



## **BOARD OF REGENTS**

**BUDGET SUMMIT**  
Follow-up

**Agenda Book**

**April 22, 2019**  
**9:00 AM**  
**Student Union Building**  
**Ballroom C**



UNIVERSITY OF NEW MEXICO  
BOARD OF REGENTS

SPECIAL MEETING

Follow-up to April 9, 2019 Budget Summit

Monday, April 22, 2019 at 9:00 AM  
Student Union Building (SUB), Ballroom C

AGENDA

TAB

- I. Call to Order, Confirmation of a Quorum, Adoption of the Agenda ..... 1  
*Regent Vice President, Kim Sanchez Rael*

Public Comment – comments related to items on the agenda (limit 3 min.)

Comments from Regents

Fiscal Year 2019-2020 UNM Consolidated Budget:

- II. Introduction and Remarks - **President Garnett S. Stokes** ..... 2

- III. FY 2020 BLT Budget Recommendations ..... 3

- A. Main Campus – **Rich Wood**

- i. Original BLT Tuition Proposal and Strategic Funding Approach

- 1) Upper Division
- 2) Graduate
- 3) Directed Tuition – College of Arts & Sciences Differential Tuition
- 4) Mandatory Student Fees Proposal

- ii. Revised BLT Proposal to Meet Increased Compensation Need

- 1) Compensation Increase
- 2) Base Tuition Increase

- IV. FY2020 HSC Budget – **Paul Roth and Ava Lovell** ..... 4

Comments on Budget Proposal - Regents Advisors

- V. Approval: Board of Regents Vote on Budget Proposal

Other Business:

- VI. Approval of the Contract for UNM FY19 Annual Financial Statements Audit, *Liz Metzger, University Controller* .. 5  
[This item was approved at the April 11, 2019 Regents’ Audit & Compliance Committee Meeting.]

Public Comment – comments not related to items on the agenda (limit 3 min. per speaker)

- VII. Adjourn

# **FY2020 UNM Consolidated Budget**

## ***Introduction and Remarks***

*Garnett S. Stokes*

*The President's introduction and remarks will be delivered at the meeting.*



THE UNIVERSITY OF  
NEW MEXICO®

FY 20 Main Campus BLT Recommendation

BOR Special Meeting

Monday April 22, 2019

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**Warren Buffett:**

**“The most important message you can deliver to a young person is that anything you invest in yourself, you get back ten-fold.”**

## Today:

- *Briefly* review proposal presented to the Regents on April 9
- Offer updated recommendation, in light of new information regarding State of New Mexico budget priorities

## Please note:

- University leadership exhaustively investigated a range of options to address State of NM budget priorities
- New proposal unanimously endorsed by BLT on April 18
- Further evolution since then



**ORIGINAL PROPOSAL:  
UNM Budget Leadership Team**

# Financial Assumptions

## Sources of Funds

- State Appropriations-\$12.6M Increase Formula Funding and Compensation
- Net Tuition- \$13.3M Decrease
  - (\$7.7M) current year tuition shortfall
  - (\$5M) 4% revenue enrollment fluctuation
  - \$2.5M Undergraduate and Graduate Tuition Premium Increase
  - No Base Tuition Increase
  - (\$3M) decrease-direct PharmD tuition to HSC
- Net Miscellaneous Revenues and Transfers and HSC Transfer-\$3.1M Increase
  - Primarily Land, Permanent Fund and Interest Income Increase
- One-Time Use of Central Reserves-\$3.3M Increase
- Mandatory Student Fees-\$2.7M Decrease
  - (\$2.1M) current year shortfall,
  - (\$1.4M) 4% revenue enrollment fluctuation
  - \$724K 3.43% rate increase

# Financial Assumptions

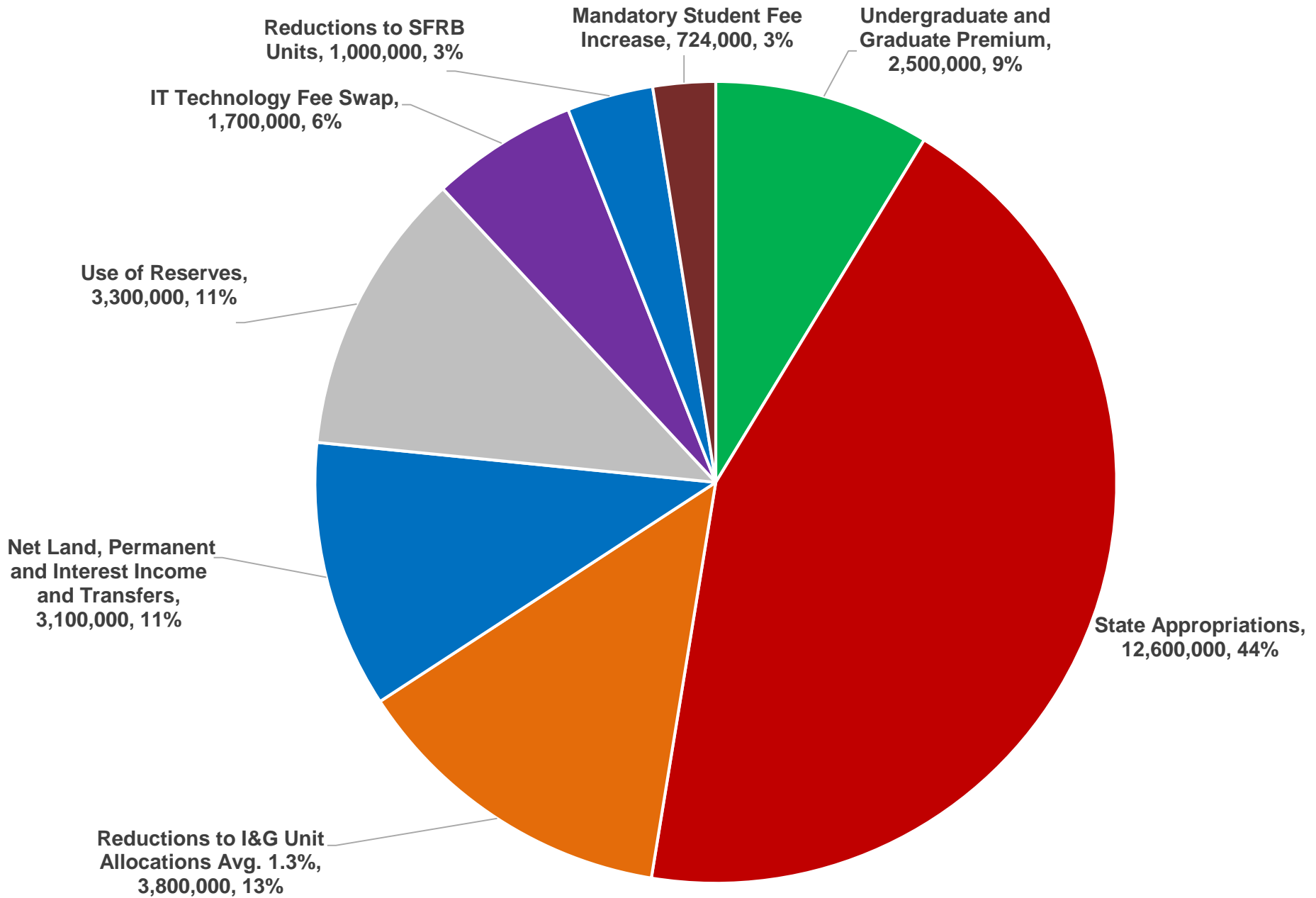
## Use of Funds

- Funding Priorities-\$9.9M Increase
  - 2% Faculty and Staff and \$9 Min. Wage Increase for Students
  - Compliance, Safety, IT Infrastructure and Advising Initiatives
  - Inflationary Increases for Group Health 5% and ERB .25%
  - Faculty Promotions and Faculty Lines
  - Student Aid and GA/TA Waivers
- Decrease in Unit Allocations-\$3.8M--Average 1.3% decrease
  - Administration-1.5% decrease
  - Academic Affairs Base-Net decrease 1.2% (1.5% decrease to units and an offsetting increase to base for Extended University)
  - SVP Base-1.5% decrease
  - Must Funds Base-1.5% decrease fringe benefits recurring savings
  - Utilities Base-1.1% decrease
- Mandatory Student Fee Recipients-\$2.7M decrease. It includes the \$1.7M IT swap to a technology fee.

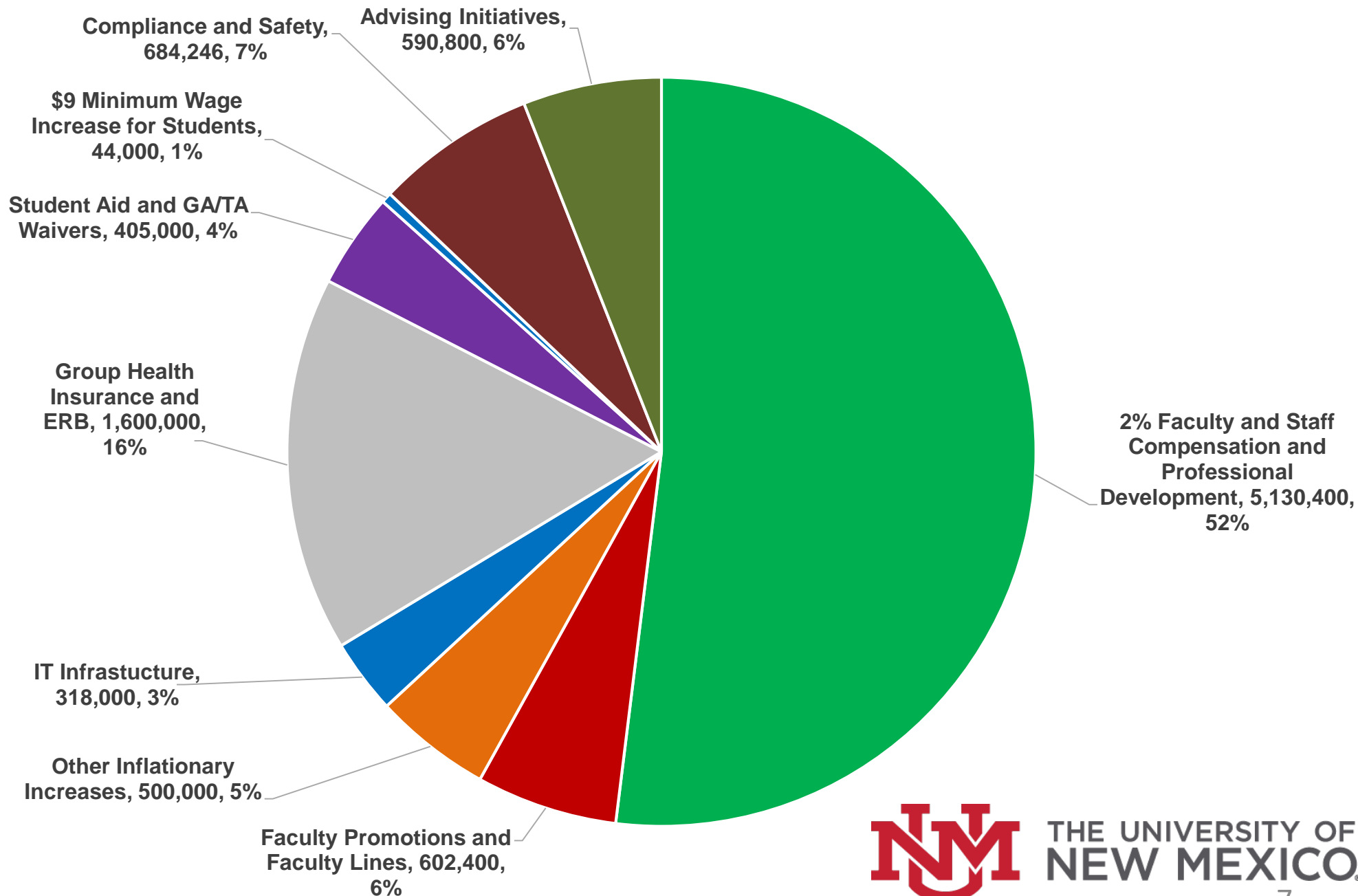
Note: \$9.5M additional funding on schedule is \$9.9M Less Transfer to Student Aid \$400K



# FY 20 Budget Strategy to Fund \$28.7M Gap



# FY 20 Funding Priorities \$9.9M



## Main Campus Undergraduate Tuition and Fee Proposal

Base Tuition Increase	\$0
Lower Division Tuition Increase	\$0
Upper Division Premium Increase per Credit Hour	\$25 to \$35
Mandatory Student Fee Increase	3.43%
IT Technology Fee per Headcount	\$50 Fall, \$50 Spring and \$10 Summer

- Lower Division **Tuition and Fees** Full Time 15 Hour block:
  - \$82.66 Increase per semester, \$165.32 annually, 2.26%
- Upper Division **Tuition and Fees** Full-Time 15 Hour block:
  - \$232.66 Increase per semester, \$465.32 annually, 5.76%

# Main Campus Graduate Tuition and Fee Proposal

Base Tuition Increase	\$0
Graduate Premium Increase per Credit Hour	\$25 to \$35
Mandatory Student Fee Increase	3.43%
IT Technology Fee per Headcount	\$40 Fall, \$40 Spring and \$10 Summer

- Apply Graduate Premiums to all Graduate Programs. Impacts 2,045 Students, 39%
- Graduate **Tuition and Fees** Full-Time 12 Hours:
  - \$188.74 Increase per semester, \$377.48 annually, 4.22%

# A&S Undergraduate Tuition Differential

## Proposed Annual Revenue

Differential Tuition (per SCH)	\$10
Projected # of SCH (all student SCH taken by student majors in the program)	173,317
<b>Total Revenue</b>	<b>\$1,733,170</b>

## Proposed Annual Expenditures

Financial Aid Set Aside (20.4%)	\$353,170
Faculty Retention and Hiring	\$1,000,000
Instructional Support Personnel	\$230,000
Advising Personnel	\$150,000
Operating Expenses	0
Administration Expenses	0
<b>Total Revenue</b>	<b>\$1,733,170</b>

# A&S Graduate Tuition Differential

## Proposed Annual Revenue

Differential Tuition (per SCH)	\$50
Flat fee for Dissertation hours	\$100
Projected # of SCH – Coursework (\$50)	14,183
Students taking Dissertation hours (\$100)	525
<b>Total Revenue</b>	<b>\$714,400</b>

## Proposed Annual Expenditures (\$)

Tuition Waivers for GA, TA	\$313,390
Increased support for graduate students	\$401,010
Administrative and Operating Expenses	0
<b>Total Revenue</b>	<b>\$714,400</b>

<b>Main Campus Budget Leadership Team (BLT) Budget Recommendation FY 20 Budget (In Thousands)</b>				
	<b>Fiscal Year 2019 Original</b>	<b>Fiscal Year 2020 Original</b>	<b>Change Amount</b>	<b>% Change</b>
<b>Revenues</b>				
State Appropriations	181,793	194,396	12,603	6.9%
Projected Tuition Revenue	133,900	120,573	-13,327	-10.0%
Health Sciences Center Transfer	-17,955	-17,218	737	-4.1%
Miscellaneous Revenues and Transfers	-10,073	-7,675	2,398	-23.8%
One-Time Use of Central Reserve	500	3,805	3,305	661.0%
<b>Subtotal I&amp;G Revenues</b>	<b>288,166</b>	<b>293,882</b>	<b>5,715</b>	<b>2.0%</b>
Mandatory Student Fees	36,256	33,519	-2,737	-7.5%
<b>Total Sources of Funds</b>	<b>324,422</b>	<b>327,401</b>	<b>2,979</b>	<b>0.9%</b>
<b>Expenses</b>				
Base-President/Administration	8,264	8,140	-124	-1.5%
Base-Academic Affairs	166,745	164,698	-2,047	-1.2%
Base-SVP for Administration	41,840	41,212	-628	-1.5%
Base-Must Funds (Fringes, Insurance, etc.)	54,132	53,322	-810	-1.5%
Utilities	17,185	16,990	-195	-1.1%
Compensation Increase - 2% Faculty and Staff and \$9 Min. Wage Increase for Students		4,939	4,939	
Swap from I&G to Capital Outlay Campus Security Cameras/Lighting		-150	-150	
New Initiatives and Inflationary Increases		4,681	4,681	
GA/TA Tuition Waivers - Tuition Increase		49	49	
<b>Subtotal I&amp;G Allocations</b>	<b>288,166</b>	<b>293,881</b>	<b>5,715</b>	<b>2.0%</b>
Mandatory Student Fees	36,256	33,519	-2,737	-7.5%
<b>Total Use of Funds</b>	<b>324,422</b>	<b>327,401</b>	<b>2,978</b>	<b>0.9%</b>
<b>Balance</b>		<b>0</b>	<b>0</b>	

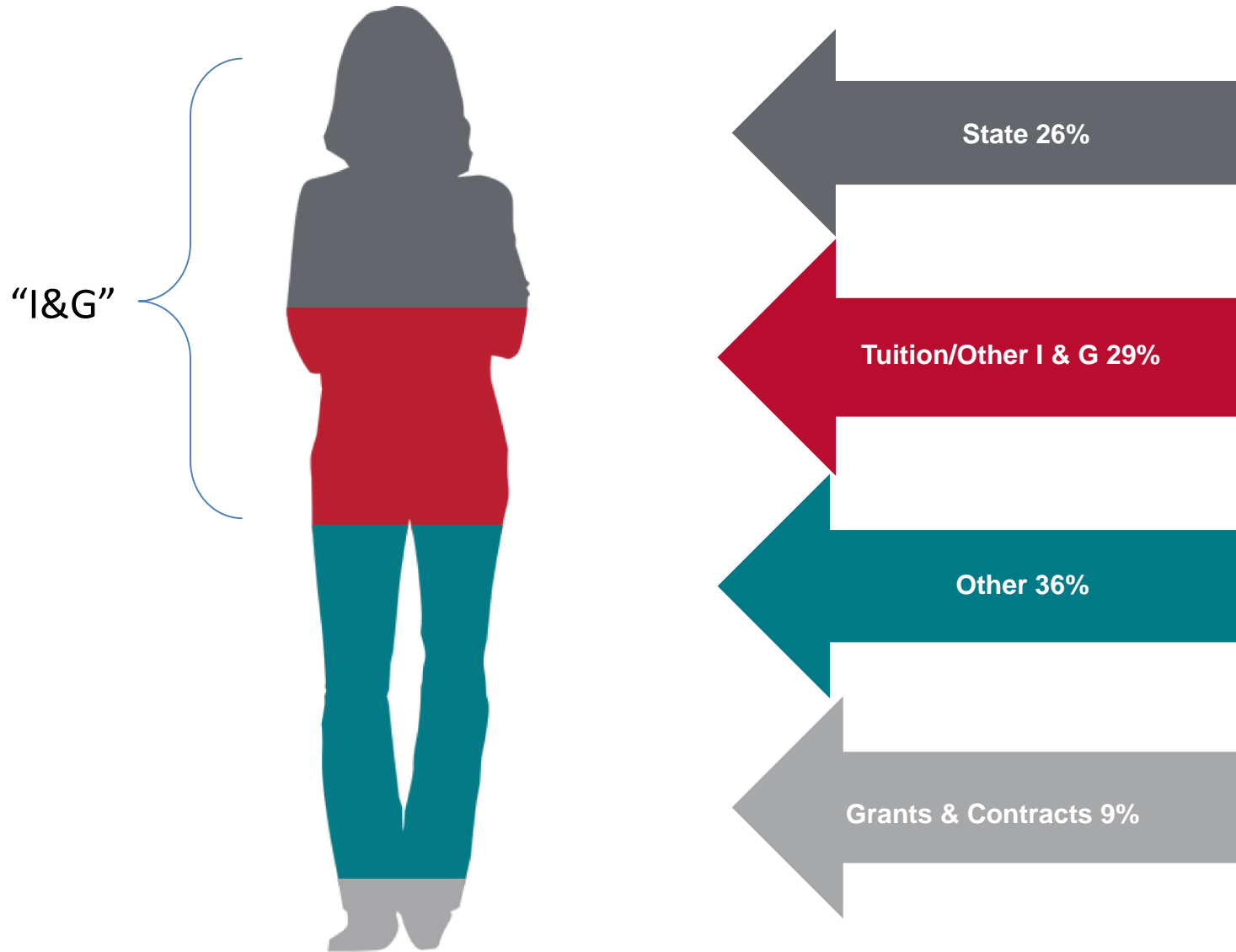


**REVISED PROPOSAL:  
Larger compensation increase**

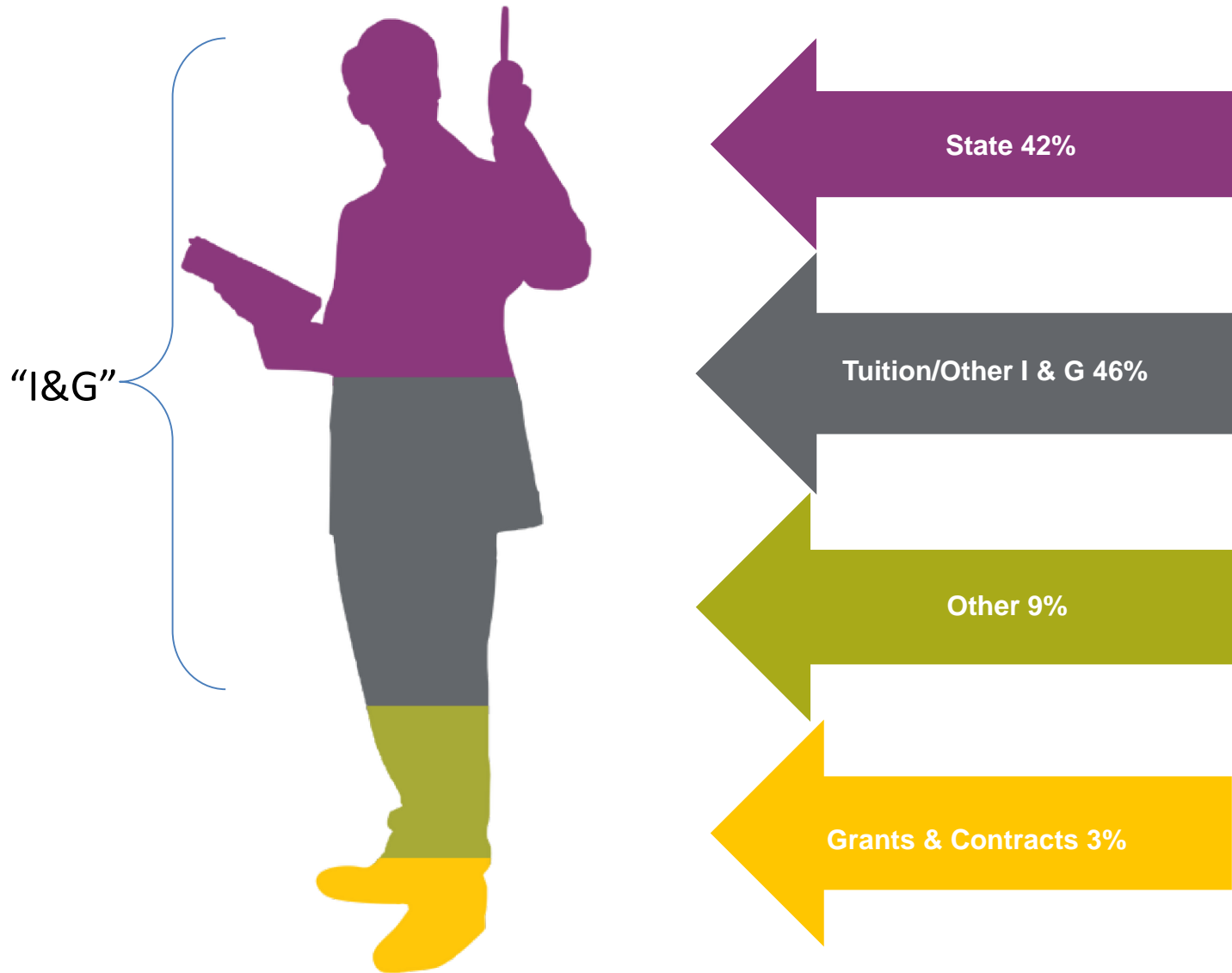


# Understanding the Challenge:

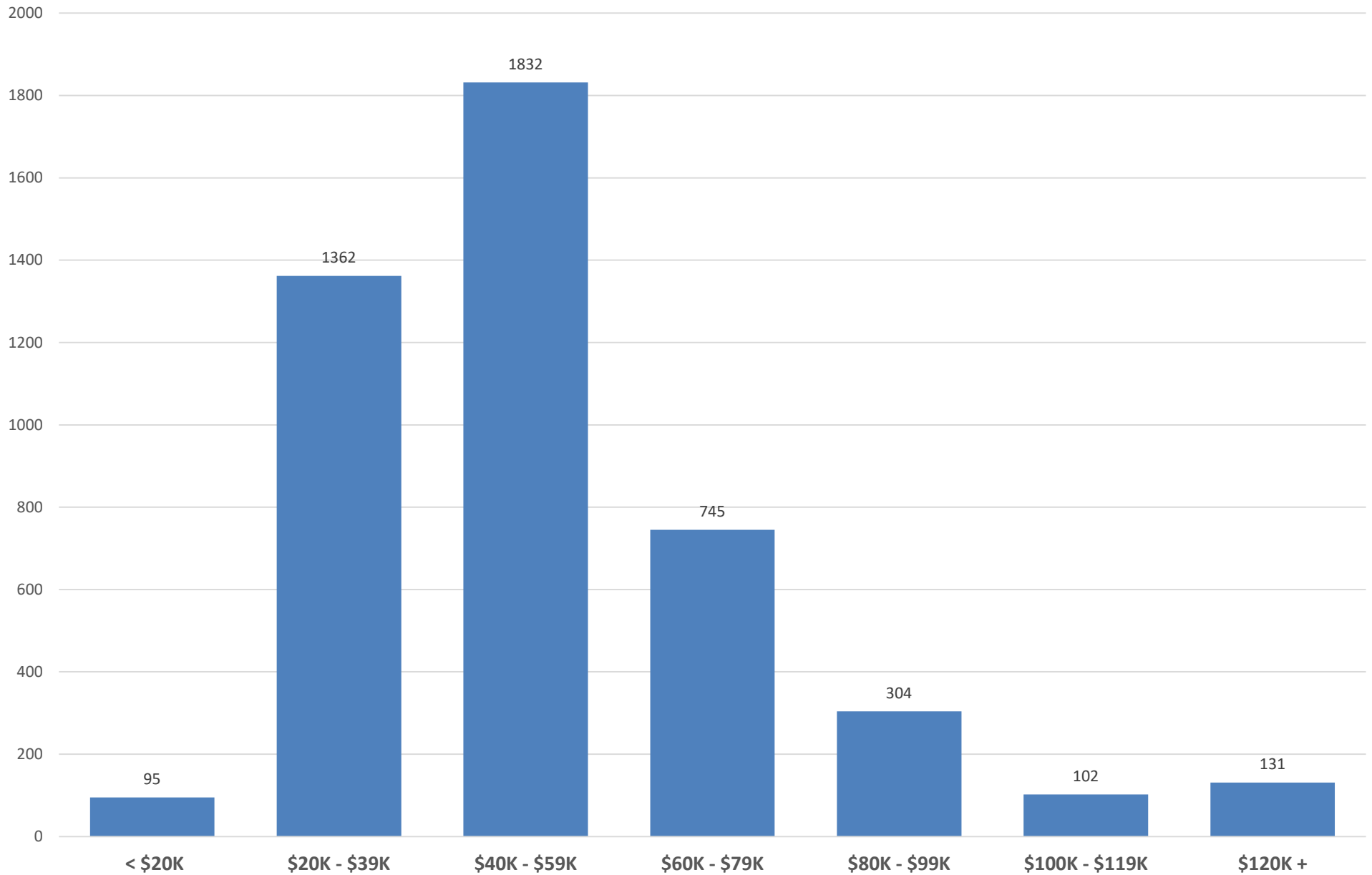
## Sources of Main Campus Staff Compensation



# Sources of Main Campus Faculty Compensation



## Full-Time Regular Staff Counts by Salary Range - All UNM

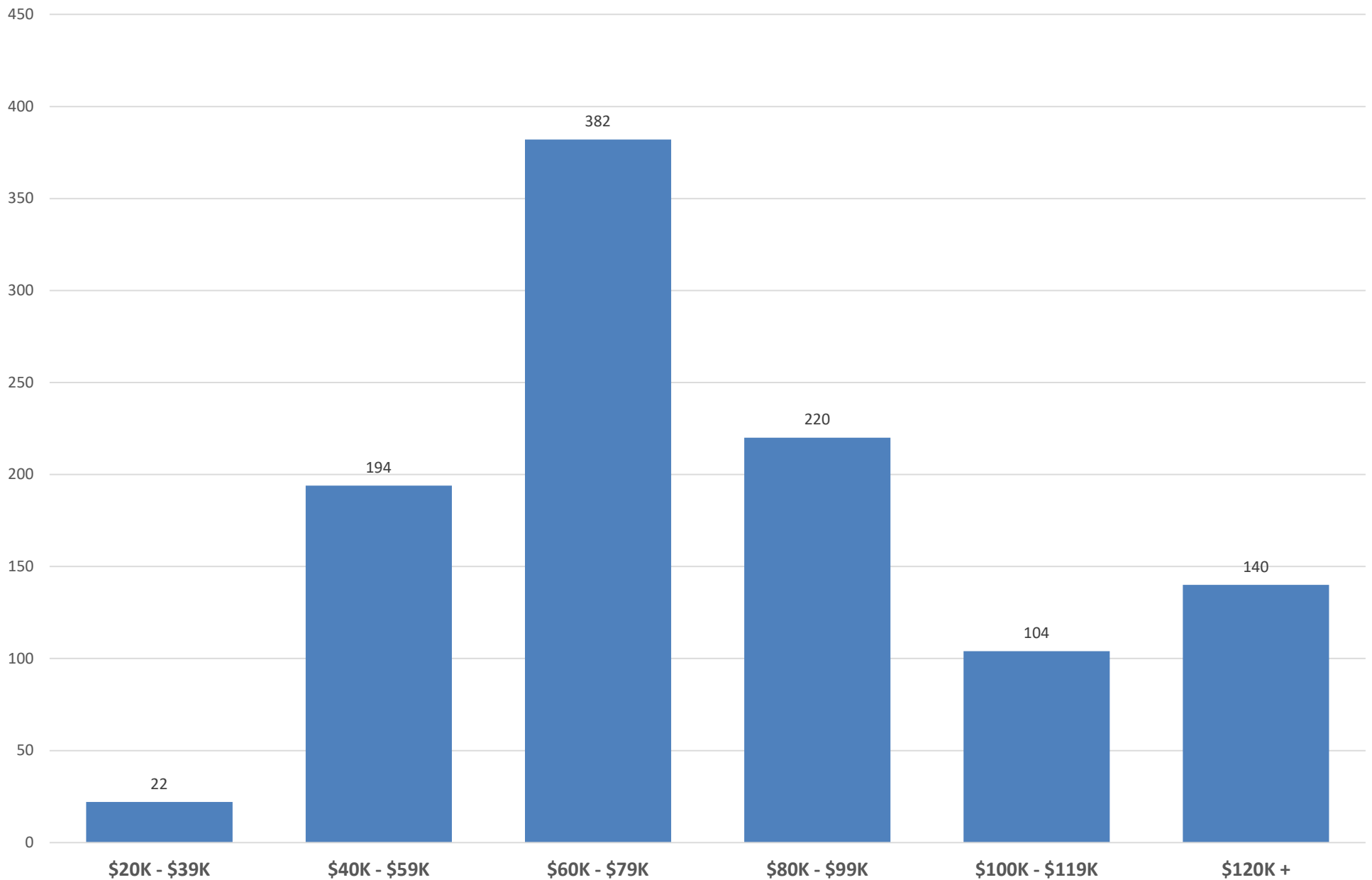


Annual salary amounts as of 4/20/19

Regular, full-time employees only, excludes part-time, temps, on-call, etc.

Primary appointments only, excludes secondary and overload assignments

## Full-Time Regular Faculty Counts by Salary Range - Main Campus

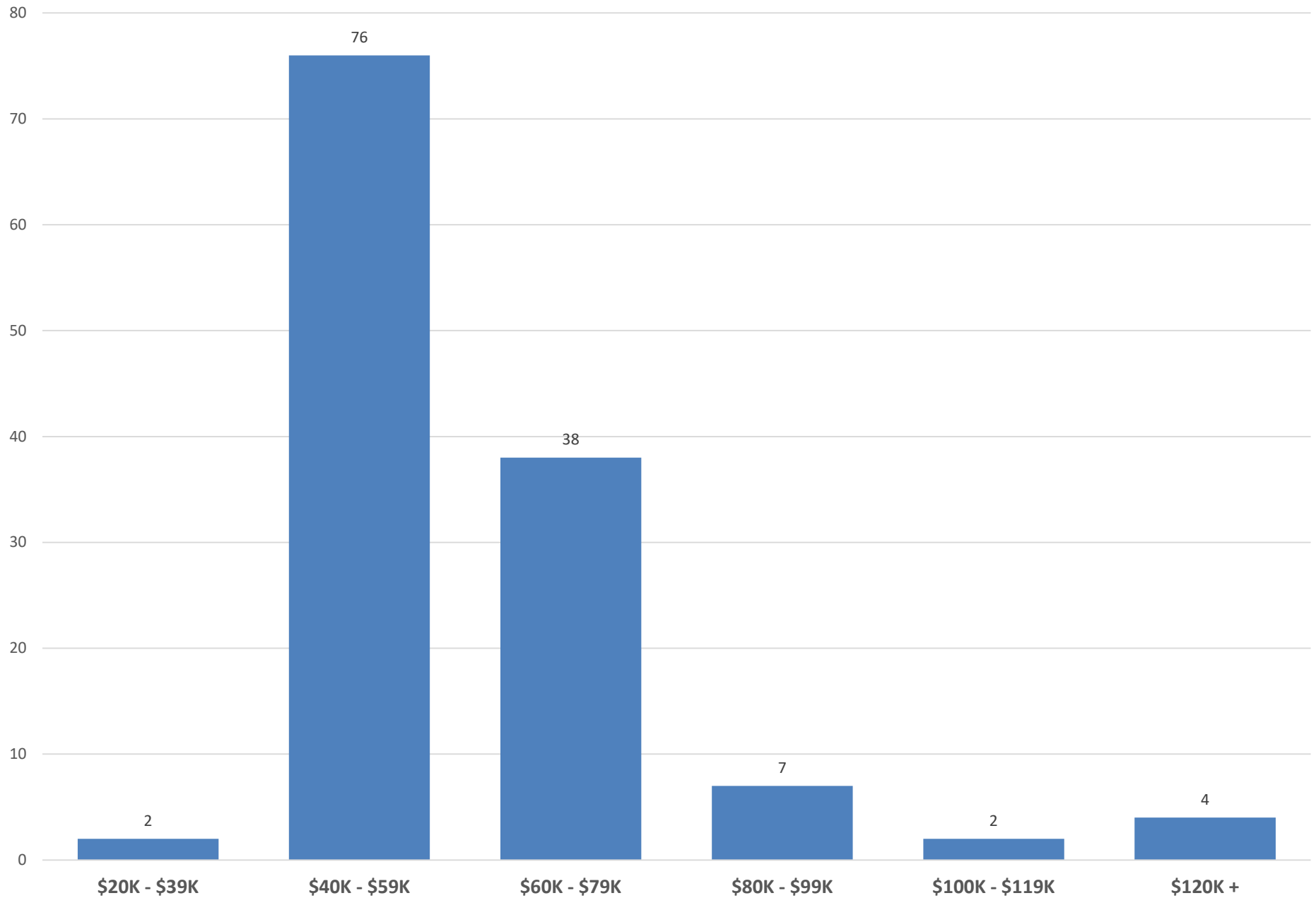


Annual salary amounts as of 4/20/19

Regular, full-time employees only, excludes part-time, temps, on-call, etc.

Primary appointments only, excludes secondary and overload assignments

## Full-Time Regular Faculty Counts by Salary Range - Branch Campuses



Annual salary amounts as of 4/20/19

Regular, full-time employees only, excludes part-time, temps, on-call, etc.

Primary appointments only, excludes secondary and overload assignments

## 3% Compensation Increase Summary (Unrestricted Funds Only)

	MC I&G	MC Other Unrestricted	HSC	Total
Initial Budget Summit Recommendation	\$4,895,141	\$1,328,717	\$7,803,897	\$14,027,755
3% Across the Board	\$7,342,712	\$1,993,075	\$8,857,385	\$18,193,172
Shortfall Above Budget Summit Recommendation	(\$2,447,571)	(\$664,358)	(\$1,053,488)	(\$4,165,417)

<b>FY 20 Budget Summit &amp; BoR Special Meeting Recommendations</b>		
	<b>Original BLT Proposal 4/9/19</b>	<b>Revised BLT Proposal 4/22/19</b>
<b>Compensation Faculty and Staff</b>	<b>2% July 1</b>	<b>3% July 1</b>
Minimum Wage Increase	\$9 July 1	\$9 July 1
<b>Base Tuition Increase (5)</b>	<b>0%</b>	<b>3.1%</b>
Upper and Grad Premium (1)	\$25 to \$35	\$25 to \$35
Mandatory Student Fees	3.43%	3.43%
Undergraduate Tech Fee	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount
<b>Graduate Tech Fee</b>	<b>\$40 Grad Fall and Spring \$10 Summer by Headcount</b>	<b>\$50 Fall and Spring \$10 Summer by Headcount</b>
Lower Division Tuition and Fees Increase (4)	\$165 annually, 2.26%	\$333 annually, 4.55%
Upper Division Tuition and Fees Increase (4)	\$465 annually, 5.76%	\$633 annually, 7.84%
Graduate Tuition and Fees Increase (4)	\$378 annually, 4.22%	\$604 annually, 6.76%
Arts and Sciences Differential Request	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100
FY20 Recurring 1.5% Cut to Units July 1	\$3.8M	\$3.8M
<b>FY 20 One-Time Use of Central Reserves (3)</b>	<b>\$3.8M</b>	<b>\$3.52M</b>
<b>FY 21 Total Recurring Shortfall</b>	<b>\$3.8M</b>	<b>\$3.52M</b>

(1) Graduate Premiums will apply to all Graduate Programs. Impacts approximately 2,045 or 39% of all Graduate students who are currently not being charged graduate premiums

(2) Graduate Tech Fee increased to \$50 Fall/Spring

(3) Use of reserves-if recurring revenues are not identified then permanent cuts to FY21 will be required

(4) Does not include A&S differential \$10 per credit hour Undergraduate and \$50 per credit hour Graduate

Note: 1% I&G Compensation Increase Faculty and Staff \$2,447,000. 1% Tuition Increase Generates \$770K.

## FY 20 Budget Summit & BoR Special Meeting Recommendations

	Original BLT Proposal 4/9/19	Revised BLT Proposal 4/22/19	To get to 4% compensation increase immediately
<b>Compensation Faculty and Staff</b>	<b>2% July 1</b>	<b>3% July 1</b>	<b>4% July 1</b>
Minimum Wage Increase	\$9 July 1	\$9 July 1	\$9
<b>Base Tuition Increase (5)</b>	<b>0%</b>	<b>3.1%</b>	<b>5.9%</b>
Upper and Grad Premium (1)	\$25 to \$35	\$25 to \$35	\$25 to \$35
Mandatory Student Fees	3.43%	3.43%	3.43%
Undergraduate Tech Fee	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount
<b>Graduate Tech Fee</b>	<b>\$40 Grad Fall and Spring \$10 Summer by Headcount</b>	<b>\$50 Fall and Spring \$10 Summer by Headcount</b>	<b>\$50 Fall and Spring \$10 Summer by Headcount</b>
Lower Division Tuition and Fees Increase (4)	\$165 annually, 2.26%	\$333 annually, 4.55%	\$485 annually, 6.62%
Upper Division Tuition and Fees Increase (4)	\$465 annually, 5.76%	\$633 annually, 7.84%	\$785 annually, 9.72%
Graduate Tuition and Fees Increase (4)	\$378 annually, 4.22%	\$604 annually, 6.76%	\$791 annually, 8.84%
Arts and Sciences Differential Request	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100
FY20 Recurring 1.5% Cut to Units July 1	\$3.8M	\$3.8M	\$3.8M
<b>FY 20 One-Time Use of Central Reserves (3)</b>	<b>\$3.8M</b>	<b>\$3.52M</b>	<b>\$3.52M</b>
<b>FY 21 Total Recurring Shortfall</b>	<b>\$3.8M</b>	<b>\$3.52M</b>	<b>\$3.52M</b>



# FY 20 Budget Summit & BoR Special Meeting Recommendations

	Original BLT Proposal 4/9/19	Revised BLT Proposal 4/22/19	To get to 4% compensation increase immediately	To get to 4% compensation increase with State support
<b>Compensation Faculty and Staff</b>	<b>2% July 1</b>	<b>3% July 1</b>	<b>4% July 1</b>	<b>3% July 1 with a potential 1% Supplemental appropriation ask from the State \$2,447,000</b>
Minimum Wage Increase	\$9 July 1	\$9 July 1	\$9	\$9 July 1
<b>Base Tuition Increase (5)</b>	<b>0%</b>	<b>3.1%</b>	<b>5.9%</b>	<b>3.1%</b>
Upper and Grad Premium (1)	\$25 to \$35	\$25 to \$35	\$25 to \$35	\$25 to \$35
Mandatory Student Fees	3.43%	3.43%	3.43%	3.43%
Undergraduate Tech Fee	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount
<b>Graduate Tech Fee</b>	<b>\$40 Grad Fall and Spring \$10 Summer by Headcount</b>	<b>\$50 Fall and Spring \$10 Summer by Headcount</b>	<b>\$50 Fall and Spring \$10 Summer by Headcount</b>	<b>\$50 Fall and Spring \$10 Summer by Headcount</b>
Lower Division Tuition and Fees Increase (4)	\$165 annually, 2.26%	\$333 annually, 4.55%	\$485 annually, 6.62%	\$317 annually, 4.33%
Upper Division Tuition and Fees Increase (4)	\$465 annually, 5.76%	\$633 annually, 7.84%	\$785 annually, 9.72%	\$617 annually, 7.64%
Graduate Tuition and Fees Increase (4)	\$378 annually, 4.22%	\$604 annually, 6.76%	\$791 annually, 8.84%	\$564 annually, 6.31%
Arts and Sciences Differential Request	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100	\$10 Undergraduate and \$50 Graduate per SCH and Flat Fee Dissertation \$100
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(1) Graduate Premiums will apply to all Graduate Programs. Impacts approximately 2,045 or 39% of all Graduate students who are currently not being charged graduate premiums

(2) Graduate Tech Fee increased to \$50 Fall/Spring

(3) Use of reserves-if recurring revenues are not identified then permanent cuts to FY21 will be required

(4) Does not include A&S differential \$10 per credit hour Undergraduate and \$50 per credit hour Graduate

(5) 2.8% base tuition increase request exactly matches the Higher Education Price Index (HEPI) for 2018; reduction from 3.1% to 2.8% covered via reduced "enrollment hedge"

Note: 1% I&G Compensation Increase Faculty and Staff \$2,447,000. 1% Tuition Increase Generates \$770K.

# Additional Scenarios

FY 20 Budget Summit & BoR Special Meeting Recommendations				
	Original BLT Proposal 4/9/19	Revised BLT Proposal 4/22/19	To get to 4% compensation increase immediately	Split 4%: 2% July 2019 + 2% January 2020
Compensation Faculty and Staff	2% July 1	3% July 1	4% July 1	2% July 1 and 2% Jan 1
Minimum Wage Increase	\$9 July 1	\$9 July 1	\$9	\$9
Base Tuition Increase (5)	0%	3.1%	5.9%	3.1%
Upper and Grad Premium (1)	\$25 to \$35	\$25 to \$35	\$25 to \$35	\$25 to \$35
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Undergraduate Tech Fee	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount
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FY 20 One-Time Use of Central Reserves (3)	\$3.8M	\$3.52M	\$3.52M	\$3.52M
FY 21 Total Recurring Shortfall	\$3.8M	\$3.52M	\$3.52M	\$3.52M

## Request to the Board of Regents:

- Authorization for mandatory student fee, tuition premiums, A&S differential, technology fee, and \$9 minimum wage, all as detailed above under BLT proposal
- Authorization for 3.1% base tuition rise
- Approval for 3% across-the-board compensation increase effective July 1 (*average* increase may rise to 4% with retention & promotion increases)
- Potential additional 1% across-the-board increase contingent upon approval of Supplemental Appropriation request to the State: \$4,684,000

Thank you for considering!



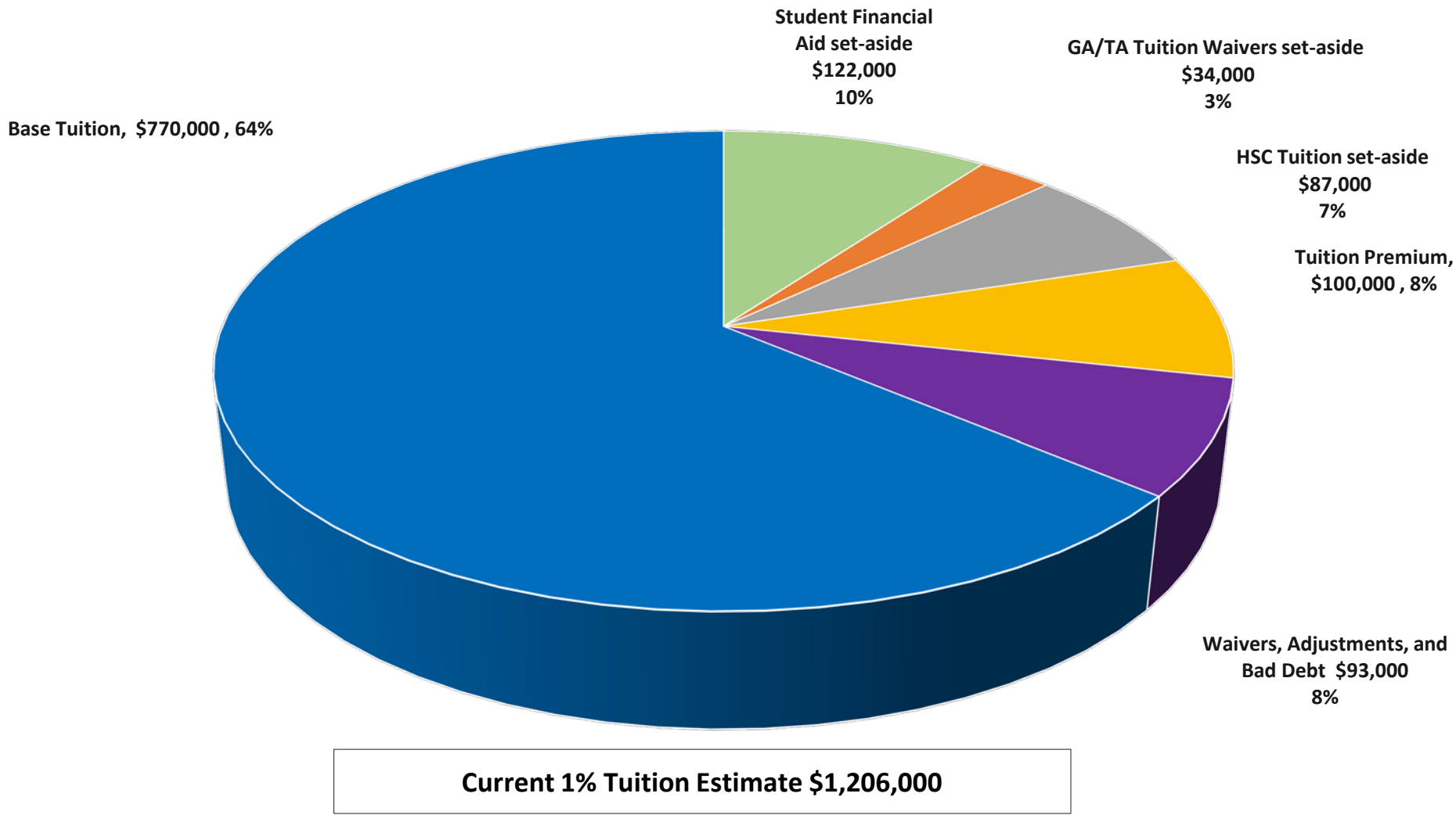
Questions?

**REVISED PROPOSAL**  
**Supplemental Schedules and**  
**Information**

**Main Campus  
Budget Leadership Team (BLT) Budget Recommendation  
FY 20 Budget (In Thousands)**

	Fiscal Year 2019 Original	Fiscal Year 2020 Original	Change Amount	% Change
<b>Revenues</b>				
State Appropriations	181,793	194,396	12,603	6.9%
Projected Tuition Revenue	133,900	123,642	-10,258	-7.7%
Health Sciences Center Transfer	-17,955	-17,487	467	-2.6%
Miscellaneous Revenues and Transfers	-10,073	-7,981	2,091	-20.8%
One-Time Use of Central Reserve	500	3,520	3,020	604.0%
<b>Subtotal I&amp;G Revenues</b>	<b>288,166</b>	<b>296,089</b>	<b>7,923</b>	<b>2.7%</b>
Mandatory Student Fees	36,256	33,519	-2,737	-7.5%
<b>Total Sources of Funds</b>	<b>324,422</b>	<b>329,608</b>	<b>5,186</b>	<b>1.6%</b>
<b>Expenses</b>				
Base-President/Administration	8,264	8,140	-124	-1.5%
Base-Academic Affairs	166,745	164,698	-2,047	-1.2%
Base-SVP for Administration	41,840	41,212	-628	-1.5%
Base-Must Funds (Fringes, Insurance, etc.)	54,132	53,322	-810	-1.5%
Utilities	17,185	16,990	-195	-1.1%
Compensation Increase - 3% Faculty and Staff and \$9 Min. Wage Increase for Students	0	7,387	7,387	
Reorganization and Vacancy/Cost Savings	0	0	0	
Swap from I&G to Capital Outlay Campus Security Cameras/Lighting	0	-150	-150	
New Initiatives and Inflationary Increases	0	4,335	4,335	
GA/TA Tuition Waivers - Tuition Increase	0	154	154	
<b>Subtotal I&amp;G Allocations</b>	<b>288,166</b>	<b>296,089</b>	<b>7,923</b>	<b>2.7%</b>
Mandatory Student Fees	36,256	33,519	-2,737	-7.5%
<b>Total Use of Funds</b>	<b>324,422</b>	<b>329,608</b>	<b>5,186</b>	<b>1.6%</b>
<b>Balance</b>		<b>0</b>	<b>0</b>	

# 1% Tuition Increase



To Fund a 1% Faculty and Staff Compensation Increase would require a 3.2% Tuition Increase

**ORIGINAL PROPOSAL**  
**Supplemental Schedules and**  
**Information**

**Proposed Funding Requests-Not Prioritized**

	Total Request	FY20 Recurring	FY20 w/ Central Reserves	FY20 Bridge w/ Reserves Internally	Further review needed before recommendation	Comments
<b>Compliance and Safety:</b>						
Campus Office of Substance Abuse	47,000	-	-	47,000	-	OVPR Bridge Funding for one year with Research dollars
Women's Resource Center (Includes Fringe)	99,615	86,515			13,100	Recommend Funding Main Campus Request. Recommend WRC work with HSC on HSC request . HR did review this request.
Accessibility Resource Center (Includes Fringe)	100,000	100,000				Recommend Funding
Office Of Equal Opportunity (OEO) (Includes Fringe)	194,991	119,091			75,900	Recommend Funding for current staffing and training. Further evaluation on compliance specialist. HR did review this request.
Student Health and Counseling	143,640	143,640				Recommend Funding-used info from 2nd presentation
Dean of Students	89,955	35,000			54,955	More Review Needed-used info from 2nd presentation
Provost Office Support Staff disciplinary investigations	55,200				55,200	More Review Needed
Library Roving Security Guard	58,040			58,040		Provost Office use of reserves for FY20
<b>Subtotal</b>	<b>788,441</b>	<b>484,246</b>	<b>-</b>	<b>105,040</b>	<b>199,155</b>	
<b>Academic/Student Success:</b>						
Faculty Retention	200,000	-			200,000	More Review Needed-Potentially competes with compensation Increase
Diversity Faculty Hiring	150,000	-			150,000	More Review Needed-Potentially competes with compensation Increase
Committed Faculty Lines COE	182,400	182,400				Recommend Funding
Advising Initiatives	590,800	590,800				Advising compensation (based on option 4: internal equity adjustments) \$300K and convert remaining Athletics advisors to I&G \$290K.
Committed Faculty Lines SOE	85,000			85,000		Provost Office use of reserves for FY20
ADVANCE Support	50,000			50,000		Provost Office use of reserves for FY20
Global Education Office	42,271				42,271	SFRB Recommended the amount move to I&G. Need further review.
Faculty/Staff/Student Research and Professional Development	235,400	235,400				
Theatre and Dance	8,168			8,168	-	SFRB Recommended the amount move to I&G. Need further review.
<b>Subtotal</b>	<b>1,544,039</b>	<b>1,008,600</b>	<b>-</b>	<b>143,168</b>	<b>392,271</b>	



**Proposed Funding Requests-Not Prioritized**

	Total Request	FY20 Recurring	FY20 w/ Central Reserves	FY20 Bridge w/ Reserves Internally	Further review needed before recommendation	Comments
<b>Must Fund:</b>						
ERB	500,000	500,000				
Group Health (5%) and Student Health (15%)	1,100,000	1,100,000				
FY19 Police Raises	200,000	200,000				
Faculty/Lecturer Promotions	420,000	420,000				
Insurances and Misc. Fringe Benefits	825,000	500,000	150,000	175,000		Use \$150K central reserves and SRS reserves \$175K for Property and General Liability Insurances for FY20, while an assessment of insurance is conducted. FY20 \$150K increase in 1640 for Property/Gen. liab. Ins. In FY 21, the remaining \$175K add to scenario and increase 1640 for Prop./Gen. Liability insurances
<b>Subtotal</b>	<b>3,045,000</b>	<b>2,720,000</b>	<b>150,000</b>	<b>175,000</b>	<b>-</b>	
<b>Administrative Support Services:</b>						
IT Academic Technologies (Includes Fringe)	1,158,217				1,158,217	Request an update regarding KSA review and progress. Potentially recommend a student technology fee or tuition increase to backfill MSF reduction. SFRB Recommended \$1,015,499 amount move to I&G
IT Cloud Infrastructure , Wireless Infrastructure Software Licensing, and Disaster Recovery	636,000		318,000	318,000		Use central reserves and IT reserves one-time until IT debt service payment rolls off in FY 21. This is a one-time increase of 1640 of \$318K in FY20 for IT. Then, this will be funded by IT starting in FY21 using the freed up debt svc. monies
ISS Request	1,125,000				1,125,000	Additional review needed to evaluate all ISS units to determine appropriate structure and I&G support.
<b>Subtotal</b>	<b>2,919,217</b>	<b>-</b>	<b>318,000</b>	<b>318,000</b>	<b>2,283,217</b>	
<b>Other UNM Initiatives:</b>						
Foundation-UNM Campaign (3 year commitment)	366,667				366,667	Suggest funding from the Mesa Del Sol land proceed sale/endowment from the BOR or other sources. Additional review required given the change in leadership.
<b>Total</b>	<b>8,663,364</b>	<b>4,212,846</b>	<b>468,000</b>	<b>741,208</b>	<b>3,241,310</b>	

Student Category	Current				Proposed					Difference	% Change
	Base Tuition	Upper Division Premium	Mandatory Student Fees	Total	Base Tuition Blocked Rate	Upper Division Premium	Mandatory Student Fees	Technology Fee	Total		
Lower Division	\$2,709.00	\$0.00	\$952.20	\$3,661.20	\$2,709.00	\$0.00	\$984.86	\$50.00	\$3,743.86	\$82.66	2.26%
Upper Division	\$2,709.00	\$375.00	\$952.20	\$4,036.20	\$2,709.00	\$525.00	\$984.86	\$50.00	\$4,268.86	\$232.66	5.76%
Note: Lower and Upper Division Base Tuition at 15 Hour Block Rate											

Student Category	Current				Proposed					Difference	% Change
	Base Tuition	Premium	Mandatory Student Fees	Total	Base Tuition Blocked Rate	Premium	Mandatory Student Fees	Technology Fee	Total		
Graduate	\$3,333.84	\$300.00	\$837.84	\$4,471.68	\$3,333.84	\$420.00	\$866.58	\$40.00	\$4,660.42	\$188.74	4.22%
Note: Graduate at 12 Hour Rate											

Note: In tuition and fee memo, cents are rounded to exact amounts

**THE UNIVERSITY OF NEW MEXICO  
MAIN CAMPUS  
FY 2019-20 STUDENT FEES**

Requestors of Student Fees	FY 2018-19	FY 2019-20			FY 2019-20	FY 2019-20			FY 2019-20
	SFRB - Final	SFRB Recommendation Scenario 1			SFRB Move to I&G or Other Funding	SFRB Recommendation Scenario 2			SFRB Move to I&G or Other Funding
	Original Budget	Original Budget	\$ Change from FY19 Orig.	% Change from FY19 Orig.	Original Budget	Original Budget	\$ Change from FY 19 Orig	% Change from FY 19	Original Budget
<b>Student Activity Fees</b>									
African American Student Svc AASS (see Form A)	81,176	73,870	(7,306)	-9.00%	0	73,870	-7,306	-9.00%	0
American Indian Student Services	89,761	81,683	(8,078)	-9.00%	0	81,683	-8,078	-9.00%	0
Athletics	3,681,708	3,275,354	(406,354)	-11.04%	0	3,571,257	-110,451	-3.00%	0
Career Services- SCAPP	30,737	28,278	(2,459)	-8.00%	0	28,278	-2,459	-8.00%	0
Career Services - Intern Coordinator	0	0	0	N/A	0	0	0		0
CASAA/COSAP	17,722	9,000	(8,722)	-49.22%	0	9,000	-8,722	-49.22%	0
Center for Academic Program Support (CAPS)	330,187	300,470	(29,717)	-9.00%	0	300,470	-29,717	-9.00%	0
College Assistant Migrant Program (see EI Centro)	32,742	29,795	(2,947)	-9.00%	0	29,795	-2,947	-9.00%	0
College Enrichment Program (FYRE)	23,386	20,000	(3,386)	-14.48%	0	20,000	-3,386	-14.48%	0
Community Learning & Public Service	104,773	95,343	(9,430)	-9.00%	0	95,343	-9,430	-9.00%	0
Division of Equity & Inclusion	0	0	0	N/A	0	0	0		0
EI Centro De La Raza	163,118	150,069	(13,049)	-8.00%	0	150,069	-13,049	-8.00%	0
Geography & Environmental Studies	0	0	0	N/A	0	0	0		0
Global Education Office	45,947	0	(45,947)	-100.00%	42,271	0	-45,947	-100.00%	42,271
Graduate Resource Center	84,193	77,458	(6,735)	-8.00%	0	77,458	-6,735	-8.00%	0
IT Initiatives	1,783,981	625,764	(1,158,217)	-64.92%	1,015,499	0	-1,783,981	-100.00%	1,641,263
KUNM	48,668	44,959	(3,709)	-7.62%	0	44,959	-3,709	-7.62%	0
LGBTQ Resource Center	123,609	100,000	(23,609)	-19.10%	0	100,000	-23,609	-19.10%	0
Music Bands	68,290	62,144	(6,146)	-9.00%	0	62,144	-6,146	-9.00%	0
New Mexico Union (SUB)	2,206,734	2,008,128	(198,606)	-9.00%	0	2,008,128	-198,606	-9.00%	0
LoboRESPECT Advocacy Center	0	0	0	N/A	0	0	0		0
Office of Rights & Responsibilities	0	0	0	N/A	0	0	0		0
Parking & Transportation Services	46,774	43,210	(3,564)	-7.62%	0	43,210	-3,564	-7.62%	0
Project for NM GS of Color	0	0	0	N/A	0	0	0		0
Recreational Services	767,178	705,804	(61,374)	-8.00%	0	705,804	-61,374	-8.00%	0
Student Activity Center	29,111	26,893	(2,218)	-7.62%	0	26,893	-2,218	-7.62%	0
Student Govt. Accounting Office	186,914	172,671	(14,243)	-7.62%	0	172,671	-14,243	-7.62%	0
Student Health and Counseling	4,486,362	4,331,362	(155,000)	-3.45%	0	4,351,771	-134,591	-3.00%	0
Student Publications	0	0	0	N/A	0	0	0		0
Theatre and Dance	8,878	0	(8,878)	-100.00%	8,168	0	-8,878	-100.00%	8,168
Univ Library Acquisitions	257,730	237,112	(20,618)	-8.00%	0	237,112	-20,618	-8.00%	0
UNM Children's Campus	356,999	329,796	(27,203)	-7.62%	0	329,796	-27,203	-7.62%	0
UNM Public Events (Popejoy)	141,076	129,790	(11,286)	-8.00%	0	129,790	-11,286	-8.00%	0
Women's Resource Center	98,119	89,288	(8,831)	-9.00%	0	89,288	-8,831	-9.00%	0
SFRB Contingency	0	0	0		0	200,000	200,000		0
<b>Subtotal - Student Activity Fees Unit Allocations</b>	<b>15,295,873</b>	<b>13,048,240</b>	<b>-2,247,633</b>	<b>-14.69%</b>	<b>1,065,938</b>	<b>12,938,788</b>	<b>-2,357,085</b>	<b>-15.41%</b>	<b>1,691,702</b>

**THE UNIVERSITY OF NEW MEXICO  
MAIN CAMPUS  
FY 2019-20 STUDENT FEES**

Requestors of Student Fees	FY 2018-19	FY 2019-20			FY 2019-20	FY 2019-20			FY 2019-20
	SFRB - Final	SFRB Recommendation Scenario 1			SFRB Move to I&G or Other Funding	SFRB Recommendation Scenario 2			SFRB Move to I&G or Other Funding
	Original Budget	Original Budget	\$ Change from FY19 Orig.	% Change from FY19 Orig.	Original Budget	Original Budget	\$ Change from FY 19 Orig	% Change from FY 19	Original Budget
<b>Graduate Allocation Fund (GAF)</b>					0	0	0		0
GPSA Graduate Scholarship Fund	46,760	41,919	(4,841)	-10.35%	0	41,919	-4,841	-10.35%	0
GPSA Student Research Grant	89,134	79,907	(9,227)	-10.35%	0	79,907	-9,227	-10.35%	0
<b>Subtotal - Student Activity Fees (GAF)</b>	<b>135,894</b>	<b>121,826</b>	<b>(14,068)</b>	<b>-10.35%</b>	<b>0</b>	<b>121,826</b>	<b>-14,068</b>	<b>-10.35%</b>	<b>0</b>
<b>Total Student Activity Fees</b>	<b>15,431,767</b>	<b>13,170,066</b>	<b>(2,261,701)</b>	<b>-14.66%</b>	<b>1,065,938</b>	<b>13,060,614</b>	<b>(2,371,153)</b>	<b>-15.37%</b>	<b>1,691,702</b>
<b>ASUNM/GPSA</b>									
ASUNM - Accounting office	42,006	37,268	(4,738)	-11.28%	0	37,268	(4,738)	-11.28%	0
ASUNM	850,000	754,133	(95,867)	-11.28%	0	754,133	(95,867)	-11.28%	0
GPSA	300,950	263,077	(37,873)	-12.58%	0	263,077	(37,873)	-12.58%	0
<b>Total ASUNM and GPSA Fees</b>	<b>1,192,956</b>	<b>1,054,478</b>	<b>(138,478)</b>	<b>-11.61%</b>	<b>0</b>	<b>1,054,478</b>	<b>(138,478)</b>	<b>-11.61%</b>	<b>0</b>
<b>DebtService/Other</b>									
Debt Service-ERP Project Fee	2,352,180	2,387,205	35,025	1.49%	0	2,387,205	35,025	1.49%	0
Debt Service-Facility Fee	17,279,317	17,017,308	(262,009)	-1.52%	0	17,017,308	(262,009)	-1.52%	0
<b>Subtotal - Debt Service</b>	<b>19,631,497</b>	<b>19,404,513</b>	<b>(226,984)</b>	<b>-1.16%</b>	<b>0</b>	<b>19,404,513</b>	<b>(226,984)</b>	<b>-1.16%</b>	<b>0</b>
<b>Total - Mandatory Student Fees</b>	<b>36,256,220</b>	<b>33,629,057</b>	<b>(2,627,163)</b>	<b>-7.25%</b>	<b>1,065,938</b>	<b>33,519,605</b>	<b>(2,736,615)</b>	<b>-7.55%</b>	<b>1,691,702</b>
<b>SFRB-OneTimeFunding</b>									
IT Initiatives	0	0	0		0	0	0		0
Community Learning & Public Service	0	0	0		0	0	0		0
Geography & Environmental Studies	0	0	0		0	0	0		0
New Mexico Union (SUB)	0	0	0		0	0	0		0
Libraries	0	0	0		0	0	0		0
Project for NM GS of Color	5,000	20000	15,000	300.00%	0	20,000	15,000	300.00%	0
LoboRESPECT	0	0	0		0	0	0		0
ENLACE - Division of Equity and Inclusion	41,750	38000	-3,750	-8.98%	0	38,000	-3,750	-8.98%	0
Student Publications	25,000	15000	-10,000	-40.00%	0	15,000	-10,000	-40.00%	0
LGBTQ Resource Center	0	0	0		0	0	0		0
Global Education Office	0	12200	12,200		0	12,200	12,200		0
GPSA Administrative Position	0	0	0		0	35,000	35,000		0
<b>Total - SFRB One Time Funding</b>	<b>71,750</b>	<b>85,200</b>	<b>13,450</b>	<b>18.75%</b>	<b>0</b>	<b>120,200</b>	<b>48,450</b>	<b>67.53%</b>	<b>0</b>
<b>Grand Total</b>	<b>36,327,970</b>	<b>33,714,257</b>	<b>(2,613,713)</b>	<b>-7.19%</b>	<b>1,065,938</b>	<b>33,639,805</b>	<b>(2,688,165)</b>	<b>-7.40%</b>	<b>1,691,702</b>

Student Technology Fee Scenarios	Scenario Amount	Fee range per student annually <sup>1</sup>	Proposed fee by semester	
			Fall/Spring	Summer
Scenario 1: fund \$1.1M (amount of proposed swap to I&G)	\$ 1,158,217	\$47-\$58	\$ 25	\$ 5
Scenario 2: fund full amount (including \$625K proposal for SFRB)	\$ 1,783,981	\$73-\$90	\$ 40	\$ 10
Scenario 3: fund full amount (including Adobe licensing) <sup>2</sup>	\$ 1,733,981 + Adobe cost	\$93-\$110	\$ 50	\$ 10
<sup>1</sup> Range based on spring 2019 enrollment and assumes +/- 10% range for fluctuation				
<sup>2</sup> Adobe Creative Cloud/Acrobat Pro licensing cost (currently under discussion) - offset by \$50K currently funded for labs (~\$2/student)				

- Even though student enrollment is variable, many of these costs within Academic Technologies are fixed
- Generated fee revenue above baseline will fund student requested initiatives
- Will utilize following mechanisms to make any decisions regarding how additional funding will be used:
  - Student and faculty surveys
  - Engagement with ASUNM and GPSA
  - IT Advisory Boards
  - Faculty Senate IT Use Committee

## FY 20 Compensation Increase Recommendation

The administration recommends allocating funds sufficient for a 2% across the board increase for I&G funded employees. Increases funded by the legislature fund about half of the total I&G cost, so a 4% compensation increase from the legislature actually funds about a 2% increase for main campus I&G. See details below.

<b>I&amp;G Salaries &amp; Fringe Benefit Increases, by Employee Type</b> Rounded to Thousands	<b>4% Increase</b>	<b>2% Increase</b>
Faculty	\$5,262	\$2,631
Staff	\$4,528	\$2,264
<b>Total Cost of Increase</b>	<b>\$9,790</b>	<b>\$4,895</b>
<b><i>Funding from State</i></b>	<b>\$5,106</b>	<b>\$5,106</b>
<b>Net</b>	<b>(\$4,684)</b>	<b>\$211</b>

In addition to these across the board increases, the administration recommends allocating sufficient funding to increase the minimum wage for student employees to \$9.00, in line with passed legislation that will go into effect January 1, 2020. The main campus I&G cost impact for this increase is estimated to be approximately \$11.4 thousand and will be effective July 1, 2019.

	Scenario 1-BLT Recommendation Adjusted	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7
Compensation Faculty and Staff	2% July 1	4% July 1	4% July 1	4% July 1	2% July 1 and 2% Jan 1	3% July 1	3.5% July 1
Minimum Wage Increase	\$9	\$9	\$9	\$9	\$9	\$9	\$9
Base Tuition Increase	0%	2.0%	3.1%	5.9%	3.1%	3.1%	3.1%
Upper and Grad Premium (3)	\$25 to \$35	\$25 to \$35	\$25 to \$35	\$25 to \$35	\$25 to \$35	\$25 to \$35	\$25 to \$35
Mandatory Student Fees	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%	3.43%
Undergraduate and Graduate Tech Fee (1)	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount	\$50 Fall and Spring \$10 Summer by Headcount
Lower Division Tuition and Fees Increase	\$165.32 annually, 2.26%	\$274 annually, 3.74%	\$333 annually, 4.55%	\$485 annually, 6.62%	\$333 annually, 4.55%	\$333 annually, 4.55%	\$333 annually, 4.55%
Upper Division Tuition and Fees Increase	\$465.32 annually, 5.76%	\$574 annually, 7.11%	\$633 annually, 7.84%	\$785 annually, 9.72%	\$633 annually, 7.84%	\$633 annually, 7.84%	\$633 annually, 7.84%
Graduate Tuition and Fees Increase	\$397.48 annually, 4.44%	\$531 annually, 5.94%	\$604 annually, 6.76%	\$791 annually, 8.84%	\$604 annually, 6.76%	\$604 annually, 6.76%	\$604 annually, 6.76%
Cuts to Units	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
FY 20 Reorganization/Vacancy Savings (2)	0	\$3.010M	\$2.2M	\$2.2M	\$2.2M	\$2.2M	\$2.2M
One-Time Use of Reserves (2)	\$3.5M	\$3.8M	\$3.8M	\$1.6M	\$1.32M	\$1.32M	\$2.5M
Total Cuts to FY 21	\$3.5M	\$6.810M	\$6M	\$3.8M	\$6M*	\$3.52M	\$4.7M
Funding Request Reductions (1)	307,800	307,800	307,800	307,800	307,800	307,800	307,800
Compensatio Funding from State	\$5,105,875	\$5,105,875	\$5,105,875	\$5,105,875	\$5,105,875	\$5,105,875	\$5,105,875
Compensation Funding Gap	\$0	\$4,895,141	\$4,895,141	\$4,895,141	\$2,447,571	\$2,447,571	\$3,671,356
Note: 1% I&G Compensation Increase Faculty and Staff \$2,447,000. The additional 1% rolls to FY 21.							
1% Tuition Increase Generates \$770K							
(1) Scenario 1-Graduate Tech Fee increased to \$50 Fall/Spring and Funding Request Reductions added							
(2) Use of reserves and Reorganization/Vacancy Savings-if recurring revenues are not identified then permanent cuts to FY21 will be required							
(3) Graduate Premiums apply to all Graduate Programs. Impacts 2,045 Students, 39%							
(4) A&S differential \$10 per credit hour Undergraduate and \$50 per credit hour Graduate in addition to Tuition and Fee Increase above							



THE UNIVERSITY OF  
NEW MEXICO®

# Health Sciences

**Special Meeting**  
**Budget Summit Follow-up**  
**Monday April 22, 2019**



# Introduction

**Paul B. Roth, MD, MS**  
**Chancellor**  
**UNM Health Sciences Center**





## VISION

THE UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER WILL WORK WITH COMMUNITY PARTNERS TO HELP NEW MEXICO MAKE MORE PROGRESS IN HEALTH AND HEALTH EQUITY THAN ANY OTHER STATE.



## MISSION

PROVIDE AN OPPORTUNITY FOR NEW MEXICANS TO OBTAIN AN EXCELLENT EDUCATION IN HEALTH SCIENCES.

ADVANCE HEALTH DISCOVERY AND INNOVATION IN THE MOST IMPORTANT AREAS OF HUMAN HEALTH.

ENSURE THAT ALL POPULATIONS IN NEW MEXICO HAVE ACCESS TO THE HIGHEST QUALITY HEALTH CARE.



## VALUES

EXCELLENCE IN EDUCATION, PATIENT CARE AND RESEARCH.

COMMITMENT TO SERVICE, QUALITY AND SAFETY.

INTEGRITY AND ACCOUNTABILITY.

RESPECT AND COMPASSION FOR ALL PEOPLE.

TEAMWORK AND COLLABORATION.

PROVIDING HOPE FOR THOSE WE SERVE.



## GOALS

IMPROVE PUBLIC HEALTH AND HEALTH CARE TO THOSE WE SERVE.

BUILD THE WORKFORCE OF NEW MEXICO BY PROVIDING A PREMIER EDUCATION.

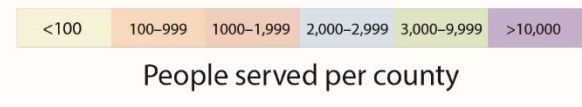
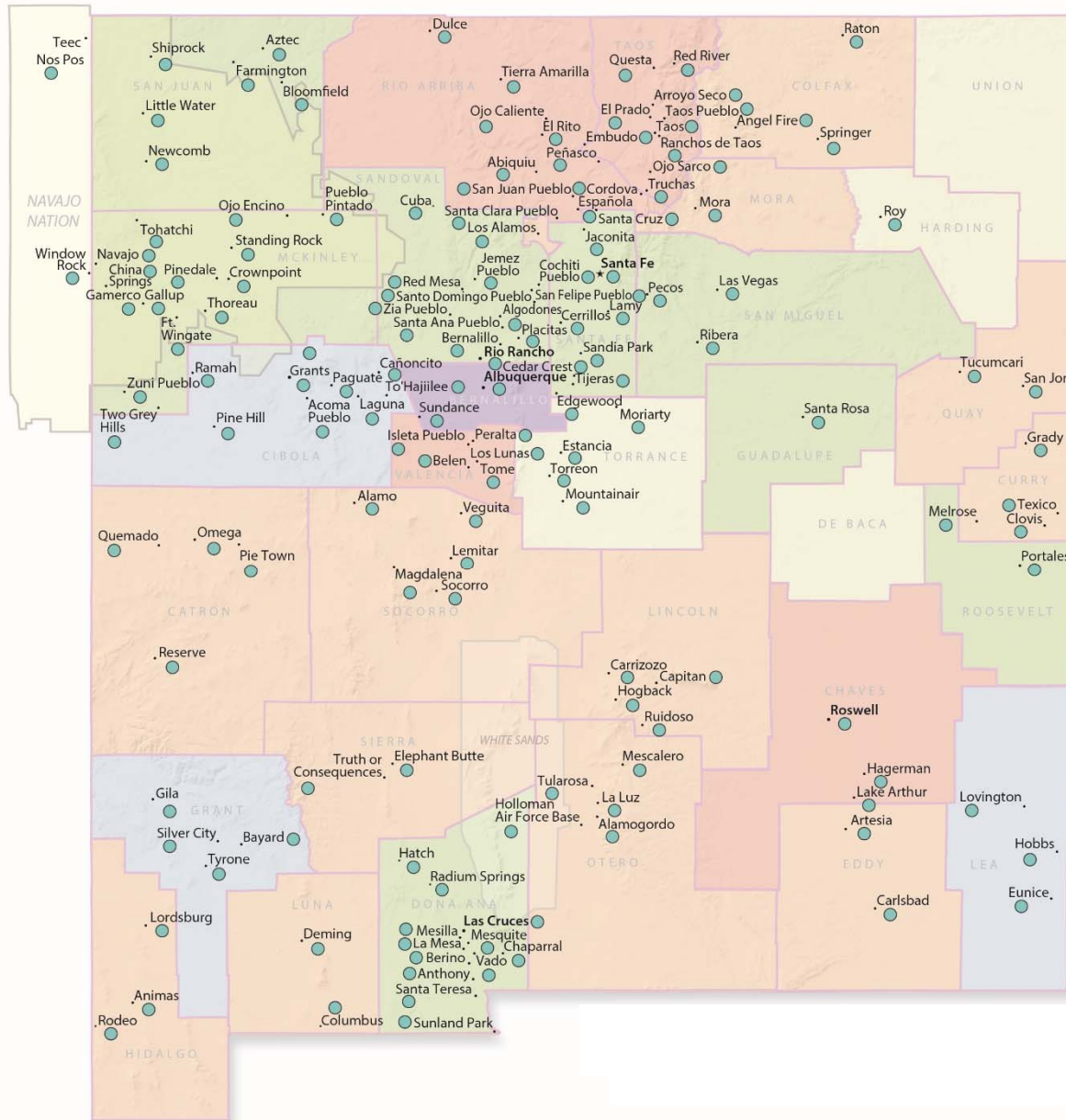
TRANSLATE OUR RESEARCH AND DISCOVERIES INTO CLINICAL OR EDUCATIONAL PRACTICE.

PROVIDE THE ENVIRONMENT TO ENABLE OUR PEOPLE AND PROGRAMS TO DO THEIR BEST.

DELIVER HIGH QUALITY CLINICAL CARE AND SERVICE WHILE BEING ACCESSIBLE TO ALL NEW MEXICANS.

NURTURE AND EMBRACE AN ENVIRONMENT OF DIVERSITY, INTEGRITY AND TRANSPARENCY.

# The whole state is our campus . . .



579 Activities in 246 Communities

UNM Health System clinical encounters are not included in these counts. Outreach activities include:

- Education
- Patient Care
- Community Research
- Telehealth Sites



# Academic Issues and Challenges

- Investing in 2 new Deans COP and CON
  - FY19 – Recruitments completed,
    - COP – Dr. Donald Godwin
    - CON – Dr. Christine Kasper
  - FY20 - Both colleges beginning strategies to expand research portfolios with the goal to move up in their respective research rankings
    - Pharmacy implementing Early Assurance for the new BS Pharmaceutical Sciences, 10 incremental admissions;
    - Nursing implementing Early Assurance for the new BSN to MSN program, up to 16 additional admissions.
  
- Continuing to nurture College of Population Health
  - FY19 – Completed a successful recruitment for the permanent Dean, Dr. Tracie Collins, who will start July, 2019
  - FY20 – Expanding undergraduate student admissions by 50 to 80 students in the BS PH degree; beginning to replace large grants that will expire early 2021

# Academic Issues and Challenges

- School of Medicine
  - FY19 - Enhancing positive learning experience for students and residents, CTSC renewal
  - FY20 – Comprehensive Cancer Center renewal, wellness and suicide prevention initiatives, Faculty compensation high priority
  
- Health Sciences Rio Rancho campus
  - FY19 – Implementing new initiatives in Building 1; Nursing, Medical Assistants, Community Health workers, Behavioral Health Medical Home and Education Center, Summer Healthcare Careers Academy
  - FY20 – Continue Building 1 new initiatives; Partnering with the City of Rio Rancho for Building 2 (Ortho Joint Replacement & Rehab), Senior Center and campus infrastructure projects

# Health System Issues and Challenges

- Healthcare Financing
  - FY19 – adding more Medicare advantage and managed Medicaid initiatives
  - FY20 – adapting to value based care and reduced healthcare reimbursement
  
- Strategic Partnerships
  - FY19 – Expanding vision for more collaboration
  - FY20 – implementing and operationalizing new collaborative partnerships; behavioral health partnerships to expand access
  
- Operational Improvement Initiatives
  - FY19 – specific implementation of projects for rapid improvement
  - FY20 - implementing efficiencies across all platforms including revenue cycle and addressing improving work environment for clinicians (Mission Excellence)

# Health System Issues and Challenges

- UNMH Modern Medical Facility/New Hospital Tower
  - FY19 – developing program
  - FY20 – moving forward with design, project management, and financing
- SRMC Mill Levy Programming
  - FY19 – Sandoval County voters approved mill levy (annual \$6.7 million)
  - FY20 – implementing Behavioral Health and Level III Trauma Center with Mill Levy funding
- New Clinical Programs & Centers of Excellence
  - Movement disorder
  - Lovelace/UNM Rehab Hospital expansion

# Budget Planning FY 2020

April 22, 2019



Ava J. Lovell, MHA, CPA  
Senior Executive Officer  
for Finance & Administration



# UNM HSC Academic Enterprise

## FY 2020 – Financial Assumptions

### Revenues

- New HSC I&G Appropriations \$3,965,100 (includes compensation)
- New HSC RPSP House Bill 2 Appropriations of \$4,751,700
- New HSC RPSP HB548 and SB536 Appropriations of \$1,949,000
- New State Formula Funding increase of \$351,700
- F&A revenues increase of \$500,000
- Zero tuition increase budgeted (\$370,700 for 3.1% base tuition increase)
- 2% MD tuition decrease of (\$133,700)

### Expenses

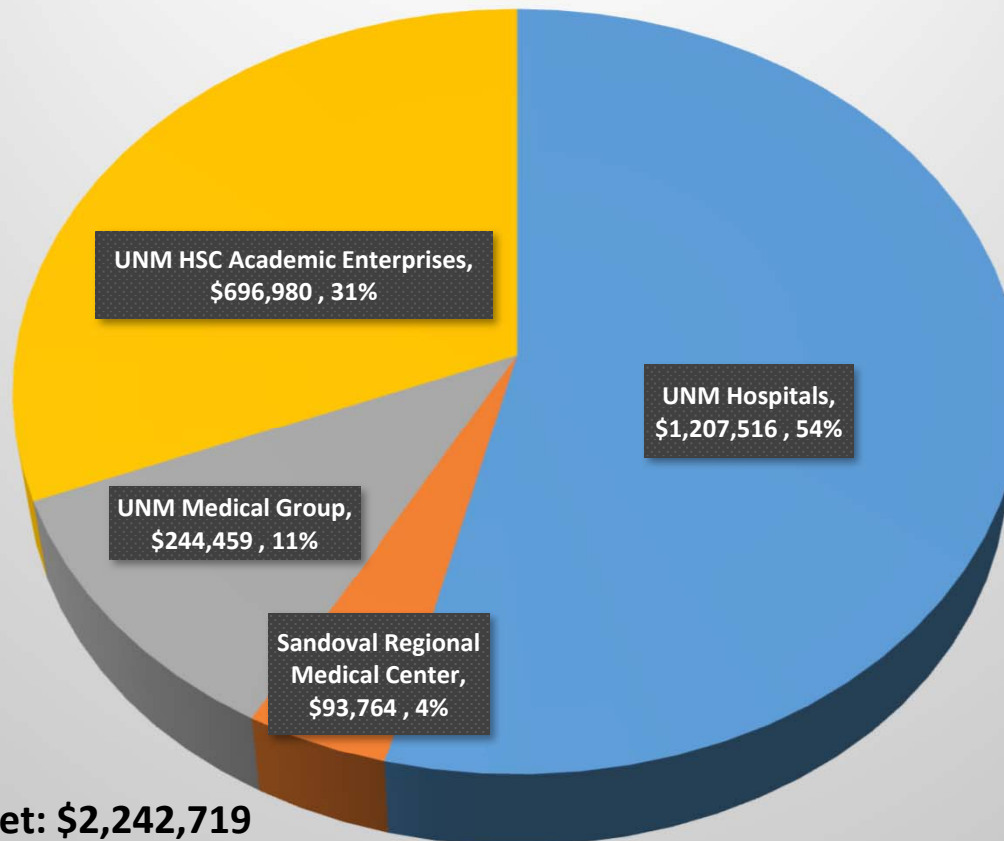
- Salary increases for HSC Faculty and Staff – Total of Approximately 4%
- Group Health Insurance increase 5%
- Start-up packages for new College of Population Health Dean and Neurosurgery chair
- Health Sciences Rio Rancho campus advancement costs

# UNM Health Sciences Center

FY20 HSC State Appropriations				
Program	FY19 Recurring Appropriations	FY20 HB2	FY20 Junior Bills (HB548 & SB536)	\$ Change from FY19
HSC I&G	58,823,700	62,788,800		3,965,100
Cancer Center	2,549,000	4,703,100		2,154,100
Carrie Tingley	5,201,100	5,880,100		679,000
Children's Psych	7,076,600	7,891,600		815,000
Genomics, Biocomputing, Environ Health	937,400	937,400		0
Hepatitis C, Project ECHO	2,046,100	2,256,000		209,900
Native American Health Center	255,700	261,300		5,600
Native American Suicide Prevention	92,800	95,500		2,700
New Born Intensive Care Unit	3,145,800	3,270,800		125,000
Nurse Expansion	1,012,300	1,012,300		0
Nurse Education, Graduate	1,514,700	1,514,700		0
OMI	5,313,400	5,539,300		225,900
Pediatric Oncology	1,470,900	1,522,300		51,400
NM Poison & Drug Information Center	2,083,200	2,162,200		79,000
Residencies, General Surgery/FCM	313,700	327,100		13,400
Residencies, Internal Medicine	999,600	1,041,700		42,100
Residencies, Psychiatry	377,400	393,100		15,700
Specialty Ed Peds	250,000	250,000		0
Specialty Ed Trauma	250,000	250,000		0
Bioscience Authority			125,000	125,000
Child Abuse Services		150,000		150,000
Coordinate Statewide Nursing Ed (NMNEC)			500,000	500,000
Diversity Pipeline			150,000	150,000
HPV registry and colorectal cancer screening			200,000	200,000
Minority Student Services		182,900		182,900
OMI Grief Services			360,000	360,000
Primary & Secondary Residencies			100,000	100,000
Project ECHO programs			514,000	514,000
<b>Totals</b>	<b>\$93,713,400</b>	<b>\$102,430,200</b>	<b>\$1,949,000</b>	<b>\$10,665,800</b>

# UNM Health Sciences Center

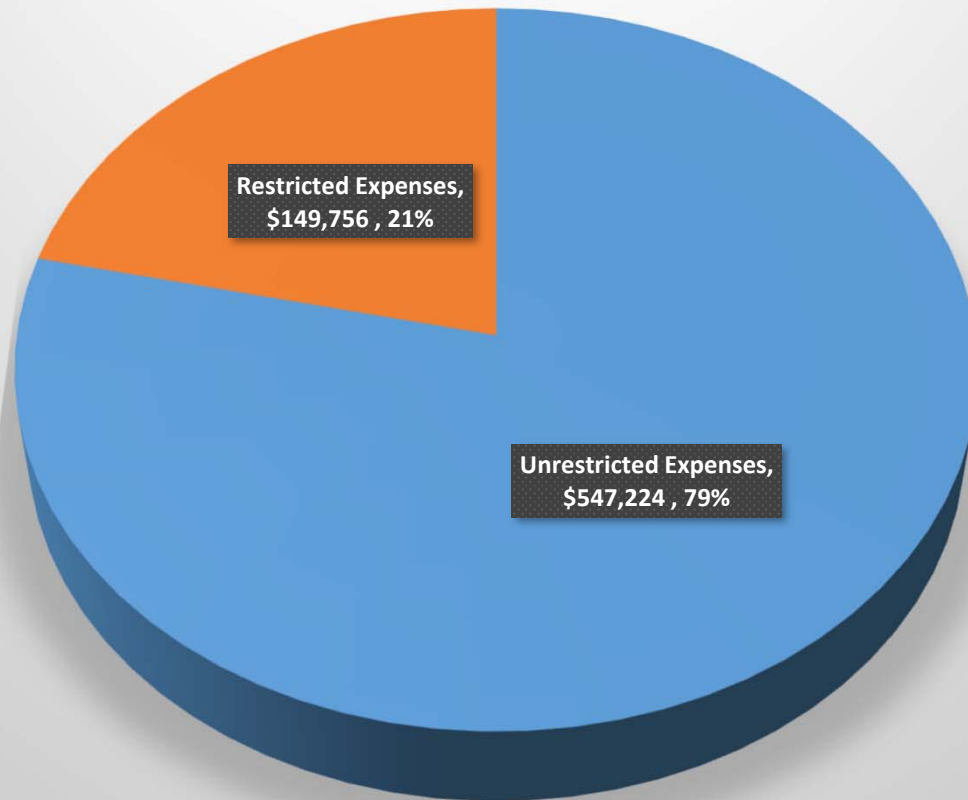
UNM HEALTH SCIENCES CENTER  
FY 2020 Expense Budget  
*(in thousands)*



**Total Budget: \$2,242,719**  
**9.9% increase from 2019 Original**

# UNM HSC Academic Enterprise

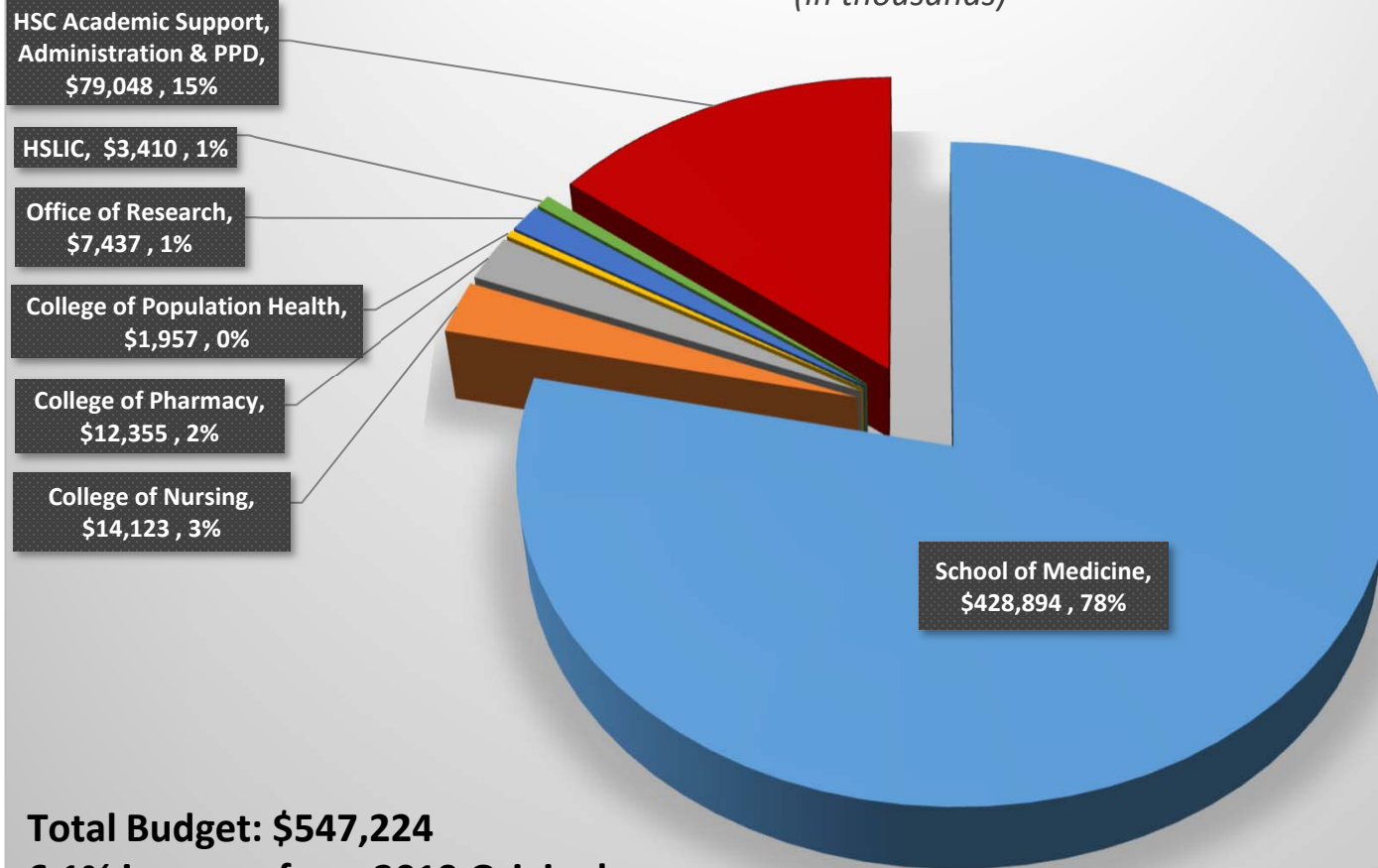
HSC Academic Enterprise  
FY 2020 Expense Budget  
*(in thousands)*



Total Budget: \$696,980

# UNM HSC Academic Enterprise

HSC Academic Enterprise (Unrestricted)  
FY 2020 Expense Budget  
*(in thousands)*



**Total Budget: \$547,224**  
**6.1% increase from 2019 Original**

# UNM HSC Academic Enterprise

FY 2020 Budget  
(in thousands)

	School of Medicine	College of Nursing	College of Pharmacy	College of Population Health	Research & General Admin.	HSC Academic Enterprise FY20 Total
Revenues	430,473	14,277	12,201	1,943	89,665	548,559
Expenses	428,894	14,123	12,355	1,957	89,895	547,224
Net Margin	\$1,579	\$154	(\$154)	(\$14)	(\$230)	\$1,335

# UNM HSC Academic Enterprise

## FY 2020 Staff & Faculty Salary Increase including Fringe

	Compensation Increases
HSC Staff 3% plus Merit	\$2,945,859
HSC Non-SOM Faculty 3% plus Merit /Equity	591,196
HSC SOM Faculty 3% plus Merit /Market adjustments	7,243,367
<b>Total HSC Increase</b>	<b>\$10,780,421</b>

Average HSC Compensation Increases  
as Percent of Contract Salary

4%

# UNM HSC Academic Enterprise

## Comp. Increase Cost and Tuition Increase by College

	Increase in Cost for 3% Comp.	3.1% Base Tuition Increase
School of Medicine	<b>(\$592,504)</b>	<b>\$143,700</b>
College of Nursing	<b>(\$77,700)</b>	<b>\$112,000</b>
College of Pharmacy	<b>(\$70,736)</b>	<b>\$92,000</b>
College of Population Health	<b>(\$18,293)</b>	<b>\$23,000</b>

*Note: Excluding RPSPs*



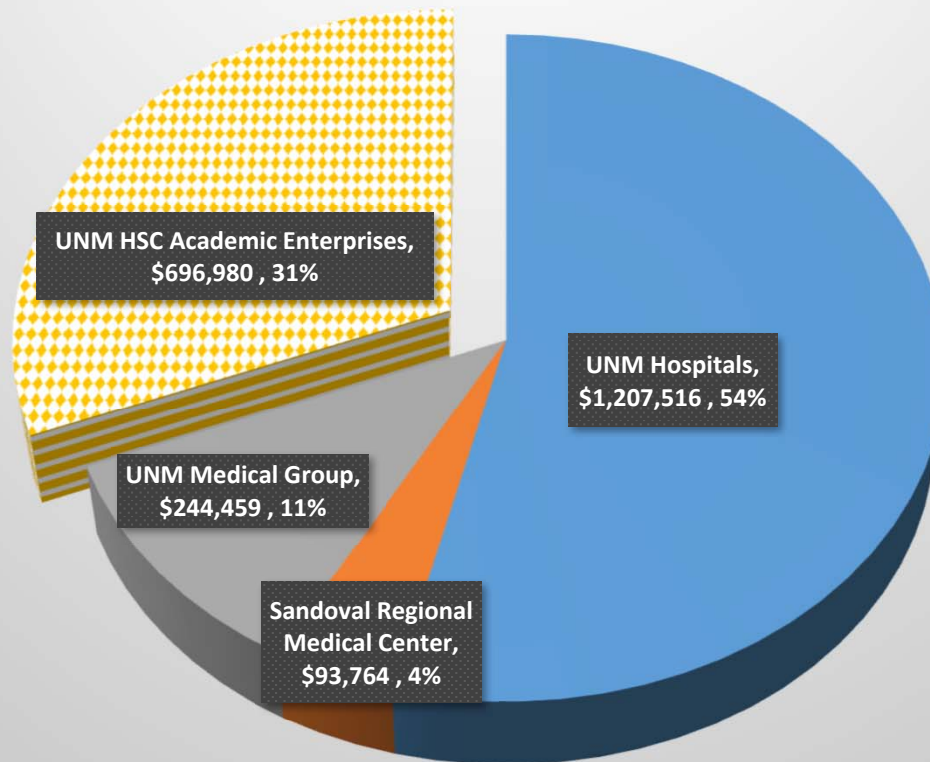
# UNM HSC Academic Enterprise

## FY 2020 Staff & Faculty Salary Increase including Fringe

	Compensation Increases
HSC Staff 1% - January 1, 2020	\$434,957
HSC Non-SOM Faculty 1% - January 1, 2020	183,574
HSC SOM Faculty 1% - January 1, 2020	949,487
Total HSC Cost	\$1,568,018

# UNM Health Sciences Center

UNM HEALTH SCIENCES CENTER  
FY 2020 Expense Budget  
*(in thousands)*



**Total Budget: \$2,242,719**  
**9.9% increase from 2019 Original**

# UNM Hospitals (Incl. Cancer Center)

## FY 2020 – Financial Assumptions

- Revenue Cycle Operational Improvement Initiatives - \$22 million
- UNMH volume Increase - \$13 million
- Medicaid reimbursement decreases – (\$16 million)
- Medicare DSH decreases – (\$2.5 million)
- Compensation and Benefits - \$14 million
- Housestaff - \$1.7 million
  - Adding additional Residents
- UCP and Other Medical Services – 2% increase \$2.4 million
- Inflation – 2% on medical supplies; 4% pharmaceuticals
- Gross Receipts tax effective 7/1/2019 - \$21.5 million

# Sandoval Regional Medical Center

## FY 2020 – Financial Assumptions

### Revenues

- Improve Inpatient access and throughput 2%
- Increase Ambulatory access and throughput 7%
- Increase surgical volumes 5%
- Mill Levy Revenue for new and expanded OP BH and Trauma Level III (annual \$6.7 million)

### Expenses

- Compensation increase preliminary projection 2%
- Medical Supplies inflation 3% and Pharmaceuticals inflation 4%
- Trauma and BH costs - \$6.7 million
- Operational Improvement - Huron

# UNM Medical Group

## FY 2020 – Financial Assumptions

- Revenue driven by 3.7% overall increase in wRVUs
- Changes to clinics managed by UNMMG:
  - Spine clinic moved into Lovelace UNM Rehabilitation Hospital
  - Addition of UNM Lobo Athletics Clinic
  - Addition of UNM Rio Rancho Behavioral Health (partially funded by new Sandoval County mill levy funds)
- Recurring revenue increase from Operational Improvement initiatives: \$2.4 million
- Every 1% in compensation increase = \$276,000. Preliminary 2% compensation increase.

# UNM Health System

FY 2020 Budget

(in thousands)

	UNM Hospitals	UNM Medical Group	UNM Sandoval Regional Medical Center	UNM Health System FY20 Total
<b>Revenues</b>	1,211,905	248,778	93,792	1,554,475
<b>Expenses</b>	1,207,516	244,459	93,764	1,545,739
<b>Net Margin</b>	<b>\$4,389</b>	<b>\$4,319</b>	<b>\$28</b>	<b>\$8,736</b>

# Questions ?



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**Date:** April 11, 2019

**TO:** Doug Brown, Chairman, Audit and Compliance Committee  
Victor Griego, Interim Internal Audit Director

**FROM:** Elizabeth Metzger, CPA – University Controller

**RE:** FY19 Renewal of Annual Financial Statements Audit Contract

The following information is provided for the Committee's approval related to the annual financial statement audit for the fiscal year ended June 30, 2019, pending final approval by the State Auditor.

During FY17, UNM issued a Request for Proposal (RFP) for the FY17, FY18, and FY19 external financial statements audit. Proposals and evaluation criteria were distributed to the 6-member evaluation committee on February 27, 2017. The Committee consisted of the University Controller, Executive Officer of the Finance and Administration for the HSC, Controller for the UNM Foundation, Finance Director for the University Hospital, Associate Controller for Procurement Service, and the University Acting Provost. In accordance with appropriate selection criteria established for the procurements, the written proposals were evaluated for responsiveness to mandatory requirements.

Based on the evaluation from the committee members and in-person presentations from the responders, the selection committee recommended awarding the contract to Moss Adams with a subcontract to KPMG for audit of the clinical areas. This was approved by the audit committee on April 13, 2017 and the Full Board of Regents on April 18, 2017.

The proposed cost for year 3 of the audit, FY19, is \$1,008,030 which includes all Component Units. For comparison purposes, the cost for the FY18 audit was \$998,765 after an amendment was executed to audit related party transactions.



**Summary Meeting Report (Not Approved Minutes)  
Regents' Audit and Compliance Committee  
Special Meeting on April 11, 2019**

The **Regents' Audit and Compliance Committee (Committee)** held a Special Meeting at 9:00 AM on April 11, 2019.

**ACTION ITEMS:**

- The Committee approved the prior meeting minutes from December 6, 2018.
- The Committee approved the next meeting date of May 23, 2019 (Entrance Conference for FY19 Financial Statements Audit).
- Liz Metzger, University Controller provided the committee with an overview of the external audit contract. This year covers the fiscal year 2019 external financial audit of UNM, and is the final year of a three-year award. The total fees will not exceed the amount included in the information provided to the Committee.

Chairman Brown asked members of UNM's financial areas if they were satisfied with the service and timeliness provided by these contracted firms. Ava Lovell, HSC Senior Executive Officer for Finance and Administration stated she would prefer for the external auditors to provide an in-state partner, because it is difficult to schedule with out of state people.

Ms. Metzger stated she has reached out to Lisa Todd, Moss Adams' Audit Manager. Moss Adams subcontracts with KPMG, so Ms. Metzger has indicated the desire for a local partner. Otherwise, there are no issues with continuing the work with the external auditors currently under contract.

Ms. Metzger stated that this being the third year of the award, it will go out for RFP for the FY20 audit. Chairman Brown asked if there are any objections for this year to continue the third year of the contract. There were no objections. The Committee moved approval of the FY19 audit contract.

**INFORMATION ITEMS:**

- Advisors' Comments: None
- Victor Griego, UNM Interim Internal Audit Director introduced the Committee to the audit and compliance staff. Purvi Mody, UNM Health System Chief Compliance and Internal Audit Officer supplied the Committee with an information packet regarding her area and staff. Dr. Arthur Culpepper, HSC Chief Compliance Officer provided his background to the Committee as well.

By unanimous consent, the meeting went into Executive Session at 9:18 AM per the agenda.

The meeting adjourned at 9:29 AM.