RE: Appointment of UNM Dean of Fine Arts Kymberly Pinder to Harwood Foundation Governing Board

In May, 2007 the Board of Regents (the “Regents”) adopted resolutions (the “Delegation Resolution”) delegating to the Harwood Board certain responsibility for the governance, oversight, management and operation of UNM’s Harwood Museum.

The Delegation Resolution provides that the Regents shall appoint the members of the Harwood Board, including nine (9) members appointed based on recommendations of the Harwood Board.

In June of 2010 the Board of Regents approved Mr. Bill Gilbert, Senior Associate Dean for Research of the College of Fine Arts to fill the remaining term of Dr. Catherine O’Neill. His term expired on June 30, 2012. The Governing Board recommends the appointment of UNM Dean of Fine Art Kymberly Pinder, PhD., to fill the board position vacated by Mr. Gilbert.

We respectfully request that the Board of Regents include the reappointment Dean Pinder to the Harwood Governing Board on the Board of Regents’ agenda for its meeting on October 9, 2012.

Kymerly N. Pinder
Professor, Art History, School of Art Institute of Chicago

Kymerly N. Pinder, Ph.D. is a professor in the Department of Art History, Theory and Criticism at the School of the Art Institute of Chicago where she has served as department chair and graduate program head. She teaches, writes and lectures widely on representations of religion, history and race in American Art. Dr. Pinder was the editor of the collection Race-ing Art History: Critical Readings in Race and Art History (Routledge, 2002). Her work has also appeared in The Art Bulletin, The Art Journal, Third Text, Outsider, and The African American Review. Dr. Pinder received her Ph.D from Yale University and has been a lecturer at the Metropolitan Museum of Art, the Museum of Contemporary Art, the Terra Museum of American Art and the Art Institute of Chicago. She has received awards and fellowships from the National Endowment for the Humanities and the Mellon, Ford and Henry Luce Foundations, among others. In 2007 she was a scholar-in-residence at the Georgia O'Keeffe Research Center to complete her forthcoming book on art in Chicago's African American churches entitled Black Public Art and Religion in Chicago. Her most recent articles appeared in the Fall issue of the Smithsonian's American Art and Romare Bearden: American Modernist. Her latest project is on African American artists and public discourse. She, the artist Bernard Williams and Art Institute students have also painted three murals in Chicago Public Schools.

#




Office of Planning, Budget & Analysis

MEMORANDUM

TO: Members of the Finance & Facilities Committee

THRU: Robert G. Frank, President
David W. Harris, EVP for Administration, COO and CFO

FROM: Andrew Cullen, Associate VP, Office of Planning, Budget & Analysis 

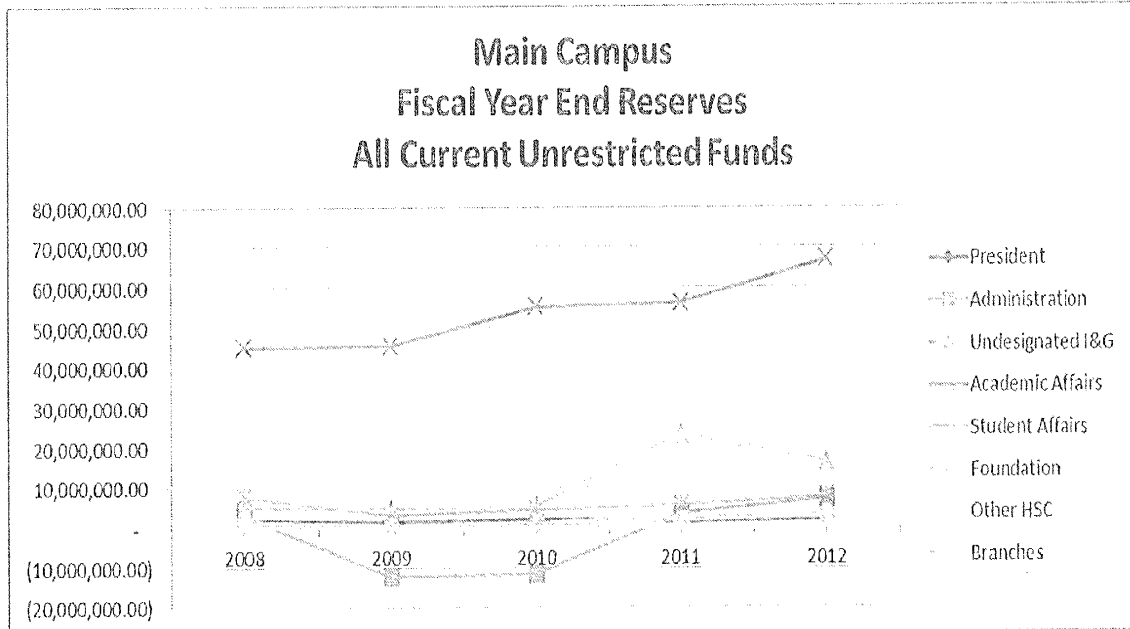
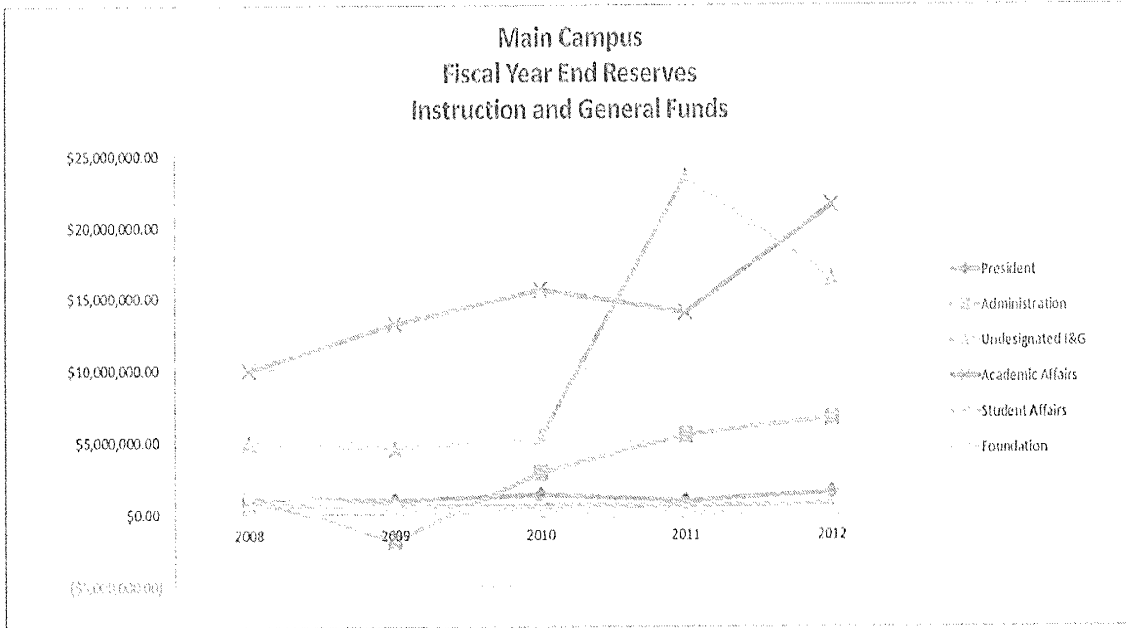
DATE: October 4, 2012

SUBJECT: **Approval of University Business Policies and Procedures (UBPP) 7000 for Main and Branch Campuses**

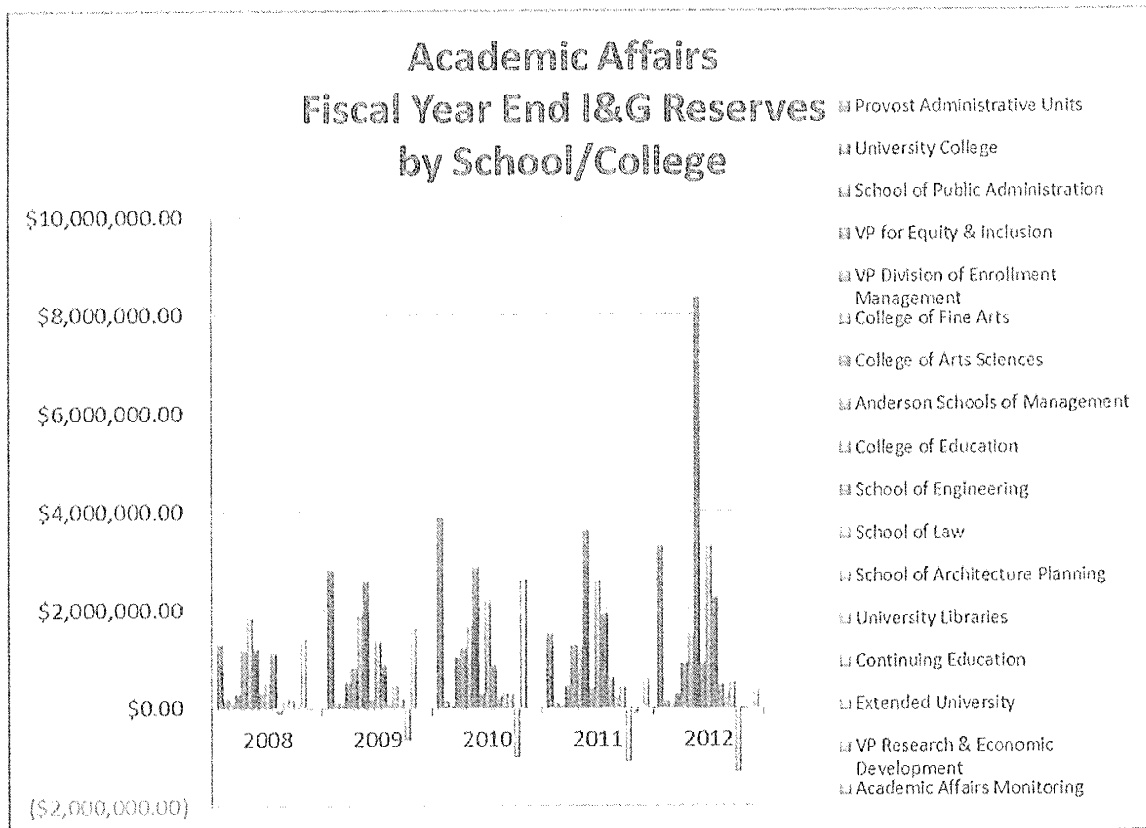
Overview: At the end of each fiscal year, the Office of Planning, Budget and Analysis (OPBA) reviews current unrestricted reserves in accordance with UBPP 7000 and Regents' Policy 1.1 & 7.2 (Fiduciary Responsibility) and submits a report to the Board of Regents for approval. In this report, we explain changes in current unrestricted reserves for Main Campus and Branches and discuss year-end deficit balances for Colleges and Divisions.

The UBPP 7000 Policy process begins when the fiscal year-end closes in late July. Each department submits the information to its respective College/School/Division, which in turn submits the information to the respective Vice President unit. Lastly, the Vice President unit reviews and submits the final report to the OPBA. The process also includes a requirement to categorize fund reserves in terms of committed, dedicated and discretionary, and to report on deficit balances greater than \$100,000, including a deficit reduction plan.

Summary Graphs & Schedules: As the following two graphs depict, overall university reserves for Main Campus I&G and all current unrestricted funds have been growing over the last five years, with especially prominent growth in three areas: 1) the university's undesignated fund balance, 2) academic affairs, and 3) the administration. The reasons behind this growth vary by entity, with some the result of requirements by HED, some as a hedge against anticipated fixed cost fluctuations, and others the result of vacancies and Extended University incentive based revenue generation.



The ultimate health of the university, defined as broadly as possible, lies primarily with the operations of our schools and colleges. With this in mind, the following graph is a useful snapshot of the fiscal health of these entities and, more specifically, their ability to move forward with college initiatives such as minor capital projects, faculty start-up packages, and bridge funding for faculty hires.

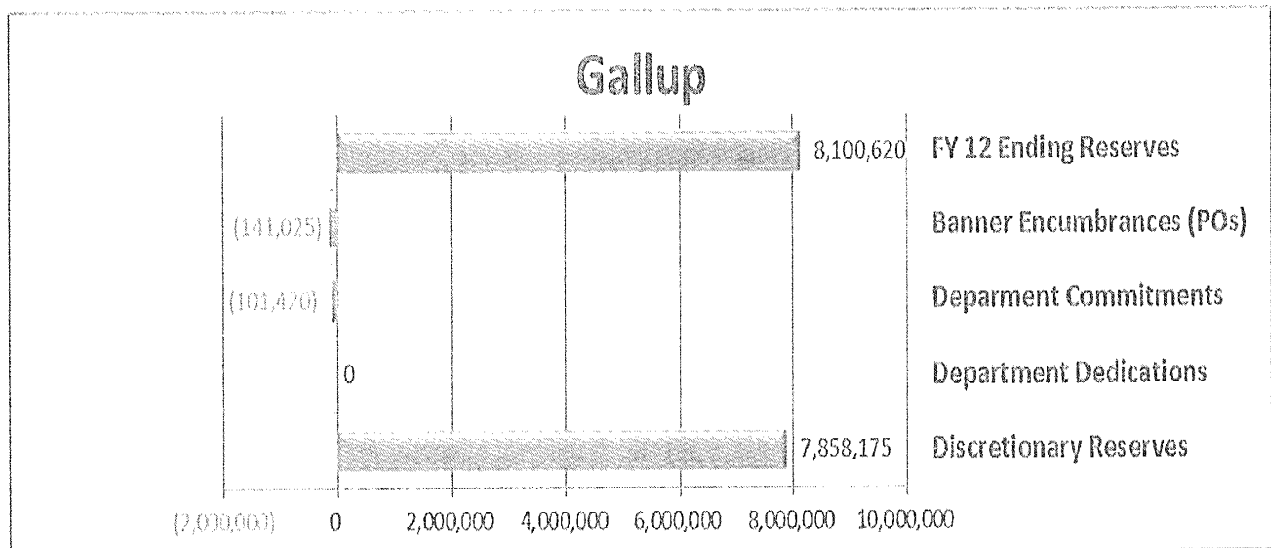
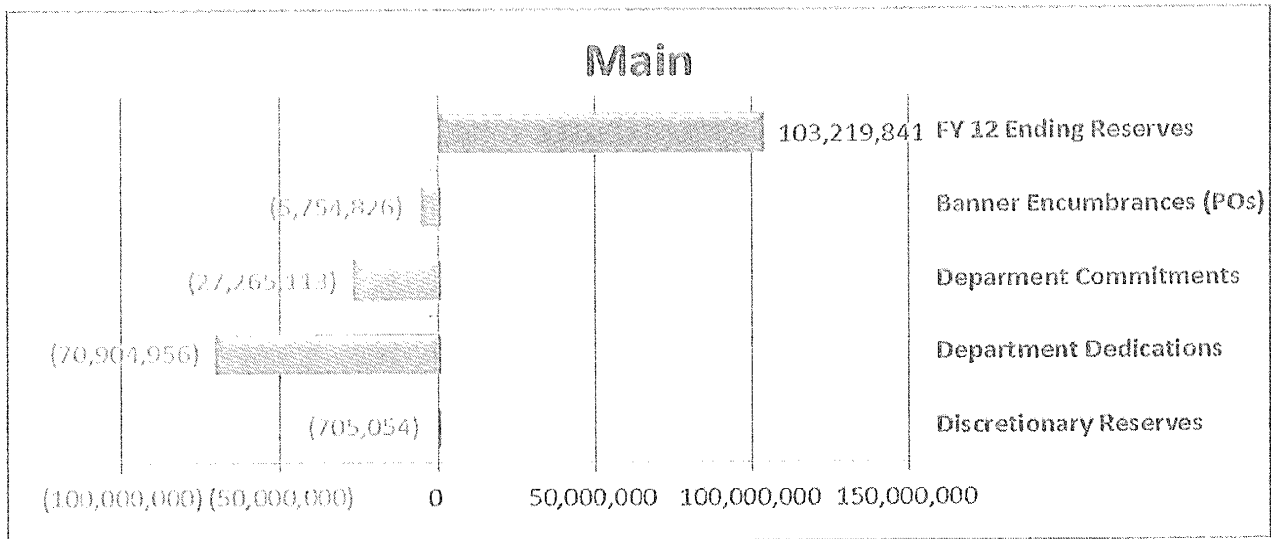


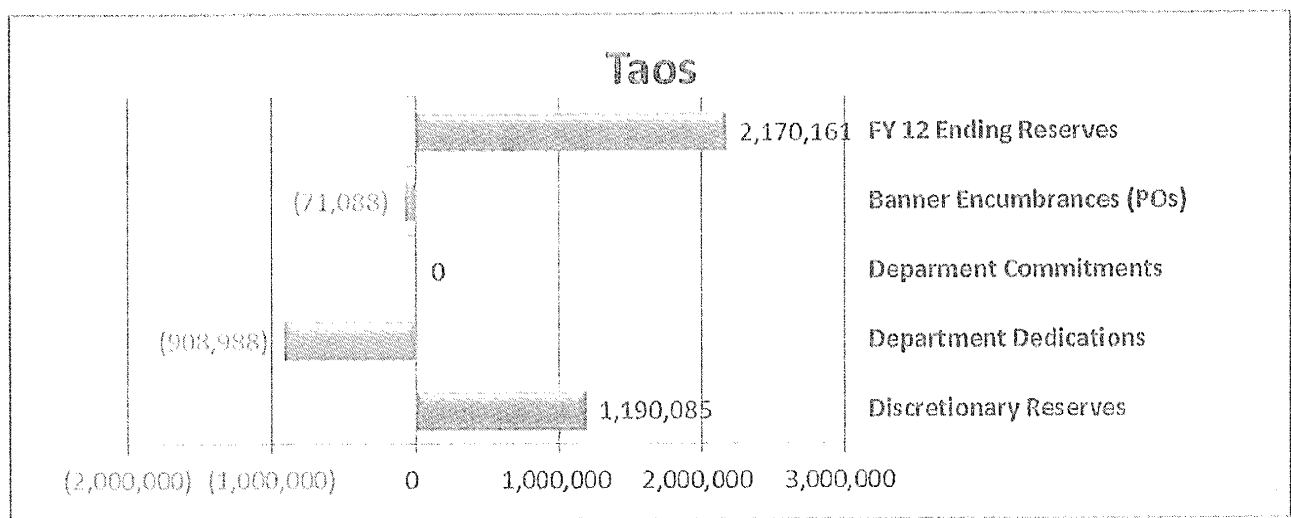
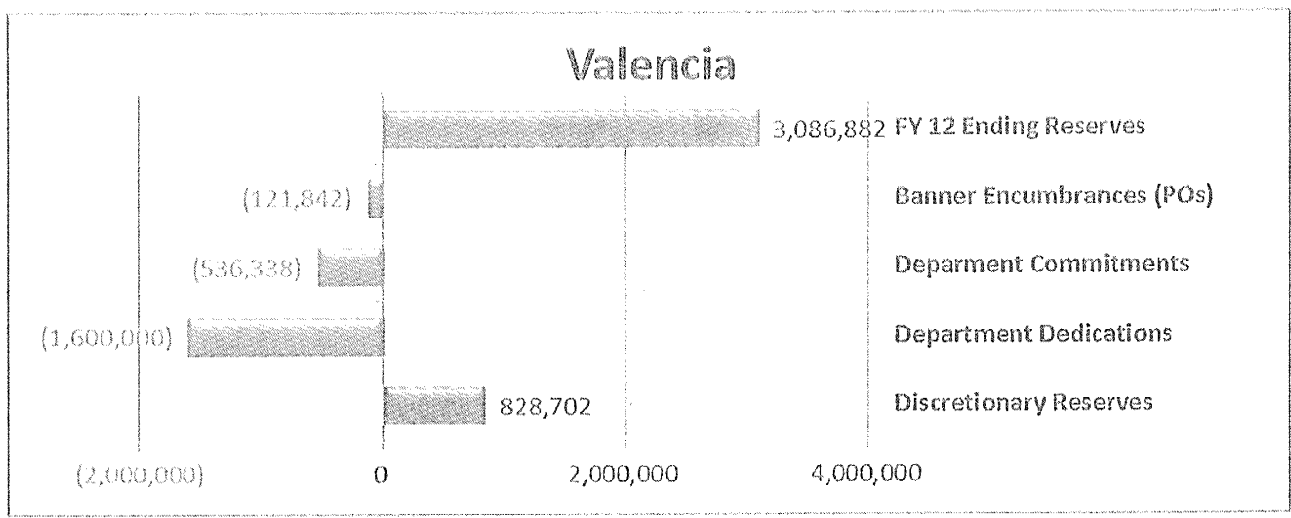
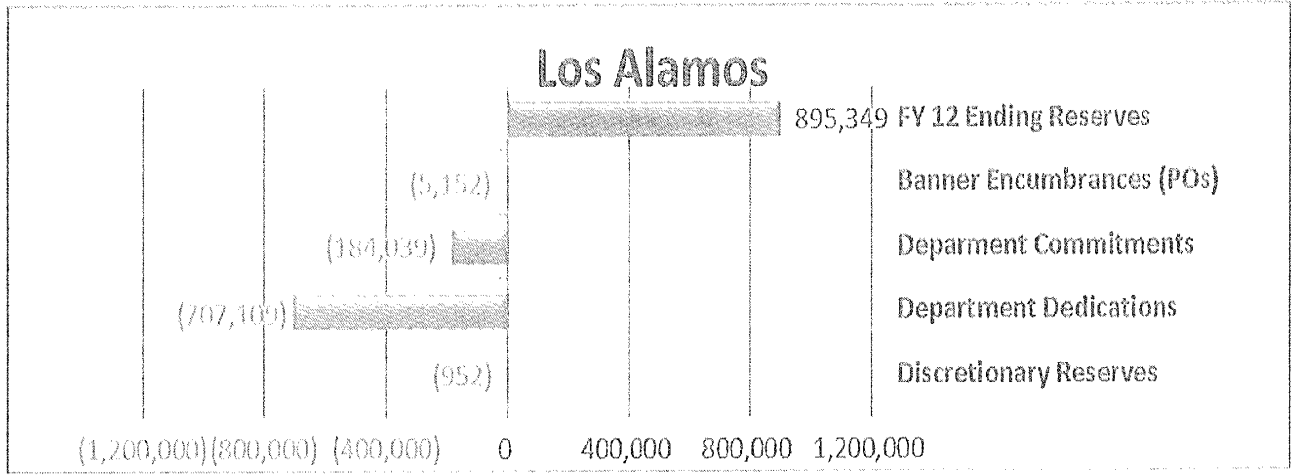
For presentation purposes, the previous graphs provide an excellent visual trend analysis—reserves growing throughout the university, but somewhat uneven across schools, colleges and divisions. Given the size and growth of reserves, however, a closer analysis is prudent, with the table below quantifying *reserves as a percent of budget*. This analysis reveals that for many schools, colleges and divisions, reserves, if unspent, can reach undesirable levels. In short, these reserves should be put to work.

College/School/Division	Instruction & General	Non I&G	Total Current Unrestricted
President	22.61 %	5.15 %	27.76 %
Academic Affairs	11.82 %	11.28 %	23.10 %
Student Affairs	11.32 %	12.39 %	23.71 %
Undesignated Fund	50.50 %	(9.20) %	41.30 %
Administrative	7.86 %	(6.35) %	1.51 %
Advancement	0.67 %	128.83 %	129.50 %
Other HSC and Branches	0.00 %	21.34 %	21.34 %

The following charts suggest this is being done, as schools, colleges and divisions categorized their reserves as committed, dedicated or discretionary in accordance with

UNM Policy 7000. In each case, with the exception of the Gallup Branch, reserves are largely committed or dedicated. This was also the case for the last several fiscal years. One could surmise that, coupled with overall growth in reserves, university entities could be more proactive in completing their commitments and dedications throughout the upcoming fiscal year.





A final component of Policy 7000 includes a summary of current unrestricted deficits in excess of \$100,000. The chart below represents these deficits, the responsible entities, and a trend analysis/depiction since last reported as of 6/30/2011.

UBPP 7000--Main Campus--FYE 2012		
Summary of Current Unrestricted Deficits \$100,000 or More		
College/Division	Ending Balance June 30, 2012	Change FY11 to FY12
UNM Press	(4,068,145)	↑
Continuing Education	(1,415,076)	↑
Athletics	(1,869,029)	↑
Financial Services	(2,732,969)	↓
Golf Course	(4,863,929)	□
Public Events	(1,732,825)	↓
Printing Plant	(1,133,581)	□

↑ Overall deficit balance grew
 ↓ Overall deficit balance decreased
 □ Deficit stayed the same

As the table shows, noteworthy operational improvements have been made in several areas, with deficit balances reduced accordingly. Maintaining these positive operational results will require continued focus, while other entities listed must continue to adapt to outside market forces and/or inherent fiscal challenges unique to their industry.

Detail Schedules: The graphs and tables presented were built upon the following UBPP 7000 Policy detailed reports, which are included for your use:

- Attachment I - Summary of Current Unrestricted Reserves: Details current unrestricted reserves accordingly to underlying use.
- Attachment II - Summary of Current Unrestricted Reserves by College/School/Division: Provides a further breakdown of unrestricted reserves by college/school/division.
- Attachment III - Summary of Main Campus I&G Reserves by VP Unit: Compares fiscal year ending reserves and provides explanations for changes.
- Attachment IV - Summary of Main Campus I&G Undesignated Fund Reserves: Details change in the central reserve.
- Attachment V - Main and Branch Summary of Current Unrestricted Deficits of \$100,000 or more by College/Division: Lists the deficits and the organizations responsible for them.
- Attachment VI – Summary of I&G Reserves as a Percentage of Budget by College/School/Division.

- Attachment VII – Summary of Current Unrestricted Reserves as a Percentage of Budgets by College/School/Division.
- Attachment VIII – Summary of Categorization of I&G and Non I&G Fund Reserves by College/School/Division.

We look forward to meeting with you to provide a high level overview of the materials.
Thank you for your consideration.

**Attachment I--Summary of Current Unrestricted Reserves
June 30, 2012**

Main Campus	Reserve June 30, 2011	Reserve June 30, 2012	Change FY 2011-2012
Instruction and General	44,222,581	46,580,373	2,357,792
Student Social and Cultural	1,736,180	1,645,628	(90,552)
Research	16,255,206	20,454,230	4,199,024
Public Service	8,158,486	11,408,630	3,250,144
Internal Services	7,578,483	8,889,623	1,311,140
Student Financial Aid	17,700,062	16,871,268	(828,794)
Auxiliary Enterprises	(2,499,773)	(760,884)	1,738,889
Athletics	(1,175,452)	(1,869,028)	(693,576)
Total	91,975,773	103,219,840	11,244,067

Branches	Reserve June 30, 2011	Reserve June 30, 2012	Change FY 2011-2012
Instruction and General	9,212,865	11,561,531	2,348,666
Student Social and Cultural	280,694	322,173	41,479
Public Service	535,651	851,813	316,162
Internal Services	207,536	158,995	(48,541)
Student Financial Aid	460,435	513,540	53,105
Auxiliary Enterprises	546,481	844,961	298,480
Total	11,243,662	14,253,013	3,009,351

Attachment II--Summary of Current Unrestricted Reserves by College/School/Division

College/School/Division	Current Unrestricted Reserves FY 2011			FY 2011			FY 2011		
	Unrestricted	Restricted	Other	Unrestricted	Restricted	Other	Unrestricted	Restricted	Other
University Counsel Office	532,788.18	0.00	282,864.82	0.00	0.00	0.00	825,752.80	504,244.81	321,507.89
University Communication & Marketing	205,135.64	0.00	0.00	(957.00)	0.00	0.00	204,188.64	171,387.82	32,790.82
Alumni Relations	35,523.08	0.00	0.00	66,401.88	0.00	0.00	215,231.74	228,982.84	(11,751.20)
Internal Audit Department	242,720.18	0.00	0.00	0.00	0.00	0.00	242,720.18	81,890.87	160,829.31
UNM West	461,541.09	0.00	0.00	0.00	0.00	0.00	461,541.09	127,706.20	333,834.89
RWJ Center for Health Policy	0.00	0.00	349,913.40	143,595.51	0.00	0.00	492,998.91	205,183.16	287,725.76
International Programs Studies	110,232.78	2,373.16	0.00	22,443.17	2,469.37	0.00	145,918.02	116,195.65	28,911.37
Harwood Foundation	18,407.60	0.00	0.00	32,101.26	0.00	0.00	486,071.33	500,744.78	(64,673.45)
Optical Science and Engineering	89,328.70	0.00	0.00	0.00	0.00	0.00	3,840.22	489.28	3,346.96
UC Advancement Center	21,063.96	0.00	0.00	0.00	0.00	0.00	85,328.70	60,999.16	28,359.54
Office of Support for Effective Teaching	51,930.16	0.00	2,019.62	0.00	0.00	0.00	41,798.77	31,438.95	10,359.82
Nano Science & Micro Systems	32,400.34	0.00	0.00	0.00	0.00	0.00	51,930.16	20,182.18	31,768.00
Parent Association	5,947.14	0.00	0.00	65,533.72	0.00	0.00	97,934.06	0.00	97,934.06
Undergraduate Education Support	13,687.71	0.00	0.00	0.00	0.00	0.00	5,947.14	5,947.14	0.00
Institutional Research	0.00	0.00	0.00	0.00	0.00	0.00	12,697.71	2,276.35	11,421.35
KUNM	0.00	0.00	0.00	165,986.59	0.00	0.00	195,986.59	37,080.89	158,905.70
University Press	0.00	0.00	0.00	(4,093,733.57)	0.00	15,588.85	0.00	(4,093,733.57)	(655,670.00)
Graduate Studies	656,283.87	0.00	893.57	44,042.78	0.00	515,075.26	1,255,208.50	845,457.35	609,751.23
CAPS	134,193.27	0.00	0.00	887.50	0.00	0.00	135,020.77	49,329.31	85,691.46
Latin American Iberian Institute	64,910.94	0.00	29,071.86	170,395.97	0.00	91,262.76	355,521.55	257,534.52	90,087.01
Provost Office Staff	2,016,099.66	0.00	15,844.12	85,714.96	0.00	169,696.30	2,299,315.04	1,318,659.82	970,645.22
Spanish Colonial Research Center	0.00	0.00	0.00	44,768.15	0.00	0.00	44,768.15	90,735.56	(50,967.41)
CARS	0.00	0.00	0.00	0.00	0.00	0.00	15,134.77	2,988.53	12,136.24
Office of the University Secretary	19,069.91	0.00	73,761.32	0.00	0.00	0.00	92,831.23	71,314.49	21,516.74
University College	131,566.24	0.00	11,504.43	152,230.13	0.00	173,114.39	468,805.19	497,786.96	(28,983.77)
School of Public Administration	123,555.07	0.00	5,813.68	39,136.10	0.00	321,841.68	490,346.53	434,103.63	56,242.90
VP for Equity & Inclusion	276,769.39	(33,197.11)	0.00	25,538.73	0.00	0.00	268,132.00	440,315.84	(171,183.84)
VP Division of Enrollment Mgmt	811,465.11	0.00	80.44	430,326.25	0.00	2,833,663.57	4,175,535.47	6,125,821.23	(1,950,285.76)
College of Fine Arts	1,614,412.53	263,888.25	56,576.96	828,433.93	78,019.27	1,092,196.11	3,927,238.19	3,401,596.89	425,649.30
College of Arts Sciences	8,339,101.79	5,908.52	6,445,572.95	2,159,541.20	334,533.01	2,525,191.22	19,850,515.19	13,863,341.66	5,987,173.53
Anderson Schools of Management	905,049.70	0.00	67,862.95	699,919.09	0.00	1,531,293.32	3,207,915.06	2,594,987.16	612,927.88
College of Education COE	3,293,744.49	305.20	1,104,120.08	513,901.07	0.00	705,212.19	5,616,978.61	4,849,760.57	697,218.04
School of Engineering	2,238,071.11	44,860.42	6,500,429.42	2,379,904.99	65,333.25	2,850,759.50	13,344,844.61	12,124,532.40	1,220,312.21
School of Law	499,625.35	0.00	402,930.25	2,551,998.08	0.00	2,562,605.21	6,065,230.31	5,432,078.09	630,152.22
School of Architecture Planning	345,562.46	0.00	159,741.90	452,690.28	0.00	577,968.46	1,516,961.10	1,287,793.49	229,167.61



OFFICE OF PLANNING,
BUDGET & ANALYSIS

Attachment II--Summary of Current Unrestricted Reserves by College/School/Division

College/School/Division	FY 2012					FY 2011					
	Instruction and General	Student Social and Cultural	Research	Public Service	Internal Services	Student Aid	Auxiliaries	Athletics	Total Current Unrestricted	Total Current Unrestricted	Net Change
University Libraries	632,617.20	0.00	204,683.20	491,350.05	0.00	381,517.60	0.00	0.00	1,510,068.22	1,201,039.00	406,229.22
Continuing Education	(1,234,002.97)	0.00	(161,333.30)	62,307.11	0.00	(165,767)	(20,901.05)	0.00	(1,415,076.75)	(698,572.74)	(619,203.01)
Extended University	(16,472.64)	0.00	55,791.08	0.22	30,742.95	3,175.46	0.00	0.00	71,236.77	(67,236.74)	138,473.48
VP Research & Economic Development	12,345.90	97.07	4,507,239.40	841,676.50	123,555.35	101,714.98	0.00	0.00	5,586,609.19	3,726,065.43	1,859,923.76
Provost Monitoring	371,381.82	0.00	0.00	(381,309.34)	125,704.76	0.00	197,840.00	0.00	313,626.24	696,301.24	(342,675.00)
VP Student Affairs Administration	209,595.87	31,945.54	160,405.75	130,768.52	0.00	(15,672.37)	355,830.00	0.00	1,096,476.62	1,354,210.59	(267,733.97)
VP Student Affairs Independent Depts.	168,315.52	272,564.29	0.00	233,842.56	0.00	99,591.01	0.00	0.00	368,566.06	472,207.44	(113,721.39)
Associate VP Student Services	144,840.98	(32,551.89)	(37.87)	217,758.18	0.00	18,298.45	0.00	0.00	311,502.58	487,027.29	(156,027.29)
Associate VP Student Life	52,248.03	998,934.46	0.00	129,068.59	0.00	95,573.19	4,147,062.05	0.00	5,322,926.32	2,661,006.65	2,661,919.67
EVP of Administration Office	107,639.04	0.00	0.00	102,111.05	0.00	101,752.49	0.00	0.00	311,502.58	487,027.29	(156,027.29)
Board of Regents	10,405.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,405.36	19,750.61	(9,345.45)
Undesignated I&G Balance and Other	17,776,208.09	0.00	0.00	0.00	2,430,013.72	0.00	0.00	0.00	20,206,221.81	25,506,065.57	(5,300,843.76)
Monitoring Accounts	941.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	941.47	37,156.66	(36,217.19)
Police Department	608,153.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	608,153.34	957,660.73	(349,507.39)
Risk Management	2,554.00	0.00	0.00	0.00	0.00	1,304.00	0.00	0.00	3,658.00	5,263.74	(1,605.74)
Budget Office	9,350.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,350.45	1,045.92	8,304.53
UNM Policy Office	(10,101.94)	0.00	0.00	612,227.58	0.00	246,811.35	66,167.69	(1,656,028.89)	(600,532.21)	379,339.60	(1,239,972.81)
Intercollegiate Athletics	187,634.92	0.00	30,932.42	(3,325,452.19)	344,865.24	0.00	0.00	0.00	(2,792,963.60)	(4,116,746.53)	1,983,777.93
Associate VP for Facilities Mgmt	0.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	(65.16)	66.31
Human Resources	177,024.33	0.00	6,261.02	1,652,417.62	2,466.13	1,067,447.30	0.00	0.00	2,246,937.76	1,580,354.06	(613,417.10)
VP Institutional Support Services	4,117,772.23	0.00	0.00	54,437.67	0.00	0.00	0.00	0.00	2,542,390.86	1,518,212.08	1,024,177.98
Government & Community Relations	6,378.17	0.00	0.00	237,554.56	(5,312,453.23)	0.00	0.00	0.00	60,815.84	25,421.08	35,394.76
Information Technologies	17,130.77	180,208.32	0.00	55,391.76	1,766,595.04	921.55	0.00	0.00	2,021,177.44	1,030,904.06	990,273.38
Advancement	8,153.54	0.00	0.00	3,142,794.51	794.74	0.00	0.00	0.00	3,151,742.79	2,028,262.93	1,123,479.86
School of Medicine	0.00	0.00	(333.77)	165,559.78	(15,695.34)	0.00	0.00	0.00	149,625.77	158,025.80	(8,400.00)
College of Nursing	0.00	0.00	0.00	0.00	0.00	49,033.95	0.00	0.00	49,033.95	50,359.82	(1,325.86)
College of Pharmacy	0.00	0.00	0.00	0.00	0.00	1,364.02	0.00	0.00	1,364.02	24.46	1,339.56
Branches	0.00	0.00	(33.20)	0.00	0.00	10,279.93	0.00	0.00	10,241.73	6,344.02	3,897.71
Subtotal For Main Campus Funds	46,580,374.51	1,645,628.03	20,454,229.43	11,408,631.49	3,889,622.69	16,071,267.58	(760,303.54)	(1,656,028.89)	103,219,841.10	91,975,773.01	11,244,068.09
Less Main Foundation Distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total For Main Campus Funds	46,580,374.51	1,645,628.03	20,454,229.43	11,408,631.49	3,889,622.69	16,071,267.58	(760,303.54)	(1,656,028.89)	103,219,841.10	91,975,773.01	11,244,068.09
Gallup Branch	7,164,792.25	74,377.81	0.00	252,772.64	105,746.78	220,571.40	302,259.56	0.00	8,100,620.44	6,390,505.72	1,710,033.72
Los Alamos Branch	246,865.50	24,655.31	0.00	302,969.25	0.00	157,591.87	163,187.97	0.00	896,348.90	867,955.12	27,393.78
Taos Branch	1,693,955.33	168,173.51	0.00	52,751.37	0.00	59,411.08	(4,130.33)	0.00	2,170,160.97	1,498,646.03	671,514.94
Valencia County Branch	2,255,917.51	54,666.41	0.00	263,421.16	53,248.51	75,963.35	383,663.29	0.00	3,065,892.33	2,496,473.15	600,409.18
Total Branch Funds	11,561,530.69	322,173.04	0.00	851,813.42	169,995.29	513,539.70	844,950.50	0.00	14,253,012.64	11,243,681.02	3,009,331.62
Grand Total Main and Branch Funds	58,141,905.20	1,967,801.07	20,454,229.43	12,260,444.91	9,048,617.98	17,354,807.28	84,076.65	(1,369,028.49)	117,472,853.74	103,219,434.03	14,253,419.71

**Attachment III--Summary of Main Campus I&G Reserves
By VP Unit
June 30, 2012**

VP Unit	Reserve June 30, 2011	Reserve June 30, 2012	Annual Savings	Explanations
President	877,261	1,480,090	602,828	The net change is primarily due to vacancy savings in Internal Audit, University Counsel, and the University Communications & Marketing Departments. In addition, greater than expected revenues at UNM West.
Provost	13,941,972	21,462,189	7,520,217	The net change is primarily due to \$1M in Provost Office for new faculty lines and funding from the EU incentive model. The increase in EU funding is mostly A&S \$4.7M, COE \$700K, and ASM \$500K, which will be used for new faculty startups, faculty bridge funding, and lab renovations.
Student Affairs	551,496	636,560	85,064	The net change is primarily due to salary savings from Career Services and College Enrichment Program.
Administration	5,452,548	5,215,174	(237,374)	*See Below
Institutional Advancement	3,257	8,154	4,897	Immaterial
Total Designated	20,826,535	28,802,167	7,975,631	
Total Undesignated and Other Monitoring Accounts	23,396,046	17,778,208	(5,617,838)	See Attachment IV for more details.
Grand Total	44,222,581	46,580,375	2,357,793	

*Administration Department/Division	Reserve June 30, 2011	Reserve June 30, 2012	Change
EVP of Administration Office	184,457	107,639	(76,818)
Board of Regents	19,751	10,405	(9,345)
Police Department	37,158	941	(36,217)
Risk Management	957,661	609,153	(348,507)
Budget Office	5,980	2,554	(3,426)
UNM Policy Office	1,046	9,350	8,305
Intercollegiate Athletics	(6,994)	(10,811)	(3,817)
Financial Services	64,219	167,635	103,416
Associate VP for Facilities Mgmt	(85)	1	86
Human Resources	109,244	177,024	67,780
VP Institutional Support Services	4,067,796	4,117,772	49,977
Government & Community Relations	9,605	6,378	(3,227)
Information Technologies	2,712	17,131	14,418
Totals	5,452,548	5,215,174	(237,374)

**Attachment IV - Summary of Main Campus I&G Undesignated Reserve
Summary
June 30, 2012**

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FY12 Banner Beginning Balance 7/1/11	13,473,300
FY12 Pooled I&G Sweep	9,922,747
Adjusted Beginning Balance	<u>23,396,047</u>
FY 12 HB2 Laws 2011 Ch. 179 Unemployment Compensation Redistribution	188,500
FY 12 I&G One-Time Supplemental Compensation (Main/HSC/Branches)	(1,400,260)
FY12 Pooled I&G Revenues and Expenses (1)	<u>(3,987,164)</u>
FY12 Contingency Allocations (2)	(1,858,858)
Subtotal	<u>(7,057,782)</u>
FY12 Banner Ending Balance	<u>16,338,265</u> *
<u>Less FY13 Budget Commitments and Dedications</u>	
FY13 Commitments and Dedications: One-Time	
Use of Reserves to Fund FY13 I&G Budget	(3,000,000)
\$1,100 Pay Supplement Pool-I&G Only	(2,442,420)
Libraries	(463,697)
Center for Educational Research	(100,000)
UNM Foundation (Plus Fringe Benefits)	(600,000)
Arts & Sciences Funding - Biology	(183,113)
LGBTQ Salaries	(20,430)
New Initiatives - President's Office	(378,000)
Computer Engineering Endowed Chair	(65,000)
CUP funding	(36,500)
HSC funding adjustment	(190,726)
STC Gap Funding	(5,000)
EMBA Program Cohorts	(14,951)
Contract Mgmt System	(22,587)
Marching Band Stipends	(43,357)
Communication Journalism	(40,500)
Subtotal	<u>(7,606,281)</u>
Dedicated - HED Required Reserve for I&G at 3% (3)	<u>(9,266,351)</u>
Net FY13 Discretionary Reserve (after HED dedication)	<u>(534,367)</u>

*I&G Undesignated balance only. Does not include dedicated amounts in other monitoring accounts \$1,439,943



**Attachment V--Main and Branch Campus Summary of Current Unrestricted Deficits \$100,000 or More
By College/Division
June 30, 2012**

College/Division	Reserve June 30, 2011	Reserve June 30, 2012	Change FY 2011-2012	Comments
UNM Press	(3,412,406)	(4,053,145)	(655,649)	UNM Press's deficit for FY12 grew because of a one-time initiative to write down obsolete inventory of \$421K, pulp excess inventory to free up warehouse space of \$142K and write off uncollectible author advances of \$12K. The Press had budgeted \$242K for its annual inventory write down expense, with the Press Oversight Committee recommending the Press undertake this initiative to better reflect its inventory's true market value and put the Press back on schedule with the book industry's standard for writing down inventory, which is 50% after 3 years and 100% after 5 years. In addition to the write down, the Press fell about \$140K short of meeting its annual sales goal and commissions from the sale of distributed titles. The Press only produced 38 new titles during FY12, which was less than the 45 they had budgeted for. The Press plans to publish 41 new titles in Fall 2013 and 36-40 in Spring 2014, which will generate additional funds. In addition, the Press has more than 200 titles available in electronic format and will continue to grow, which will also increase revenue as the market for e-books continues to grow. The revenue from the sale of distributed books is also expected to improve in FY13. A new agreement with the Museum of New Mexico Press, who is the Press's largest client publisher, became effective August 1 st 2012, and under this new agreement the Press will earn larger commissions from the sales of their titles. The Press is also in the process of securing an agreement with UCLA's Coisen Institute of Archaeology, which could generate an additional \$20-30K. UNM has monitored the Press very closely over the past few years and has done everything to minimize costs, including providing a \$250K subsidy. Research shows University Presses cannot operate independently and the average subsidy of a Press this size is between 20-25%. Currently the UNM subsidy is approximately 7%, which shows a clear need for an increase in the university subsidy.
Continuing Education	(899,873)	(1,415,076)	(515,203)	Continuing Education's deficit grew in FY2012 mainly because of two issues. First, current economic conditions have taken a toll on CE enrollments. Second, the elimination of tuition remission for personal enrichment classes resulted in greater losses than originally projected. CE is in a much better position for FY13. Enrollment is up 3.4%, which has generated an additional \$44,000 in revenue. With the previous Dean and Marketing Officer leaving CE, there is an opportunity to restructure CE, and both positions have been eliminated from the current budget, a savings of \$250,000. In addition, central administration support for the debt service has been provided at \$114,000, and the state contracts continue to grow. Therefore, CE should post substantially better results in FY13.
Athletics-HED Exhibit 21	(1,175,452)	(1,860,029)	(683,577)	Increase in deficit is due to personnel changes in the football coaching staff and to actual revenues being lower than budgeted for football game tickets and women's basketball game tickets. The current plan is to reduce the deficit over 5 years by increased tickets sales and resulting revenue. In addition, we are pursuing opportunities for naming rights to our Football and Basketball facilities.
Financial Services	(4,718,747)	(2,732,009)	1,985,778	Accumulated Tuition Bad Debt Expense for Main and Branch Campuses. Bad debt expense is now a budgeted line item and it is anticipated that the accumulated bad debt will be paid down in 5 years beginning in FY11.
VP Institutional Support Services	1,519,213	2,542,391	1,024,178	See detailed breakdown on next page.



OFFICE OF PLANNING,
BUDGET & ANALYSIS

**Attachment V--Main and Branch Campus Summary of Current Unrestricted Deficits \$100,000 or More
By College/Division
June 30, 2012**

VP Institutional Support Services:	Reserve June 30, 2011	Reserve June 30, 2012	Change FY 2011-2012	Comments
Golf Course	(4,059,783)	(4,863,929)	(4,146)	In September of 2011, a plan was implemented to assist the Golf Courses to achieve a balanced budget for FY12. In fact, we were able to make a substantial turn around, ultimately ending the year with a \$4,146 loss. This represents approximately a \$450,000 shift to the positive from FY11. Furthermore, these efforts will continue in FY13 and we hope to maintain this organization at as close to break even as possible each year. However, this accumulated deficit has occurred over the last 20 years and there is no anticipated deficit reduction plan in the near future.
UNM Public Events	(2,114,396)	(1,732,825)	381,571	In FY12, Public Events had raised enough fundraising dollars to cover the operations of the theatre and reduce the existing deficit by an additional \$381,000. In October 2012, the blockbuster "The Lion King" will be at Popejoy Hall for a record 33 performances, with sales forecast to be nearly \$4,400,000. As Public Events/Popejoy Hall budgets for a break-even scenario from year to year with the assistance of fundraising dollars, there is no anticipated deficit reduction plan in the near future.
Capital Projects Office	(189,903)	147,281	337,184	The Office of Capital projects experienced an unusual loss of revenues in FY11 (note the \$189,903 deficit at year end) due to a reduction of capital dollars for campus projects as well as the failure of the GOB in the state elections. The Office of Capital Projects was forced to layoff employees and trim back its expenses in FY12. These reductions in expenses as well as some last minute, small on campus projects left a positive balance for FY12. This balance will likely be used to balance the budget in FY13.
Printing Plant	(1,133,581)	(1,133,581)	0	Plant closed in 2001. Accumulated deficit over many years. No funding to clear deficit has been identified.
Other ISS Units	9,815,876	10,125,445	309,569	Info Only
Total VP Institutional Support Services	1,518,213	2,542,391	1,024,178	

Attachment VI--Summary of I&G Reserves as a Percentage of Budget by College/School/Division
UBPP 7000--Main and Branch Campuses--FYE 2012

College/School/Division	Instruction and General Budget	Instruction and General Reserve	Reserve as a % of Budget
President's Office	1,485,551.00	2,381.40	0.16%
University Counsel Office	1,216,401.00	532,788.18	43.80%
University Communication & Marketing	1,325,719.50	205,135.64	15.47%
Alumni Relations	638,242.25	35,523.08	5.57%
Internal Audit Department	825,321.00	242,720.18	29.41%
UNM West	1,055,192.00	461,541.09	43.74%
President's Administration	6,546,426.75	1,480,089.57	22.61%
International Programs Studies	886,925.00	110,232.78	12.43%
Harwood Foundation	417,618.00	18,407.60	4.41%
Optical Science and Engineering	28,449.00	3,840.22	13.50%
UC Advisement Center	1,079,165.00	89,328.70	8.28%
Office of Support for Effective Teaching	242,261.00	21,063.95	8.69%
Nano Science & Micro Systems	53,060.00	51,930.18	97.87%
Parent Association	37,054.00	32,400.34	87.44%
Undergraduate Education Support	0.00	5,947.14	N/A
Institutional Research	394,956.00	13,697.71	3.47%
Graduate Studies	2,411,801.00	695,283.87	28.83%
CAPS	1,170,027.00	134,133.27	11.46%
Latin American Iberian Institute	889,109.00	64,910.94	7.30%
Provost Office Staff	3,398,174.50	2,018,099.66	59.39%
Office of the University Secretary	473,358.00	19,069.91	4.03%
University College	2,632,712.00	131,556.24	5.00%
School of Public Administration	1,174,426.00	123,555.07	10.52%
VP for Equity & Inclusion	1,087,569.00	276,789.38	25.45%
VP Division of Enrollment Mgmt	6,712,652.31	911,465.11	13.58%
College of Fine Arts	12,918,576.01	1,511,412.93	11.70%
College of Arts Sciences	63,721,271.30	8,339,101.73	13.09%
Anderson Schools of Management	11,929,681.32	909,049.70	7.62%
College of Education	16,234,821.50	3,293,744.49	20.29%
School of Engineering	14,967,936.50	2,238,071.11	14.95%
School of Law	8,889,339.00	499,625.35	5.62%
School of Architecture Planning	3,992,094.00	346,562.46	8.68%
University Libraries	14,368,044.52	532,617.36	3.71%
Continuing Education	5,091,040.24	(1,294,962.97)	-25.44%
Extended University	6,351,537.00	(18,472.94)	-0.29%
VP Research & Economic Development	90,993.00	12,345.90	13.57%
Provost Monitoring	692.00	371,361.82	N/A
Provost Units	181,645,343.20	21,462,189.02	11.82%
VP Student Affairs Administration	1,511,437.50	269,555.87	17.83%
VP Student Affairs Independent Depts.	971,451.00	169,815.52	17.48%
Associate VP Student Services	2,046,718.00	144,940.98	7.08%
Associate VP Student Life	1,092,666.00	52,248.03	4.78%
Student Affairs	5,622,272.50	636,560.40	11.32%
Undesignated I&G Balance and Other Monitoring Accounts	35,202,659.37	17,778,208.09	50.50%
EVP of Administration Office	547,542.00	107,639.04	19.66%
Board of Regents	323,888.00	10,405.36	3.21%

Attachment VI--Summary of I&G Reserves as a Percentage of Budget by College/School/Division
UBPP 7000--Main and Branch Campuses--FYE 2012

College/School/Division	Instruction and General Budget	Instruction and General Reserve	Reserve as a % of Budget
Police Department	2,669,392.00	941.47	0.04%
Risk Management	2,243,840.00	609,153.34	27.15%
Budget Office	764,943.00	2,554.00	0.33%
UNM Policy Office	156,258.00	9,350.45	5.98%
Intercollegiate Athletics	995,600.00	(10,810.04)	-1.09%
Financial Services	9,044,439.00	167,634.92	1.85%
Associate VP for Facilities Mgmt	0.00	0.85	N/A
Human Resources	2,142,709.57	177,024.33	8.26%
VP Institutional Support Services	38,592,019.61	4,117,772.23	10.67%
Government & Community Relations	161,053.00	6,378.17	3.96%
Information Technologies	8,720,808.00	17,130.77	0.20%
EVP Administration	66,362,492.18	5,215,173.99	7.86%
Advancement	1,208,550.00	8,153.54	0.67%
Subtotal For Main Campus Funds	296,587,744.00	46,580,374.61	15.71%
Less Main Foundation Distribution	0.00	0.00	N/A
Total For Main Campus Funds	296,587,744.00	46,580,374.61	15.71%
Gallup Branch	14,125,795.34	7,164,792.25	50.72%
Los Alamos Branch	3,461,440.68	246,865.50	7.13%
Taos Branch	6,073,308.45	1,893,955.33	31.18%
Valencia County Branch	9,278,171.50	2,255,917.61	24.31%
Total Branch Funds	32,933,715.97	11,561,530.69	35.10%
Grand Total Main and Branch Funds	329,526,459.97	58,141,905.30	17.64%

Attachment VII--Summary of Current Unrestricted Reserves as a Percentage of Budget by College/School/Division
UBPP 7000--Main and Branch Campuses--FYE 2012

College/School/Division	Current Unrestricted Budget	Current Unrestricted Reserve	Reserve as a % of Budget
President's Office	1,758,872.00	112,198.01	6.38%
University Counsel Office	1,629,408.00	825,752.80	50.68%
University Communication & Marketing	1,379,453.50	204,168.64	14.80%
Alumni Relations	779,542.25	215,231.74	27.61%
Internal Audit Department	825,321.00	242,720.18	29.41%
UNM West	1,055,192.00	461,541.09	43.74%
President's Administration	7,427,788.75	2,061,612.46	27.76%
RWJ Center for Health Policy	685,959.00	492,908.91	71.86%
International Programs Studies	1,732,181.00	145,018.02	8.37%
Harwood Foundation	1,358,488.00	486,071.33	35.78%
Optical Science and Engineering	23,449.00	3,840.22	13.50%
UC Advisement Center	1,079,165.00	89,328.70	8.28%
Office of Support for Effective Teaching	242,751.00	41,798.77	17.22%
Nano Science & Micro Systems	53,060.00	51,930.18	97.87%
Parent Association	37,054.00	97,934.06	264.30%
Undergraduate Education Support	0.00	5,947.14	N/A
Institutional Research	394,956.00	13,697.71	3.47%
KUNM	1,444,141.00	195,966.59	13.57%
University Press	3,974,544.00	(4,088,144.92)	-102.36%
Graduate Studies	3,601,675.00	1,255,208.58	34.85%
CAPS	1,170,027.00	135,020.77	11.54%
Latin American Iberian Institute	1,097,733.00	355,621.53	32.40%
Provost Office Staff	3,658,070.50	2,289,315.04	62.58%
Spanish Colonial Research Center	203,300.00	44,768.15	22.02%
CARS	478,899.00	15,134.77	3.16%
Office of the University Secretary	491,747.00	92,831.23	18.88%
University College	3,082,802.00	468,805.19	15.21%
School of Public Administration	1,397,831.00	490,346.53	35.08%
VP for Equity & Inclusion	1,472,669.00	269,132.00	18.28%
VP Division of Enrollment Mgmt	52,945,017.31	4,175,535.47	7.89%
College of Fine Arts	15,719,720.01	3,827,238.19	24.35%
College of Arts Sciences	75,228,399.80	19,850,515.19	26.39%
Anderson Schools of Management	13,978,997.32	3,207,915.06	22.95%
College of Education COE	18,352,095.50	5,616,978.61	30.61%
School of Engineering	20,849,929.50	13,344,844.61	64.00%
School of Law	13,544,306.00	6,062,230.31	44.76%
School of Architecture Planning	5,404,792.00	1,516,961.10	28.07%
University Libraries	16,249,875.52	1,610,068.22	9.91%
Continuing Education	7,107,631.24	(1,415,075.75)	-19.91%
Extended University	6,388,288.00	71,236.77	1.12%
VP Research & Economic Development	15,422,902.00	5,586,689.19	36.22%
Provost Monitoring	692.00	313,626.24	N/A
Provost Units	288,878,147.70	66,741,263.71	23.10%
VP Student Affairs Administration	1,581,327.50	935,833.71	59.18%
VP Student Affairs Independent Depts.	8,622,867.00	1,096,476.62	12.72%
Associate VP Student Services	4,648,953.18	358,566.06	7.71%
Associate VP Student Life	17,678,024.00	5,322,926.32	30.11%
Student Affairs	32,531,171.68	7,713,802.71	23.71%

Attachment VII--Summary of Current Unrestricted Reserves as a Percentage of Budget by College/School/Division
UBPP 7000--Main and Branch Campuses--FYE 2012

College/School/Division	Current Unrestricted Budget	Current Unrestricted Reserve	Reserve as a % of Budget
Undesignated I&G Balance and Other Monitoring Accounts	48,930,100.00	20,208,221.81	41.30%
EVP of Administration Office	956,462.00	311,502.58	32.57%
Board of Regents	323,888.00	10,405.36	3.21%
Police Department	2,669,392.00	941.47	0.04%
Risk Management	4,638,345.00	609,153.34	13.13%
Budget Office	775,244.00	3,858.00	0.50%
UNM Policy Office	156,258.00	9,350.45	5.98%
Intercollegiate Athletics	34,124,843.00	(950,633.21)	-2.79%
Financial Services	14,574,726.00	(2,732,968.60)	-18.75%
Associate VP for Facilities Mgmt	0.00	0.85	N/A
Human Resources	5,587,151.57	1,246,937.76	22.32%
VP Institutional Support Services	109,635,620.90	2,542,390.86	2.32%
Government & Community Relations	468,013.00	60,815.84	12.99%
Information Technologies	33,224,338.40	2,021,177.44	6.08%
EVP Administration	207,134,281.87	3,132,932.14	1.51%
Advancement	2,433,710.00	3,151,742.79	129.50%
School of Medicine	929,276.00	149,625.77	16.10%
College of Nursing	36,636.00	49,033.96	133.84%
College of Pharmacy	11,200.00	1,364.02	12.18%
Branches	8,300.00	10,241.73	123.39%
Other HSC and Branches	985,414.00	210,265.48	21.34%
Subtotal For Main Campus Funds	588,320,614.00	103,219,841.10	17.54%
Less Main Foundation Distribution	0.00	0.00	N/A
Total For Main Campus Funds	588,320,614.00	103,219,841.10	17.54%
Gallup Branch	15,837,669.34	8,100,620.44	51.15%
Los Alamos Branch	4,045,129.68	895,348.90	22.13%
Taos Branch	6,518,657.45	2,170,160.97	33.29%
Valencia County Branch	11,567,105.50	3,085,862.33	26.69%
Total Branch Funds	37,968,561.97	14,253,012.64	37.54%
Grand Total Main and Branch Funds	626,289,175.97	117,472,853.74	18.76%

Note: Internal Service charges that offset expenditures is not reflected in budgeted expenditure totals.

Attachment VIII--Summary of Categorization of I&G and Non I&G Reserves by College/School/Division

UBPP 7000--Main and Branch Campuses--FYE 2012

College/School/Division	Instruction and General				Non-Instruction and General			
	Reserve	Committed	Dedicated	Discretionary	Reserve	Committed	Dedicated	Discretionary
President's Office	2,331.40	0.00	2,331.40	0.00	109,315.61	4,035.14	35,352.25	70,405.21
University Counsel Office	532,768.18	41,498.91	472,000.00	19,268.27	292,964.62	4,237.73	105,000.00	183,726.89
University Communication & Marketing	205,135.54	72,000.00	92,632.00	40,463.54	(937.03)	0.00	(937.03)	0.00
Alumni Relations	35,523.08	5,000.00	30,523.08	0.00	179,706.66	8,439.32	171,269.34	0.00
Internal Audit Department	242,720.18	14,228.12	228,491.00	0.06	0.00	0.00	0.00	0.00
UNM West	461,541.09	38,088.08	425,451.97	0.04	0.00	0.00	0.00	0.00
RWJ Center for Health Policy	0.00	0.00	0.00	0.00	492,905.91	213,710.98	274,197.93	0.00
International Programs Studies	110,232.78	97,226.16	4,116.06	3,889.94	34,785.24	4,277.93	18,477.23	12,030.02
Harwood Foundation	18,407.50	15,735.97	2,670.63	0.00	457,653.72	36,395.82	431,267.91	0.00
Optical Science and Engineering	3,840.22	0.00	3,840.22	0.00	0.00	0.00	0.00	0.00
UC Advancement Center	89,328.70	295.00	98,000.00	1,033.70	0.00	0.00	0.00	0.00
Office of Support for Effective Teaching	21,063.96	0.00	19,399.13	1,754.83	20,734.31	0.00	18,715.19	2,019.62
Nano Science & Micro Systems	51,930.18	9,930.06	36,961.91	4,968.31	0.00	0.00	0.00	0.00
Parent Association	32,400.34	0.00	0.00	32,400.34	65,533.72	0.00	40,000.00	25,533.72
Undergraduate Education Support	5,947.14	0.00	5,947.14	0.00	0.00	0.00	0.00	0.00
Institutional Research	13,697.71	0.00	13,697.71	35.00	0.00	0.00	0.00	0.00
KUNM	0.00	0.00	0.00	0.00	195,905.59	4,065.00	143,022.83	48,895.76
University Press	0.00	0.00	0.00	0.00	(4,602,147.32)	0.00	23,664.95	(4,605,809.37)
Graduate Studies	695,233.87	222,500.00	421,474.83	51,309.04	519,824.71	251,235.38	235,735.43	72,893.90
CAPS	134,133.27	52,223.00	64,145.00	17,765.27	887.50	0.00	887.50	0.00
Latin American Iberian Institute	64,910.84	34,999.34	29,911.10	0.00	290,710.59	60,481.08	219,973.07	10,256.44
Provost Office Staff	2,018,099.56	416,927.44	1,370,599.76	230,572.45	271,213.38	9,103.00	93,209.30	168,903.08
Spanish Colonial Res Center	0.00	0.00	0.00	0.00	44,768.15	5,215.25	23,000.00	16,562.90
CARS	0.00	0.00	0.00	0.00	15,134.77	12,815.40	800.00	1,719.37
Office of the University Secretary	19,063.91	736.91	17,161.48	1,171.51	73,761.32	0.00	73,761.32	0.00
University College	131,556.24	8,593.55	100,443.05	14,519.64	337,545.95	112,030.00	177,557.97	47,690.90
School of Public Administration	123,555.07	0.00	123,555.07	1.44	366,791.46	100.00	366,691.11	0.35
VP for Equity & Inclusion	276,789.38	61,099.32	161,120.08	34,589.97	(7,657.32)	0.00	(32,445.71)	24,791.33
VP Division of Enrollment Mgmt	911,465.11	110,327.67	800,874.43	263.01	3,264,070.36	16,407.00	3,247,663.35	0.00
College of Arts Sciences	1,511,412.93	329,634.08	1,153,072.89	37,705.96	2,315,925.26	438,151.24	1,805,147.37	71,526.65
College of Arts Sciences	3,339,101.73	1,554,547.11	6,051,908.98	732,645.64	11,511,415.46	6,016,630.96	2,053,692.97	2,841,189.53
Anderson Schools of Management	909,049.70	827,729.94	40,951.02	40,368.74	2,298,665.36	677,168.68	1,621,686.70	0.00
College of Education COE	3,293,744.49	111,393.65	2,782,139.69	420,211.15	2,323,234.12	385,283.06	1,869,392.41	58,556.65
School of Engineering	2,238,071.11	365,297.86	630,594.70	1,039,178.55	11,106,773.50	2,036,865.84	5,737,405.48	3,332,501.08
School of Law	489,626.35	82,473.00	186,146.15	4,056.45	5,562,604.96	952,267.81	4,205,217.99	405,119.16
School of Architecture Planning	346,562.45	0.00	0.00	160,416.15	1,170,396.64	54,930.39	307,666.83	807,901.43
University Libraries	552,617.35	227,921.36	305,296.00	0.00	1,077,450.86	303,636.98	773,818.37	0.01
Continuing Education	(1,294,962.97)	36,264.30	0.00	(1,331,227.27)	(130,112.75)	90,230.64	(165.46)	(210,177.66)

UBPP 7000--Main and Branch Campuses--FYE 2012

College/School/Division	Instruction and General			Non-Instruction and General				
	Reserve	Committed	Dedicated	Discretionary	Reserve	Committed	Dedicated	Discretionary
Extended University	(18,472.94)	0.00	(18,472.94)	0.00	89,709.71	0.00	86,584.25	3,175.46
VP Research & Economic Development	12,345.90	0.00	4,650.66	7,695.24	5,574,346.29	897,972.95	4,352,539.10	353,591.26
Provost Monitoring	371,381.82	0.00	50,000.00	321,381.82	(57,755.59)	0.00	(180,000.00)	122,244.42
VP Student Affairs Administration	269,555.87	59,807.95	205,023.54	4,724.38	656,277.84	568,802.86	113,514.69	(16,030.71)
VP Student Affairs Independent Depts.	169,815.52	321.41	189,493.74	0.37	925,661.10	311,074.84	601,620.86	13,966.40
Associate VP Student Services	144,940.98	44,894.81	97,124.13	2,922.04	213,625.08	94,208.40	78,211.03	41,205.65
Associate VP Student Life	52,248.03	16,757.50	34,772.46	(1,392.33)	5,270,678.29	1,493,827.05	2,959,824.67	808,026.56
EVP of Administration Office	107,639.04	0.00	107,639.04	0.00	208,863.54	42,542.43	159,870.39	1,450.72
Board of Regents	10,405.36	0.00	10,405.36	0.00	0.00	0.00	0.00	0.00
Undesignated I&G Balance and Other								
Monitoring Accounts	17,776,298.09	6,906,117.00	11,796,457.60	(524,366.51)	2,430,013.72	0.00	2,430,013.72	0.00
Police Department	941.47	941.47	0.00	0.00	0.00	0.00	0.00	0.00
Risk Management	609,163.34	0.00	609,163.34	0.00	0.00	0.00	0.00	0.00
Budget Office	2,554.00	0.00	2,554.00	0.00	1,304.00	1,304.00	0.00	0.00
UNM Policy Office	9,350.45	0.00	9,350.45	0.00	0.00	0.00	0.00	0.00
Intercollegiate Athletics	(10,810.94)	0.00	34,772.46	(10,810.94)	(939,022.27)	94,802.82	(1,935,900.00)	900,374.91
Financial Services	167,634.92	422,515.46	(254,880.54)	0.00	(2,940,603.22)	804,341.33	(4,095,710.71)	380,765.86
Associate VP for Facilities Mgmt	0.65	0.00	0.00	0.65	0.00	0.00	0.00	0.00
Human Resources	177,094.33	5,918.26	145,000.00	26,106.07	1,069,913.43	956,909.00	77,452.15	35,562.28
VP Institutional Support Services	4,117,772.23	1,265,829.32	2,942,638.70	3,393.21	(1,575,391.37)	1,523,339.54	5,662,236.85	(6,760,657.77)
Government & Community Relations	6,378.17	0.00	6,375.00	3.17	54,437.67	6,546.26	47,850.00	41.41
Information Technologies	17,130.77	0.00	17,130.77	0.00	2,004,046.67	717,592.78	1,212,629.31	73,824.50
Advancement	0.153.54	0.00	0.00	0.00	3,143,589.25	0.00	3,143,589.25	0.00
School of Medicine	0.00	0.00	0.00	0.00	149,625.77	2,115.60	147,510.17	0.00
College of Nursing	0.00	0.00	0.00	0.00	49,033.96	49,033.96	0.00	0.00
College of Pharmacy	0.00	0.00	0.00	0.00	1,364.02	1,364.02	0.00	0.00
Branches	0.00	0.00	0.00	0.00	10,241.73	0.00	0.00	0.00
Subtotal For Main Campus Funds	46,560,374.61	13,181,402.45	31,987,653.67	1,411,102.29	56,639,466.49	19,338,535.33	38,917,066.03	(2,116,153.67)
Less Main Foundation Distribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total For Main Campus Funds	46,560,374.61	13,181,402.45	31,987,653.67	1,411,102.29	56,639,466.49	19,338,535.33	38,917,066.03	(2,116,153.67)
Gallup Branch	7,164,792.25	234,266.26	0.00	6,930,525.99	935,828.19	6,170.85	0.00	927,649.34
Los Alamos Branch	245,865.50	4,338.81	242,526.59	0.00	646,493.40	184,852.45	464,582.76	(651.63)
Taos Branch	1,893,965.33	71,063.05	903,676.65	919,215.42	276,205.64	24.50	5,311.37	270,860.77
Valencia County Branch	2,256,917.61	299,036.38	1,600,000.00	366,881.23	830,954.72	359,143.80	0.00	471,820.92
Total Branch Funds	11,561,530.69	609,704.51	2,746,203.54	8,205,622.64	2,691,481.95	552,199.60	469,894.15	1,689,385.29
Grand Total Main and Branch Funds	58,121,905.30	13,790,105.96	34,734,073.41	9,617,724.93	59,330,948.64	20,890,735.93	39,386,960.18	(446,767.67)




Office of the Senior Executive Officer of Finance & Administration
1 University of New Mexico
MSCO9 5300
Albuquerque, NM 87131

MEMORANDUM

DATE: September 18, 2012

TO: David W. Harris
Executive Vice President for Administration, COO and CFO

FROM: Ava J. Lovell, CPA 
Senior Executive Officer for Finance & Administration, HSC

RE: Approval Item for Board of Regents' Finance & Facilities Committee Meeting

HSC Report for FY ending June 30, 2012 (unaudited) in accordance of UBPP 7000 will be presented at the October 2012 Finance and Facilities meeting.



OFFICE OF THE CHANCELLOR FOR HEALTH SCIENCES

TO: David Harris
Executive Vice President for Administration, COO & CFO

FROM: Paul B. Roth, M.D., M.S., FACEP *Ava J. Lovell for*
Chancellor for Health Sciences
Dean School of Medicine

DATE: September 27, 2012

SUBJECT: Submission of HSC Report – UBPP 7000

Enclosed are the reports as required by University Business Policy & Procedure 7000 (Budgets and Reserves). The reports show HSC unrestricted financial activity for fiscal year ending June 30, 2012. The HSC unrestricted Instruction & General (I&G) expense budget is approximately 25% of the total HSC unrestricted operating expense budget. The first attachment shows activity by HSC unit (academic and administration) for I&G funds.

HSC I & G reserves of \$4,932,732 are 5.00% of expense budget which is within the State of New Mexico's recommended reserve range of 3% to 5%. There was an overall Instruction & General increase in reserves for FY 2012 of \$1,334,038. The net increase in reserves is primarily attributable to open positions in College of Pharmacy, College of Nursing and Health Sciences Library and Informatics Center as well as to faculty salary release to grants in the College of Pharmacy.

Combined HSC unrestricted reserves total \$57,539,909 (attachment #2) which represents 14.22% of an expense budget totaling \$404,505,347. The decrease in reserves for FY 2012 for all HSC University funds is \$2,440,643. This decrease is mainly due to the School of Medicine planned use of reserves for capital initiatives.

The \$57,539,909 reserves (attachment #3) have been categorized by the units within the Health Sciences Center as committed, dedicated, or discretionary. In the category of committed are purchase order encumbrances, which total \$1,322,122. The remaining committed reserves are \$23,840,374 and consist largely of Donor Designated Endowed and Non-endowed funds, Faculty Contracts and Startup Packages, Cost Share, and Capital Projects.

There are \$25,363,541 of funds which have been dedicated by units within the HSC. Discretionary reserves are \$7,013,872, or 1.7% of the total expense budget.

If you would like more information, please contact Ava at Alovell@unm.edu

cc

Ava Lovell, Senior Executive Officer for Finance & Administration, HSC
Bob Fondino, Chief Budget & Facilities Officer, HSC
Vanessa Hawker, Budget and Administrative Services Director, HSC

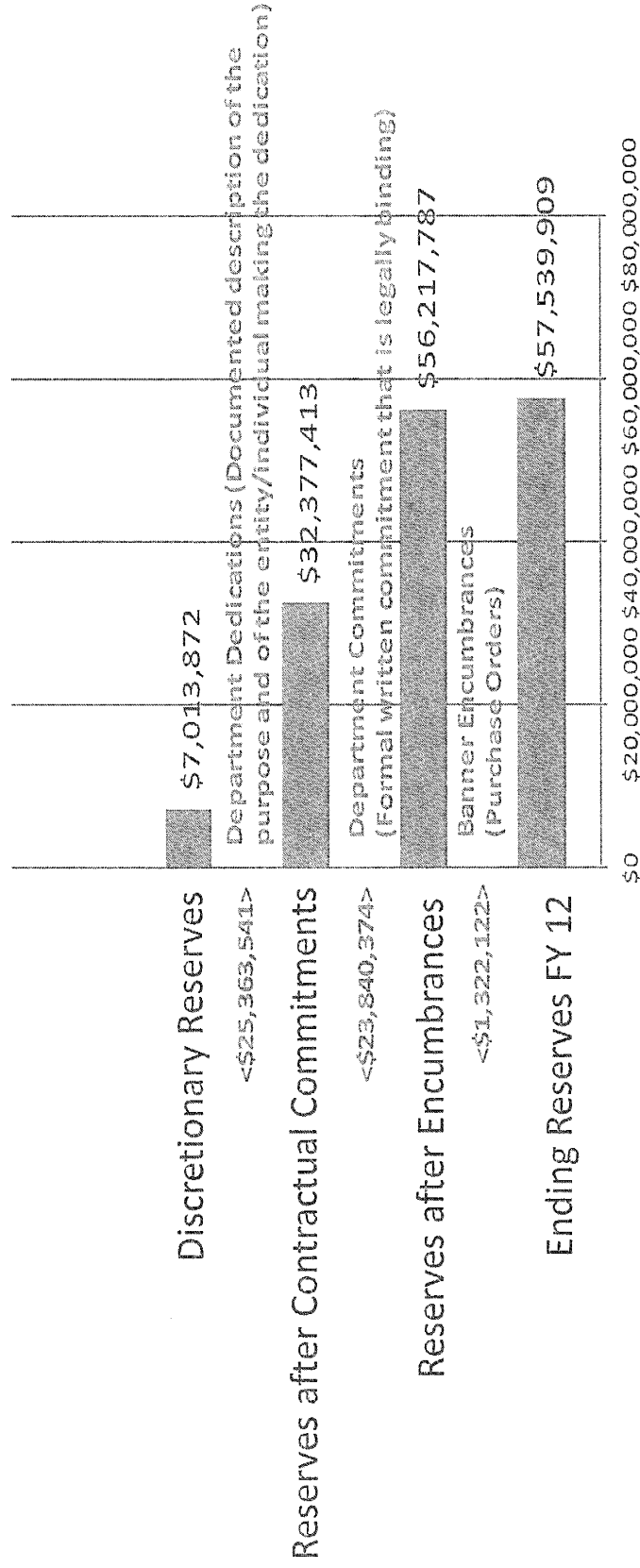
UNM Health Sciences Center
Instruction and General
Unrestricted Reserves Summary
Fiscal Year Ended June 30, 2012 (Unaudited)
Does not include Main Campus Funds Under HSC Organization Codes, UNM Hospitals, or UNM Medical Group

	Revised Budget	Beginning Reserves	Revenue	Transfers	Expense	Ending Reserves	% of Budget	Change in Reserves	% of Budget	Commitments	Net Reserves Less: Commitments
AFA VP HSC Administration	36,171,080	384,244.81	29,646,984.16	1,917,897.31	31,753,323.00	195,753.28	0.54%	(188,481.53)	-0.52%	125,615.64	70,137.64
AFB HS Library and Informatics Center	5,945,152	825,466.29	5,592,402.70	48,969.31	5,382,886.74	1,073,951.56	18.06%	248,485.27	4.18%	194,748.22	879,203.34
AFC School of Medicine	42,954,152	329,529.34	52,565,795.79	(9,629,735.44)	42,860,367.00	405,222.69	0.94%	75,693.35	0.18%	256,057.31	149,165.38
AFD College of Nursing	6,901,550	235,036.74	6,588,308.24	436,376.10	6,650,108.45	609,612.63	8.83%	374,575.89	5.43%	14,513.11	595,099.52
AFE College of Pharmacy	6,636,034	1,824,417.16	7,700,940.04	(710,269.96)	6,166,895.09	2,648,192.15	39.91%	823,774.99	12.41%	1,178,409.65	1,469,792.50
AFI HSC VP Research	-	0.00	90,894.25	(90,894.25)	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00
Total	98,607,968	3,593,694.34	102,175,275.18	(8,927,556.93)	92,813,560.28	4,932,732.31	5.00%	1,334,037.97	1.35%	1,769,343.93	3,163,398.38

UNMH HEALTH SCIENCES CENTER
ENDING RESERVES BY ORG LEVEL 3 & FUND
FY 2012
(Unaudited)

Exhibit	Fund	Fund Description	AFA	AFB	AFC	AFD	AFE	AFI	BAA	UNMH	Grand Total
			VP HSC Admin	HSLIC	School of Medicine	College of Nursing	College of Pharmacy	HSC VP Research	UNMH Medical Group	UNMH	
Instruction & General	3U0004	HU I and G	195,753.28	1,073,951.56	405,222.69	609,612.63	2,648,192.15	0.00	0.00	0.00	4,932,732.31
		Intruction & General Total	195,753.28	1,073,951.56	405,222.69	609,612.63	2,648,192.15	0.00	0.00	0.00	4,932,732.31
Research	3U0023	HU Research General	6,435,339.81	79,004.03	762,556.62	226,859.40	800,296.12	1,650,335.60			9,962,991.66
	3U0047	HU F&A	16,849.71		4,411,309.67	453,138.24	540,178.76	540,178.76			6,012,674.92
	3U0081	HU Endowed Spending Research	360,681.02	4,513.00	5,347,685.48	95,663.66	83,772.99	83,772.99			5,892,316.15
	3U0083	HU Research State Appropriations			(5,963.88)						(5,963.88)
	3U0298	NM Tumor Registry (SEER) Billing									12,026.90
	3U0299	HU Research Residuals			961,615.73						975,323.40
	3U0342	HU CRTG State Appropriations			(1,526.63)			13,707.67			(1,526.63)
		Research Total	6,812,870.56	84,117.03	11,488,609.91	775,661.30	1,383,494.66	2,305,995.10	0.00	0.00	22,840,742.54
Public Services	3U0001	HU Non Endowed Spending Research			3,682,031.11	41,834.49		294,914.19			4,018,779.79
	3U0002	HU Non Endowed Spending Education	166,766.84	18,510.90	5,789,653.27	713,689.75	274,708.59				6,963,324.35
	3U0008	HU HSC Monitoring	585,488.70								585,488.70
	3U0011	HU UNMH AR & AP General	(37,289.67)		(232,092.73)						(269,382.40)
	3U0029	HU Clinical Residuals	489,273.07	137,514.85	9,493,951.57	238,021.52	102,122.71		990,161.87		10,464,883.72
	3U0030	HU Locum Tenens Billing							644,154.77		644,154.77
	3U0031	HU Speciality Ext Services									
	3U0032	HU UNMMS FOM									
	3U0033	HU UNMMS Special Arrangements	3,009.00								3,009.00
	3U0034	HU UNMH SOM General			2,368,488.85						2,368,488.85
	3U0038	HU Neonatology Transport Billing			1,664,400.77						1,664,400.77
	3U0050	HU CME Conferences	6,914.09		3,457,970.90						3,457,970.90
	3U0051	HU VA Contracts			(1,709,365.77)						(1,709,365.77)
	3U0064	HU CRTG Patient Billing			95,340.09						95,340.09
	3U0068	HU VA Contracts e-Verify			148,516.79						148,516.79
	3U0080	HU SOM Student Fees			42,822.21						42,822.21
	3U0085	HU Clinical/Public Services State Approp			55.29						55.29
	3U0300	HU Education General	37,973.36	694.81	295,993.49	1,049,173.34	114,362.51				1,498,187.51
	3U0301	HU Non Endow Spending Clinical Svc	16,244.25		543,660.52						564,304.77
	3U0302	HU Endowed Spending Clinical Svc	4,237.10		338,427.83						337,664.13
	3U0303	HU Clinical Service General	433,924.59		1,340,512.83	42,676.35	7,667.54				1,824,781.31
		Public Service Total	1,710,441.33	156,720.56	19,287,094.24	2,043,560.96	540,690.84	294,914.19	1,634,316.64	0.00	25,662,738.76
Internal Services	3U0014	HU Program Evaluation			6.08						6.08
	3U0016	HU Flow Cytometry			(3,267.77)						(3,267.77)
	3U0017	HU Kugr Genomics			35,524.50						35,524.50
	3U0022	HU Fluorescent Microscopy			1,104.15						1,104.15
	3U0056	HU PPD Maintenance and Planning	14,368.59								14,368.59
	3U0040	HU Electron Microscopy			19,098.70						19,098.70
	3U0059	HU Gr-for-Development & Disability			12,503.91						12,503.91
	3U0060	HU UME Assessment and Learning			121.62						121.62
	3U0061	HU MRI Core Facility						124,362.44			124,362.44
	3U0062	HU Biennutrition									
	3U0072	HU CEHP Cost Center			12,527.61						12,527.61
		Internal Service Total	14,368.59	0.00	77,618.80	0.00	314,544.04	124,362.44	0.00	0.00	216,287.78
Student Aid Endowments	3U0003	HU Endowed Spending Education	22,626.02	19,355.73	2,999,368.62	484,900.62					3,841,795.23
	3U0106	HU Student Aid	(161,136.50)		1,176,906.97						1,015,770.47
		Student Aid & Education Endowment Total	6,489.52	19,355.73	4,176,275.59	484,900.62	314,544.04	0.00	0.00	0.00	4,857,805.70
Independent Operations	3U0004	HU Medical Investigator Billing			(2,342,374.45)						(2,342,374.45)
	3U0005	HU Housestaff Operations			18.94						18.94
	3U0123	HU Housestaff UNMH AR			364,858.01						364,858.01
		Independent Operations Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total per UNMH Banner System	6,590,663.26	1,834,644.88	34,452,217.97	3,933,735.51	4,886,859.14	2,723,271.73	1,634,316.64	0.00	57,559,908.13

UNM Health Sciences FY 2012 Categorization of Reserves



This chart does not include UNM, UNMMG or SRMC operations. It does include Carrie Tingley Hospital, Children's Psychiatric Hospital, and Young Children's Health Center.



MEMORANDUM

TO: Members of the Board of Regents' Finance & Facilities Committee

THRU: Robert G. Frank, President

FROM: Cedric D. Page, Executive Director *Cedric D. Page*

DATE: October 4, 2012

SUBJECT: Los Alamos Campus Mil Rate Resolution

On July 2, 2012 and September 10, 2012 The University of New Mexico Los Alamos Campus Advisory Board voted to place a resolution before the voters requesting an increase in our operational mil levy. The request would increase the levy by two (2) mils for a total of 2.969 mils, using the Tax Year 2012 as the base.

If approved by the Board of Regents, the election would be held on January 29, 2013. The proposed resolution question is:

“Shall the University of New Mexico-Los Alamos College District be authorized to impose a property tax levy of \$2.00 per each \$1,000.00 of net taxable value of property allocated to such District under the Property Tax Code for the purpose of current operations and maintenance of the District for use in meeting its educational goals?”

Attached please find additional information regarding the resolution, Los Alamos Branch Operations, how the additional funding will be budgeted, how the funds will benefit the Los Alamos community, and statistics for the mil rate change.

We look forward to discussing the merits of the mil levy increase during the Regents' F&F Committee meeting on October 4, 2012 and with the full Board of Regents during their October 9, 2012 meeting.

**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
RESOLUTION**

AUTHORIZING THE ADVISORY BOARD OF THE UNIVERSITY OF NEW MEXICO-LOS ALAMOS, COUNTY OF LOS ALAMOS, STATE OF NEW MEXICO TO HOLD A COLLEGE DISTRICT ELECTION TO SUBMIT TO A VOTE THE QUESTION OF A COLLEGE DISTRICT TAX AND TO APPROVE THE RESOLUTION AND PROCLAMATION OF THE ELECTION ISSUED BY THE BOARD ON OCTOBER 9, 2012, IN ACCORDANCE WITH SECTION 1-22-5, NMSA 1978.

WHEREAS, the Advisory Board (the "Board") of the University of New Mexico-Los Alamos College District, County of Los Alamos, State of New Mexico, as the governing board of the University of New Mexico-Los Alamos College District (the "District"), has determined that a college district election (the "Election") to submit to a vote the question of whether a property tax levy of \$2.00 per each \$1,000 of net taxable value of property allocated to such District under the Property Tax Code for the purpose of current operations and maintenance of the District for use in meeting its educational goals shall be held on January 29, 2013, and that a Resolution and Proclamation of the Election ("Resolution") was issued by the Board, in accordance with Section 1-22-5, NMSA 1978 on September 10, 2012;

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, AS FOLLOWS:

Section 1. Authorization. The Election for the District is hereby authorized. The Election shall be held in the manner approved by the Board in the Resolution.

Section 2. Ratification. All action heretofore taken (not inconsistent with the express provisions of the Resolution) by the Regents or the officers of the University directed toward the approval of the Resolution, is hereby ratified, approved and confirmed.

ADOPTED AND APPROVED this 9th day of October, 2012.

THE REGENTS OF THE UNIVERSITY
OF NEW MEXICO

[SEAL]

By _____
Jack L. Fortner, President

Attest:

By _____
Carolyn J. Abeita, Secretary

UNM – Los Alamos Campus Proposed Two Mil Operational Levy Information & Business Plan

Thirty years ago, the community of Los Alamos had a vision for higher education and created the UNM Los Alamos branch campus with a commitment to tax their community the required one mil levy as an investment in improving the quality of life for its citizenry. Along the way, UNM Los Alamos (UNM-LA) has served the community well. We have exceptional faculty and our students regularly perform at higher levels than their peers who begin their undergraduate education at UNM-Albuquerque. In addition to its role as a 2-year transfer institution, UNM-LA provides a vast array of community education programs, supports a number of needed technical certifications, responds to workforce training demands and provides a pathway for Los Alamos Public School students seeking everything from advanced robotics and technology courses to dual-credit courses and GED services. Today, UNM Los Alamos is in trouble -- state funding has dropped nearly 40% in the last 5 years. The campus is doing the best it can by seeking grants, initiating new programs in response to workforce needs, raising tuition, setting enrollment and retention goals, and reorganizing and expanding the workloads of staff and faculty. These efforts have been successful in the short term but for long term sustainability, UNM-LA needs additional revenues. It is time for UNM-LA to step up and ask the community to support a UNM-Los Alamos.

Current Impacts to Operations:

UNM Los Alamos has identified variables that without change, will denigrate the current delivery of instruction and support services necessary for our students to work towards graduation or improve their student success. Action is necessary to change the current direction and reverse the downward progression. Factors that adversely impact our ability to meet our mission include:

- Thirty-eight (38) percent reduction in state appropriations from FY08 to FY12 with unpredictable funding levels based on changes (past and future) in the higher education formula.
- Unfunded and underfunded mandates: Dual credit; waivers for seniors; ADA services for students; developmental (remedial) education demands; and increased administrative assessments.
- Established academic programs and student success services funded from non-recurring grants.
- Course cancellations resulting from low enrollment courses thereby impeding progress toward degree and graduation rates.
- Aspirational goals for enrollment growth require expanded program capacity and core student success services.

Total Revenue Sources:

State revenue sources over the last five years have dropped significantly while the number of students UNM Los Alamos served has grown 14%. Growth in contract and grant revenue and the increase in tuition rates have offset the decline in state appropriations but this is not a sustainable model in response to the shift in state funding. Student tuition and fee rates have grown at an average of 7% annually for the last ten years, a trend that is contrary to our mission as a two-year institution to deliver affordable higher education to our community.

UNM Los Alamos has aggressively sought out new contract and grants and almost doubled that activity in the listed five-year period in the table below. Contract and grant activity is not a recurring revenue stream, and for UNM Los Alamos, much of our grant activity has allowed us to initiate new academic programs and student success services that must be sustained by recurring revenues to improve our retention, transfer, and graduation rates, and overall student success.

**UNM Los Alamos Shift in Funding Sources
FY08 through FY12**

9/19/12

Revenue Source	FY12*	FY08	Shift in % (from FY08 to FY12)
Tuition & Fees	\$ 991,230.76	\$ 593,778.00	67%
State Appropriation	\$ 1,665,500.00	\$ 2,696,325.00	-38% **
Local Levy	\$ 650,892.02	\$ 573,292.00	14%
Contract & Grants	\$ 1,225,405.39	\$ 647,581.00	89%
Sales & Services	\$ 360,254.34	\$ 464,353.00	-22% ***
Other	\$ 618,240.28	\$ 96,264.00	542%
	\$ 5,511,522.79	\$ 5,071,593.00	9%

*FY12 figures are prior to audited year end close

**Campus student enrollment growth at 14% compared to decrease in state appropriations of (38%)

***Drop in Sales & Services corresponds to outsourced bookstore operation

Rationale for Increase:

The UNM Los Alamos Strategic Plan, adopted in January 2012, commits through its mission to serve: students preparing to transfer to a four-year institution; students engaged in workforce training and career-based programs; and life-long learners seeking continued personal enrichment. If the resolution question is passed by the voters in Los Alamos in January 2013, the two mil increase will generate \$1.4-\$1.5 million in local revenue beginning in 2014. These additional resources will be used to achieve the six goals listed below in our Strategic Plan.

Goal 1 - Have a clear, concise, repeatable statement of identity (i.e., as expressed in mission, vision, and values) that captures the institutional purpose, serves as a framework for decision-making and resonates with the UNM-LA family.

- Continually evaluate the mission, vision and values of the institution in connection with evolving external variables.
- Deploy measures that enable resource utilization decisions in a manner consistent with institutional direction.

Goal 2 - Develop stronger ties with constituencies and stakeholders building greater advocacy as a higher education priority, enabling effective two-way communication within all segments of the communities we serve, and increasing participation in campus activities and programs.

- Increase outreach in the community by hosting events that increase the visibility of the campus.
- Seek opportunities for lectures, concerts, and other culturally diverse activities that draw engagement from a broad spectrum of the community.

Goal 3 - Market UNM-LA in focused, effective ways by promoting programs, services, and opportunities; fostering favorable perceptions and enhancing the understanding of our mission, vision, and values.

- Implement a well-defined marketing strategy to support the academic mission and increase awareness in the community.
- Use effective marketing to improve recruitment and retention enabling better graduation and student success.
- Engage marketing expertise that expand opportunities for other revenue streams

Goal 4 - Staff UNM-LA sufficiently to sustain high instructional standards, enable realistic workloads in providing support services, and create an environment that encourages high performance and state-of-the-art programs.

- Restore core faculty positions that have been shifted to adjunct faculty.
- Create aspirational levels over the next five year to compensate faculty at comparable levels with its institutional peers.
- Use Performance Based Budgeting to evaluate performance and create pathways for advancement that recognize and reward performance.

Goal 5 - Increase student enrollment by attracting students from inside and outside the geographic area, resulting in economic development for Los Alamos and facilitating growth in the 18-25 age population.

- Expand and improve programs that attract students, specific to emerging technologies in the STEHM disciplines.
- Invest in areas of interest, such as advanced Robotics, to attract and enroll students.

Goal 6 - Create enhanced revenue streams to complement state funding, stabilize support for recurring costs, and enable technology investments.

- A mil levy increase enables stability in one of the three primary recurring funding streams.
- Investments in academic programs and student support services result in increased enrollments and the development of a continuum in the student admission pipeline.
- Increased value of the campus as a community asset enhances fund raising, and gift and endowment growth.

Our three core constituencies, selected programs and services for each group, and estimated costs are identified below:

Students preparing for transfer – (\$700,000)

- Program delivery that facilitates greater graduation rates
- Student support services that encourage student success and progress toward completion
- Sustain programs started with or dependent on grant funding
- Increase and improve on-line offerings
- Provide resources for an increasing ADA requirements in the classroom
- Continue delivery of dual-credit courses to Los Alamos high school students
- Restore core faculty and program coordinator positions

Students engaged in workforce training and career based programs - (\$600,000)

- Development and delivery of workforce training programs that dynamically address evolving local and statewide workforce needs
- Increase internship opportunities for hands on experiential learning
- Address the need for developmental education necessary for success in college level coursework
- Respond with career and high demand occupational programs that address regional economic development needs
- Expand student support programs for non-traditional students and displaced workers

Life-long learners and those seeking personal enrichment - (\$200,000)

- Expand campus utilization and programming to fully engage the community
- Address the unfunded mandate of discounted tuition rates for seniors
- Deliver programs for K-12 students through our University Explorations program

The guiding principle for investing and budgeting resources is to achieve conformance with the mission and goals in our Strategic Plan. The critical assessment of proposed uses (programs and services) and their impacts will be consistent with the RCM and PBB processes and standards outlined in [FY14](#)

Budget Development Process and Models Memorandum distributed by President Frank on August 28, 2012.

Comparison of Mil Levy Rates:

In 2012, fifteen Community Colleges implemented mil rates higher than the required minimum one mil. The specific institutional rates for all institutions are listed in Table 1 below.

Table 1
Operational and Debt Service Mil Levy Tax Rates
(residential and debt service only)
Tax year 2012

School	Residential Rate	Debt Service	Total
UNM Gallup	2.000	3.330	5.330
NM Junior College	3.941	-	3.941
San Juan College	3.162	0.420	3.582
CNM	2.794	0.550	3.344
Santa Fe CC	2.362	0.930	3.292
NMSU Carlsbad	2.855	-	2.855
UNM Valencia	1.924	0.850	2.774
Luna CC	2.378	-	2.378
Mesalands CC	2.028	-	2.028
NMSU Dona Ana	1.000	1.000	2.000
ENMU Roswell	0.912	1.035	1.947
Clovis CC	1.872	0.075	1.947
UNM Taos	1.846	-	1.846
ENMU Ruidoso	1.715	-	1.715
NMSU Alamogordo	0.769	0.800	1.569
UNM Los Alamos	0.969	-	0.969
NMSU Grants	0.689	-	0.689

** UNM Los Alamos is currently in the bottom tier of all 2-year institutions, with the minimum 1 mil assessment as established 30 years ago when the branch was created.*

*** If no other 2-year institution implements an operational or capital mil assessment and UNMLA receives voter approval for a 2 mil increase, the new rate would place UNMLA in the middle tier of total rate assessments for 2-year institutions, between Santa Fe Community College and NMSU Carlsbad.*

The addition of two (2) mils for operational expenses (assuming a successful election in January 2013) will generate approximately \$1.4m-\$1.5m in FY15 from our local tax base for ongoing investment in

UNM-LA, and add \$66.67 per \$100,000 of assessed property value to the current mil rate as outlined in Table 2.

Table 2
Cost of 1 Mil Assessment

Residential Value	Cost @ 1 Mil
\$ 100,000	\$ 33.33
\$ 150,000	\$ 50.00
\$ 200,000	\$ 66.67
\$ 250,000	\$ 83.33
\$ 300,000	\$ 100.00

Currently, Los Alamos county property owners are taxed .969 mils for operational needs at UNM-Los Alamos as shown in Table 3.

Table 3

Tax Year 2012 Residential Assessment for UNM Los Alamos

Residential Value	UNMLA Rate Cost @ .969 Mil
\$ 100,000	\$ 32.30
\$ 150,000	\$ 48.45
\$ 200,000	\$ 64.60
\$ 250,000	\$ 80.75
\$ 300,000	\$ 96.90

If the additional two mil question is approved by the voters of Los Alamos County and implemented, the new total residential rates will be as shown in Table 4.

Table 4
Proposed Tax Year 2013 Residential Assessment for UNM Los Alamos

Residential Value	Cost @ .969 Mil (assumes no change)	Cost @2 mil Proposed	Total
\$ 100,000	\$ 32.30	\$ 66.67	\$ 98.97
\$ 150,000	\$ 48.45	\$ 100.00	\$ 148.45
\$ 200,000	\$ 64.60	\$ 133.33	\$ 197.93
\$ 250,000	\$ 80.75	\$ 166.67	\$ 247.42
\$ 300,000	\$ 96.90	\$ 200.00	\$ 296.90

As a point of reference, the current UNM-Los Alamos residential rate represents just 4.3% of the total 21.544 mils assessed on residential property in Los Alamos as shown in Table 5.

Table 5

Tax Year 2011 Los Alamos Residential Property Rates by Entity
(Tax Year 2012 Los Alamos property tax rates not yet published)

Total State	1.362	6%
Total County	5.227	24%
Total Municipal	1.748	8%
Total School District	12.272	57%
Total UNM Los Alamos*	0.935	4%
Total Residential	21.544	100%

**Current UNMLA operational mil represents 4.3% of the total residential rate assessment*

Conclusion

UNM Los Alamos recognizes these are difficult financial times and asking for additional support from the community will be a challenging undertaking. We also believe the Los Alamos community understands the return on investment of their tax dollars through investing in their education institutions has great upside and will pay dividends in future years. In fact, preliminary results of our economic impact analysis indicate positive returns for Los Alamos taxpayers with a rate of return of 5.1% and a benefit/cost ratio of 1.4. This is a respectable impact for anyone anticipating a return on the quality educational programs and services offered by UNM-LA.

We respectfully request approval by the Regents of The University of New Mexico of this request to allow the citizens of Los Alamos to exercise their voice and vote on this question impacting their community. We believe a successful election will signal their commitment to the future of Los Alamos and our role in making that future a reality.

UNIVERSITY OF NEW MEXICO LOS ALAMOS
Projected Budgets for Proposed Mill Levy Use

	FY 14	FY 15	FY 16	FY 17	FY 18
REVENUES					
Total Anticipated Mill Levy Revenue	700,000	\$1,428,000	\$1,456,560	\$1,485,691	\$1,515,405
EXPENSES					
Preparation for Transfer					
Pre-Engineering (core faculty on grant; growing program with transfer to EU classes on campus)	\$32,500	\$60,000	\$60,000	\$72,000	\$60,000
Pre-Health Science (growing program, needs additional faculty to keep class rotation)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Programs Enhancing Graduation Rates					
Cornerstone/UNIV 101 - partially covered on grant for FY14					
Coordinator, materials, faculty, etc. (oversees Developmental Education/accelerated/progress to Emporium model for developmental math (in computer classrooms) faculty)	\$35,000	\$40,000	\$40,000	\$40,000	\$40,000
Computers and supplies for Emporium model math lab	\$45,000	\$45,000	\$48,000	\$48,000	\$48,000
Accelerated English program for developmental	\$30,000	\$11,000	\$5,000	\$30,000	\$5,000
Accelerated Reading for information	\$45,000	\$45,000	\$48,000	\$35,000	\$27,900
Services for Student Success and Completion	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Academic Support Center - (partially grant funded) this fall we had such an increase of students served in first 5 weeks, it equaled what we do in a year!	\$35,000	\$50,000	\$50,000	\$50,000	\$50,000
Expansion/Enhancement of On-Line Courses - each year training for new faculty, esp. STEHM, to become certified online instructors and increase support for faculty and students using online/hybrid resources	\$15,000	\$15,000	\$15,000	\$10,000	\$10,000
Resources for ADA Classroom Support - currently unfunded/absorbed, but growing substantially; by year 3, need to hire permanent staff member	\$5,000	\$10,000	\$30,000	\$30,000	\$30,000
Intrusive Advising/Coaching - continue position currently on grant and in third year adds additional staff - not serving all students	\$12,000	\$33,000	\$48,000	\$48,000	\$48,000
Restoration of Core Faculty and Program Coordinator Positions - this number represents 3 new full time faculty and an equity adjustment for low salaries for existing faculty	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Fringe Benefits	\$137,850	\$159,900	\$172,200	\$171,900	\$166,170
Preparation for Transfer Totals	\$677,350	\$753,900	\$801,200	\$819,900	\$770,070

Cedric Page:
Assumes an average increase of 3-4%/year contingent upon assessed valuation a.

Kay Willerton:
coordinator salary - oversees developmental program, works for accelerated opportunities and progress toward

Kay Willerton:
new core faculty

Kay Willerton:
new core faculty

Kay Willerton:
adjunct faculty

Kay Willerton:
salary for coordinator, and tutors (moved from completely volunteer to some paid)

Kay Willerton:
2.5 FTE new core plus 11000 salary equity increase for 10 core

Workforce Training and Career-based Programs/Services

EMS - in curriculum workflow this fall; 3-year planning with UNM EMS Academy - will feed to bachelor's and will fill overflow for UNM - will need one full-time technical faculty in line with UNM's accreditation	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Fully Equipped EMS lab - we have agreement to borrow equip first year					\$100,000		\$75,000	\$30,000
Fire Science - transferrable to UNM-EMS partially grant	\$25,000				\$25,000		\$55,000	\$58,000
Police Science - half-time and adjunct faculty (in pipeline for Y 14)	\$32,000				\$45,000		\$45,000	\$45,000
Workforce areas: Restoration of Core Faculty and Program Coordinator Positions - this number represents 3 new full time faculty and an equity adjustment for low salaries for existing faculty	\$175,000				\$122,000		\$115,000	\$150,000
Cyber-Security - partially grant funded	\$12,000				\$25,000		\$15,000	\$25,000
Supplies and equipment - varies yearly	\$3,255				\$0		\$5,300	\$3,000
Robotics - partially grant funded FY 14	\$35,000				\$67,500		\$67,000	\$67,000
Adjunct faculty	\$6,300				\$6,300		\$8,000	\$8,000
Supplies and equipment - varies yearly	\$5,000				\$5,000		\$7,000	\$5,000
Environmental Science Technician	\$0				\$25,000		\$25,000	\$25,000
Applied Science/Technologies - partially grant funded	\$64,000				\$50,000		\$50,000	\$75,000
Supplies and equipment - solar/robotics/other equip - especially in STEHM fields, are part-time. To add	\$62,000				\$50,000		\$20,000	\$9,000
Intrusive Faculty Advising - most of our faculty, advising, we must be able to pay for more of their time.					\$5,000		\$5,000	\$5,000
Career Advisor/Coach - needed for STEHM and progress to completion	\$42,000				\$42,000		\$42,000	\$48,000
Fringe Benefits	\$139,500				\$136,950		\$140,700	\$164,400
Workforce Training/Career-based Total	\$601,055				\$604,750		\$598,300	\$610,200
Life-Long Learning/Personal Enrichment								
Campus Utilization	\$30,000				\$15,000		\$15,000	\$20,000
Tuition discounts for seniors/dual credit waivers								
University Explorations	\$20,000				\$20,000		\$20,000	\$20,000
Computer application and customized training for local businesses - goal is to become self-sustaining	\$50,000				\$30,000		\$18,000	\$12,000
Fringe Benefits	\$9,000				\$4,500		\$4,500	\$6,000
Life-long Learning/Personal Enrichment Total	\$109,000				\$69,500		\$57,500	\$58,000
TOTAL EXPENSES	\$1,387,405				\$1,428,150		\$1,457,000	\$1,515,470
Revenue over +/-under- Expenses	-\$687,405				-\$150		-\$440	-\$809

Key Willerton:
1.5 FTE new core plus
11000 salary equity
increase for 10 core

Cedric Page:
1 FTE Coordinator of
Special Events

Memo

To: Board of Regents

From: Liz Metzger, Interim Univ. Controller &

Ava Lovell, Senior Executive Officer for Finance & Administration/HSC

Date: 10/2/12

Re: Monthly Consolidated Financial Report

Please see copies of the Executive Summary, Consolidated Total Operations Current Funds, and Detail of State/Local Appropriations Reports. All reports are for the two month period ending August 31, 2012.

The reports will be presented at the October 9, 2012 Board of Regents meeting.

Executive Summary

University of New Mexico Consolidated Financial Report

FY 2013, 2 months ending 8/31/2012

This report covers current fund operations for the University, including Main Campus, Branch Campuses and HSC Campus.

This report displays the “**Benchmark Rate**” percentage. The Benchmark Rate is used as a guide to analyze how budgeted revenue is coming in or whether we are spending budgeted expenses too rapidly. For August, we would expect to see income and expense for 2 months of the year or 17% (2 months divided by 12 months) of the full year operating budget.

Instruction and General operations (approximately 90% of this operation resides on Main Campus) projected an unfavorable net margin of \$8.9M for the FY 2013 UNM Operating Budget. This unfavorable budgeted net margin is comprised of a \$10.1M use of reserve at the Main Campus, a \$928K use of reserve at the Branch Campuses and a favorable net margin at the HSC Campus of \$2.2M. The \$10.1M use of reserve at Main Campus is primarily due to \$3.0M of one-time monies funding the I&G Budget, Administrative units budgeting approximately \$1.5M in reserve balances and Academic Affairs budgeting approximately \$5.6M in reserve balances. As of 8/31/12 these operations produced a favorable net margin of \$66.9M. This results from recording actual tuition and fees revenue on a semester basis, as opposed to a monthly basis, as shown by a 55% Benchmark rate for tuition and fees revenue. In addition, F&A Revenues were up 2% overall compared to the operating budget and the total actual Instruction and General expenses are 2% less than budgeted.

The next block of information shows our **Unrestricted Research** operations. The activity in these operations is essentially 50% Main Campus and 50% HSC Campus. The FY 2013 UNM Operating Budget showed a use of reserve of \$9.1M, of which a \$5.4M unfavorable net margin is related to Main Campus and a \$3.7M unfavorable net margin is related to HSC Campus. The \$5.4M use of reserve at Main Campus is primarily due to Academic Affairs departments budgeting reserve balances. At the HSC Campus approximately \$907K of reserves were budgeted by SOM Departments to support Chairs' Letter of Offer packages. The College of Pharmacy budgeted \$153K for faculty bridge funding and faculty start-up funding. Additionally, at the HSC \$2.6M is budgeted for various capital projects during FY 2013. The actual unfavorable net margin is \$799K as of 8/31/12 with HSC Campus having a favorable net margin of \$239K and the Main Campus producing an unfavorable net margin totaling \$1.0M which is tracking with the unfavorable net margin that was budgeted for FY 2013.

The third block of numbers on the first page is a summary of our **Clinical** operations. These operations are essentially all the patient care activities of the HSC Campus, including the UNM Hospitals, SOM physician professional services, Cancer Center operations and Housestaff/Medical Residents who are being trained in the UNM and VA hospitals. The FY 2013 UNM Operating Budget projected an unfavorable net margin of \$3.3M. The major factor contributing to this unfavorable net margin is the School of Medicine budgeting a use of reserve of \$2.0M for FY 2013. The budgeted use of reserve is primarily due to the SOM Chair Packages for FY 2013. Clinical operations show an unfavorable net margin of \$6.6M for the two months ended 8/31/12. UNM Hospitals represented \$4.1M of this unfavorable net margin and the HSC Campus represented the remaining net loss of \$2.5M. The results for UNMH are a net loss of \$4.1M and the Behavioral Health Operations (BHO) had a favorable net margin of \$29K. A factor contributing to the net loss at UNMH was the very low census in July. The census in August was good, especially in Pediatrics which has a good payor mix. Cash flow has been slow and UNMH is working to get collections to be appropriate for the patients that insurance companies refer to UNMH. There has also been an issue with having State Income Support Workers in the Hospital to help clear patients to Medicaid; new people are on board and the Hospital is tracking this situation closely. Compensation expense is up a slight amount because of hiring for some new programs. UNMH is working to improve flow through the units that will enhance their productivity. Pharmacy supply expense was high due to a few special cases that required very expensive drugs. Operating room supply expenses, especially implants were also very high and are being closely tracked. The HSC unfavorable net margin of \$2.5M as of 8/31/12 can be primarily attributed to \$600K of one-time expenses at the Cancer Center related to moving the billing to UNM MG. The remaining \$1.9M loss in the School of Medicine is due to a timing difference between Physician Professional Fee Revenue and physician salary expense.

The fourth business category shown on the first page of this report is **Unrestricted Public Service**. The operations in this category include special projects funded by State Appropriations, for example Project ECHO, and non-endowed gifts flowing from the UNM Foundation to departments and many small events funded by user fees. The FY 2013 UNM Operating Budget projected an unfavorable net margin of \$2.6M. This unfavorable budgeted net margin is comprised of a \$3.5M use of reserve at the Main and Branch Campuses and a favorable net margin of \$924K at the HSC Campus. The \$3.5M use of reserve at the Main and Branch Campuses is primarily due to Academic Affairs departments budgeting reserve balances. There are \$2.6M of budgeted reserves within non-endowed spending indices and approximately \$900K of budgeted reserves within Academic Affairs General Public Service indices. Actual expense is greater than revenue by \$349K as of 8/31/12 with HSC Campus having an unfavorable net margin of \$676K and the Main and Branch Campuses producing a favorable net margin totaling \$327K. The favorable net margin at the Main Campus is due to the timing of transfers to Unrestricted Public Service and expenses currently running less than budget. The unfavorable net margin at the HSC Campus is primarily due to the timing of gift revenue and expenses currently running 1% more than budget.

Page 2 of this report begins with the **Student Aid** function. The FY 2013 UNM Operating Budget projected an unfavorable net margin of \$8.8M. This unfavorable budgeted net margin is comprised of a \$8.1M use of reserve at the Main and Branch Campuses and a budgeted use of reserve of \$707K at the HSC Campus. The budgeted use of balance at Main Campus is primarily due to Academic Affairs departments and Enrollment Management budgeting reserve balances for the payout of major and departmental scholarships in the new fiscal year. The actual unfavorable net margin is \$8.1M as of 8/31/12. The revenues are ahead of the budget benchmark because they are recorded on the semester basis for scholarships and need-based aid to students. The unfavorable net margin is primarily due to Main Campus departments spending down prior year's surplus balances.

Student Activities are the operations of Student Government and Student organizations. The FY 2013 UNM Operating Budget shows a use of reserve of \$138K. These operations show a favorable performance of \$799K as of 8/31/12. This results from recording actual fee revenue on a semester basis, as opposed to a monthly basis, as shown by a 32% Benchmark rate for fee revenue.

Auxiliaries and Athletics

The FY 2013 UNM Operating Budget for Auxiliaries and Athletics projected a use of reserve of \$1.6M. This use of reserve is primarily due to a combination of Athletics budgeting a \$134K use of reserve, Housing and Food Service budgeting a use of reserve of \$1.3M, AVP Ops/Student Life budgeting a use of reserve of \$104K, the Branch Campuses budgeting an unfavorable net margin of \$62K and all other units budgeting an unfavorable net margin of \$10K. Actual performance as of August 31, 2012 for the Auxiliaries and Athletics is a favorable net margin of \$5.8M. Units with a positive net operating income through August are: Bookstore, Golf Courses, Parking and Transportation, Faculty Club, AVP Ops/Student Life, Housing and Food Service, Student Health Center, Student Union, Lobo Cash, Art Museum and the Maxwell Museum.

Sponsored programs operations are our contract and grant research and public service projects funded by outside agencies and companies. These operations will always record a zero net revenue over expense by the nature of their funding. The agency pays for a service or research project, and normally any unspent funds must be returned to the agency.

The **total net** favorable revenue over expenses for UNM current operations is \$57.6 million for the two months ending 8/31/12, primarily driven by the favorable net margin of \$66.9M in Instruction and General operations.

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the two month period ended August 31, 2012
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
Instruction and General				
Tuition and Fees Revenues	166,366,959	90,879,656	(75,487,303)	55%
State/Local Appropriations	259,199,300	42,267,884	(216,931,416)	16%
F & A Revenues	41,500,000	7,696,333	(33,803,667)	19%
Transfers	(55,832,435)	(11,651,514)	44,180,921	21%
Other Revenues	19,147,139	3,792,530	(15,354,609)	20%
Total Instruction and General Revenues	430,380,963	132,984,889	(297,396,074)	31%
Salaries	263,151,121	41,145,128	222,005,993	16%
Benefits	82,413,408	11,428,581	70,984,827	14%
Other Expenses	93,683,036	13,560,463	80,122,573	14%
Total Instruction and General Expenses	439,247,565	66,134,172	373,113,393	15%
Net Instruction and General Revenue/(Expense)	(8,866,602)	66,850,717	75,717,319	
Research				
State/Local Appropriations	9,528,948	1,726,278	(7,802,670)	18%
Transfers	27,169,706	4,528,284	(22,641,422)	17%
Other Revenues	3,549,974	373,007	(3,176,967)	11%
Total Research Revenues	40,248,628	6,627,569	(33,621,059)	16%
Salaries and Benefits	26,488,454	5,062,643	21,425,811	19%
Other Expenses	22,829,224	2,364,406	20,464,818	10%
Total Research Expenses	49,317,678	7,427,049	41,890,629	15%
Net Research Revenue/(Expense)	(9,069,050)	(799,480)	8,269,570	
Clinical Operations				
State/Local Appropriations	24,090,600	3,918,935	(20,171,665)	16%
Physician Professional Fee Revenues	103,593,767	15,777,190	(87,816,577)	15%
Hospital Facility Revenues	670,205,103	104,287,576	(565,917,527)	16%
Other Patient Revenues, net of Allowance	102,721,252	15,642,532	(87,078,720)	15%
Mil Levy	90,977,220	15,162,870	(75,814,350)	17%
Investment Income	3,065,634	229,904	(2,835,730)	7%
Gifts	2,081,389	1,507,250	(574,139)	72%
Housestaff Revenues	30,647,125	6,095,919	(24,551,206)	20%
Other Revenues	20,246,335	2,462,712	(17,783,623)	12%
Total Clinical Operations Revenues	1,047,628,425	165,084,888	(882,543,537)	16%
Salaries and Benefits	581,511,377	96,568,354	484,943,023	17%
Debt Service	8,457,942	1,397,482	7,060,460	17%
Housestaff Expenses	30,647,125	5,468,538	25,178,587	18%
Other Expenses	430,286,329	68,204,208	362,082,121	16%
Total Clinical Operations Expenses	1,050,902,773	171,638,582	879,264,191	16%
Net Clinical Operations Revenue/(Expense)	(3,274,348)	(6,553,694)	(3,279,346)	
Public Service				
State/Local Appropriations	3,400,960	583,492	(2,817,468)	17%
Sales and Services Revenues	15,840,471	2,043,234	(13,797,237)	13%
Gifts	6,973,336	1,068,041	(5,905,295)	15%
Transfers	1,581,090	480,338	(1,100,752)	30%
Other Revenues	4,528,253	711,042	(3,817,211)	16%
Total Public Service Revenues	32,324,110	4,886,147	(27,437,963)	15%
Salaries and Benefits	17,624,337	3,727,284	13,897,053	21%
Other Expenses	17,313,471	1,507,747	15,805,724	9%
Total Public Service Expenses	34,937,808	5,235,031	29,702,777	15%
Net Public Service Revenue/(Expense)	(2,613,698)	(348,884)	2,264,814	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the two month period ended August 31, 2012
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
Student Aid				
Gifts	3,714,585	301,475	(3,413,110)	8%
State Lottery Scholarship	31,861,170	15,930,585	(15,930,585)	50%
Transfers	14,738,073	2,541,112	(12,196,961)	17%
Other Revenues	1,230,705	103,201	(1,127,504)	8%
Total Student Aid Revenues	51,544,533	18,876,373	(32,668,160)	37%
Salaries and Benefits	3,828,077	581,088	3,246,989	15%
Other Expenses	56,479,370	26,365,960	30,113,410	47%
Total Student Aid Expenses	60,307,447	26,947,048	33,360,399	45%
Net Student Aid Revenue/(Expense)	(8,762,914)	(8,070,675)	692,239	
Student Activities				
Fee Revenues	6,001,442	1,892,878	(4,108,564)	32%
Sales and Services Revenues	1,129,448	261,158	(868,290)	23%
Transfers	443,387	108,309	(335,078)	24%
Other Revenues	80,150	19,608	(60,542)	24%
Total Student Activities Revenues	7,654,427	2,281,953	(5,372,474)	30%
Salaries and Benefits	3,852,602	810,733	3,041,869	21%
Other Expenses	3,939,725	672,672	3,267,053	17%
Total Student Activities Expenses	7,792,327	1,483,405	6,308,922	19%
Net Student Activities Revenue/(Expense)	(137,900)	798,548	936,448	
Auxiliaries and Athletics				
Branch Campuses Auxiliary Revenues	2,648,300	1,056,316	(1,591,984)	40%
Main Campus Auxiliaries Revenues	56,528,783	17,871,818	(38,656,965)	32%
Athletics Revenues	30,925,801	5,630,615	(25,295,186)	18%
Total Auxiliaries and Athletics Revenues	90,102,884	24,558,749	(65,544,135)	27%
Branch Campuses Auxiliary Expenses	2,710,700	888,221	1,822,479	33%
Main Campus Auxiliaries Expenses	57,979,095	11,344,812	46,634,283	20%
Athletics Expenses	31,059,701	6,561,242	24,498,459	21%
Total Auxiliaries and Athletics Expenses	91,749,496	18,794,275	72,955,221	20%
Net Auxiliaries and Athletics Revenue/(Expense)	(1,646,612)	5,764,474	7,411,086	
Sponsored Programs				
Federal Grants and Contracts Revenues	237,922,175	64,070,216	(173,851,959)	27%
State and Local Grants and Contracts Revenues	33,777,225	3,964,189	(29,813,036)	12%
Non-Governmental Grants and Contracts Revenues	25,217,598	5,140,454	(20,077,144)	20%
Gifts	-	1,965,646	1,965,646	N/A
Transfers	3,788,550	1,165,806	(2,622,744)	31%
Other Revenues	-	-	-	N/A
Total Sponsored Programs Revenues	300,705,548	76,306,311	(224,399,237)	25%
Salaries and Benefits	141,605,047	22,032,814	119,572,233	16%
Other Expenses	159,100,501	54,273,497	104,827,004	34%
Total Sponsored Programs Expenses	300,705,548	76,306,311	224,399,237	25%
Net Sponsored Programs Revenue/(Expense)	-	-	-	
Contingencies				
Total Contingency Revenues	18,956,763	-	18,956,763	0%
Total Contingency Expenses	11,883,064	-	11,883,064	0%
Net Contingencies Revenue/(Expense)	7,073,699	-	7,073,699	
Net Current Revenue/(Expense)	(27,297,425)	57,641,006	99,085,829	
Beginning Net Assets Unrestricted		321,213,434		
Ending Net Assets Unrestricted		378,854,440		

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the two month period ended August 31, 2012
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
University of New Mexico - Results of Athletics and Auxiliary Operations				
Results of Athletics Operations:				
Athletics Revenues	34,018,146	6,025,026	(27,993,120)	18%
Athletics Transfers	(3,092,345)	(394,411)	2,697,934	13%
Total Athletics Revenues	30,925,801	5,630,615	(25,295,186)	18%
Athletics Expenses				
Salaries and Benefits	13,708,093	2,679,316	11,028,777	20%
Grant-in-Aid	3,620,246	1,300,434	2,319,812	36%
Other Expenses	13,731,362	2,581,492	11,149,870	19%
Total Athletics Expenses	31,059,701	6,561,242	24,498,459	21%
Total Net Athletics Revenue/(Expense)	(133,900)	(930,627)	(796,727)	
Results of Auxiliary Operations:				
VP for Institutional Support Services				
Bookstore Revenues	18,161,788	7,446,345	(10,715,443)	41%
Bookstore Transfers	(572,132)	8,032	580,164	-1%
Total Bookstore Revenues	17,589,656	7,454,377	(10,135,279)	42%
Total Bookstore Expenses	17,589,656	6,023,368	11,566,288	34%
Net Bookstore Revenue/(Expense)	-	1,431,009	1,431,009	
Public Events Revenues	10,092,362	229,798	(9,862,564)	2%
Public Events Transfers	149,730	(3,344)	(153,074)	-2%
Total Public Events Revenues	10,242,092	226,454	(10,015,638)	2%
Total Public Events Expenses	10,242,092	508,691	9,733,401	5%
Net Public Events Revenue/(Expense)	-	(282,237)	(282,237)	
Golf Courses Revenues	2,213,930	496,287	(1,717,643)	22%
Golf Courses Transfers	(39,252)	(3,271)	35,981	8%
Total Golf Courses Revenues	2,174,678	493,016	(1,681,662)	23%
Total Golf Courses Expenses	2,174,678	409,705	1,764,973	19%
Net Golf Courses Revenue/(Expense)	-	83,311	83,311	
Parking and Transportation Revenues	8,099,454	2,696,818	(5,402,636)	33%
Parking and Trans Transfers	(2,120,902)	(252,699)	1,868,203	12%
Total Parking and Trans Revenues	5,978,552	2,444,119	(3,534,433)	41%
Total Parking and Trans Expenses	5,978,552	900,821	5,077,731	15%
Net Parking and Trans Revenue/(Expense)	-	1,543,298	1,543,298	
Ticketing Services Revenues	550,000	110,889	(439,111)	20%
Ticketing Services Transfers	75,348	12,558	(62,790)	17%
Total Ticketing Services Revenues	625,348	123,447	(501,901)	20%
Total Ticketing Services Expenses	625,348	171,006	454,342	27%
Net Ticketing Services Revenue/(Expense)	-	(47,559)	(47,559)	
Faculty Club Revenues	42,000	6,349	(35,651)	15%
Faculty Club Expenses	42,000	5,759	36,241	14%
Net Faculty Club Revenue/(Expense)	-	590	590	
Young Ranch Revenues	27,559	-	(27,559)	0%
Young Ranch Expenses	27,559	4,484	23,075	16%
Net Young Ranch Revenue/(Expense)	-	(4,484)	(4,484)	
Taos & Lawrence Ranch Revenues	53,334	-	(53,334)	0%
Taos & Lawrence Ranch Expenses	53,334	7,012	46,322	13%
Net Taos & Lawrence Ranch Revenue/(Expense)	-	(7,012)	(7,012)	
Total VP for Institutional Support Services Revenues	36,733,219	10,747,762	(25,985,457)	29%
Total VP for Institutional Support Services Expenses	36,733,219	8,030,846	28,702,373	22%
Net VP for Institutional Support Services Revenue/(Expense)	-	2,716,916	2,716,916	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
For the two month period ended August 31, 2012
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
VP for Student Affairs				
AVP Ops/Student Life Revenues	3,306,165	584,369	(2,721,796)	18%
AVP Ops/Student Life Transfers	(299,056)	(79,500)	219,556	27%
Total AVP Ops/Student Life Revenues	3,007,109	504,869	(2,502,240)	17%
Total AVP Ops/Student Life Expenses	3,111,159	340,530	2,770,629	11%
Net AVP Ops/Student Life Revenue/(Expense)	(104,050)	164,339	268,389	
Housing and Food Service Revenues	10,682,675	5,334,603	(5,348,072)	50%
Housing Transfers	(3,633,600)	(2,542,237)	1,091,363	70%
Total Housing and Food Service Revenues	7,049,075	2,792,366	(4,256,709)	40%
Total Housing and Food Service Expenses	8,385,337	1,346,911	7,038,426	16%
Net Housing and Food Service Revenue/(Expense)	(1,336,262)	1,445,455	2,781,717	
Student Health Center Revenues	7,267,026	2,516,095	(4,750,931)	35%
Student Health Center Expenses	7,267,026	1,139,873	6,127,153	16%
Net Student Health Center Revenue/(Expense)	-	1,376,222	1,376,222	
Student Union Revenues	2,173,581	1,269,683	(903,898)	58%
Student Union Expenses	2,173,581	437,020	1,736,561	20%
Net Student Union Revenue/(Expense)	-	832,663	832,663	
Lobo Cash Revenues	45,390	1,476	(43,914)	3%
Lobo Cash Expenses	45,390	1,458	(43,932)	3%
Net Lobo Cash Revenue/(Expense)	-	18	18	
Total VP for Student Affairs Revenues	19,542,181	7,084,489	(12,457,692)	36%
Total VP for Student Affairs Expenses	20,982,493	3,265,792	17,716,701	16%
Net VP for Student Affairs Revenue/(Expense)	(1,440,312)	3,818,697	5,259,009	
Provost and Other Units				
CE Conference Ctr Revenues	246,000	22,028	(223,972)	9%
CE Conference Ctr Transfers	(70,617)	-	70,617	0%
Total CE Conference Ctr Revenues	175,383	22,028	(153,355)	13%
Total CE Conference Ctr Expenses	175,383	36,389	138,994	21%
Net CE Conference Ctr Revenue/(Expense)	-	(14,361)	(14,361)	
Art Museum Revenues	5,500	84	(5,416)	2%
Art Museum Expenses	5,500	-	5,500	0%
Net Art Museum Revenue/(Expense)	-	84	84	
Maxwell Museum Revenues	25,000	4,947	(20,053)	20%
Maxwell Museum Expenses	25,000	2,536	22,464	10%
Net Maxwell Museum Revenue/(Expense)	-	2,411	2,411	
Other Revenues	47,500	12,508	(34,992)	26%
Other Expenses	57,500	9,249	48,251	16%
Net Other Revenue/(Expense)	(10,000)	3,259	13,259	
Total Provost and Other Units Revenues	253,383	39,567	(213,816)	16%
Total Provost and Other Units Expenses	263,383	48,174	215,209	18%
Net Provost and Other Units Revenue/(Expense)	(10,000)	(8,607)	1,393	
Auxiliary Totals				
Total Auxiliary & Concessions Revenues	56,528,783	17,871,818	(38,656,965)	32%
Total Auxiliary & Concessions Expenses	57,979,095	11,344,812	46,634,283	20%
Net Auxiliary Revenue/(Expense)	(1,450,312)	6,527,006	7,977,318	
Net Athletics Revenue/(Expense)	(133,900)	(930,627)	(796,727)	
Net Auxiliary and Athletics Revenue/(Expense)	(1,584,212)	5,596,379	7,180,591	
Net Branch Campuses Aux Revenue/(Expense)	(62,400)	168,095	230,495	
Net All Auxiliary and Athletics Revenue/(Expense)	(1,646,612)	5,764,474	7,411,086	

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the two month ended period August 31, 2012
 Preliminary and Unaudited

Detail of State/Local Appropriations
Consolidated - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
Instruction and General				
Instruction & General Appropriations	250,591,300	41,755,911	(208,835,389)	17%
State Special Project Appropriations	810,300	135,052	(675,248)	17%
Tobacco Settlement Appropriations	1,130,600	188,434	(942,166)	17%
Mill Levy	6,667,100	188,487	(6,478,613)	3%
Total Instruction and General Appropriations	<u>259,199,300</u>	<u>42,267,884</u>	<u>(216,931,416)</u>	<u>16%</u>
Research				
State Special Project Appropriations	5,253,040	875,508	(4,377,532)	17%
Tobacco Settlement Appropriations	979,800	163,300	(816,500)	17%
Cigarette Tax Appropriations	3,296,108	687,470	(2,608,638)	21%
Total Research Appropriations	<u>9,528,948</u>	<u>1,726,278</u>	<u>(7,802,670)</u>	<u>18%</u>
Clinical Operations				
State Special Project Appropriations	23,238,900	3,776,985	(19,461,915)	16%
Tobacco Settlement Appropriations	851,700	141,950	(709,750)	17%
Total Clinical Operations Appropriations	<u>24,090,600</u>	<u>3,918,935</u>	<u>(20,171,665)</u>	<u>16%</u>
Public Service				
State Special Project Appropriations	3,400,960	583,492	(2,817,468)	17%
Total Public Service Appropriations	<u>3,400,960</u>	<u>583,492</u>	<u>(2,817,468)</u>	<u>17%</u>

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the two month ended period August 31, 2012
 Preliminary and Unaudited

Detail of State/Local Appropriations
Main Campus - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
Instruction and General				
Instruction & General Appropriations	173,076,700	28,836,811	(144,239,889)	17%
State Special Project Appropriations				
African American Student Services	22,700	3,784	(18,916)	17%
Disabled Student Services	192,400	32,066	(160,334)	17%
Hispanic Student Center	105,800	17,634	(88,166)	17%
Minority Graduate Recruitment	116,700	19,450	(97,250)	17%
Native American Studies Intervention	176,900	29,484	(147,416)	17%
Pre-College Minority Student Math & Science	195,800	32,634	(163,166)	17%
Total State Special Project Appropriations	810,300	135,052	(675,248)	17%
Total Instruction and General Appropriations	173,887,000	28,971,863	(144,915,137)	17%
Research				
State Special Project Appropriations				
Center for Regional Studies (SW Research Ctr)	955,240	159,206	(796,034)	17%
Manufacturing Engineering	350,300	58,384	(291,916)	17%
Morrisey Hall	45,700	7,616	(38,084)	17%
Resource Geographic Information System	63,100	10,518	(52,582)	17%
Utton Transboundary Resource Center	261,900	43,650	(218,250)	17%
Water Rights Ombudsman	23,700	3,950	(19,750)	17%
Total State Special Project Appropriations	1,699,940	283,324	(1,416,616)	17%
Total Research Appropriations	1,699,940	283,324	(1,416,616)	17%
Public Service				
State Special Project Appropriations				
Bureau of Business Research (Census)	369,400	61,566	(307,834)	17%
College Prep Mentoring/School of Law	118,500	19,750	(98,750)	17%
College Preparatory Mentoring	164,800	27,468	(137,332)	17%
Corrine Wolfe Law Center/Child Abuse Training	165,700	27,616	(138,084)	17%
ENLACE	63,100	10,516	(52,584)	17%
Family Development Program	425,800	70,966	(354,834)	17%
ISTEC	48,595	8,100	(40,495)	17%
Judicial Selection	22,000	3,666	(18,334)	17%
KNME-TV	1,030,800	171,800	(859,000)	17%
Land Grant Studies Program	30,400	5,066	(25,334)	17%
N. M. Historical Review	46,700	7,784	(38,916)	17%
Small Business Innovation & Research Outreach	125,000	37,500	(87,500)	30%
Southwest Indian Law Clinic	166,500	27,750	(138,750)	17%
Spanish Colonial Research Center (SW Research Ctr)	115,460	19,244	(96,216)	17%
Spanish Resource Center	39,205	6,534	(32,671)	17%
Substance Abuse Program	134,600	22,434	(112,166)	17%
Wildlife Law Education	68,200	11,366	(56,834)	17%
Total State Special Project Appropriations	3,134,760	539,126	(2,595,634)	17%
Total Public Service Appropriations	3,134,760	539,126	(2,595,634)	17%

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the two month ended period August 31, 2012
 Preliminary and Unaudited

Detail of State/Local Appropriations
 Branch Campuses - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
Instruction and General				
Instruction & General Appropriations				
Gallup	8,703,700	1,450,616	(7,253,084)	17%
Los Alamos	1,783,500	297,250	(1,486,250)	17%
Valencia	5,032,100	838,684	(4,193,416)	17%
Taos	3,036,600	506,100	(2,530,500)	17%
Total Instruction & General Appropriations	18,555,900	3,092,650	(15,463,250)	17%
Mill Levy				
McKinley County	2,000,000	77,639	(1,922,361)	4%
Los Alamos County	647,700	12,324	(635,376)	2%
Valencia County	2,502,300	74,476	(2,427,824)	3%
Taos County	1,517,100	24,048	(1,493,052)	2%
Total Mill Levy	6,667,100	188,487	(6,478,613)	3%
Total Branch Appropriations	25,223,000	3,281,137	(21,941,863)	13%

Statements of Revenues, Expenses and Changes in Net Assets Format for Regents
 For the two month ended period August 31, 2012
 Preliminary and Unaudited

Detail of State/Local Appropriations
 Health Sciences Center - Total Operations Current Funds

	FY 2013 Full Year Operating Budget	FY 2013 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 17%
Instruction and General				
Instruction & General Appropriations	58,958,700	9,826,450	(49,132,250)	17%
Tobacco Settlement Appropriations				
Instruction & General	607,800	101,300	(506,500)	17%
Pediatric Specialty Education	261,400	43,567	(217,833)	17%
Trauma Specialty Education	261,400	43,567	(217,833)	17%
Total Tobacco Settlement Appropriations	1,130,600	188,434	(942,166)	17%
Total Instruction and General Appropriations	60,089,300	10,014,884	(50,074,416)	17%
Research				
State Special Project Appropriations				
Cancer Center	2,586,200	431,034	(2,155,166)	17%
Hepatitis C, Project ECHO	966,900	161,150	(805,750)	17%
Total State Special Project Appropriations	3,553,100	592,184	(2,960,916)	17%
Tobacco Settlement Appropriations				
Genomics, Biocomputing, Environmental Health	979,800	163,300	(816,500)	17%
Total Tobacco Settlement Appropriations	979,800	163,300	(816,500)	17%
Cigarette Tax Appropriations	3,296,108	687,470	(2,608,638)	21%
Total Research Appropriations	7,829,008	1,442,954	(6,386,054)	18%
Clinical Operations				
State Special Project Appropriations				
Newborn Intensive Care Unit	3,186,800	531,134	(2,655,666)	17%
Office of the Medical Investigator	4,445,700	740,950	(3,704,750)	17%
Pediatric Oncology	1,155,800	192,634	(963,166)	17%
Poison and Drug Info Center	1,484,600	247,434	(1,237,166)	17%
UNM Hospitals	12,966,000	2,064,833	(10,901,167)	16%
Total State Special Project Appropriations	23,238,900	3,776,985	(19,461,915)	16%
Tobacco Settlement Appropriations				
Pediatric Oncology	261,400	43,567	(217,833)	17%
Poison and Drug Info Center	590,300	98,383	(491,917)	17%
Total Tobacco Settlement Appropriations	851,700	141,950	(709,750)	17%
Total Clinical Operations Appropriations	24,090,600	3,918,935	(20,171,665)	16%
Public Service				
State Special Project Appropriations				
Center for Native American Health	266,200	44,366	(221,834)	17%
Total State Special Project Appropriations	266,200	44,366	(221,834)	17%
Total Public Service Appropriations	266,200	44,366	(221,834)	17%



The University of New Mexico

Purchasing Department
MSC01 1240
1 University of New Mexico
Albuquerque, NM 87131-0001
Telephone (505) 277-2036
FAX (505) 277-7774

MEMORANDUM

To: David Harris, Executive Vice President for Administration

From: Bruce Cherrin, Chief Procurement Officer *BC*

Subject: Contract Information

Date: September 20, 2012

The following contracts have been submitted for information to the Regents Finance and Facilities Committee per Regents Policy 7.4.

i. College of Education (Center for Education Policy Research) – Child Trends

Proposals were solicited on June 27, 2012 for RFP 1523-12, for " Early Childhood Education Systems Program Development, Research and Validation" on behalf of the State of New Mexico Children, Youth, and Family Department. There were a total of two (2) respondents for the request for proposal.

Child Trends, Inc. will assist in the development, implementation and validation of the State of New Mexico's FOCUS Tiered Quality Rating and Improvement System (TQRIS). Over the next three (3) years in a phased process, New Mexico will implement FOCUS TQRIS to replace the current AIM HIGH rating system. Child Trends work will parallel this phased replacement and is expected to provide guidance to New Mexico to ensure the process is successful. The work conducted will support the State of New Mexico's plan in the State's Race to the Top/Early Learning challenge Grant Application.

Source of Funds: The funding source for these services comes from the NM Children, Youth, and Families Department.

Total Cost: Service Agreement #PROC000504 was entered into with Child Trends, Inc. on September 12, 2012 in the amount of \$250,000.00 per year, not to exceed four (4) years.




Office of Planning, Budget & Analysis

MEMORANDUM

TO: Members of the Board of Regents' Finance & Facilities Committee

Thru: Robert G. Frank, President
David W. Harris, EVP for Administration, COO and CFO

FROM: Andrew Cullen, AVP for Planning, Budget & Analysis 

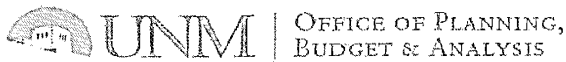
DATE: October 4, 2012

SUBJECT: **FY 2013/2014 Budget Development Update**

In accordance with the budget calendar submitted in September, the Administration offers the following updates for your review:

- Status of Year-End Close (Liz Metzger – Interim Controller)
- Compensation Analysis and Projections
 - FY12 Undesignated I&G Reserve – Attachment 1
 - FY13 I&G Tuition Projection – Attachment 2
- State Funding Formula Updates
 - FY14 Formula Funding (FY13 Outcome Metrics) – Attachment 3 & 4
 - FY14 Funding Measure for the Research University Sector – Attachment 5
- Update on new Internal Budget Allocation Process
 - Committees – Attachment 6
 - Strategic Budget Leadership Team (SBLT)
 - RCM/PBB Committee
 - Tuition & Fee Team
 - Budget Methodologies – Attachment 7
 - Responsibility Center Management (RCM) Principles
 - Performance Based Budgeting (PBB) Principles

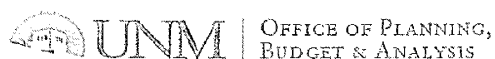
We look forward to discussing the attached documents with the committee during the October meeting. Thank you for your consideration.



**Attachment IV - Summary of Main Campus I&G Undesignated Reserve
Summary
June 30, 2012**

Index 054006

FY12 Banner Beginning Balance 7/1/11	13,473,300
FY12 Pooled I&G Sweep	9,922,747
Adjusted Beginning Balance	23,396,047
FY 12 HB2 Laws 2011 Ch. 179 Unemployment Compensation Redistribution	188,500
FY 12 I&G One-Time Supplemental Compensation (Main/HSC/Branches)	(1,400,260)
FY12 Pooled I&G Revenues and Expenses (1)	(3,987,164)
FY12 Contingency Allocations (2)	(1,858,858)
Subtotal	(7,057,782)
FY12 Banner Ending Balance	16,338,265
<u>Less FY13 Budget Commitments and Dedications</u>	
FY13 Commitments and Dedications: One-Time	
Use of Reserves to Fund FY13 I&G Budget	(3,000,000)
\$1,100 Pay Supplement Pool-I&G Only	(2,442,420)
Libraries	(463,697)
Center for Educational Research	(100,000)
UNM Foundation (Plus Fringe Benefits)	(600,000)
Arts & Sciences Funding - Biology	(183,113)
LGBTQ Salaries	(20,430)
New Initiatives - President's Office	(378,000)
Computer Engineering Endowed Chair	(65,000)
CUP funding	(36,500)
HSC funding adjustment	(190,726)
STC Gap Funding	(5,000)
EMBA Program Cohorts	(14,951)
Contract Mgmt System	(22,587)
Marching Band Stipends	(43,357)
Communication Journalism	(40,500)
Subtotal	(7,606,281)
Dedicated - HED Required Reserve for I&G at 3% (3)	(9,266,351)
Net FY13 Discretionary Reserve (after HED dedication)	(534,367)



Fiscal Year 2012-13

I&G Pooled Tuition and Extended University Tuition Reconciliation	
Original Budget Tuition Revenues-Starting Base	110,014,210
Differential Tuition reduction	(4,705,335)
Estimated EU Shift reduction	(3,361,500)
3.75% Net Tuition Increase-Resident and Non-Resident	3,579,375
Unbudgeted FY 12 Net Tuition-Permanent	500,000
Subtotal I&G Pooled-Tuition Base on Scenario	106,026,760
Reverse Estimated EU Shift reduction	3,361,500
UNM West Tuition	1,471,565
Subtotal I&G Pooled-Tuition Base	110,859,815
Extended University Tuition and Fee Base	15,509,393
Total I&G Tuition Base	126,369,208
Mandatory Student Fees	28,778,036
Grand Total for Fiscal Year 2012-13	155,147,244

	FY 12 Final			FY 13 Preliminary		
	Summer 2011			Summer 2012		
	Budget	Actuals	Dollar Variance	Budget	Actuals	Dollar Variance
I&G Pooled Tuition Base	6,414,170	5,671,016	(743,154)	6,114,906	5,128,683	(986,223)
Mandatory Student Fees	1,482,020	1,425,821	(56,199)	1,582,792	1,416,560	(166,232)
Extended University Tuition Base (1)	2,061,095	2,259,881	198,786	1,853,229	2,596,821	743,592
Extended University Fees Base	0	0	0	248,294	248,294	0
Total I&G Tuition Base and Fees	9,957,285	9,356,718	(600,567)	9,799,221	9,390,359	(408,862)
	Fall 2011			Fall 2012		
	Budget	Actuals	Dollar Variance	Budget	Actuals	Dollar Variance
I&G Pooled Tuition Base	54,066,520	54,767,821	701,301	55,123,541	52,694,591	(2,428,950)
Mandatory Student Fees	13,359,843	12,682,467	(677,376)	13,202,684	12,800,550	(402,134)
Extended University Tuition Base (1)	5,941,430	7,389,352	1,447,922	5,894,233	7,815,355	1,921,122
Extended University Fees Base	0	0	0	1,163,736	1,545,736	382,000
Total I&G Tuition Base and Fees	73,367,793	74,839,640	1,471,847	75,384,194	74,856,232	(527,962)
	Spring 2012			Spring 2013		
	Budget	Actuals	Dollar Variance	Budget	Actuals	Dollar Variance
I&G Pooled Tuition Base	49,533,520	49,663,549	130,029	49,621,367	48,102,078	(1,519,289)
Mandatory Student Fees	12,026,326	11,479,222	(547,104)	13,992,560	11,848,501	(2,344,060)
Extended University Tuition Base (1)	7,208,509	6,514,463	(694,046)	4,937,985	7,033,820	2,095,835
Extended University Fees Base	0	0	0	1,411,916	1,391,162	(20,754)
Total I&G Tuition Base and Fees	68,768,355	67,657,234	(1,111,121)	69,963,828	68,175,560	(1,788,268)
	Fiscal Year 12			Fiscal Year 13		
	Budget	Actuals	Dollar Variance	Budget	Actuals	Dollar Variance
I&G Pooled Tuition Base	110,014,210	110,102,386	88,176	110,859,814	105,925,352	(4,934,462)
Mandatory Student Fees	26,868,189	25,587,510	(1,280,679)	28,778,036	25,865,611	(2,912,426)
Extended University Tuition Base (1)	15,211,034	16,163,696	952,662	12,685,447	17,445,996	4,760,549
Extended University Fees Base	0	0	0	2,823,946	3,185,192	361,246
Grand Total for Fiscal Year	152,093,433	151,853,592	(239,841)	155,147,243	152,422,151	(2,725,092)

Note (1): FY 12 Extended University Actuals includes Student Fees (approximately 19.2% of total) and reflects \$600K transferred from EU to Departments supported by student fees.



DRAFT-Based on existing HED weighted measures. Analysis will need to be verified against HED final calculation.

PROJECTED-FY14 Funding Formula Outcomes by College/School

Function/Category	Student Grants for Courses/ Courses*	Outcomes Total Awards	Outcomes Total Awards (BYEMV)	Outcomes All Back Funding	Total Outcomes	Total Washington State	Total Projected Benefits Funding
	82.25%	1.15%	2.15%	0.95%			
University of New Mexico	\$ 173,006,700	\$ 2,490,438	\$ 1,790,287	\$ 780,819	\$ 11,293,537	\$ 60,161	\$ 184,360,398
UNM Main Campus Colleges/Schools							
Anderson School of Management	\$ 991,008	\$ 257,000	\$ -	\$ 83,244	\$ 1,271,252		11%
College of Arts and Sciences	\$ 2,834,378	\$ 993,135	\$ 609,578	\$ 273,359	\$ 4,710,450		42%
College of Education	\$ 461,311	\$ 297,865	\$ -	\$ 90,799	\$ 849,975		8%
College of Fine Arts	\$ 329,485	\$ 90,483	\$ -	\$ 29,045	\$ 449,013		4%
School of Architecture Planning	\$ 231,050	\$ 51,103	\$ -	\$ 22,687	\$ 304,840		3%
School of Engineering	\$ 673,202	\$ 283,765	\$ 530,516	\$ 52,935	\$ 1,540,418		14%
School of Law	\$ 76,000	\$ 95,620	\$ -	\$ 59,052	\$ 230,672		2%
School of Public Administration	\$ 128,183	\$ 9,554	\$ -	\$ 232	\$ 137,969		1%
University College	\$ 49,446	\$ 65,918	\$ 3,333	\$ 29,647	\$ 148,344		1%
University Libraries	\$ 9,485	\$ -	\$ -	\$ -	\$ 9,485		0%
Total Main Campus	\$ 5,723,548	\$ 2,144,443	\$ 1,143,427	\$ 641,000	\$ 9,652,418		85%
UNM Health Sciences							
College of Nursing	\$ (274,771)	\$ 104,199	\$ 194,806	\$ 24,849	\$ 49,083		0%
College of Pharmacy	\$ 108,703	\$ 117,368	\$ 219,428	\$ 67,510	\$ 513,009		5%
School of Medicine	\$ 674,513	\$ 124,428	\$ 232,626	\$ 47,460	\$ 1,079,027		10%
Total HSC	\$ 508,445	\$ 345,995	\$ 646,860	\$ 139,819	\$ 1,641,119		15%
Total UNM	\$ 6,231,993	\$ 2,490,438	\$ 1,790,287	\$ 780,819	\$ 11,293,537		100%
Variations	\$ -	\$ -	\$ -	\$ -	\$ -		

*This analysis includes the reduction of the student service piece (\$20.33 per formula factor).

FY14 Funding Formula Scenario: Allocation with same definitions and weightings applied to both years to show dollar increase in measures.

HYPOTHETICAL DRAFT

Institution	FY13 Appropriation	Column % Distribution	Weighting Factors:				Total Increase in Outcomes Funding	Total Institutional Share	Compensation	Total FY14 I&G Formula Distribution	FY14 - FY13 Difference	% Change	Column % Distribution
			50.00%	15.00%	10.00%	10.00%							
			Change in End-of-Course Student Credit Hours	Outcomes: % Increase Total Awards	Outcomes: % Increase Workforce Incentive	Outcomes: % Increase At-Risk Financial							
Grand Total	\$556,706,134	100.0%	\$15,043,706	\$6,781,393	\$1,154,019	\$2,580,329	\$0	\$0	\$582,265,581	\$25,559,447	4.6%	100.0%	
New Mexico Institute of Mining and Technology	\$25,806,641	4.6%	\$403,810	\$174,145	\$56,798	\$78,776	\$309,719	\$0	\$26,377,617	\$713,529	2.8%	4.6%	
New Mexico State University	\$109,677,904	19.7%	\$1,001,910	\$173,580	\$163,707	\$48,488	\$385,775	\$0	\$111,065,589	\$1,387,685	1.3%	19.1%	
University of New Mexico	\$173,006,792	31.1%	\$3,897,803	\$1,560,171	(\$41,473)	\$911,717	\$2,430,415	\$0	\$179,335,010	\$6,328,218	3.7%	30.8%	
Research University Total	\$308,491,336	55.4%	\$5,303,523	\$1,907,896	\$179,032	\$1,038,981	\$3,125,909	\$0	\$316,920,768	\$8,429,432	2.7%	54.4%	
Eastern New Mexico University	\$24,873,935	4.5%	\$1,319,512	\$205,522	(\$153,501)	\$132,149	\$184,170	\$0	\$26,377,617	\$1,503,682	6.0%	4.5%	
New Mexico Highlands University	\$26,317,429	4.7%	\$422,083	\$31,596	\$47,325	(\$52,803)	\$26,118	\$0	\$26,765,630	\$448,201	1.7%	4.6%	
Northern New Mexico College	\$10,328,514	1.9%	\$40,397	\$175,450	\$51,732	\$16,138	\$243,300	\$0	\$10,612,211	\$283,697	2.7%	1.8%	
Western New Mexico University	\$15,045,625	2.7%	\$694,334	\$139,233	\$23,464	\$98,830	\$261,527	\$0	\$16,001,406	\$955,861	6.4%	2.7%	
Regional University Total	\$76,565,503	13.8%	\$2,476,326	\$551,781	(\$30,980)	\$194,314	\$715,115	\$0	\$79,756,944	\$3,191,441	4.2%	13.7%	
Eastern New Mexico University-Roswell	\$11,394,648	2.0%	\$307,658	(\$5,300)	(\$52,946)	\$13,020	(\$45,226)	\$0	\$11,657,080	\$262,432	2.3%	2.0%	
Eastern New Mexico University-Ruidoso	\$2,058,414	0.4%	\$92,527	(\$5,784)	(\$16,331)	(\$5,082)	(\$27,197)	\$0	\$2,123,744	\$65,330	3.2%	0.4%	
New Mexico State University-Alamogordo	\$7,043,373	1.3%	\$273,907	\$193,565	\$107,985	\$55,891	\$357,441	\$0	\$7,674,721	\$631,348	9.0%	1.3%	
New Mexico State University-Carlsbad	\$4,357,097	0.8%	\$9,395	\$31,974	\$6,114	\$22,367	\$60,455	\$0	\$4,426,947	\$69,850	1.6%	0.8%	
New Mexico State University-Doña Ana	\$19,826,559	3.6%	\$986,324	\$755,463	\$467,154	\$266,013	\$1,468,635	\$0	\$22,301,518	\$2,474,959	12.5%	3.8%	
New Mexico State University-Grants	\$3,435,407	0.6%	\$79,545	\$13,093	(\$2,333)	\$26,196	\$36,956	\$0	\$3,551,908	\$116,501	3.4%	0.6%	
University of New Mexico-Gallup	\$8,708,686	1.6%	\$223,420	\$17,730	(\$21,985)	\$22,746	\$18,491	\$0	\$8,945,597	\$241,911	2.8%	1.5%	
University of New Mexico-Los Alamos	\$1,783,574	0.3%	\$44,252	\$17,953	\$4,741	\$13,338	\$36,032	\$0	\$1,863,858	\$80,284	4.5%	0.3%	
University of New Mexico-Taos	\$3,036,567	0.5%	\$228,444	\$129,166	\$64,981	\$53,577	\$247,724	\$0	\$3,512,735	\$476,163	15.7%	0.6%	
University of New Mexico-Valencia	\$5,032,042	0.9%	\$324,900	\$38,050	\$28,911	\$8,989	\$75,950	\$0	\$5,432,892	\$400,850	8.0%	0.9%	
Central New Mexico Community College	\$47,750,519	8.6%	\$3,062,011	\$1,936,303	\$55,990	\$86,537	\$2,623,830	\$0	\$53,441,360	\$5,690,841	11.9%	9.2%	
Clewis Community College	\$8,719,122	1.6%	\$173,872	\$520,883	\$157,252	\$136,915	\$815,050	\$0	\$9,707,244	\$988,122	11.3%	1.7%	
Luna Community College	\$7,288,134	1.3%	\$60,219	\$7,862	(\$42,894)	\$19,878	(\$15,154)	\$0	\$7,333,199	\$45,065	0.6%	1.3%	
Mescalands Community College	\$4,159,093	0.7%	(\$42,290)	\$62,620	\$3,134	(\$10,923)	\$54,831	\$0	\$4,171,634	\$12,541	0.3%	0.7%	
New Mexico Junior College	\$5,699,208	1.0%	\$172,325	\$33,173	\$17,744	\$27,931	\$78,848	\$0	\$5,950,301	\$251,173	4.4%	1.0%	
San Juan College	\$22,869,275	4.1%	\$611,539	\$172,303	\$106,405	\$32,258	\$310,966	\$0	\$23,791,780	\$922,505	4.0%	4.1%	
Santa Fe Community College	\$8,492,577	1.5%	\$656,609	\$352,662	\$122,045	\$77,378	\$552,085	\$0	\$9,701,271	\$1,208,694	14.2%	1.7%	
Community College Total	\$171,649,295	30.8%	\$7,263,857	\$4,321,716	\$1,005,967	\$1,347,034	\$6,674,717	\$0	\$185,587,869	\$13,938,574	8.1%	31.9%	

Measures for the Research University Sector

I. Proposed Research Sector Measure: Dollar value of expenditures based on OUT-OF-STATE DOLLARS THAT COME TO NEW MEXICO as a result of the work of New Mexico's research universities

Rationale -The three research universities agree that a measure based on the expenditure of new money that comes to the state is relevant to the missions of all three research universities and enhances the economic development of New Mexico.

Measure methodology -

- a. Data Source: There are two sections in each institution's Annual Financial Report which provide information on federal and other non-state expenditures, the Schedule of Expenditures of Federal Awards (SEFA) and the Statement of Revenues, Expenses and Changes in Net Assets (SRECNA). These reports are required for financial reporting, and available on each institution's website or directly from the institution, and these reports are audited (all three institutions currently use the same auditors). Data are available to support a four year average of 2008 to 2011.
- b. Data Selection: From the SEFA, select the two lines "Total Federal Awards" and "Total Student Financial Aid." From the SRECNA, select the line identified as "Non-governmental grants and contracts" for UNM and NMSU, and the line "Private grants and contracts" for NM Tech.
- c. Calculation Methodology:
 - i. For each institution, subtract "Total Student Financial Aid" from "Total Federal Awards" and add the SRECNA values to get a total of expenditures for each institution.
 - ii. Gather data sufficient for the four year rolling average (2008 through 2011 for this year).
 - iii. Allocate based on the total dollar amount for each institution for this four-year rolling average.

II. Proposed Research Sector Measure: Number of undergraduate students who achieve junior status within three years and the number of graduate students who achieve 18 credits within one year

Rationale - The three research institutions recognize that student progress is essential to degree attainment, at both the undergraduate and the graduate level.

Measure methodology -

- a. Data Source: HED Student Files, HED Student-Course Files
- b. Data Selection: for undergraduate students, select the fall (and summer if enrolled in the fall) new student enrollees entering as freshmen or sophomores at the institution three years prior to the calculation (enrstatus = 3, 6, 7 and stu_level =11, 12); for graduate students, select the new fall entering graduate students enrolled at the institution one year prior to the calculation (enrstatus = 4, 5, and stu_level =20, 21, 30, 31, 32); include both full and part-time students.
- c. Calculation Methodology:
 - i. After three years, count the students in the undergraduate cohort who achieved junior status (stu_level=14). *Note: this methodology should be consistent with the methodology for the comprehensive institutions' measure. If the decision is that four years should be used, this calculation would change accordingly.*
 - ii. For graduate students, sum the earned student credit hours in the end of semester student-course file for the year (fall through summer), and count the students in the graduate cohort who achieved 18 earned credits.
 - iii. Because of enrollment changes of incoming students, a three year rolling average of student counts may be preferred once sufficient data become available.

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MEMORANDUM

TO: UNM Campus Community

FROM: Robert G. Frank, President *RGF*

DATE: August 28, 2012

SUBJECT: FY14 Budget Development Process and Models

As I continue to learn of the challenges and opportunities presented to the University of New Mexico during my 120-day listening campaign, I am convinced that we must address certain issues sooner rather than later. One such instance involved the need to shore-up the UNM Foundation's operating budget with additional recurring revenues for it to reach its fund-raising potential. Another issue involves the need for the university to move away from its current incremental based budget model to a more strategic based model that will rely upon the basic principles of the following two funding methodologies:

- Responsibility Center Management (RCM)
- Performance Based Budgeting (PBB)

In accordance with a request from my office, attached please find a white paper which discusses these budget methodologies. It includes their pros and cons and how individual elements might be incorporated into the budget development process at UNM in order to build upon the successes achieved during the last several budget cycles. The document is meant to frame and lead the discussion of a steering committee that will develop and recommend budget performance guidelines and metrics. The steering committee will be led by the Provost Academic Affairs and the EVP for Administration and will include Deans, Chairs, Faculty Senate representatives and staff, who will be charged with delivering a recommendation to this office by the end of the calendar year.

Several aspects of the process and deliverable are certain and worth confirming at this time:

- An overarching goal is to increase accountability and transparency
- Strategic planning will inform academic planning
- Academic planning and enrollment management will be integrated with the budget planning and revenue allocation processes
- This will be a highly collaborative, highly consultative process

I look forward to ongoing communication with the campus community as the steering committee formalizes a new budget development plan.

**University of New Mexico – Main Campus
Responsibility Center Management (RCM)
&
Performance Based Budgeting (PBB)**

Introduction: Responsibility Center Management (RCM) systems have been developed and implemented in a variety of forms at institutions of higher education since the early 1990s. The underlying theory is that by assigning revenue and associated expenses directly to the centers that earned the revenue, the centers would become more accountable, work to generate additional revenue, and explore options to reduce expenses where feasible. Schools that have implemented RCM systems indicated overall satisfaction with the model, while also acknowledging that it is often difficult to identify specific metrics that quantify this feeling of success.

Performance Based Budgeting (PBB) is a concept that is once again finding favor with policymakers and thus affecting higher education institutions. It has intuitive appeal--what's not to like about paying for results? The underlying theory of these types of funding models is to tie the allocation of funds to the achievement of certain goals and objectives. Again, there is overall satisfaction with this model. However, research of previous implementations suggests that when systems do fail, it is the result of poor design and implementation rather than the underlying concept related to the goals and objectives.

Context: Why are we doing this? There are numerous reasons/advantages why the University of New Mexico should modify its budgeting and resources allocation processes, including:

- Reduced state appropriations and pressure to minimize tuition and fee increases have added intense focus on the maximization of existing resources and the prioritization of future revenue streams.
- The university's existing budget model is built on historic funding levels, is non-comprehensive at an institutional level (incremental budgeting) and is not well-linked to strategic planning.
- It is often not clear why budget levels are what they are, or how they relate to national, regional, state and/or institutional priorities.
- RCM and PBB budget models enhance transparency and enable better-informed decision-making by relating resources to activity levels, thus creating awareness of how the university receives resources and how they are used.

RCM and PBB Models: Current literature regarding RCM and PBB models point to numerous benefits, but also identify concerns and/or challenges, including:

- Benefits
 - Increases incentives for revenue generation and cost effectiveness
 - Improves transparency surrounding decisions
 - Improves accountability and management of resources
 - Clarifies the maze of cross-subsidies
 - More clearly links performance to rewards and thus provides incentives to increase productivity
- Concerns and/or Challenges
 - Significant time to implement
 - Considerable commitment of human resources
 - Significant start-up costs
 - Focus is on quantitative measures instead of qualitative measures
 - Cost of instruction differs due to the nature of cost (Engineering vs. English)
 - Centers can lose sight of the big picture
 - Centers sometimes compete with each other for funds and duplicate efforts
 - Challenge in funding institutional common goals and academic priorities
 - Can hamper interdisciplinary programs and research
 - Could negatively impact academic quality (grade inflation, students could be advised in a way that benefits the college – not the student)

Underlying Principles: Given the underlying benefits of RCM and PBB models, namely providing incentives to generate additional revenues while continuously focusing on cost effectiveness, there are many advantages in moving the University of New Mexico towards a new budgeting process. The key to effectively implementing these models will be minimizing their shortcomings by adhering to the following overriding principles:

- Design Considerations
 - Recognize that all funding models are RCM and/or PBB based
 - Get agreement on goals before putting performance funding in place
 - Construct performance metrics in broad terms, such as
 - Innovations that expand and broaden the state’s economy
 - Productions of graduate and professional degrees in STEMH fields
 - Development of highly skilled graduates
 - Design the funding model to promote mission differentiation
 - Include provisions that reward success with underserved populations
 - Include provisions that reward progress and continuous improvement, as well as ultimate success
 - Limit the categories of outcomes to be rewarded
 - Use metrics that are unambiguous and difficult to “game”
 - Make the performance funding pool large enough to command attention
 - Most importantly – ensure that the incentives in all parts of the funding model align with the institution’s mission, stated goals and objectives
- Implementation Considerations
 - Don’t wait for new money

- Include a phase-in provision
- Employ stop-loss, not hold-harmless provisions
- Continue performance funding in both good times and bad

Conclusion and Recommendation: Given the documented shortfalls of a fully implemented RCM model, and some of the clear advantages of PBB models as referenced above, the University of New Mexico would be best served to implement a modified budget model that incorporates components of each model. The over-arching model would thus be a hybrid, incorporating strengths from both RCM and PBB models that would assist the university in achieving its stated goals and objectives. Proposed budget factors and metrics to be used with the models will be discussed more fully later in this document.

Additionally, the literature is clear that the success of the models hinge most directly on the clear connection between an organization’s ability (university/school/college) to determine its destiny – that is, its efficiency in achieving its mission – through its actions and the monetary rewards that would accrue to those organizations. In short, RCM and PPB models are not necessary or effective for all organizations common to institutions of higher education, but rather to those organizations whose primary actions generate revenues.

Guiding Principles for Development and Implementation: This will be a collaborative, highly consultative process led by the Provost/EVP for Academic Affairs and the EVP for Administration. A steering committee comprised of individuals from Academic Affairs, the Administration and representatives from the Dean’s Council and Faculty Senate will guide the process on behalf of all schools/colleges. The overall philosophy for the implementation of the new budget/resource allocation model will be as follows:

Integrate academic planning and enrollment management with the budget planning and revenue allocation processes. Strategic planning informs academic planning, which in turn guides enrollment management and the allocation of existing and future resources.

Responsibility Center (RC) Structure: Before going further it is important to define several terms that will be used throughout this document:

- A Responsibility Center is meant to define all organizational units within the university
- A Revenue Center is an RC for which the majority of activities result in the generation of external revenues
- A Support Center is an RC that generates little or no external revenue but which provides critical services to support the activities of the revenue centers and other support centers

As referenced above, a hybrid model is proposed for the University of New Mexico both in terms of the use of RCM and PBB models and in terms of what organizations the model applies to. More specifically, given that Support Centers (i.e., administrative units) do not directly generate external revenues, their revenue allocations will continue to be based on incremental base funding. These organizations will, however, be challenged to justify current revenue allocations and identify cost effectiveness measures each year that will not adversely affect current service levels.

Revenue Centers, on the other hand, will be required to fully implement the RCM and PBB models, whereby a portion of their funding will be subject to performance metrics. It is important to note that stable base funding will need to be a component of any new model to allow for stability in planning exercises. Conversely, experience at other universities points to the fact that a significant portion of the funding for schools and colleges must be performance driven in order to affect change and progress towards stated goals and objectives.

Current State: Although the University of New Mexico has historically relied on an incremental budget allocation process, there are several areas where RCM and PBB principles are followed:

- Differential Tuition – there are currently six schools that receive differential tuition directly to fund their programs. These schools receive additional tuition funds when enrollments increase but also realize revenue reductions in years of declining enrollments. Schools and Colleges that receive tuition tied to enrollment levels include:
 - The School of Architecture and Planning
 - The School of Public Administration
 - The Anderson School of Management
 - The College of Nursing
 - The School of Pharmacy
 - The School of Law
- Direct Tuition Recapture - Extended University offerings, primarily on-line instruction, receive tuition and fees directly on a per-credit-hour basis and in turn transfer revenues to schools and colleges on the basis of courses offered.
- State Appropriations – FY 2012/2013 - Beginning in FY 2012/2013, the State of New Mexico began to allocate a portion of the overall higher education funding to institutions based on newly developed performance metrics. The metrics were developed as part of phase-one of a reengineering of the state's higher education funding formula, with an eye towards rewarding performance. The result was the implementation of the following performance metrics:
 - Student credit hours (SCH) for completed courses: Change from the current 21-day census reporting figures of total SCH to the end of the semester enrollment data, which details SCH completed by students
 - Outcome-based performance metrics
 - Total awards: Document the number of students graduating, degrees and/or certificates awarded

- Outcomes: Workforce incentive (STEMH) – In an effort to bolster the New Mexico economy and provide the foundation for the recruitment of companies that offer high wage jobs, focus incentives in Science, Technology, Engineering, Math and Health related fields
- Outcomes: At-risk financial – Provide incentives for schools and colleges to close the achievement gap (retention, graduation) for at-risk students as defined by traditional measures such as remedial course work required, financial status and/or ethnicity

For the University of New Mexico in FY13, the total additional funds associated with the new performance metrics are quantified and attributable to the following schools and colleges:

FY13 Funding Formula Outcomes by College/School						
Institution	FY12 Appropriation	Student Credit Hours for Completed Courses	Outcomes: Total Awards	Outcomes: Workforce Incentive (STEMH)	Outcomes: At-Risk Financial	Total Outcomes
University of New Mexico	\$160,933,600	82.25% \$4,393,564	1.15% \$2,370,446	2.15% \$1,803,471	0.95% \$684,029	\$9,251,510
UNM Main Campus Colleges/Schools						
Anderson School of Management		\$ 501,192	\$ 247,873	\$ -	\$ 66,273	\$ 815,338
College of Arts and Sciences		\$ 1,904,893	\$ 886,722	\$ 577,977	\$ 210,091	\$ 3,579,684
College of Education		\$ 528,170	\$ 273,195	\$ -	\$ 80,617	\$ 881,983
College of Fine Arts		\$ 317,279	\$ 82,688	\$ -	\$ 25,353	\$ 425,320
School of Architecture Planning		\$ 104,078	\$ 50,464	\$ -	\$ 15,044	\$ 169,586
School of Engineering		\$ 212,122	\$ 254,562	\$ 475,921	\$ 43,363	\$ 985,968
School of Law		\$ 122,558	\$ 98,406	\$ -	\$ 60,405	\$ 281,369
School of Public Administration		\$ 74,789	\$ 8,430	\$ -	\$ 176	\$ 83,395
University College		\$ 37,544	\$ 71,926	\$ 8,888	\$ 31,119	\$ 149,477
Total Main Campus		\$ 3,802,624	\$ 1,974,266	\$ 1,062,786	\$ 532,442	\$ 7,372,118
UNM Health Sciences						
College of Nursing		\$ (202,728)	\$ 120,995	\$ 226,208	\$ 28,131	\$ 172,607
College of Pharmacy		\$ 112,042	\$ 124,472	\$ 232,709	\$ 62,765	\$ 531,988
School of Medicine		\$ 681,626	\$ 150,713	\$ 281,768	\$ 60,690	\$ 1,174,797
Total HSC		\$ 590,940	\$ 396,180	\$ 740,685	\$ 151,587	\$ 1,879,392
Total UNM		\$ 4,393,564	\$ 2,370,446	\$ 1,803,471	\$ 684,029	\$ 9,251,510

*Figures based on data submitted to HED.

The current UNM budgeting process folds these incremental funds into the university's pooled revenues, which are then prioritized for distribution during the budget development process. In accordance with the underlying legislative intent, it would be possible to form a more direct link between the schools and colleges that generate the funds and their distribution. It follows that beginning in FY14 a major portion of the incremental state funds could flow directly to the schools and colleges that generate the funds in accordance with the state funding formula, net of any incremental cost increases that were required to generate the additional funds.

State Appropriations – FY 2013/2014: As part of the original plan to reengineer the state higher education formula, it was agreed that phase two of the process would be to develop sector-specific measures that recognize the different roles and missions of Research Universities, Comprehensive Universities, Community Colleges and Branch Campuses. The new sector-specific measures would be developed and implemented as part of the state's FY 2013/2014 budget allocation process. Although not finalized, the metrics for the research universities are likely to include the following:

- Portion of federal expenditures, calculated on a four-year rolling average, which enhances the economic development of New Mexico. The Schedule of Expenditures of Federal Awards (SEFA) is the preferred data source for this measure as it is a statement of federal awards included in each institution's annual external audit report and is accessible by the HED, LFC and DFA
- Increase in the number of provisional patent applications averaged over a three-year period. Patent disclosure activity by the three research universities acknowledges the role of these universities in the economic development of New Mexico
- Individual university measure, with metrics discussed to date as follows:
 - The change in the percent of graduate students as a total of all enrolled students
 - The change in the dollar amount of private grant and contract revenues
 - The percent of graduating students who obtain employment within the field of their degree or continue enrollment into a graduate program
 - The increase in the percent of undergraduate and/or graduate students supported by assistantships

Similar to phase-one of the modified state funding formula, and in accordance with the underlying legislative intent, it is possible that there be a direct link between the schools and colleges that generate the funds as a result of these research metrics and their distribution. It follows that beginning in FY15 a major portion of the incremental state funds could flow directly to the schools and colleges that generate the funds in accordance with the state funding formula.

UNM Metrics: The process of identifying and committing to "sector" specific metrics for the University of New Mexico is most easily accomplished by evaluating areas of weakness and developing goals and objectives to overcome those weaknesses. To do so it is helpful, first and foremost, to restate our mission of teaching, research, public service and health care with an eye towards consistently developing metrics that reflect this commitment. Secondly, it is helpful to reflect on questions faced by most universities in their efforts to strengthen the

undergraduate and graduate student experience. A recent self-study conducted by Stanford University faculty, but no less relevant to our UNM community, qualified these issues, namely:

- How do we appraise, improve and reward undergraduate teaching?
- How can we improve the culture of advising, including the disturbing unevenness in faculty commitment to it?
- Can we design support programs that will foster our students' overall educational experience?

RCM and PBB Revenue Allocation Metrics: In support of these questions, RCM and PBB principles and metrics will be further discussed with the steering committee and university community to determine the individual performance metrics moving forward. In order to provide schools and colleges with some degree of budget certainty, however, it is likely that funding allocations will be calculated by the following two metrics:

- Overall base funding – simply methodologies that support stability
 - Face-to-face SCH completed
 - Extended University SCH completed

Total Unrestricted Credit Hours for Entire Academic Year						
	Actuals				Three Year Average* & Change from FY09	
	2008-09	2009-10	2010-11	2011-12		
Provost Academic Affairs						
Anderson Schools of Management	38,803	41,576	43,601	45,202	43,460	4,657
College of Arts Sciences	358,641	378,397	402,106	410,565	397,023	38,381
College of Education	66,295	71,677	74,485	71,103	72,422	6,127
College of Fine Arts	42,496	47,053	49,424	48,913	48,463	5,967
Provost Units	-	-	-	6,198	2,066	2,066
School of Architecture Planning	11,782	13,340	13,451	13,917	13,569	1,787
School of Engineering	30,183	31,710	32,751	34,350	32,937	2,754
School of Law	9,554	9,864	10,165	10,001	10,010	457
School of Public Administration	2,252	2,671	2,928	3,007	2,869	617
University College	13,330	13,848	14,738	8,007	12,197	(1,132)
University Libraries	-	-	-	101	34	34
Total	573,336	610,136	643,648	651,364	635,050	61,714
VP Health Sciences Center						
College of Nursing	15,583	15,261	13,757	13,100	14,039	(1,544)
College of Pharmacy	12,009	12,052	12,428	12,458	12,312	303
School of Medicine	13,073	14,400	16,190	16,150	15,580	2,507
Total	40,665	41,712	42,375	41,707	41,931	1,267
Main Campus Total	614,000	651,848	686,023	693,071	676,981	62,981

*Green if average over past 3 years is greater than FY09, Red if average is less than FY09.

- Productivity Funding -- Incentives to supplement incremental budgeting (variable)
 - Upper division/graduate credit hours

Total Unrestricted Graduate Credit Hours for Entire Academic Year						
	Actuals				Three Year Average* & Change from FY09	
	2008-09	2009-10	2010-11	2011-12		
Provost Academic Affairs						
Anderson Schools of Management	9,461	11,054	12,813	14,165	12,677	3,216
College of Arts Sciences	22,992	22,720	23,421	23,141	23,094	102
College of Education	19,249	20,484	22,389	21,307	21,393	2,145
College of Fine Arts	2,838	3,052	3,246	2,884	3,061	223
Provost Units	-	-	-	-	-	-
School of Architecture Planning	4,397	5,125	5,139	5,107	5,124	727
School of Engineering	9,977	10,664	10,378	11,232	10,758	781
School of Law	9,554	9,864	10,165	10,001	10,010	457
School of Public Administration	2,252	2,671	2,928	3,007	2,869	617
University College	200	255	264	242	254	53
University Libraries	-	-	-	20	7	7
Total	80,918	85,891	90,744	91,105	89,246	8,328
VP Health Science Center						
College of Nursing	3,120	3,398	3,310	3,360	3,356	236
College of Pharmacy	12,009	12,051	12,422	12,458	12,310	301
School of Medicine	6,474	7,037	8,512	9,242	8,263	1,790
Total	21,602	22,486	24,244	25,059	23,929	2,327
Main Campus Total	102,521	108,376	114,988	116,163	113,176	10,655

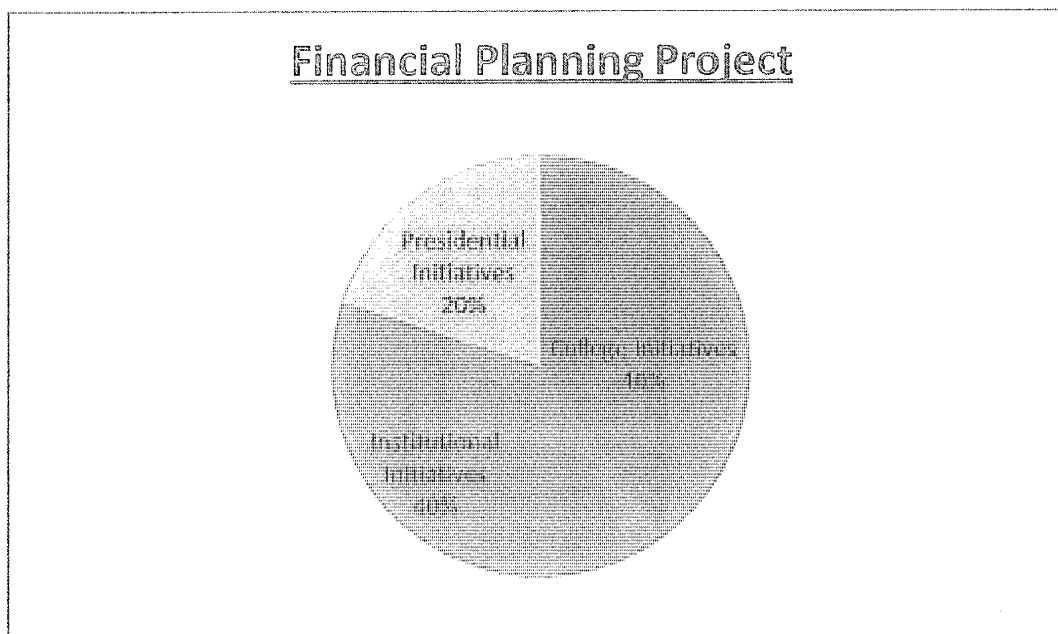
*Green if average over past 3 years is greater than FY09, Red if average is less than FY09.

- Decreased time to degree/improved graduation rates
- Increase scholarly activity – research/publications/public service
- Maximize faculty/student ratios
- Percentage of tenure/tenure track faculty

RCM and PBB Cost Efficiency Metrics - Financial Planning Project: UNM is beginning a 6-month project to better understand the revenue and cost associated with instruction. The project, a collaborative effort among the President's Office, Academic Affairs, Enrollment Management, the Office of Planning, Budget & Analysis, Information Technologies, and the Center for Education Policy Research, will develop models and a set of tools to allow decision-makers the ability to adjust a variety of cost and revenue levers and see projected outcomes. Beginning with an analysis of course capacity and student demand, the team will develop a model to determine where departments can sustain enrollment growth without adding teaching capacity, and where student demand is exceeding department course offerings.

By combining this section capacity analysis with a thorough examination of state and tuition revenues, we can begin to develop models that show the impact of changing enrollments on university revenues. Second, by accounting for the cost of university activities in support of instruction (including faculty salaries, instructional support, student services, research, and college and university overhead), the models will also account for how decision-making can impact the level of expenses.

The final deliverable will be an interactive tool to be used by department chairs, deans, and other administrators giving them the ability to view projected net revenues, or conversely cost efficiencies, based on the structuring of course offerings and section capacities. In the event of cost efficiencies, the university would develop a reallocation model that would serve as a mechanism to maximize these expenditure savings/unbudgeted revenues. Initial discussions include dividing the revenues into three revenue bins, as depicted in the graph below.



- College Initiatives: 40% of the revenue realized as a result of the cost savings would be returned to the college that generated the savings
- Institutional Initiatives: 40% of the revenue realized as a result of the cost savings would be deposited into a central academic reserve and distributed on a proposal basis for overall institutional initiatives that would bolster common institutional goals and objectives
- Presidential Initiatives: 20% of the revenue realized as a result of the cost savings would be available to the President for various new initiatives

With the likelihood of overall state funding being stressed by the growing cost of entitlement programs, and the continued goal of keeping UNM affordable for New Mexican residents, cost savings must play a more prominent role in the university's finances. By providing schools and colleges with the tools to maximize current revenue (reduce costs), the university will be able to reinvest current resources into new institutional priorities that further our teaching and research missions.

Implementation Timeline: The following timeline will guide the RCM and PBB models:

- Phase One: Planning and Design
 - Identification of Steering Committee members
 - Model research and concept development
 - Model development and commitment to project plan and scope
 - Development of metrics
 - Documentation of allocation processes
 - Quantify state instruction and research funding metrics for distribution in FY14 and FY15
 - Scenario analysis for internal UNM metrics
 - Communication to campus constituents
- Phase Two: Refinement of RCM and PBB models
 - Scenario analysis
 - Data validation
 - Communication to campus constituents
- Phase Three: Implementation of RCM and PBB model for FY15
 - Integration into current budget development process
 - Department training
 - Developing of reports

Note: Consultation will occur throughout the phase with focus groups

Overcoming Potential Roadblocks: It goes without saying that there will be roadblocks and naysayers who will offer predictable counter arguments, among them:

- RCM and PBB funding models have been tried before with limited, if any, success. Why is UNM moving towards the use of these models? There are numerous reasons why these models must be incorporated into our budgeting process, namely:
 - The limited resources and growing expectations from parents and students regarding student experience and graduation rates
 - The changing public agenda, both nationally and within our state
 - They clarify priorities and enhance transparency

- Quality will suffer – institutions can easily graduate more students if standards are lower as a means to chase performance dollars. This should not be the case, because
 - Faculty are guardians of institutional quality and they will be diligent in fulfilling this responsibility
 - Continual and rigorous assessment of quality
- It will not effectively make a difference. While it's true results vary, several states and institutions have seen positive results, including in Texas, where institutions increased degree production by 9.3% over baseline levels and increased the number of “at-risk” students who graduated by 17.6%
- With growing enrollments, institutions must fund the base before setting aside funds for performance. The reality is supplemental funding from the state and/or tuition increases that would be administered under a RCM/PBB model should be expected to produce higher levels of performance since institutions are producing their current baseline levels of outcomes with existing resources. New resources and/or the reallocation of existing resources should lead to better results of stated goals and objectives, not the same level of performance.

There is now enough empirical evidence to suggest that RCM/PBB models are effective if designed and implemented correctly. It will be up to the University of New Mexico to refine its academic plan, develop and communicate its goals and objectives-- with this plan as a backdrop--and empower its academic leaders to achieve these goals and objectives through the use of entrepreneurial models that reward financial stewardship and performance.



HEALTH SCIENCES CENTER BOARD OF DIRECTORS

September 26, 2012

TO: Jack Fortner, Esq., President
UNM Board of Regents
FR: Regent Carolyn J. Abeita, Chair
HSC Board of Directors
RE: Request for Items to be placed on UNM Board of Regents' Agenda

cc: Paul B. Roth, MD, HSC	Ella Watt, UNMH	Michael Olguin, UNMH BoT
Scot Sauder, HSC	Andrea Montoya, UNMH BoT	Steve McKernan, UNMH
Ava Lovell, HSC	Bruce Cherrin, UNM Procurement	Linda Pardo, FACC
Ellen Wenzel, BoR	Don Chalmers, Chair, HSC BoD FACC	

RECOMMENDED ACTION:

I respectfully request that the following items be placed on the UNM Board of Regents' agenda as Action items:

- 1) Request for Approval of UNMH Contract with The Medical Resort at Fiesta Park Skilled Nursing Facility
- 2) Request for Approval of UNMH Contract Transitional Hospital Corporation of New Mexico, Inc. d/b/a Kindred Hospital
- 3) Request for Approval of UNMH Contract with Comprehensive Care Services, Inc.
- 4) Request for Approval of UNMH Contract with HealthSouth Rehabilitation Hospital of New Mexico
- 5) Request for Approval of UNMH Contract with DCI Donor Services
- 6) Request for Approval of UNMH Contract with Medtronic USA
- 7) Request for Capital Project Approval for UH-Main-IV Pharmacy Renovation
- 8) Request for Architect Selection for UNMH Alcohol & Substance Abuse Prevention Clinic-A/E Approval
- 9) Request for Approval: Internal Medicine/Cardiology – Staff Care (Non-Invasive Cardiologist Locum Tenens)
- 10) Request for Approval: Internal Medicine/Cardiology – CompHealth (Invasive/Interventionalist Locum Tenens)
- 11) Request for Capital Project Approval: Architect Selection & Capital Project for Health Sciences Center Animal Resource Facility Improvements
- 12) Request for Approval: Michael Olguin, Chair, UNMH Board of Trustees, as Designated Member of the Health Sciences Center Board of Directors
- 13) Request for Approval of the Reappointment of Lisa Rossignol, Parent Nominee, to the Carrie Tingley Hospital Board of Directors
- 14) Request for Approval of the Appointment of William Lang to the Sandoval Regional Medical Center, Inc. Board of Directors

And the following as an Information item:

- 1) Request for Approval of UNMH Contracts with Presbyterian Healthcare Services, Howmedica Osteonics – Stryker Spine, and Cardinal Health MP&S

Background documentation is attached.

Thank you.

2012-116-HSCBoD



**UNM Hospital Board of Trustees
Recommendation to HSC Board of Directors Finance and Audit Committee
September 2012**

Approval

(1) The Medical Resort at Fiesta Park Skilled Nursing Facility

Source of Funds: UNM Hospitals Operating Budget

Description: Request for one year contract (with three annual renewal options upon mutual written agreement) with The Medical Resort at Fiesta Park to provide skilled nursing care services for UNM Hospitals patients covered under the UNM Care Plan or UNM SCI. The Medical Resort at Fiesta Park will be utilized for post-acute care for appropriate patients so that beds can be freed up when UNM Hospital is at capacity. It is anticipated that the number of patients that will be placed at The Medical Resort will be two to five per day. These patients would be appropriate for discharge from the acute level of care for skilled nursing services.

Process: RFP P-211-12

Total Cost: \$800,000 per fiscal year

(2) Transitional Hospital Corporation of NM, Inc. D/B/A Kindred Hospital

Source of Funds: UNM Hospitals Operating Budget

Description: Request for two year contract (with three annual renewal options upon mutual written agreement) with Kindred Hospital of Albuquerque to provide long term acute care services for UNM Hospitals patients covered under the UNM Care Plan or UNM SCI. Kindred will be utilized for post-acute care for qualified patients so that beds can be freed up when UNM Hospital is at capacity. It is anticipated that the number of patients that will be placed at Kindred will be no more than one or two per day. These patients tend to be high-need patients that can be managed appropriately in the level care of that Kindred provides.

Process: RFP P-214-12

Total Cost: \$800,000 per fiscal year

(3) Comprehensive Care Services, Inc.

Source of Funds: UNM Hospitals Operating Budget

Description: Request for three year contract with Comprehensive Care Services, Inc. to provide perfusion services and supplies. In addition to providing perfusionists and the necessary supplies to assist with platelet gel therapy, point of care testing and autotransfusion, assisting and monitoring of the following devices will be provided: intra-aortic balloon pumps and ventricular assist devices.

Process: RFP# P213-12

Total Cost: \$800,000 per fiscal year

(4) HealthSouth Rehabilitation Hospital of New Mexico

Source of Funds: UNM Hospitals Operating Budget

Description: Request for five year contract term with HealthSouth to provide highly specialized inpatient rehabilitation services and programs including: amputee program, arthritis, bowel and bladder training, brain injury, cardiac care, diabetes, hip fracture, joint replacement, multiple trauma, neurological disorders, oncology, pain management, Parkinson's disease, pulmonary disease, spasticity management, spinal cord injury, stroke, wound care and other functional declining conditions.

Process: RFP P209-12

Total Cost: \$800,000 per fiscal year

(5) DCI Donor Services

Source of Funds: UNM Hospitals Operating Budget

Description

Request for three year agreement for the purchase of bone, tissue, tendons and cadaveric skin used in surgical replacement procedures primarily to encourage new growth for repaired areas. DCI Donor Services specializes in the distribution of allograft products used in general orthopaedic, spine, and sports medicine surgical procedures, and those used in burn and wound management.

Process

Sole Source based on specific tissue types

Total Cost: \$650,000 per fiscal year

(6) Medtronic USA

Source of Funds: UNM Hospitals Operating Budget

Description: Request for three year agreement with Medtronic supplies infused (bone meal) that is used in surgical bone replacement procedures. This product is used primarily to encourage new bone growth for repair (especially in older patients) for spinal cases including spinal fusions. Medtronic Bone Graft initiates bone growth in specific, targeted areas of the spine. Other bone grafts may be applied to collagen sponges and inserted inside lumbar tapered fusion devices, which are then implanted between vertebrae.

Process: Sole Source

Total Cost: \$600,000 per fiscal year



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER

UNM HOSPITALS

REQUEST FOR CAPITAL PROJECT APPROVAL for UH – MAIN – CODE - IV PHARMACY - RENOVATION

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 **UH Main – Code – IV Pharmacy - Renovation.**

PROJECT DESCRIPTION:

The pharmacy is located on the fourth floor of the Main Hospital at 2211 Lomas NE in Albuquerque. The project will construct mechanical, electrical and plumbing infrastructure to support new Modular ISO Class 7 Chemo Prep, Sterile Prep Clean Rooms and two Ante Rooms. The plan is to build a fully operational compounding area for 24/7 utilization.

PROJECT RATIONALE:

This project is necessary to alleviate a code deficiency, with high temperatures, identified by the NM Board of Pharmacy in the Hospital Inspection Report. The work must be performed in a functioning pharmacy without impeding operations. The project will improve patient safety by providing required temperatures, creating laminar air flow hooded work stations in the IV areas and creating a process driven work space to prevent contamination and distractions.

FUNDING:

The total estimated Project Budget is \$736,500.

Architectural Design and Demolition	\$81,500
Construction Renovation	<u>655,000</u>
	\$736,500

Project will be funded from UNM Hospital Capital Budget.



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER

UNM HOSPITALS

**APPROVAL OF ARCHITECT SELECTION for
UNM Hospital Alcohol and Substance Abuse Prevention Clinic – A/E Approval**

RECOMMENDED ACTION:

As required by Section 7.11 of the Regents Policy Manual, it is recommended that the Board of Regents approve the selection of the following architect for programming and design of the UNM Hospital Alcohol and Substance Abuse Prevention Clinic (ASAP) – A/E Approval.

The Architect selected by UNM RFP -1529-13:

Fanning Bard Tatum Architects
6100 Indian School Rd. NE Suite 210
Albuquerque, NM 87110

PROJECT DESCRIPTION:

ASAP specializes in providing diverse proven substance abuse and mental health treatment, including specialized services for women. ASAP provides services to adults and adolescents with a primary substance abuse diagnosis and/or individuals who have a substance abuse disorder along with other mental health issues.

The ASAP mission is to provide comprehensive programs that promote health and prevent substance abuse-related disease and disabilities. It is our commitment to offer efficient and effective access to necessary treatment and ancillary patient support systems in a cost effective and accountable manner, resulting in improved client functioning, higher client satisfaction, and better client outcomes for all admitted clients.

This project is for the design and construction documents for a 16,265 square foot clinic based on the UNMH prototypical neighborhood family practice clinic design already built at the SE Heights Clinic and the SW Mesa Clinic. The proposed location is the empty lot at 5400 Central NE, just east of San Mateo. Purchase of the site was approved by the Regents at the Sept 11, 2012 Board of Regents Meeting.

The new ASAP clinic will provide 4 intake offices, 18 Counseling offices, 7 Provider offices, 6 exam rooms, 4 Group Therapy rooms, 2 Dispensing areas, a Pharmacy, an Administration area and required support areas. The building includes a staff meeting room which can also be scheduled for use by the Neighborhood or Support Groups for meetings. The project will also be a sustainable design to meet LEED Silver as required by NM Governor's Executive Order.

UNMH will work closely with the Neighborhood Association to integrate the site/building design into the Neighborhood. The site plan includes landscaped staff and visitor parking which

can be used for Neighborhood events. It is expected that by developing this location with adjacent services such as pharmacy, behavioral health, and financial services this will result in increased access to health care in this community.

The Maximum Allowable Construction Cost (MACC) is estimated to be \$3,052,000 including NMGRT.

RATIONALE:

1. This recommendation is based on a qualification-based selection process in accordance with State of NM Procurement Regulations.

2. The selection committee included:

Rodney McNease, Executive Director Behavioral Health Finance, UNMH
Robert Henson, Director of Facilities and Plant Operations, UNMH
Margaret Edwards, Executive Director UNM Psychiatric Center
Clay Gatewood, Architect Planner, UNMH Facilities Planning
Rudy Rael, Analyst Planner, UNMH Facilities Planning

The recommended firm obtained the highest total evaluation score.

3. The complete design and construction administration fee is estimated to be \$200,000 including NM Gross receipts Tax.

FUNDING:

The programming and design for this project is funded from the UNMH / HSC Capital Initiatives Fund.



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

MEMORANDUM

To: Ava J. Lovell , Senior Executive Officer for Finance and Administration HSC
From: Bruce Cherrin, Chief Procurement Officer *BC*
Subject: Contract Approval
Date: September 20, 2012

The following contracts have been submitted for approval to the HSC Board of Regents Finance, Audit and Compliance Committee per Regents Policy 7.4.

1. Internal Medicine/Cardiology – Staff Care (Non-invasive cardiologist Locum Tenens)

The Division of Cardiology was short two non-invasive cardiologists. A locum tenens was urgently needed and Staff Care was able to provide one with previous experience at UNMH. The agreement was sole-sourced due to the urgent need for the specialized nature of the physician needs and the experience of the particular individual. One faculty member has been hired, but the locums is still needed to maintain patient care until another hire is made. Current funding on the purchase order is \$495,000 and this amount will only last thru mid-November and the need will extend beyond this point. Request authorization to increase the contract to up to a total amount of \$1,150,000 if necessary to pay for locums services thru the end of FY13.

Funding Source: The funding source will be UNMH SOM general funds

Total Cost: Up to \$1,150,000.00 to pay for services through the end of FY13

2. Internal Medicine/Cardiology – CompHealth (Invasive/Interventionalist Locum Tenens)

One of our three invasive/interventionalists has resigned effective mid-October. Our invasive/interventionalists serve both the UNM and VA hospitals and must be available 24/7 to handle emergencies. Two persons cannot sustain the necessary level of service. A new faculty hire is being pursued, but in the meantime a locums is necessary to maintain the program. CompHealth has qualified candidates and provided us with similar locum tenens services in the past. This will be a sole source contract because of the immediacy of need and the specialized services required. The length of time needed may be up to a year, and costs will run about \$100,000 per month. Request authorization to contract for up to \$1,200,000 for this locum tenens service.

Funding Source: Most of the funding will be UNMH SOM general funds, a portion will come from the contract with the VA hospital to provide Invasive/Interventionalist services.

Total Cost: Up to \$1,200,000.00 for one year



Office of Capital Projects

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

DATE: September 20, 2012
TO: Dr. Paul B. Roth, Chancellor for Health Sciences Center
FROM: Mary Gauer, Group Manager, Office of Capital Projects
RE: Requested Approval

RECOMMENDED ACTION:

Recommend to the Board of Regents HSC Board of Directors Finance, Audit and Compliance Committee the following:

1. Request for Approval of Architect Selection and Capital Project Approval for Health Sciences Center Animal Resource Facility Improvements

Please see attached summary.

cc: Chris Vallejos, Associate VP, Institutional Support Services
Robert Fondino, Chief Budget & Finance Officer, HSC Finance & Administration
Vahid Staples, Budget Officer, Office of Planning, Budget & Analysis
Mary Kenney, Robert Doran – PCD
W. Turner, R. Henrard, C. Martinez, T. Sanchez – OCP

**REQUEST for ARCHITECT SELECTION and CAPITAL PROJECT APPROVAL for
HEALTH SCIENCES CENTER ANIMAL RESOURCE FACILITY IMPROVEMENTS
UNIVERSITY OF NEW MEXICO**

October 9, 2012

REQUESTED ACTION:

In accordance with Sections 7.11 and 7.12 of the Board of Regents Policy Manual, and as required by the New Mexico Higher Education Department and the New Mexico State Board of Finance, capital project approval and architect selection is requested for Health Sciences Center Animal Resource Facility Improvements.

RECOMMENDED FIRM:

ArSed Engineering Group, Albuquerque, New Mexico

SELECTION RATIONALE:

This recommendation is based on a sole source selection process in accordance with State of NM Procurement Regulations. The selected engineering firm has performed extensive design and construction administration work for the UNM Physical Plant Department, has completed other work within the two buildings included in the project scope and has demonstrated the experience and expertise necessary to produce high quality results for this utility intensive renovation project. A fee of \$12,150 was negotiated based on the scope of consultant work.

PROJECT DESCRIPTION:

This project will renovate 1,854 GSF of existing ground floor space within the UNM Health Sciences Center (HSC) Animal Resource Facility (ARF). Included is the replacement of the 27 year old tunnel cage wash and dryer within the Basic Medical Sciences Building (BMSB) Room G10C. Installation of ventilated cage racks within the Biomedical Research Facility (BRF) located in the genetic mouse breeding barrier will renovate 817 GSF. Rooms G-82D, G-82F and G-82E will have mechanical and electrical modifications to support the new equipment. In addition, G-82C at 228 GSF will be designed for ventilated cage racks to support future equipment additions. Mechanical and electrical systems will be renovated if sufficient funding is available.

PROJECT RATIONALE:

This project builds upon improvements from two previous renovations completed in the BRF and BMSB ARF in 2002 and 2008. The equipment replacement is critical to meet ongoing strategic and programmatic goals which include expansion of the partnership between National Institutes of Health (NIH) and the UNM HSC; enhanced support of Signature Programs (Brain and Behavioral Illnesses, Cancer, Cardiovascular and Metabolic Disease, Child Health Research, Environmental Health Sciences, and Infectious Diseases and Immunity); advancement of the animal core as a component of the Clinical and Translational Sciences Center (CTSC); improvement of animal care to assure compliance with required standards and sustainment of the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC) accreditation which has been held continuously since 1973.

FUNDING:

The total estimated Project Budget is \$499,886:

- \$499,886 is funded from a NIH grant, award number G20OD016080.



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER

UNM HOSPITALS

MEMORANDUM

October 1, 2012

TO: HSC Board of Directors

FROM: Jerry Geist
UNM Hospitals, Board of Trustees, Chair

SUBJECT: Board Appointment, UNM Hospitals Board of Trustees

As you know, my term as chair of UNM Hospital Board of Trustees has concluded. Michael Olguin has been elected by the UNM Hospital Board of Trustees as the new chair. Pursuant to the Regents Policy 3.5, the Chair of the UNM Hospital Board of Trustees is a designated member of the HSC Board of Directors.



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER

UNM HOSPITALS

MEMORANDUM

September 21, 2012

TO: HSC Board of Directors

FROM: Michael Olguin *MO*
UNM Hospitals, Board of Trustees, Chair

SUBJECT: Board Reappointment, UNM Hospital Board of Trustees

At the August 24, 2012, meeting of the UNMH Board of Trustees, the trustees approved the renomination of Lisa Rossignol, Parent Nominee, to the CTH Board of Directors. The UNMH Board of Trustees is now requesting the approval of the Governance and Nominating Committee of the HSC Board of Directors, and the HSC Board of Directors, with final approval by the Board of Regents. Ms. Rossignol's CV is attached for review.

LISA ROSSIGNOL

2430 Alvarado Drive NE, Albuquerque, NM, 87110 | 505-363-4465 | lnrossignol@gmail.com

EDUCATION

The University of New Mexico, Albuquerque, NM
M.A. in Communication
 Area of Concentration: Health Communication
 Thesis: "Development of a measure to assess message reception and skill acquisition by medical students engaged in Patient- and Family-Centered Care training" **2011-Present**

ITT Technical Institute, Albuquerque, NM
Information Technology
 Area of Concentration: Computer Networking Systems
 Some Coursework Completed
 Highest Honors **2002**

The University of New Mexico
Bachelor of University Studies, cum laude
 Areas of Concentration: Art Studio, Art Education, General Honors **2001**

AWARDS

Fellowship, New Mexico Leadership Education in Neurodevelopment and Related Disabilities (NMLEND) August 2011 – May 2012
 Highest Honors, ITT Technical Institute September 2002 – March 2003
 General Honors Stipend January 1999 – May 1999

TEACHING EXPERIENCE

The University of New Mexico Hospital and Carrie Tingley Hospital, Albuquerque, NM
Co-Lecturer-"Patient- and Family-Centered Care" **2012**
 Conducted an hour long seminar regarding Patient- and Family-Centered Care, cultural competence, and Children with Special Health Care Needs (CSHCN)

The University of New Mexico, College of Education and College of Special Education, Albuquerque, NM
Guest Lecturer-"Families as Faculty" **2009**
 Conducted 8 week seminar with students regarding Least Restrictive Environment (LRE), The 1992 Individuals with Disabilities Education Act (IDEA) and Family-Centered Care

Western New Mexico University, College of Education and College of Special Education, Deming and Silver City, NM
Guest Lecturer- "Families as Faculty" **2009**
 Conducted 8 week seminar with students regarding Least Restrictive Environment (LRE), The 1992 Individuals with Disabilities Education Act (IDEA) and Family-Centered Care

Eastern New Mexico University, College of Education, Portales, NM
Guest Lecturer- "Families as Faculty" **2009**
 Conducted 8 week seminar with students regarding Least Restrictive Environment (LRE), The 1992 Individuals with Disabilities Education Act (IDEA) and Family-Centered Care

Central New Mexico College, Dual Licensure Program, Albuquerque, NM
Guest Lecturer- "Families as Faculty" **2009**
 Conducted 8 week seminar with students regarding Least Restrictive Environment (LRE), The 1992 Individuals with Disabilities Education Act (IDEA) and Family-Centered Care

The University of New Mexico, School of Medicine, College of Nursing, and School of Occupational Therapy, Albuquerque, NM
Guest Lecturer-"Families as Faculty" **2009**
 Conducted an 8 week seminar regarding Patient- and Family-Centered Care, Cultural Competence, and Children with Special Health Care Needs (CSHCN)

RELATED EXPERIENCE

New Mexico Leadership Education in Neurodevelopment and Related Disabilities, Albuquerque, NM
Family Faculty and Fellow **October 2009 – May 2012**

Provided one-on-one and supportive instruction to Occupational Therapy, Nutrition, Pediatrics, Neurology, Psychology, and Social Work students regarding Children with Special Health Care Needs (CSHCN)

New Mexico EMERGE, Albuquerque, NM

Trainee

2012

Received instruction in how to run for public office, how to craft legislation and fundraise for a campaign and will volunteer for 25 hours on a campaign for a New Mexico Senatorial candidate, Martin Heinrich and for Albuquerque's District 25, Liz Thompson.

University of New Mexico Hospital Pediatric Patient- and Family-Centered Care Committee, Albuquerque, NM

Board Member

2011-Present

Provide Patient- and Family-Centered Care expertise to the hospital's steering committee. Participate in staff training, recruitment of healthcare consumers to the committee, and conduct research on planned actions.

New Mexico Partners in Policymaking, Albuquerque, NM

Trainee

2011

Received education on the history of disability rights in the United States, developed policy regarding the New Mexico Developmental Disabilities Waiver program, represented several local disability advocacy groups at press conferences, introduced legislation to address lack of service to New Mexico's developmentally disabled population.

PUBLICATIONS, PAPERS, AND PRESENTATIONS

"The relationship between Family-Centered Care training and communicative adaptability among medical students; Changing hearts, changing minds"

Paper co-presented with Jan Winslow at the 5th International Conference on Patient- and Family Centered Care, Washington, DC

June 6, 2012

"Changing hearts, changing minds: Patient- and family-centered care training at the University of New Mexico"

Poster presentation at European Association of Healthcare Communication (EAHC) 2012 International Conference on Communication in Healthcare (ICCH), St. Andrews University, Scotland, United Kingdom

September 6, 2012

MEMBERSHIPS

Golden Key Honor Society

National Communication Association (NCA)

National Forensics League

Toastmasters International

Western States Communication Association (WSCA)



MEMORANDUM

October 1, 2012

TO: HSC Board of Directors

FROM: Michael Olguin
UNM Hospitals, Board of Trustees, Chair

SUBJECT: Board Appointment, UNM Hospitals Board of Trustees

The UNMH Board of Trustees respectfully requests the approval of the Governance and Nominating Committee of the HSC Board of Directors, and the HSC Board of Directors, with final approval by the Board of Regents, to appoint Ms. Deborah Johnson to the SRMC Board of Directors. Ms. Johnson's CV is attached for review.

Deborah (Debbie) Johnson
Executive Director, RIESTER
1120 Pennsylvania NE, Albuquerque NM 87110
505-260-3320

Deborah Johnson is former Chairman & CEO of Rick Johnson & Company, Inc. in Albuquerque. RJC was one of the southwest region's largest ad agencies for over 30 years, and won over 1500 advertising excellence and business management awards worldwide. The Anderson Schools of Management at UNM recently named the Rick & Debbie Johnson Marketing Center in their honor.

She is currently an Executive Director at RIESTER, a large regional communications firm with offices in Phoenix, Los Angeles, Salt Lake City and Albuquerque.

In her career, Ms. Johnson has achieved several "firsts," including:

- Chairman of the Board, Affiliated Advertising Agencies International (World's Largest Professional Agency Organization - First Woman in 55 Year history), 1993
- Chairman of the Board, Albuquerque Economic Development, 2002 - 2004 (first woman)
- Chairman of the Board, UNM Anderson Schools of Management, 1999 (first woman)
- Chairman of the Board, Central NM Susan G. Komen Foundation, 2001 (first woman)
- Chairman of the Board, Better Business Bureau, 1999 (first corporate woman)

She is a Director for Los Alamos National Bank, the only bank in America to have received the National Malcolm Baldrige Quality Award.

She has served two terms as New Mexico's representative on the Federal Reserve Board Kansas City Economic Advisory Council.

She has also been a director for: Association of Commerce & Industry, Quality New Mexico, New Mexico Presswoman, Greater Albuquerque Chamber of Commerce and UNM Health Sciences Center. She has been a gubernatorial appointee on numerous committees assigned to education, workforce and economic development

She has led marketing efforts in every major industry including: Tourism & Hospitality, Restaurant & Retail, Healthcare & Pharmaceutical, Automotive, Sports & Entertainment, Financial & Utilities, Government & Non-Profit.

She has pioneered women's media leadership presence as:

- Editor, Women In Business Column, Albuquerque Journal Business Outlook, 1990
- Talk Show Host & Creator, KBTK-AM Radio Women's Forum, 2001 - 2003; KKOB-AM Radio "Women's Room", 2005 - Present

And among her many awards and honors are:

- Working Woman Magazine, "Top 500 Woman Owned U.S. businesses" June, 2001
- Advertising Age Magazine, "Top U.S. Agencies", 2005 +
- New Mexico Advertising Federation, Silver Medal, 1994
- National Association of Female Executives, Female Executive of the Year, 1994
- New Mexico Business Journal, "State's Most Influential", 1998
- New Mexico Business Weekly, "Top 100 Power Brokers", 1996 - 2006
- New Mexico Business Journal, Private 100, "Most Admired" Company, Finalist 3 Years
- University of New Mexico, Distinguished Journalism Graduate, 1995
- YWCA, "Woman On The Move", 1996
- NM Women's Magazine, "Top Ten Smart, Savvy, Successful", 1998; "Top 25 Women in Business", 2000 & 2001
- University of New Mexico ZIA Award, 1999
- TANM, "Tourism Professional of the Year", 2000
- NM Commission on the Status of Women, "Visions" Award, 1995
- National Jewish Hospital, "Spirit of Achievement", 2002
- YWCA, "New Mexican of Vision", 2004
- Association of Fundraising Professionals, Outstanding Leader in Philanthropy, 2010



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER

UNM HOSPITALS

**UNM Hospital Board of Trustees
Recommendation to HSC Board of Directors Finance and Audit Committee
September 2012**

Informational

(1) Presbyterian Healthcare Services

Source of Funds:

Description: Request for one-year contract with three optional one-year renewals with Presbyterian Healthcare Services Home Healthcare Program to provide home healthcare for UNM Hospital patients covered under the UNM Care Plan, or UNM SCI. Home care is provided for homebound patients via clinical staff including registered nurses and home health aides.

Process: RFP# P210-12

Total Cost: \$350,000

(2) Howmedica Osteonics – Stryker Spine

Source of Funds: UNM Hospitals Operating Budget

Description

Request for one year agreement with Howmedica Osteonics - Stryker Spine to purchase spine implants. Howmedica Osteonics - Stryker Spine uses leading edge technology to design, manufacture and service a full range of spinal products, allowing surgeons to help their patients return to a more active, less painful lifestyle.

Process: Sole Source

Cost: \$260,000 per fiscal year.

(3) Cardinal Health MP&S

Source of Funds: UNM Hospitals Operating Budget

Description: Request for infant formula prepared for bottle-feeding or cup-feeding from powder (mixed with water) or liquid (with or without additional water) primarily for feeding babies and infants under 12 months of age.

Process: Novation Drug Distributor and Wholesaler

Total Cost: \$250,000



September 26, 2012

TO: Academic Student Affairs and Research Committee
FROM: Rick Holmes, Office of the University Secretary
SUBJECT: Posthumous Degree Request for Robert Hohnke

The Faculty Senate approved the posthumous degree request for Robert Hohnke at the September 25, 2012 Faculty Senate Meeting.

Included is the request from the Health, Exercise and Sports Sciences Department and approval by the Faculty Senate Graduate and Professional Committee.

Please place this item on the next Board of Regents Academic Student Affairs and Research Committee meeting agenda for consideration

Thank you.

Attachments



The University of New Mexico

SENATE GRADUATE &
PROFESSIONAL COMMITTEE
Linney Wix, Chair
lwix@unm.edu

DATE: September 7, 2012

TO: Operations Committee of the Faculty Senate

FROM: Linney Wix, Ph.D., Chair *Linney Wix*
Senate Graduate & Professional Committee

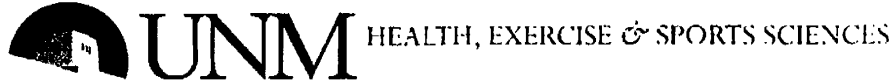
RE: Posthumous Degree

At its September 6, 2012 meeting the Senate Graduate & Professional Committee voted to approve a request to grant a posthumous degree to Robert Hohnke (100034217). Please see the attached memo from Todd Seidler, Professor and Chair, Health, Exercise and Sports Sciences, detailing this request for Mr. Hohnke.

The Senate Graduate & Professional Committee's approval is based primarily on the two conditions specified in the faculty handbook relative to the granting of posthumous degrees. Mr. Hohnke had completed the coursework required for the degree and his academic record is in good standing. Therefore, we request that the Faculty Senate support the awarding of a posthumous Doctor of Philosophy to Robert Hohnke. We also request that this item be put on the Senate's agenda at the earliest convenience. The department of Health, Exercise and Sports Sciences is concerned on behalf of Mr. Hohnke's family that this situation be resolved quickly.

Thank you.

Attachment



August 27, 2012

To: Robben Baca
From: Todd L. Seidler
Re: Posthumous Degree

Dear Robben,

Last December, Robert Hohnke, a doctoral student here in the Department of Health, Exercise and Sports Sciences was killed. Robert, an outstanding student and T.A. from Germany, had completed his coursework, comps and was a week short of his dissertation proposal when his car was struck by a truck on his way to Durango for a day of snowboarding.

(http://www.dailylobo.com/article/2011/12/unm_professor_dies_in_accident_near_farmington)

Widely known across campus as "German Rob", he was a beloved member of the Department and University. The faculty, staff and students of HESS request that UNM award the Ph.D. to Robert posthumously. Please let me know what I can do to help the process and also if there are any questions.

Thank you for your assistance.

Respectfully,

A handwritten signature in black ink that reads "Todd L. Seidler".

Todd L. Seidler, Ph.D.
Professor and Chair
Health, Exercise and Sports Sciences

Beginning Freshmen Fall 2012

UNM Board of Regents

October 9, 2012



2012 Freshman Profile Highlights

	2011	2012	Percent Change	Percentile of NM Test Takers
ACT \geq 29	244	261	7%	94th
ACT \geq 26	695	706	1.6%	86th

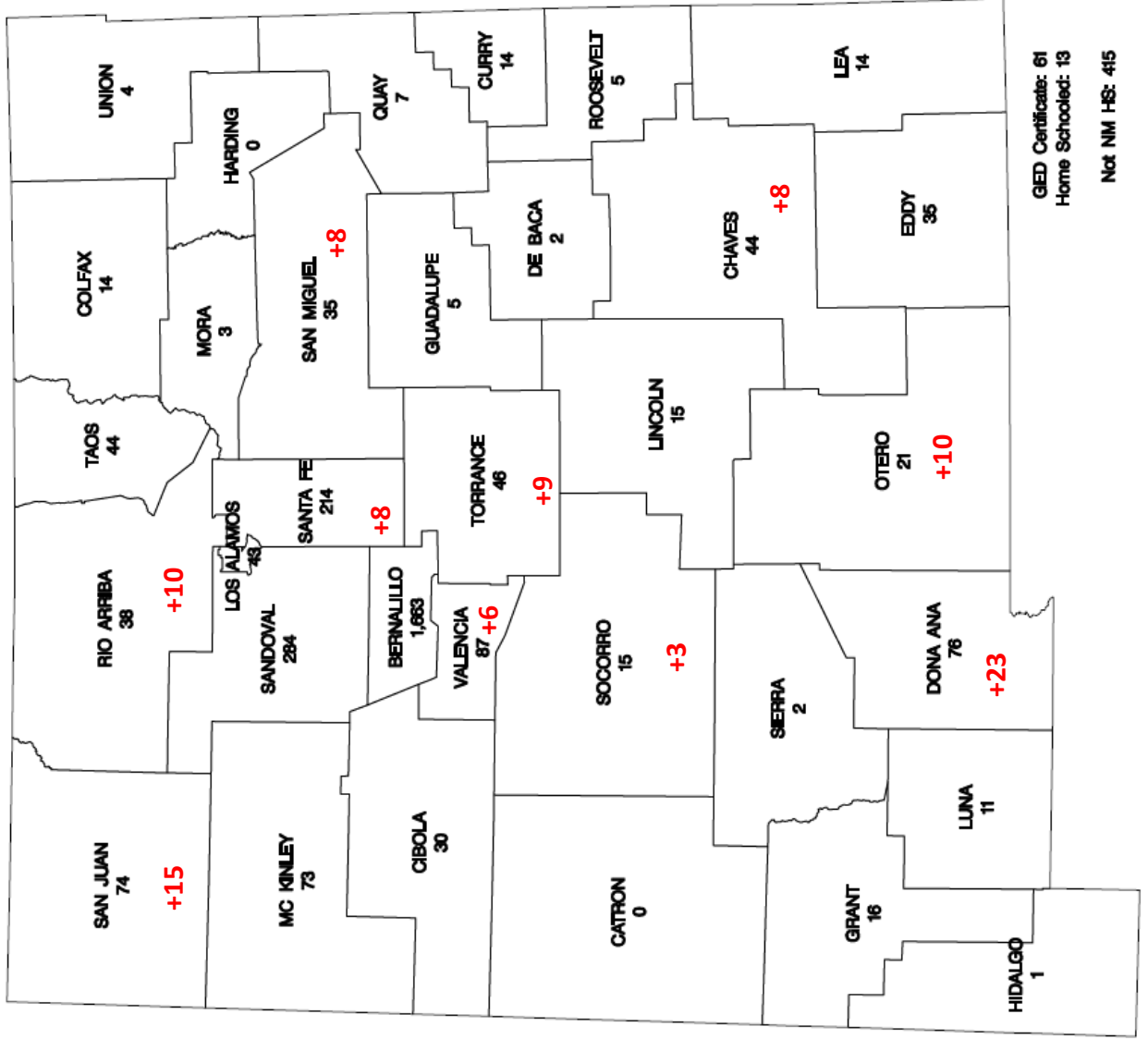
- National Merit Finalists in 2012 = 15 compared to 10 in 2011
- ACT and GPA average is identical to 2011
- Methodology of adding the 15th unit and the increase to a 2.4 GPA in those units makes this class more selective

Beginning Freshman Class Top Ten States

	Fall 2011	Fall 2012
New Mexico	2,881	2,935
California	79	85
Texas	51	61
Colorado	51	54
Arizona	29	25
Oklahoma	6	21
Washington	12	20
Illinois	9	13
Nevada	10	11
Ohio	2	7

Beginning Freshmen Fall 2012 Headcount

New Mexico High School Feeders



GED Certificate: 61
Home Schooled: 13
Not NM HS: 415

Beginning Freshmen From Other States

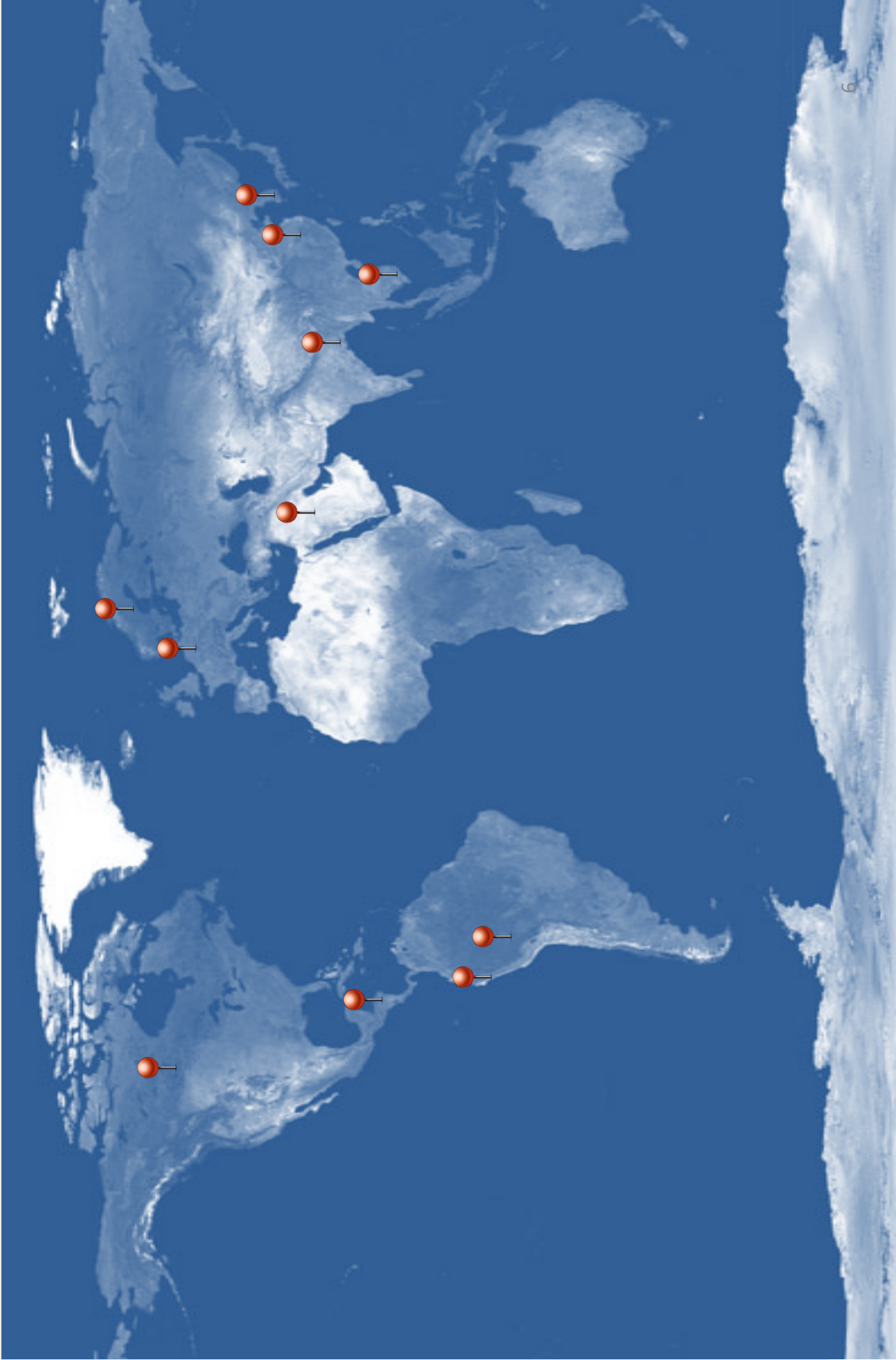
3 to 6 Students

- Alaska
- Florida
- Hawaii
- Kansas
- Maryland
- Michigan
- Missouri
- New Jersey
- Oregon
- Pennsylvania
- Tennessee
- Utah
- Virginia
- Wisconsin

1 or 2 Students

- Alabama
- Arkansas
- DC
- Delaware
- Georgia
- Idaho
- Indiana
- Iowa
- Kentucky
- Louisiana
- Maine
- Massachusetts
- Minnesota
- Montana
- Nebraska
- New Hampshire
- New York
- North Dakota
- Rhode Island
- South Carolina
- South Dakota
- West Virginia
- Wyoming

Freshmen From Other Countries



Countries Represented by 2012 Beginning Freshmen

- Bangladesh
- Bolivia
- Canada
- China
- Germany
- Honduras
- Korea
- Peru
- Saudi Arabia
- Sweden
- Vietnam

Report on Regents' Audit Committee Meeting Regular Meeting September 20, 2012

The **Regents' Audit Committee (Committee)** regular meeting was held on September 20, 2012, and took the following action:

ACTION ITEMS:

- The Committee approved the minutes from August 16, 2012 by unanimous consent.

INFORMATION ITEMS:

- The Vice Chairman asked for any advisors' comments. There were none.
- Internal Audit Director Patel reported that the Department is preparing all necessary documentation and tools for the Quality Assessment Review (QAR). The QAR agreement has been sent to the Director of Internal Audit, New Mexico State University, for review and signature. QAR will take place during the fall of 2012, and the report is expected to be ready by the end of November.
- Director Patel reported that REDW and the Hospital staff will make a presentation of the UNM Hospital audit plan based on the risk assessment in executive session.
- Director Patel reviewed the remaining items on his Director's Report (the QAR information above was also on this report). The proposed FY 13 audit plan includes 5 audits in field work, of which 2 are in the report writing stage, and 11 new audits are proposed. The Department is reserving 1100 audit hours for new audits that might come up during FY13. There are 37 open complaints that are at various stages of investigation. The Department is working with Human Resources and other departments involved, regarding status of their portions of the investigations.

Vice Chairman Hosmer asked for comment on the level of analysis for complaints relating to trending indicators. Director Patel stated the Department has identified the 3 areas that get the most complaints and the Department could provide that data at the next meeting. The data can include what the most frequent subject areas are. Vice Chairman Hosmer is interested in if the complaint system is working to our advantage. For example, can we make good use of it in a way that helps inform the University - about more than just individual issues? Helen Gonzales, Vice President of Human Resources, commented that on their end they do categorize the complaints, look for trends, and have done interventions in areas that have a significant number. President Frank asked if we also track number trends over time. Vice President Gonzales stated that Human Resources recently started working with Internal Audit to capture that information. Director Patel stated there is not a central system where everything comes to one place; this makes it difficult to capture all data. The University is switching providers for the compliance system on October 1st. The new system will have more robust tools. The new provider will also ask customized questions on the hotline. This will give us more information than we are getting now.

Vice Chairman Hosmer wants to establish goals for the complaint system, to at least include the ability to trend down to the specific issues. The information itself should be specific enough to find root causes. President Frank asked if this data includes only signed complaints or if it also includes anonymous complaints. Director Patel replied that it is both. Vice President Gonzales noted a large majority of the complaints are anonymous. Director Patel reported that based on Federal law and the State Whistleblower Protection Act, anonymous complaints are welcome and accepted; we cannot turn them down.

- Director Patel reviewed the Department's budget summary report. It is early in the fiscal year, but as it stands now, the Department may have a carry forward balance of \$200,000 at the end of the year. There is one vacant auditor position. Internal Audit plans to post the position next week and start interviewing in October.
- The Department has started using the new electronic work paper software on a current audit. There will be further electronic work paper training every other week. The software should help departmental efficiency and assist in keeping the audit projects on track.
- Internal Audit Manager Chien-chih Yeh presented the status of audit findings. There are no past due items at this time. The next section includes findings that have been addressed and verified; they are cleared. The final report includes items still outstanding that are not past due. President Frank noted there are multiple Gallup Campus items, but nothing past due, so he appreciates the work in resolving these.
- Vice Chairman Hosmer asked for any public comment. None was received.

The Committee approved the following UNMH audits:

- Purchasing, dated October 2011 (Motion: Regent Koch, Second: Vice Chairman Hosmer)
- Risk Assessment, dated February 2012 (Motion: Regent Koch, Second: Vice Chairman Hosmer)

There being no further business, the meeting was adjourned at 12:29 p.m. (Regent Koch, Second: Vice Chairman Hosmer).



Faculty Senate

Faculty Senate President Report to Board of Regents
September 28, 2012

At the September 25 meeting of the Faculty Senate, President Bob Frank discussed his plans for changing UNM's budget strategy to an RCM/PBB model over the next couple of years, outlined the UNM 2020 strategic planning process, and reported on the successful economic summit meeting held at UNM last week. Provost Chaouki Abdallah responded to questions from faculty senators on the current search for the dean of the Office of Graduate Studies.

Compensation was a prominent issue of discussion at the meeting. In addition to merit increases, across-the-board increases in salary are essential following several years without raises. Equity issues must also continue to be addressed.

Faculty senators also discussed the ERB solvency plan to be submitted to the legislature in the upcoming session. The Faculty Senate, in conjunction with Staff Council, the Division of Human Resources, and the Office of Government and Community Relations, is formulating a plan to discuss higher education retirement needs with legislators with the goal of ERB solvency. Principles to be presented to legislators include establishing a minimum retirement age of 57 for all employees (with a grandfather clause of 10 years for current employees nearing retirement) in contrast to the current ERB solvency plan placing fund solvency on the backs of new hires only. Faculty also plan to advocate for only small increases in employee contributions and no changes to the age at which the 2% cost-of-living adjustment is received.

Terry Babbitt and Dee Dee Romero from Enrollment Management along with Charlie Steen, chair of the Senate Admissions and Registration Committee led a discussion of the effect of the new higher education funding formula on faculty. Faculty senators had a number of questions about grading strategies to maintain state funding and to promote student success. The Admissions and Registration committee will be asked to address issues of course add and drop dates and changing grade mode to Audit status.

Cinnamon Blair from UCAM explained the upcoming G.O. Bond issue for the November election. Faculty senators were encouraged to actively promote the passage of Bonds B and C to benefit University Libraries and renovation of buildings for academic departments on campus.

Faculty senators reviewed the UNM 2020 website for the new university strategic plan. They expressed some reservations about the process, and the Faculty Senate president has relayed those concerns to the Office of the President. Faculty members are looking forward to contributing their ideas about research and creative works, education, outreach to the community and making UNM an excellent place to work to the strategic plan.

Respectfully submitted,

Amy T. Neel, Ph.D.
Faculty Senate President

**UNIVERSITY OF NEW MEXICO
ALUMNI ASSOCIATION
BOARD OF REGENTS REPORT
October 10, 2012**

Vision (Why we exist): *The Alumni Association is a vital partner in the continued excellence of the University of New Mexico through the significant engagement of alumni.*

Mission (What we are striving for): *To serve as a bridge between alumni and the university ensuring the continued success of the university and enriching the lives of alumni.*

<p>Strengthen collaboration with campus constituents to meet the needs of UNM.</p>	<p>The UNM Alumni Association, UNM Lobos for Legislation, UNM West, Don Chalmers Ford, the Rio Rancho Regional Chamber of Commerce and the Economic Development Corporation sponsored “Celebrate UNM in Rio Rancho” - a welcome for new UNM President Robert Frank and the UNM West campus in Rio Rancho. There were 90 in attendance. Guests included: President Frank, administrators from both campuses, area Legislators, Rio Rancho Mayor and other City leaders, UNM West Advisory Council members, student leaders and several other alumni leaders and dignitaries.</p> <p>On Friday night during Homecoming 2012, the “Authors and Artists” who contributed books and artwork to the Hodgkin Hall’s Library and Art Gallery had a special “thank you” reception to honor their accomplishments as artists and creative alumni. They were part of an evening of reunions at Hodgkin Hall.</p>
<p>Foster enduring involvement with, pride in and commitment to UNM, its colleges, schools and programs.</p>	<p>The Birthday Cake Program has delivered 9 cakes to students celebrating birthday this last month. The program provides an opportunity for students to learn about the Alumni Center in Hodgkin Hall.</p> <p>The Alumni Association sponsored the Campus Decorating Contest. Judging took place on Wednesday, October 3, at the Faculty/Staff Alumni Appreciation Luncheon.</p> <p>The Alumni Chapel Garden Project will be completed in early November 2012. An initial drive to sell 27 tiles before the unveiling has been successful.</p>
<p>Engage students in ways that will develop lifetime ties to UNM.</p>	<p>The Alumni Association Career Mentorship Program continues to connect students with alumni mentors. The Anderson School of Management is working closely with the Association to develop department specific mentor connections for students and to survey students on their experiences</p>
<p>Expand the tradition of philanthropy toward UNM among alumni.</p>	<p>The Young Alumni Chapter will hold their Halloween Costume Drive supporting Cuidando los Niños on October 25.</p>
<p>Communicate effectively with our diverse group of alumni.</p>	<p>The 2011 fall edition of the <i>Mirage Magazine</i> solicited alumni authors to send in books for the new library, “Libros for the Library.” To date, over 720 books have been received. Currently, 159 people have signed up</p>

	<p>to receive only the electronic version of <i>Mirage</i>.</p> <p>The UNM Alumni Association Facebook (currently 2,663) and Twitter (currently 436) followers have increased since March. From May 1, 2012 to Sept 1, 2012 there were 13,845 distinct visitors to the UNM Alumni Association website.</p>
<p>Develop and steward resources to ensure a sustained and dynamic association.</p>	<p>The Alumni Association continues to host tailgates at Lobo home football games. The Association has and/or will host the following groups:</p> <ul style="list-style-type: none"> • Greater Albuquerque, Rio Rancho, and Hispano Chamber of Commerces • Alumni Faculty and Staff and New Faculty • Alumni Veterans • APS, CNM and UNM Administrators <p>The tailgate at Austin drew a large crowd and showed Lobo pride is strong in Texas.</p>
<p>Secure Hodgkin Hall as the permanent home of the Alumni Association and Alumni Relations Office</p>	<p>Since the beginning of the fall Semester, 249 alumni, students, UNM employees and friends have visited and/or stopped by Hodgkin Hall to have tours and learn the history of UNM and its honored alumni.</p>
<p>Encourage community service and leadership among alumni and students.</p>	<p>This month, the community service project of the Young Alumni chapter is the APS Homeless project and the Ronald McDonald House. The group will be collecting toiletries and toilet paper for the two programs.</p>
<p>Garner greater recognition and visibility for Alumni Association programs and service to the university and community.</p>	<p>The All University Breakfast on Saturday, October 6 at the Sheraton Albuquerque Hotel. The Association's honored Zia award winners were Brian Colón, John Cordova, Aileen Garcia, Edward Gonzales, Rhonda King, and Baker Morrow. Rosalie Otero, UNM Honors Program Director, received the Lobo Award.</p>



**UNM Foundation, Inc.
UNM Regent's Advisor Report
October 2012**

***CHANGING WORLDS
The Campaign for UNM***

Changing Worlds: The Campaign for UNM – an eight-year, \$675 million campaign, is making excellent progress towards campaign goal. The Campaign began in 2006 and is planned to conclude in 2014, complementing UNM's 125th Anniversary.

To date, nearly 53,738 donors have given over \$500.7 million in support of the University's mission.

Specific fundraising highlights since the last meeting:

Children's Miracle Network received a gift of \$848,000.

College of Nursing received \$400,000 from the Robert Wood Johnson Foundation.

KUNM & the HSC School of Medicine received a gift of \$400,000.

Robert Wood Johnson Center for Health Policy Management received a gift of \$1.8 million.

American Summer Institute received a gift of \$137,000.

Financial Reports: The following reports are included for your review:

- Fundraising Performance Report
- FY 11-12 Consolidated Investment Fund – Asset Allocation
- FY 11-12 Consolidated Investment Fund – Spending Distribution
- FY 11-12 Consolidated Investment Fund – Development Funding Allocation
- FY 11-12 UNM Foundation Budget vs Actual
- Mr. & Mrs. Hugh B. and Helen K Woodward Endowment Update
- Winrock Land Sale Endowment Update
- Regents' Endowment Update
- Regents' Endowment – Mesa Del Sol Addition Update

Fundraising Performance Report

FY 11-12, June 30, 2012

Changing Worlds Campaign	CASE Campaign Standards			VSE Standards
	Campaign to Date	GOAL	% OF GOAL	To Date
Gift Commitments	\$ 489,220,488	\$ 675,000,000	72.5%	\$ 366,080,634
- Cash/Cash Equivalents	286,358,055	N/A	N/A	366,080,634
- In-Kind	35,442,464	N/A	N/A	N/A
- Pledges	76,359,320	N/A	N/A	N/A
- Testamentary	91,060,649	N/A	N/A	N/A
Pledges Due	29,958,444	N/A	N/A	N/A
Testamentary Gifts Due	73,179,860	N/A	N/A	N/A

CASE reporting is on "accrual basis" and VSE reporting is on a "cash basis".

Gift Commitments (Fiscal Year)	This Quarter	FY 11/12	GOAL	FY 10/11
Main Campus				
- Cash/Cash Equivalents	\$ 1,180,180	\$ 6,951,500	N/A	\$ 8,056,537
- In-Kind	212,669	3,412,295	N/A	\$ 1,798,828
- Pledges	912,500	18,186,472	N/A	\$ 5,597,775
- Testamentary	2,030,000	6,936,712	N/A	\$ 9,895,500
Sub-Total	\$ 4,335,349	\$ 35,486,979	\$ 23,520,000	\$ 25,348,640
HSC				
- Cash/Cash Equivalents	\$ 3,551,032	\$ 15,185,985	N/A	\$ 14,278,064
- In-Kind	1,089,011	2,950,867	N/A	\$ 2,885,208
- Pledges	6,023,000	6,238,000	N/A	\$ 1,057,185
- Testamentary	900,000	1,185,000	N/A	\$ 12,868,500
Sub-Total	\$ 11,563,043	\$ 25,559,852	\$ 29,625,000	\$ 31,088,957
Athletics				
- Cash/Cash Equivalents	\$ 1,188,131	\$ 4,574,747	N/A	\$ 5,491,186
- In-Kind	1,521,018	1,809,908	N/A	\$ 1,466,905
- Pledges	233,500	886,000	N/A	\$ 3,347,000
- Testamentary	50,000	193,971	N/A	\$ 15,000
Sub-Total	\$ 2,992,649	\$ 7,464,626	\$ 10,500,000	\$ 10,320,091
Other Campus Units *				
- Cash/Cash Equivalents	\$ 4,017,143	\$ 13,851,392	N/A	\$ 14,166,032
- In-Kind	2,830	311,390	N/A	\$ 3,661
- Pledges	-	36,200	N/A	\$ 4,800
- Testamentary	1,200,000	1,205,000	N/A	\$ 1,018,500
Sub-Total	\$ 5,219,973	\$ 15,403,982	\$ 16,355,000	\$ 15,192,993
Total	\$ 24,111,014	\$ 83,915,439	\$ 80,000,000	\$ 81,950,681

* Other campus units include KNME, KUNM, UNM Branch Campuses, President's Office, Provost's Office, Enrollment Services, Student Affairs and numerous other units not classified as main campus, HSC or athletics.

Performance Measures	This Quarter	FY 11/12	FY 10/11	FY 09/10
Gift Commitment Income	\$ 24,111,014	\$ 83,915,439	\$ 81,950,681	\$ 75,120,836
# of Gifts	8,627	33,261	39,075	38,424
# of Donors	4,751	13,323	16,843	17,147

Performance Measures	FY 11/12	FY10/11	FY09/10	FY08/09
Cost per Dollar Raised *	\$0.11	\$0.11	\$0.12	\$0.09

* Compares UNM Foundation budget expenditures to gift commitments.

Fundraising Performance Report (continued)

FY 11-12, June 30, 2012

Gift Destinations	This Quarter	FY 11/12	FY 10/11	FY 09/10
UNM Foundation	\$ 15,982,228	\$ 38,894,922	\$ 56,008,821	\$ 46,681,506
Reported Gifts *	\$ 8,128,786	\$ 45,020,517	\$ 25,941,860	\$ 28,439,330

* Reported Gifts = gifts made directly to KNME, KUNM, Lobo Club, and OVPR, but reported by UNM Foundation per MOA.

Consolidated Investment Fund - Investment Performance

FY 11-12, June 30, 2012

Investment Performance Results	Market Value	FY 11/12	1-Year	3-Year	5-Year
FY 11/12 (June 30, 2012)	\$ 329,541,207	1.1%	1.1%	9.9%	1.3%
Custom Benchmark *		-0.7%	-0.7%	9.3%	0.5%
FY 10/11 (June 30, 2011)	\$ 335,977,115	N/A	19.0%	1.5%	4.8%
Custom Benchmark *		N/A	19.0%	1.2%	4.1%
General Benchmark **		N/A	22.3%	4.7%	4.4%
NACUBO/Commonfund ***		N/A	19.7%	2.6%	4.4%

* Policy Benchmark is a blended benchmark consisting of indices for all asset classes.

** General Benchmark: 70% S&P 500 Index and 30% Barclays Global Aggregate

*** NACUBO/Commonfund Endowment Study (\$101 million to \$500 million)

Consolidated Investment Fund - Asset Allocation

FY 11-12, June 30, 2012

Investment Class	Current Allocation	1-Year Policy Allocation	5-Year Policy Allocation	L-Term Policy Allocation
Domestic Equity	19.9%	20%	22%	27%
International Equity	19.2%	20%	22%	28%
Fixed Income/Cash	20.5%	20%	21%	20%
Real Assets - Liquid	4.5%	5%	5%	5%
Real Assets - Illiquid	4.8%	5%	4%	0%
Marketable Alternatives	17.1%	20%	20%	20%
Private Equity	14.0%	10%	6%	0%

Consolidated Investment Fund - Spending Distribution

FY 11-12, June 30, 2012

CIF Spending Distribution	FY11/12	FY10/11	FY09/10	FY08/09
Spending Distribution %	4.50%	4.65%	4.65%	4.65%
Total \$ Distribution (millions)	\$ 13,984,508	\$ 14,755,529	\$ 15,409,388	\$ 15,294,369
Total \$ Distribution/Unit	\$10.58	\$10.98	\$11.05	\$11.75

Consolidated Investment Fund - Development Funding Allocation

FY 11-12, June 30, 2012

Development Funding Allocation	Basis Points %	Dev Funding Allocation	Total Budget Expenditures	% Overall Budget
FY 11/12	1.85%	\$5.9	\$9.1	65%
FY 10/11	1.85%	\$5.7	\$9.5	60%
FY 09/10	1.85%	\$5.4	\$9.4	57%
FY 08/09	1.15%	\$3.2	\$8.3	39%

UNM Foundation Budget vs. Actual
FY 11-12, June 30, 2012

Sources of Budget	Budget	FYTD	% Used
UNM Support	\$ 1,200,000	\$ 1,203,654	100.3%
Development Funding Allocation	6,125,000	5,906,418	96.4%
Short-Term Investment Income	744,450	924,217	124.1%
Cost Sharing Reimbursement	558,900	657,216	117.6%
Unrestricted Gifts & Other Revenue	150,000	264,281	176.2%
Total	8,778,350	8,955,786	102.0%

Uses of Budget	Budget	FYTD	% Used
Salaries/Fringe Benefits	\$ 7,072,583	\$ 7,378,261	104.3%
Operating Expenditures	2,292,584	1,727,790	75.4%
Total	9,365,167	9,106,051	97.2%

Reserve Balances	Budget	FYTD	% Used
Surplus/(Deficit) from Operations	\$ (586,817)	\$ (150,265)	25.6%
Beginning Reserve Balances	1,261,943	1,261,943	N/A
Ending Reserve Balances	675,126	1,111,678	N/A

UNM Foundation Performance Report
 Pending Approved by the Board of Regents

**THE UNIVERSITY OF NEW MEXICO
MR. AND MRS. HUGH B. AND HELEN K. WOODWARD ENDOWMENT
FUNDED BY THE SANDIA FOUNDATION**

	2007-08	2008-09	2009-10	2010-11	2011-12
PRINCIPAL/CORPUS					
BEGINNING MARKET VALUE, JULY 1:	\$ 40,007,782	\$ 39,456,137	\$ 30,698,788	\$ 32,422,373	\$ 37,282,001
ADDITIONS	1,323,000	1,395,000	877,500	1,125,000	1,260,000
INVESTMENT EARNINGS	283,085	(7,962,327)	3,238,163	6,040,036	132,283 (1)
DEVELOPMENT FUNDING ALLOCATION	(442,878)	(383,681)	(623,475)	(643,802)	(603,057) (3)
SPENDING DISTRIBUTION	(1,714,852)	(1,806,341)	(1,768,603)	(1,661,606)	(1,525,285) (2)
ENDING MARKET VALUE, JUNE, 30:	<u>\$ 39,456,137</u>	<u>\$ 30,698,788</u>	<u>\$ 32,422,373</u>	<u>\$ 37,282,001</u>	<u>\$ 36,545,942</u>

(1) **FY 2011-12 Net investment Earnings:** Represents the actual net investment earnings through June 30, 2012. Net investment earnings for the period of July 1, 2011, through June 30, 2012, were .75% (net of manager fees).

(2) **FY 2011-12 Spending Distribution:** Represents the quarterly spending distributions from July 1, 2011, to June 30, 2012.

(3) **FY 2011-12 Development Funding Allocation:** Represents the fees assessed from July 1, 2011, to May 31, 2012. Fees have been suspended effective June 1, 2012.

**THE UNIVERSITY OF NEW MEXICO
WINROCK LAND SALE ENDOWMENT**

	2007-08	2008-09	2009-10	2010-11	2011-12
<u>PRINCIPAL/CORPUS</u>					
BEGINNING MARKET VALUE, JULY 1:	\$ 33,899,952	\$ 32,369,380	\$ 24,076,065	\$ 24,767,866	\$ 27,587,901
ADDITIONS	-	-	-	-	-
INVESTMENT EARNINGS	263,110	(6,526,574)	2,544,475	4,553,291	97,208 (1)
DEVELOPMENT FUNDING ALLOCATION	(368,276)	(309,959)	(483,585)	(485,153)	(486,943)
SPENDING DISTRIBUTION	(1,425,406)	(1,456,782)	(1,369,089)	(1,248,103)	(1,128,674) (2)
ENDING MARKET VALUE, JUNE, 30:	<u>\$ 32,369,380</u>	<u>\$ 24,076,065</u>	<u>\$ 24,767,866</u>	<u>\$ 27,587,901</u>	<u>\$ 26,069,492</u>

(1) **FY 2011-12 Net Investment Earnings:** Represents the actual net investment earnings through June 30, 2012. Net investment earnings for the period of July 1, 2011, through June 30, 2012, were .75% (net of manager fees).

(2) **FY 2011-12 Spending Distribution:** Represents the quarterly spending distributions from July 1, 2011, to June 30, 2012.

THE UNIVERSITY OF NEW MEXICO
REGENTS' ENDOWMENT

ACTUAL	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
BEGINNING MARKET VALUE, JULY 1:	\$ 26,548,336	\$ 32,325,235	\$ 36,674,360	\$ 35,018,525	\$ 25,165,952	\$ 25,889,070	\$ 28,836,764
ADDITIONS:							
MESA DEL SOL PROPERTY SALE	8,045,923	-	-	-	-	-	-
WITHDRAWALS:							
ASM STUDENT INVESTMENT PROC	(2,000,000)	-	-	-	-	-	-
WITHDRAWAL - MERIT-BASED SCHOLAF	-	-	-	-	-	-	-
GIBSON/MULBERRY PROPERTY PL	(1,645,435)	-	-	-	-	-	-
2811 CAMPUS PROPERTY PURCHA	(242,798)	-	-	-	-	-	-
SCHOLARSHIP FUNDING	-	-	-	(880,525)	-	-	-
INVESTMENT EARNINGS	2,789,695	6,123,941	284,643	(7,060,716)	2,659,659	4,759,412	101,609 (1)
DEVELOPMENT FUNDING ALLOCATION	-	(329,734)	(398,416)	(335,326)	(505,476)	(507,115)	(508,986)
SPENDING DISTRIBUTION	(1,170,486)	(1,445,081)	(1,542,062)	(1,576,006)	(1,431,065)	(1,304,603)	(1,179,768) (2)
ENDING MARKET VALUE, JUNE 30:	<u>\$ 32,325,235</u>	<u>\$ 36,674,360</u>	<u>\$ 35,018,525</u>	<u>\$ 25,165,952</u>	<u>\$ 25,889,070</u>	<u>\$ 28,836,764</u>	<u>\$ 27,249,619 (4)</u>

(1) FY 2011-12 Net investment Earnings: Represents the actual net investment earnings through June 30, 2012. Net investment earnings for the period of July 1, 2011, through June 30, 2012, were .75% (net of manager fees).

(2) FY 2011-12 Spending Distribution: Represents the quarterly spending distributions from July 1, 2011, to June 30, 2012.

(3) FY08-09 Withdrawal for scholarship funding: \$1,000,000 was authorized to be withdrawn from the Regents' Endowment for FY08-09 scholarship funding. Of the authorized \$1,000,000, \$880,525 was withdrawn from the endowment.

(4) The Regents' Endowment includes proceeds from the "Mesa del Sol" property sale. Total proceeds of this sale were \$8,045,923. Of the total proceeds, \$2.9 million was used to fund two property purchases. The "Gibson/Mulberry" property was purchased for \$1,645,435 and the "2811 Campus Blvd" property was purchased for \$242,798. The remaining \$6,157,690 was added to the Regents' endowment in June of 2006. The Mesa del Sol contribution is not tracked separately, but an estimated value based on net investment earnings, spending distributions and development funding allocations for the Regents' Endowment since that time, is \$5,372,448.

THE UNIVERSITY OF NEW MEXICO
REGENTS' ENDOWMENT - MESA DEL SOL ADDITION

ACTUAL	2005-06	2007-08	2008-09	2009-10	2010-11	2011-12
BEGINNING MARKET VALUE, JULY 1:	\$ -	\$ 6,157,690	\$ 6,670,739	\$ 4,961,638	\$ 5,104,206	\$ 5,685,364
ADDITIONS:						
MESA DEL SOL PROPERTY SALE	8,045,923	-	-	-	-	-
WITHDRAWALS:						
WITHDRAWAL - MERIT-BASED SCHOLARSHIPS	-	-	-	-	-	-
GIBSON/MULBERRY PROPERTY PURCHASE	(1,645,435)	-	-	-	-	-
2811 CAMPUS PROPERTY PURCHASE	(242,798)	-	-	-	-	-
INVESTMENT EARNINGS	-	1,166,560	(1,345,008)	524,370	938,350	20,033 (1)
DEVELOPMENT FUNDING ALLOCATION	-	(62,812)	(63,877)	(99,658)	(99,981)	(100,350)
SPENDING DISTRIBUTION	-	(275,276)	(300,216)	(282,144)	(257,211)	(232,599) (2)
ENDING MARKET VALUE, JUNE 30:	\$ 6,157,690	\$ 6,986,162	\$ 4,961,638	\$ 5,104,206	\$ 5,685,364	\$ 5,372,448 (4)

(1) FY 2011-12 Net investment Earnings: Represents the actual net investment earnings through June 30, 2012. Net investment earnings for the period of July 1, 2011, through June 30, 2012, were .75% (net of manager fees).

(2) FY 2011-12 Spending Distribution: Represents the quarterly spending distributions from July 1, 2011, to June 30, 2012.

(4) The Regents' Endowment includes proceeds from the "Mesa del Sol" property sale. Total proceeds of this sale were \$8,045,923. Of the total proceeds, \$2.9 million was used to fund two property purchases. The "Gibson/Mulberry" property was purchased for \$1,645,435 and the "2811 Campus Blvd" property was purchased for \$242,798. The remaining \$6,157,690 was added to the Regents' endowment in June of 2006. The Mesa del Sol contribution is not tracked separately, but an estimated value based on net investment earnings, spending distributions and development funding allocations for the Regents' Endowment since that time, is \$5,372,448

UNM Retiree Association Report to Board of Regents
September 26, 2012

1. President Robert Frank attended the September meeting of the Association Board get to know the Association and to discuss concerns of retirees. Issues included maintaining ERB COLA, recruiting retirees to our Association who felt not valued by University, and support for the Association. In addition, we discussed with Dr. Frank ideas as to how our Association work together with the University in the future.
2. Six members of the Association attended the ERB meeting in which the Stakeholders' recommendation for achieving solvency of the fund was accepted by the Board. After the President had to leave our meeting we continued discussions with Mark Saavedra about how the Association and the University will work together during the upcoming Legislative Session especially to preserve pensions for both active employees and retirees.
3. The Association's Legislative Committee, jointly chaired by Ms. Beth Lehman and Dr. Howard Bryant, is reviewing the responses of the Legislators to our questionnaire about their position on maintaining solvency of the Educational Retirement Board fund. This will be presented to the Board and members of the Association and other retirees to encourage their communication with Legislative candidates.

4. The Association continues to provide programs for the benefit of all UNM retirees. Upcoming programs will include a Wine Tasting at Placitas Café, date to be determined. Presentation organized by UNM Human Resources of the Medicare plans to be presented by Lovelace, Presbyterian and Delta Dental on October 29th. A docent led tour of the new exhibit at Albuquerque Museum, date also to be determined. The planned Legislative Forum had to be cancelled because of conflicts with LFC and Education Committee meetings. Our Annual Holiday Party is scheduled for December 19 from 2-4 PM.

5. Two members, Drs. Duszynski and Obenshain, of the Association Board are scheduled to attend the bi-annual meeting of the Association of Retiree Organizations in Higher Education in Chapel Hill, NC from October 21-24, 2012.

6. At the September Board meeting, Mr. Warren Baur was elected as Treasurer-elect and Mr. Bill Miller was elected as Pro-tem President-elect to support Dr. Donald Duszynski in his leadership role as Interim-President.

Respectfully submitted,

S. Scott Obenshain, MD
President, UNM Retiree Association