

FY2024-25 Budget Planning Assumptions

MARCH 6, 2024

COMMITTEE OF THE WHOLE

Budget Planning Assumptions

Budgeting at The University of New Mexico is a continuous process that occurs throughout the year and at every level of the university. Our budget cycle started in the Fall with strategic multi-year planning and crafting of budget priorities.

We are at the point in this process where university-wide budget planning assumptions are finalized based on Budget Leadership Team (BLT) recommendations to the President, and then brought to the Board of Regents' Committee of the Whole for consideration and input.

We time this for the conclusion of the legislative session so that we know the financial resources available from the state.

The primary planning assumptions for approval are:

- Compensation Recommendation
- Tuition and Fees Recommendations
- Differential Tuition Recommendations

Factors to be considered in determining tuition and fee rates

(per [Regents' Policy Manual – Section 4.7: Tuition and Fees](#))

- ✓ Comments from campus constituents
- ✓ Access issues
- ✓ Levels of state appropriations
- ✓ Reduction of expenses
- ✓ Availability of need-based financial aid
- ✓ Charges at peer and regional institutions
- ✓ National trends
- ✓ Economic conditions
- ✓ Recruitment and retention of faculty on the national market
- ✓ Recognition of the social benefits of higher education
- ✓ Strategic initiatives and priorities of the University

Economic Conditions

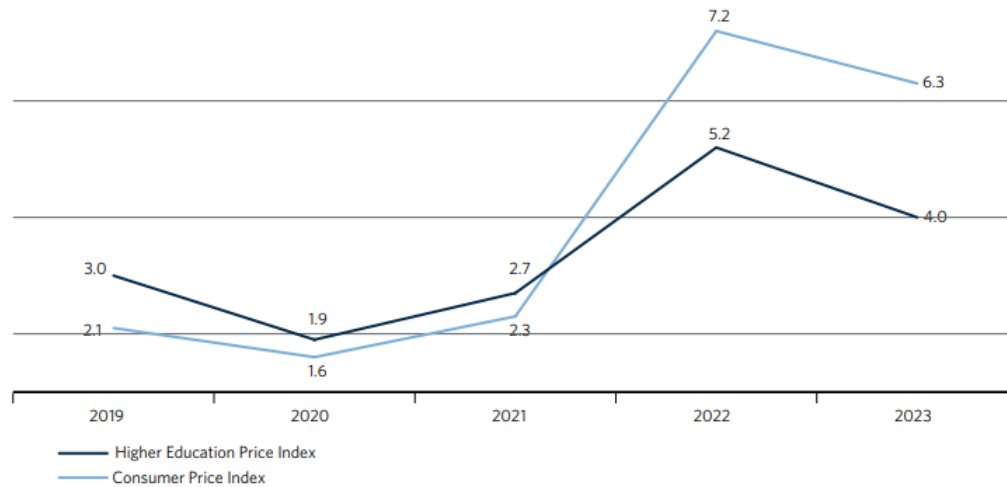
HIGHER EDUCATION PRICE INDEX (HEPI) AND
CONSUMER PRICE INDEX (CPI)

Inflation for colleges and universities was 4.0% in FY23 (4.5% in Mountain Region)

FIGURE 2

THE HIGHER EDUCATION PRICE INDEX VERSUS THE CONSUMER PRICE INDEX

Fiscal years 2019 - 2023 | Numbers in percent



- Costs for colleges and universities rose 4.0% in FY2023.
- Costs for colleges and universities in the Mountain Region (includes New Mexico) rose 4.5% in FY2023.
- Costs across the entire domestic economy continue to rise, as the Consumer Price Index (CPI) increased 6.3% in FY2023.

A more accurate indicator of cost changes for colleges and universities than the Consumer Price Index (CPI), **HEPI is used primarily to project future budget increases required to preserve purchasing power, which translates to increasing quality of service and support provided to our students and our mission.**

Source: Commonfund Higher Education Price Index | 2023 Update

HEPI

The Higher Education Price Index (HEPI) measures price levels from a designated reference year in which budget weights are assigned. This base year is FY1983 and is assigned a price value of 100.0 for index compilation.¹ Comparing one year's index value with that of another year reflects relative change. An index value of 115.0, for example, represents a 15 percent price increase over 1983 values. This change can also be expressed in monetary terms so that the price of \$100 worth of goods and services purchased in 1983 in this example would have risen to \$115.

HIGHER EDUCATION PRICE INDEX

1961-2023

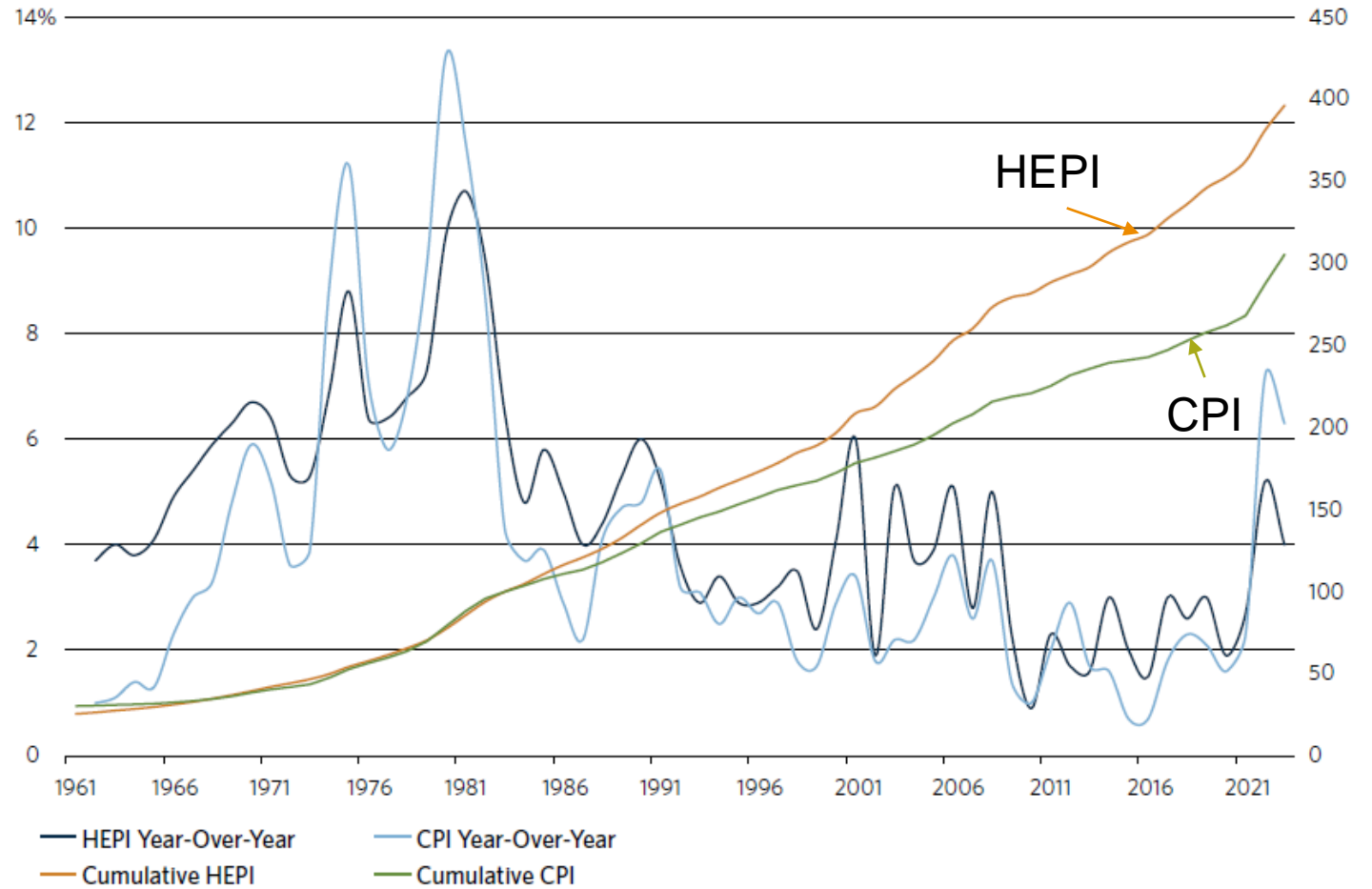


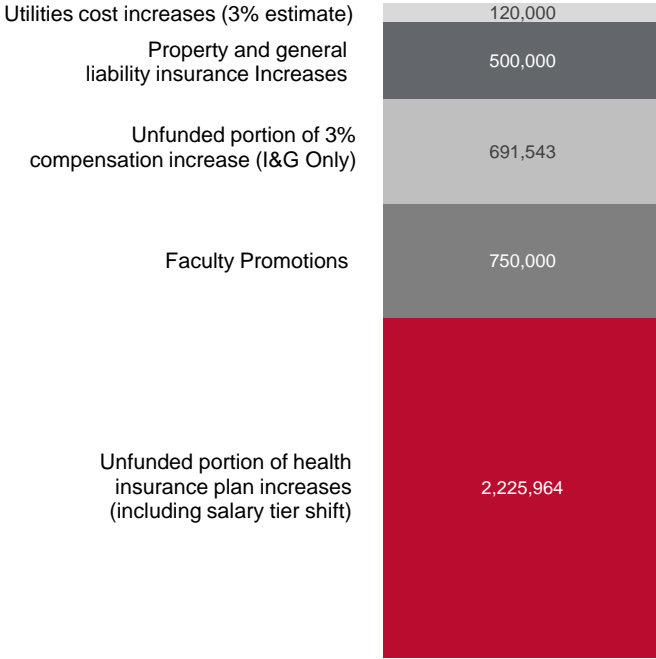
Figure 1 traces the Higher Education Price Index (HEPI) and the Consumer Price Index (CPI) from 1961 to 2023. Cumulative HEPI is represented by the steadily increasing orange line, indexed to 100 for 1983, and should be read using the right-hand scale. The jagged lines trace percentage year-over-year changes in HEPI and CPI and should be read using the left-hand scale. In this chart and in the supporting data in Table A on page 3, HEPI and CPI are presented in two ways—as an index level and as a year-over-year percent change. HEPI data beginning with FY2002 have been restated to reflect the methodological improvements adopted in 2009.

Strategic initiatives and priorities of the University

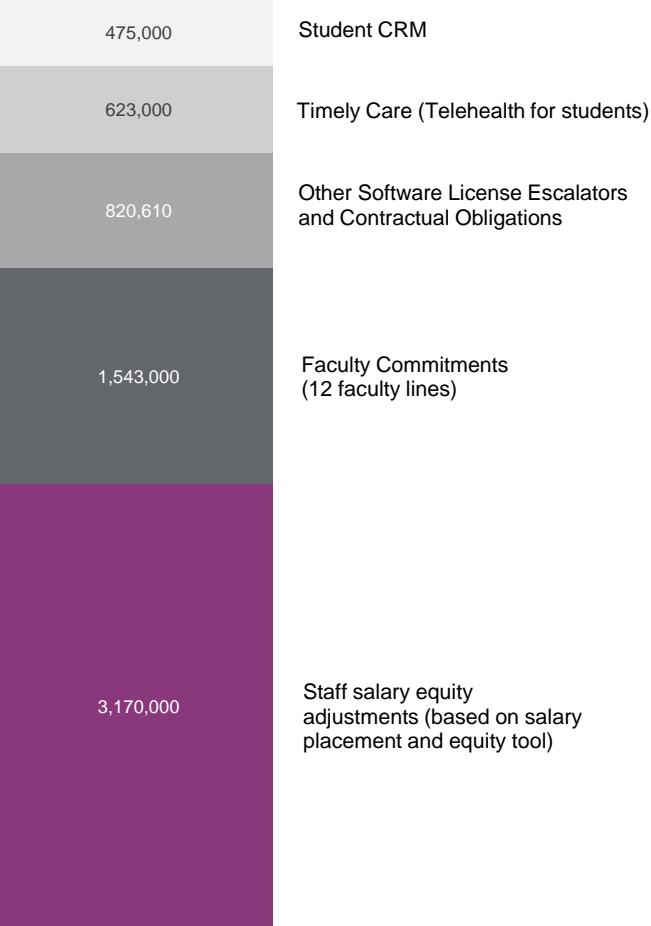
INCLUDING RECRUITMENT AND RETENTION OF FACULTY

Small incremental tuition rate increases would help UNM keep up with must fund expenses, existing cost obligations, and inflation.

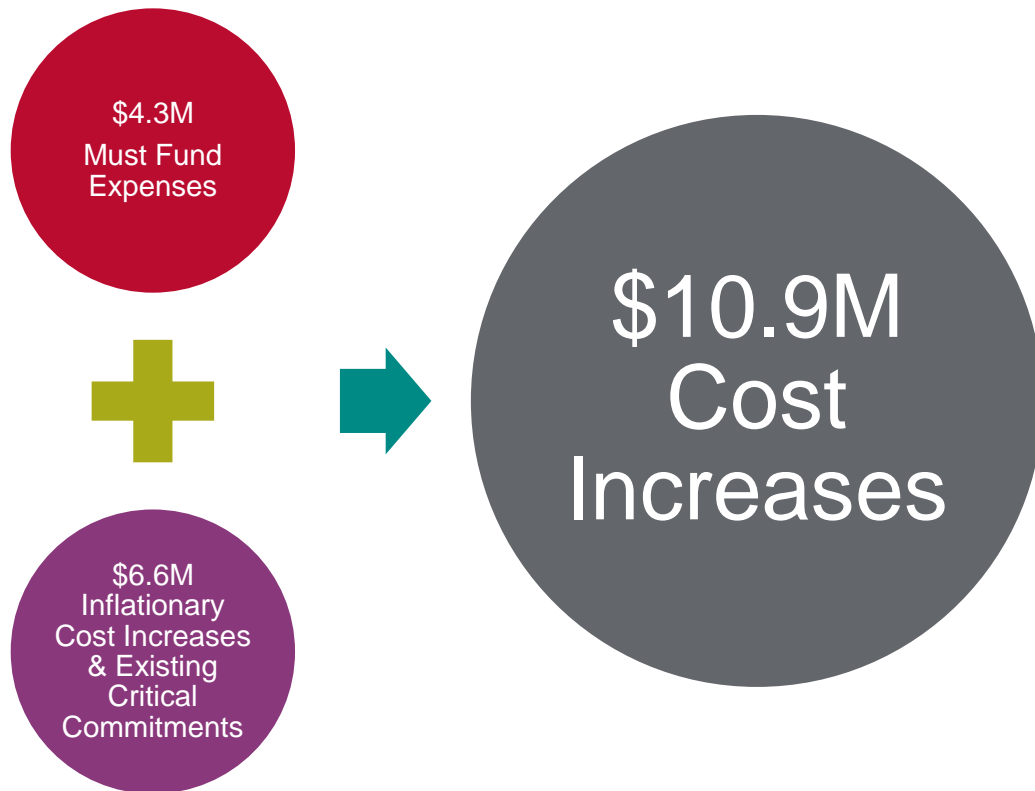
MUST FUND EXPENSES \$4.3M



INFLATIONARY AND EXISTING CRITICAL COMMITMENTS \$6.6M



New I&G State Appropriations are not enough to keep up with our most critical needs



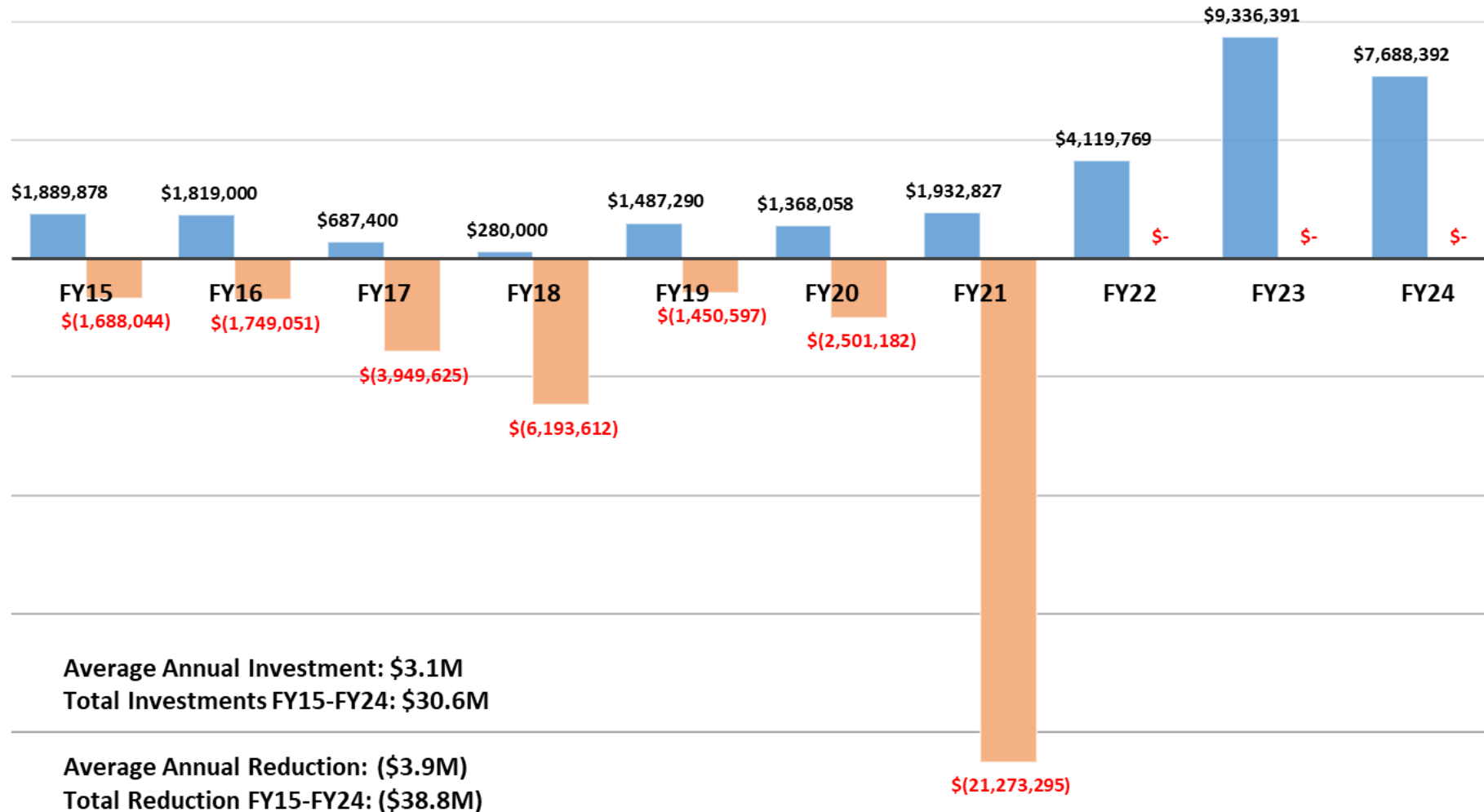
UNM to receive \$3.96M of new formula money as part of HB2.

Funding shortfall on most critical needs = \$6.9M

Reduction of Expenses

INCLUDES OPPORTUNITIES FOR COST EFFICIENCIES,
REALLOCATION OF RESOURCES, AND/OR COST
REDUCTION STRATEGIES

Academic Affairs New Investments and Permanent Reductions 10 Years (FY15-FY24)



**Net impact
over 10 years
(\$8.2M)**



Examples of cost efficiencies and cost reduction strategies implemented

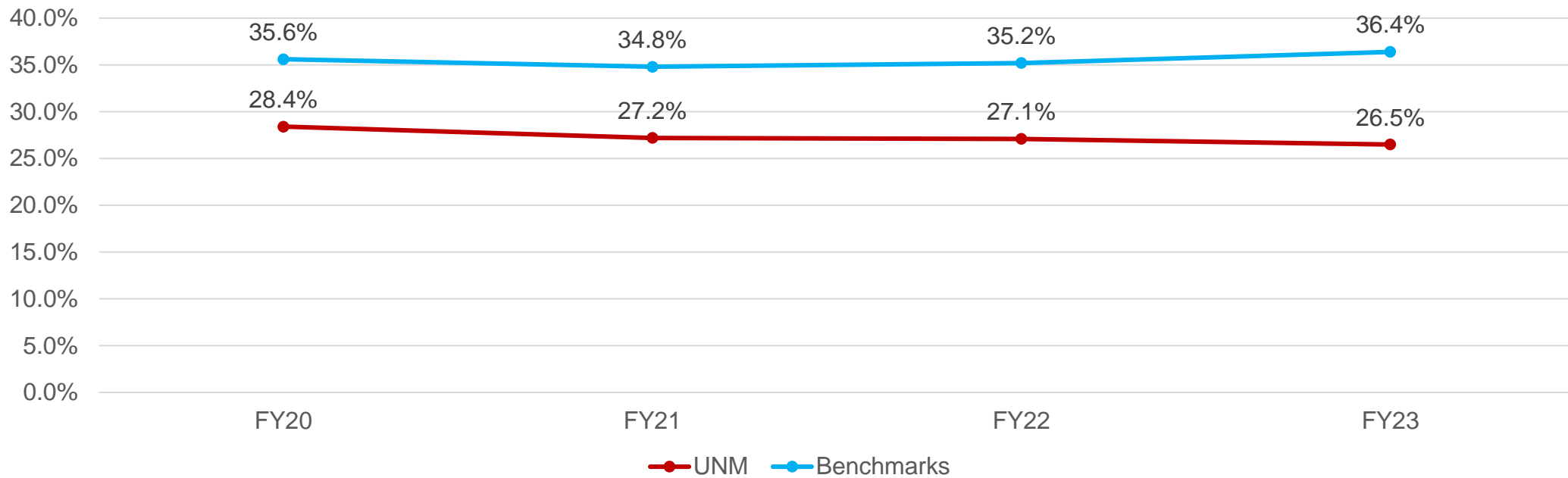
- Shared Services (Fiscal Shared Services has saved the university \$18.2M since inception in FY16, \$3.4M recurring each year)
- Elimination of UNM West campus (\$536K recurring savings)
- Reduced administrators FTE (Vice Provost for Extended University, Director of Community Engagement, etc.)
- Consolidated OMBUDS (Faculty, Staff and Graduate Students)
- Reallocated faculty lines for areas of program growth and economic impact (F&DA, STEM, Teacher Education, etc.)
- Implemented software efficiency measures (Kuali curricular and catalog workflow system)
- Reduced operating expenses through multiple budget reductions (Academic Affairs current labor expense amounts to 89% and non-labor expense 11% of total I&G budget)

Examples of cost efficiencies and cost reduction strategies implemented (cont.)

- Since the initiation of IT Effectiveness & Efficiencies effort, significant savings have been realized due to consolidation of software licenses, automation of computer imaging processes, data center and server consolidations, computer RFP negotiations for significant pricing discounts, and process efficiencies resulting from use of digital signatures and automated workflows, just to name a few.
- Institutional Support Services (ISS) has managed multiple business unit transformations and reorganizations over the past decade. Three independently operating units have been recombined and consolidated. This consolidation has produced business efficiencies. Also, several staff positions have remained unfilled after staff retirements. ISS operates with limited staff and significant efficiencies.
- HR has leveraged vacancy savings to invest in and seed critical new UNM initiatives, such as mandatory background checks for staff, the Gallup Engagement Survey, and membership in the HelioCampus benchmarking consortium.

UNM's Administrative Intensity Measure – the portion of administrative salary expenses as a portion of overall salary expense - has declined steadily since FY20

UNM Administrative Intensity Measure Trends, Compared to Benchmark
Percentage of Administrative Salary Expenses to Total Salary Expenses



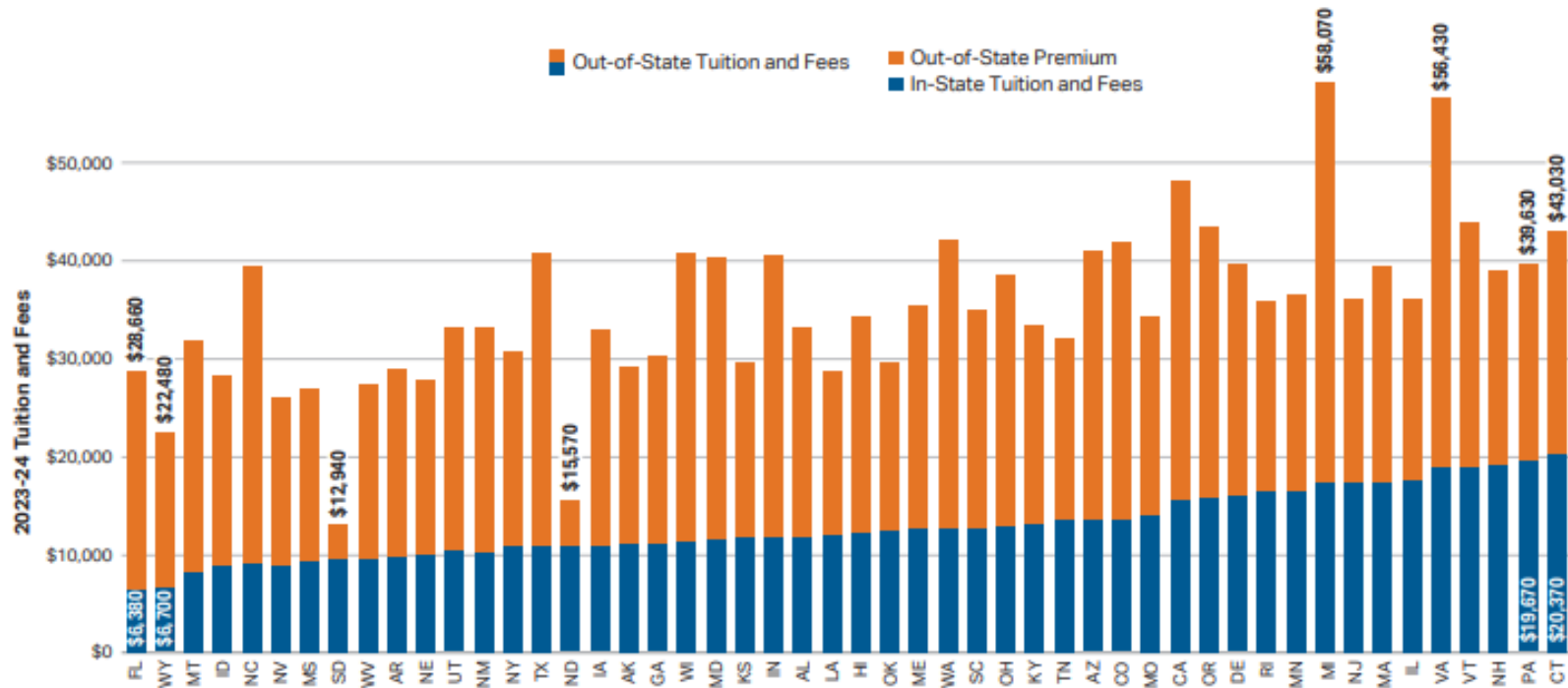
Charges at peer and regional institutions

We are not expensive compared to other flagships

Tuition and Fees by State: Flagship Universities

In 2023-24, published tuition and fees for full-time in-state students at public flagship institutions range from \$6,380 at the University of Florida and \$6,700 at the University of Wyoming to \$19,670 at Pennsylvania State University and \$20,370 at the University of Connecticut.

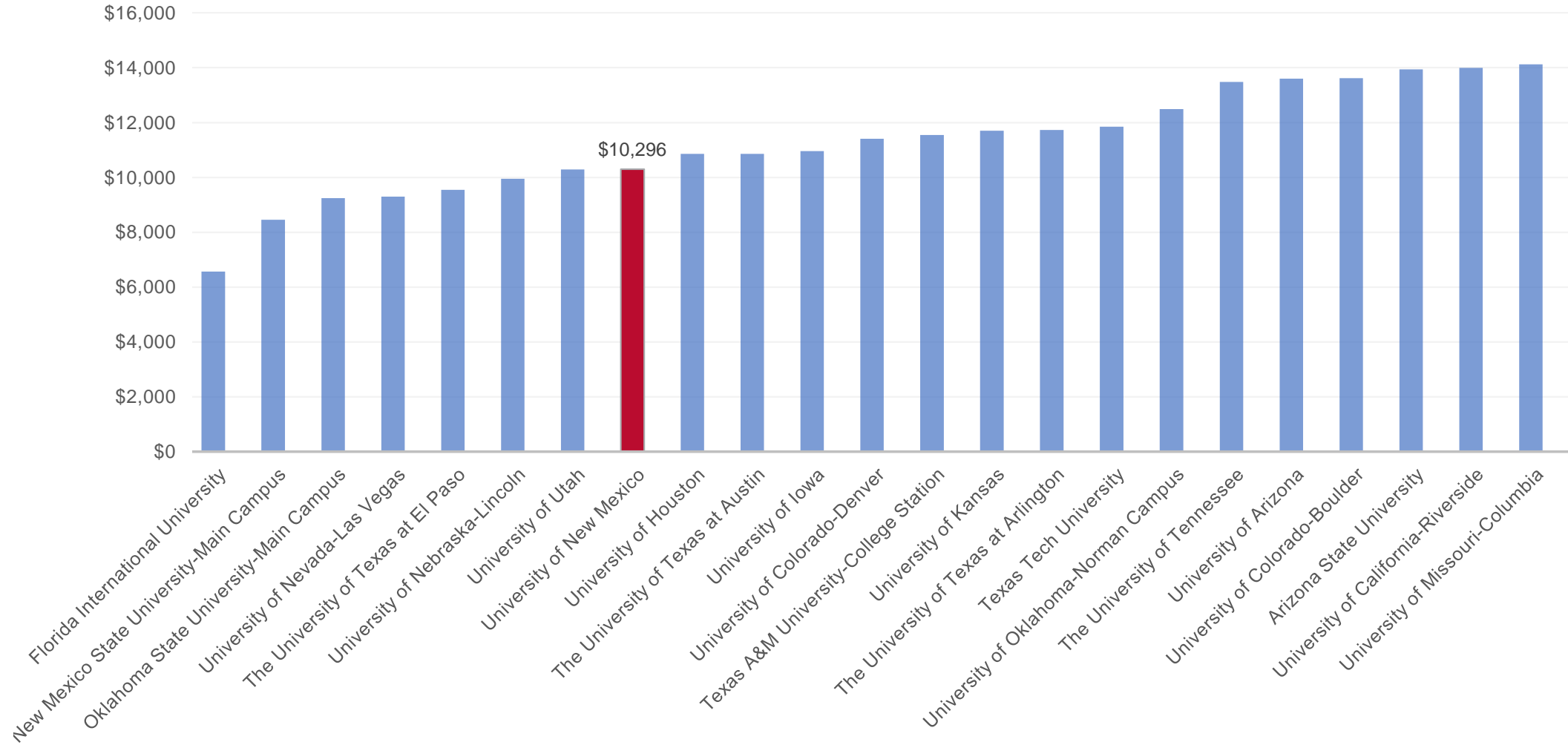
FIGURE CP-7 2023-24 Tuition and Fees at Flagship Universities and Five-Year Percentage Changes in Inflation-Adjusted In-State Tuition and Fees



Source: *CollegeBoard Trends in College Pricing and Student Aid 2023*



2023-24 Tuition and Fees at UNM Peer Institutions



NOTE: Prices include full-time undergraduate resident tuition and mandatory student fees



National Trends

TUITION INCREASES AT PEER INSTITUTIONS AND
EXAMPLES OF INSTITUTIONS INDEXING WITH HEPI

Other institutions are proposing tuition increases for 2024-25...

Arizona State University (Source: [The Arizona State Press](#))

- Residents will see a 1.5% increase
- Non-residents will see between a 3 - 4% increase
- Online students will see a 2% increase in tuition

University of Arizona (Source: [University of Arizona News](#))

- Proposed the following maximum annual tuition growth rates for academic years 2024-25 through 2028-29.
 - 3% for undergraduate and graduate resident tuition
 - 5% for academic fees, College of Medicine tuition, and College of Veterinary Medicine tuition

University of Colorado (Source: [CU Connections](#))

- CU Boulder are proposing an increase of either 3.0% or 4.0% for new, incoming undergraduate residents.
- CU Denver and UCCS, undergraduate resident tuition would increase either 2.0%, 2.5% or 4.0%.

Washington State University (Source: [WSU Insider](#))

- Approved a 3% increase in tuition for undergraduate and graduate students

University of Washington (Source: [UW Office of Planning & Budgeting](#))

- Resident undergraduate tuition increase for the upcoming 2024-25 academic year will be 3.0%

...and increasingly indexing with HEPI

NEVADA SYSTEM OF HIGHER EDUCATION

- Approved a Predictable Pricing Program, in which future registration fees and non-resident tuition are based on HEPI (for a four-year period)

Source: [NSHE Predictable Pricing Program](#)

THE UNIVERSITY OF TEXAS SYSTEM

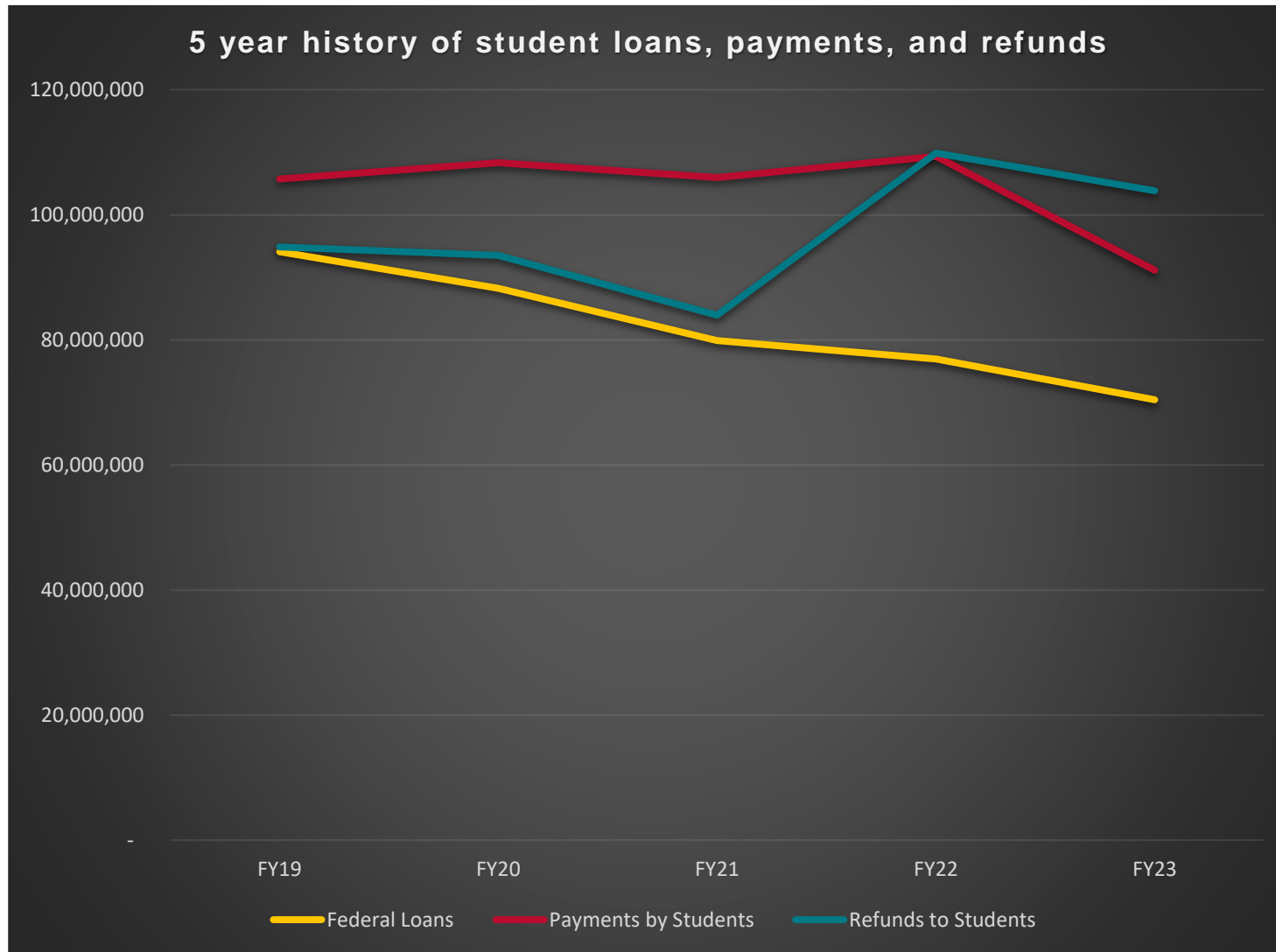
- Approved a cap on increases that did not exceed HEPI of 5.2% for FY2023-24

Source: [Austin American-Statesman](#)

Availability of need-based financial aid

AND CONSIDERATION OF AFFORDABILITY FOR STUDENTS

UNM Bursar data for all campuses and all students



Affordability

Over the last five years, data from the Bursar's office indicates the following trends:

- 1) Payments made by students are the lowest they've been in the last five years, a 14% decrease from FY19.
- 2) In FY23, refunds back to students, to cover living expenses, now exceeds payments made by students to UNM to cover institutional charges (including tuition & fees, housing, bookstore, and other misc. institutional charges)
- 3) Federal loans as a source for payment of institutional charges have decreased each of the last five years. This represents a 25% decrease in Federal Loans over the last 5 years.

Summary: The case for small incremental increases

Every year that we put forward a budget without a tuition rate increase, we continue to fall behind in maintaining our purchasing power and keeping up with inflationary cost increases, thereby providing a reduced quality education for our students.

The support received from the State and the investment our State continues to make in higher education, specifically scholarships and support for student costs, is so valued and appreciated. However, the new money in our I&G base, that isn't earmarked for a specific purpose, doesn't do enough on its own to maintain our purchasing power as an institution and doesn't allow us to keep up with very real cost increases and inflation.

We suggest small (no greater than HEPI) incremental tuition rate increases each year to avoid being forced to implement a tuition rate 'spike' down the road. These are necessary for our institution to keep up with inflationary cost increases, including critical investment in staff and faculty compensation, and to provide the best possible education to New Mexico students.

Tuition and Fee Proposal

	CURRENT						
	Tuition	Mandatory Student Fees*	ASUNM/GPSA Fee	SHAC Fee	Athletic Fee	Technology Fee	Total Current Tuition & Fees
Undergraduate							
UG / Year (Fall & Spring)	\$ 8,503.80	\$ 1,794.00	\$ 70.00	\$ 258.00	\$ 200.00	\$ 300.00	\$ 11,125.80
Graduate							
GR / Year (Fall & Spring)	\$ 8,382.72	\$ 1,616.64	\$ 50.00	\$ 258.00	\$ 200.00	\$ 300.00	\$ 10,807.36

	PROPOSED						
	Tuition (3% increase)	Mandatory Student Fees*	ASUNM/GPSA Fees**	SHAC Fee	Athletic Fee	Technology Fee	Total Proposed Tuition & Fees
Undergraduate							
UG / Year (Fall & Spring)	\$ 8,758.91	\$ 1,794.00	\$ 80.00	\$ 302.00	\$ 240.00	\$ 300.00	\$ 11,474.91
Graduate							
GR / Year (Fall & Spring)	\$ 8,634.20	\$ 1,616.64	\$ 80.00	\$ 302.00	\$ 240.00	\$ 300.00	\$ 11,172.84

*Includes the Facility Fee

**Per ASUNM constitution voted on by Regents, ASUNM fee would increase \$5 every 3 years

(Fall 2022 \$35, Fall 2025 \$40, Fall 2028 \$45, Fall 2031 \$50 max.)

- Total base tuition and fee increase for full-time undergraduate residents- **3.1%**
- Total base tuition and fee increase for full-time graduate residents- **3.4%**
Proposed total increases are less than
- Higher Education Price Index 2023-Mountain Region **4.5%**
- Consumer Price Index 2023- **6.3%**

	Proposed Increase Amount	% Increase
Undergraduate		
UG / Year (Fall & Spring)	\$ 349.11	3.1%
Graduate	\$ -	
GR / Year (Fall & Spring)	\$ 365.48	3.4%



It's important for us to consider the net price impact of a tuition and fee increase on students

Net Price Impact	% of Students	# of Students
T&F fully covered	67.2%	10,412
Increase between \$0- \$50 per semester	0.6%	87
Increase between \$50- \$100 per semester	0.5%	74
Increase between \$100- \$150 per semester	0.7%	109
Increase between \$150-\$175 per semester	31.1%	4,816

- *Approximately **69% of students** would pay less than \$100 extra per semester (67% shouldn't see an increase at all)- **1.8% or less increase***
- *Approximately **31% of students** would pay between \$100-\$175 extra per semester- **between 1.8% to 3.1% increase***

(1) Award amount would cover the tuition and fee proposed increase. Does not take into consideration increased costs associated with other cost of attendance factors (housing, books, etc.).

(2) Based on Fall 2023 undergraduate resident enrollments and no change in award amounts. Per semester calculation.

(3) Student award amounts vary. The average current award amount is \$5,933 per semester, which would cover approximately 103% of the proposed tuition and fees.

Notes About Financial Aid Packaging

- We use "equity packaging" for need-based aid awarding.
- It aims to treat all students “equitably” in the sense that it packages students similarly in terms of grant (free) aid offered that does not need to be repaid.
 - It is calculated as a percentage of their total cost of attendance after their family contribution is factored in.
- In 2021-22 UNM covered 45% of need; in 2022-23 it was 50%, for 2023-24 and 2024-25 we cover 70%.

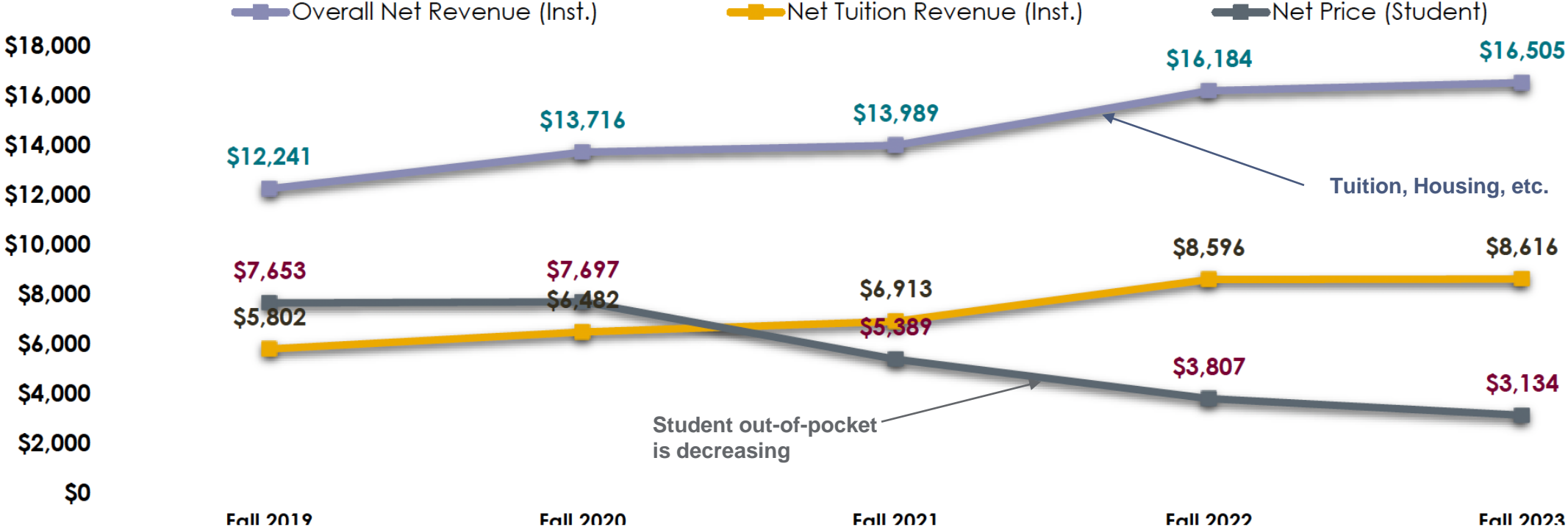
Pell Grant Changes

- The U.S. Department of Education is changing their need formula from EFC (Expected Family Contribution) to SAI (Student Aid Index) for the 2024-25 and onward.
- We modeled how many students out of the Fall 2023 class that were full and partial Pell under the EFC formula would change for Fall 2024 under the new SAI formula.
 - Full Pell awards go from 26% of the class to 41% of the class. Pell eligibility, in general, increases from 48% to 55% of students.
 - This means a lot more students at all undergraduate levels in Fall 24 should receive full/partial Pell (up to approximately \$7,400 per year) as long as they complete a FAFSA.

Net Revenue and Net Price

Average out-of-pocket this year is only \$3,134

University of New Mexico Total First-Year Students
Overall Net Revenue, Net Tuition Revenue, and Net Price



Compensation Recommendation from BLT

FOR FY2024-25 BUDGET

Voting Recommendation – Compensation

We are recommending that the Board of Regents approve the following:

Main Campus, Health Sciences, and Branch Campuses:

- Across-the-board salary increase of 3% for faculty and staff (in line with HB2 compensation appropriations)
- Move the salary tiers for UNM Employer/Employee health insurance contributions up an additional \$10K for FY25 as follows:

Proposed Salary Tiers

Employee Salary	UNM Contribution	Employee Contribution	# of Employees Enrolled in Medical Coverage Current Salaries
\$54,999 or less	80%	20%	1522
\$55,000-\$69,999	70%	30%	1301
\$70,000 and greater	60%	40%	3137

- UNM Health Sciences to discuss compensation recommendation for School of Medicine Faculty

Tuition and Fee Recommendations from BLT

FOR FY2024-25 BUDGET

Voting Recommendations – Tuition and Fees

We are recommending that the Board of Regents approve the following:

Albuquerque Campus:

- 3% base tuition increase (with 10% set aside for financial aid) for undergraduate and graduate (resident and non-resident)
 - Excludes SOM MD and CON RN to BSN
- No Mandatory Student Fee Increase for FY25
- GPSA Fee - \$15 increase to take current rate from \$25 per semester to \$40 per semester (assuming this is approved in the GPSA vote)
- Athletics Fee - \$20 increase in FY25 from \$100 per semester to \$120 per semester (and remove \$67 summer fee)
- SHAC Fee - \$22 increase in FY25 from \$129 per semester to \$151 per semester (year 2 of fee proposal presented last year)

Branch Campuses:

- No increase in tuition and fees for FY25

Voting Recommendations – Differential Tuition

We are also recommending that the Board of Regents approve the following:

Master of Science in Anesthesia (MSA) Tuition Proposal:

- To create a flat tuition rate for the new program, which received final approval from the State's Board of Finance to launch.
- Flat rate for the program is as follows: \$98,476 for residents and \$125,481 for non-residents.

School of Engineering (SOE):

- Increase the existing tuition differential by \$15 from \$15.80 to \$30.80 per credit hour for both residents and non-residents.

Ramifications for the Core Fund

Tuition Rate Scenarios (and impact on funding requests)

MUST FUNDS

Tuition Revenue - 1%	Rate	GATA Waivers	Financial Aid	Net Revenue to Core Fund
1,401,520	1%	42,046	140,152	1,219,322
2,803,040	2%	84,091	280,304	2,438,645
4,204,560	3%	126,137	420,456	3,657,967
5,606,079	4%	168,182	560,608	4,877,289
7,007,599	5%	210,228	700,760	6,096,611

-62.73%	w/ no tuition rate increase	Additional Revenue Generated		
		2,438,645	3,657,967	4,877,289
		w/ Tuition Increase of		

FY25 - Original Recurring Requests Presented to BLT	Reduction to VP Requests Required	FY25 - Total Adjusted Recurring Requests	w/ Tuition Increase of			
			2%	3%	4%	
Academic Affairs	11,276,000	(7,073,533)	4,202,467	1,197,722	1,796,583	2,395,444
<i>Critical Commitments</i>	3,291,000					
<i>Other Faculty Lines Requested</i>	2,133,000					
<i>Staff Support and GA Positions</i>	5,852,000					
Finance and Administration	8,970,808	(5,627,466)	3,343,342	952,867	1,429,301	1,905,735
<i>Staff Recruitment / Retention Initiatives</i>	3,731,437					
<i>Software / System Support Costs</i>	3,291,208					
<i>Operating Budget Alignment and Backfill</i>	1,547,876					
<i>Campus Safety</i>	400,287					
President's Units	2,711,907	(1,701,203)	1,010,704	288,055	432,083	576,110
<i>Competitive Athletic Budgeting (I&G support)</i>	1,837,666					
<i>President's Administrative & Regulatory</i>	338,880					
<i>Additional Personnel Support</i>	535,361					
Total Requests	22,958,715	(14,402,201)	8,556,514	2,438,645	3,657,967	4,877,289
			37.3%	10,995,159	12,214,481	13,433,803
				47.9%		58.5%
					53.2%	



Tuition Scenarios for Main Campus Core Fund

I&G Budget Scenario - Main Campus Core Fund		
Category	FY 2024 Forecast	% Change from Orig Budget
I&G Revenues:		
State Appropriations (FY 2024 Base)	243,618,700	0.0%
FY 2024 RPSP Rollup Adj.		
State Appropriations (FY 2024 Adjusted Base)		
FY25 State Appropriation Changes (per HB2)		
Total Formula Funding (1.5% new money)		
Non-Formula Adjustments:		
Student Support		
Faculty Compensation		
Graduate Assistant Salary		
Grand Total FY25 I&G Base - UNM, Main Campus		
FY25 Comp & Benefits - HB2 Section 8 (3% for nonstudent staff and faculty)		
FY25 Comp & Benefits - HB2 Section 8 (.4% for employer portion health insurance increases)		
Total State Appropriations (w/ Compensation)		
Tuition Revenue	140,152,087	7.2%
Other Revenue/Net Transfers Out	(15,364,459)	-17.7%
Total I&G Revenues	368,406,328	3.6%
I&G Expenses:		
Base Allocation to Units	355,667,894	0.0%
FY24 unfunded BLT requests (one-time)	3,458,346	1.0%
FY24 RPSP Base I&G Rollup		
New Beginning Base Allocation to Units		
Employee Compensation @ 3% (I&G Only)		
Allocations of Non-Formula Adjustments (Funded by State)		
Must Fund Expenses (Unfunded)		
NEW Recurring Funding Requests		
Total I&G Expense	359,126,240	1.0%
I&G Surplus (Deficit)	9,280,088	

One-time surplus

FY 25 Tuition Scenarios			
FY 2025 Scenario 0% Tuition	FY 2025 Scenario 2% Tuition	FY 2025 Scenario 3% Tuition	FY 2025 Scenario 4% Tuition
243,618,700	243,618,700	243,618,700	243,618,700
3,884,700	3,884,700	3,884,700	3,884,700
247,503,400	247,503,400	247,503,400	247,503,400
3,964,500	3,964,500	3,964,500	3,964,500
933,700	933,700	933,700	933,700
2,178,500	2,178,500	2,178,500	2,178,500
998,400	998,400	998,400	998,400
255,578,500	255,578,500	255,578,500	255,578,500
7,950,900	7,950,900	7,950,900	7,950,900
1,113,100	1,113,100	1,113,100	1,113,100
264,642,500	264,642,500	264,642,500	264,642,500
140,152,087	142,955,127	144,356,647	145,758,166
(15,765,026)	(16,129,421)	(16,311,619)	(16,493,817)
389,029,561	391,468,205	392,687,528	393,906,850
355,667,894	355,667,894	355,667,894	355,667,894
3,458,346	3,458,346	3,458,346	3,458,346
3,884,700	3,884,700	3,884,700	3,884,700
363,010,940	363,010,940	363,010,940	363,010,940
8,642,443	8,642,443	8,642,443	8,642,443
4,110,600	4,110,600	4,110,600	4,110,600
4,709,064	4,709,064	4,709,064	4,709,064
8,556,514	10,995,159	12,214,481	13,433,803
389,029,561	391,468,206	392,687,528	393,906,850
(0)	(0)	(0)	(0)





Thank you!





THE UNIVERSITY OF
NEW MEXICO®

Health Sciences

Committee of the Whole
Wednesday March , 2024

Budget Planning FY 2025

March 6, 2024



Rebecca Napier
Vice President for
Finance & Administration

UNM HSC Academic Enterprise

FY 2025 – Financial Assumptions

Revenues

- Health Sciences FY25 I&G increase : \$3,509,500
 - \$1,241,100 General I&G increase of 1.5%
 - \$602,400 RPSPs moved into I&G line
 - \$581,500 Tobacco settlement funding replaced with I&G
 - \$1,000,000 Targeted School of Medicine faculty compensation
 - \$84,600 Targeted Graduate Assistant compensation
- Health Sciences FY25 RPSP increases : \$7,925,200
 - Nurse Practitioner Education
 - Hepatitis Community Health Outcomes (Project ECHO)
 - Cancer Center
- HSC Tuition Increase 3% : \$398,046
 - Excludes SOM MD & CON RN to BSN

**Complete Legislative funding in Appendix*

HSC Legislative Funding

FY 2025 - Other

Special and Additional Supplemental Recommendations

- OMI to purchase and replace equipment: \$3,465,100
- Health Sciences Learning Environment Office(LEO): \$1,725,000
- Children's Psych Hospital (opioid use disorder): \$10,000
- ECHO Training & Consultation on Opioid Treatment: \$50,000
- School of Public Health FY25: \$1,500,000
- School of Public Health FY26: \$5,200,000
- School of Public Health FY27: \$4,800,000

HSC Legislative Funding

FY 2025 – Capital

SB275 – Capital Outlay

• Health Sciences Research Center:	\$50,000
• Health Sciences Student Success Center:	\$170,000
• New Mexico Medical Sciences Laboratory:	\$10,000
• North Campus Child Care Center:	\$50,000
• Physical Therapy Program:	\$250,000
• UNM Comprehensive Cancer Center Phase 3:	<u>\$15,000,000</u>
TOTAL	<u>\$15,530,000</u>

HB308 – GO Bonds

• College of Pharmacy renovation:	\$35,000,000
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UNM HSC Academic Enterprise

FY 2025 – Financial Assumptions

Expenses

- Salary increases for HSC Faculty and Staff – 3% in preliminary budget
- UNM Employee Health Plan increase – 16.4%
- Utilities increase - 3%
- School of Medicine – (2.5%) Performance Improvement Initiative
- Ongoing Strategic Plan Initiatives
- Capital Construction Projects progressing

UNM Hospitals (Lomas and SRMC)

FY 2025 – Financial Assumptions

Revenues

- Inpatient access
 - Inpatient volumes to remain at licensed capacity
 - Discharges to increase with the hospital initiatives around LOS reduction
 - Case mix index to remain consistent with FY24
- Ambulatory access
 - Primary Care remain consistent to FY24
 - Specialty Care Clinics are projecting 1% decline
 - Provider losses are driving factor across the clinics
- Surgeries are also expected to hold consistent to FY24
- Chargemaster increases – targeted areas

UNM Hospitals (Lomas and SRMC)

FY 2025 – Financial Assumptions

Expenses

- Compensation and Benefits
 - Pay increase from January reflected
 - FTEs in alignment with volume changes
 - Health Insurance increases in line with prior year
 - Contract Labor expected to continue
- House Staff
 - Expansion of programs and residents in psychiatry, pediatrics, dermatology, physical medicine & rehab (PM&R), surgery
- Supplies 2% overall increase
- Equipment ongoing renovations & repairs of existing facilities

UNM Medical Group

FY 2025 – Financial Assumptions

Revenues

- Volume growth of 1.5% over FY24 Forecast
 - wRVU's and Arrivals commensurate with that
- Total Revenue growth of 2.5%
 - Upper Payment Limit (MCO and FFS) expected to remain flat

Expenses

- Overall 1.5% increase in expenses
 - Includes an annual increase to salaries of 3%

HSC Tuition & Fee Increases

We recommend that the Board of Regents approve:

Tuition Increases:

- 3% base tuition increase
 - Excluding SOM MD & CON RN to BSN
- Master of Science in Anesthesia (MSA) Tuition Proposal
 - To create a flat tuition rate for the new program, which received final approval from the State's Board of Finance to launch.
 - Flat rate for the program is as follows:
\$98,476 for residents and \$125,481 for non-residents.

Fee Increases:

- Athletics Fee - \$20 increase in FY25 from \$100 to \$120 per semester
- SHAC Fee - \$22 increase in FY25 from \$129 to \$151 per semester
- GPSA Fee - \$15 increase in FY25 from \$25 to \$40 per semester

HSC Compensation Increases

We are also recommending that the Board of Regents approve the following:

- Across-the-board salary increase of 3% for faculty and staff (in line with HB2 compensation appropriations)
- School of Medicine Faculty: Average 3% compensation increase

UNM HSC Academic Enterprise

FY 2025 Faculty & Staff 3% Salary Increase plus Fringe

All HSC Unrestricted	School of Medicine	College of Nursing	College of Pharmacy	College of Population Health	HSC VP Research and HSLIC	VP HSC Admin	Total HSC
Grouping	3% w Fringe	3% w Fringe	3% w Fringe	3% w Fringe	3% w Fringe	3% w Fringe	3% w Fringe
Faculty	8,530,335	266,706	179,010	61,410	30,660	443,754 \$	9,511,875
Staff	2,968,725	183,636	133,584	25,821	146,610	1,111,350 \$	4,569,726
Grand Total	11,499,060	450,342	312,594	87,231	177,270	1,555,104 \$	14,081,601
State new comp funding	*3,326,615	306,141	287,777	79,048	57,634	725,917 \$	4,783,131
Shortfall	(8,172,445)	(141,201)	(24,817)	(8,183)	(119,636)	(829,187)	(\$9,298,470)

**Includes \$1 million for targeted faculty increases*

Timing of Budget Cycle

- 1/16/2024 - New Mexico Legislative session begins
- 2/15/2024 - New Mexico Legislative session ends
- Feb – March - HSC Mid-Year Budget reviews/ Refine next Fiscal Year needs
- 3/6/2024 - Governor Veto Deadline
- 3/6/2024 - HSC Tuition, Fee and Comp proposal to HSC Regents Committee
- 3/11/2024 - HSC Budget Development system opens for budgeting detail
- 3/14/2024 - Full Board of Regents - HSC Tuition, Fee and Comp proposal
- 4/19/2024 - HSC Budget Development system locks
- 5/1/2024 - Submit FY24 Revised and FY25 Budget to HED
- 5/9/2024 - Request approval of FY24 Revised Budget and FY25 Budget from the Full Board of Regents

Questions ?



UNM Health Sciences Center

FY25 General Fund Recurring

Health Sciences (detail listed primarily in HB2 order, numbers in thousands)	FY24 Budget	FINAL (excl Comp/Benefits)		
		Total	\$ Change	% Change
Health Sciences I&G	82,735.7	86,245.2	3,509.5	4.2%
ENLACE (Statewide Collab \$813.4, College Prep Mentoring \$105.1, Los Companeros \$53.7)	972.2	972.2	-	0.0%
Comprehensive Movement Disorders	416.5	416.5	-	0.0%
Office of Medical Investigator - Grief Services Program	322.6	322.6	-	0.0%
Physician Assistant - <i>PA/Grad Nurse Ed line split</i>	653.0	653.0	-	0.0%
Graduate Nurse Practitioner Education	3,650.1	4,824.2	1,174.1	32.2%
Undergraduate Nurse Expansion	951.6	951.6	-	0.0%
Undergraduate Nurse Education -- NEW FY24	1,174.1	1,500.0	325.9	27.8%
Child Abuse Evaluation Center (Legis Add)	155.2	155.2	-	0.0%
Native American Health Center	324.4	324.4	-	0.0%
Native American Suicide Prevention	93.6	93.6	-	0.0%
Office of Medical Investigator	10,305.4	10,305.4	-	0.0%
Children's Psychiatric Hospital	10,444.0	10,444.0	-	0.0%
Carrie Tingley Hospital	8,313.9	8,313.9	-	0.0%
Newborn Intensive Care	3,408.7	3,408.7	-	0.0%
Cancer Center	6,682.2	7,932.2	1,250.0	18.7%
Hepatitis Community Health Outcomes (Project ECHO)	6,764.4	9,764.4	3,000.0	44.3%
Graduate Medical Education/residencies	2,368.7	2,368.7	-	0.0%
Special Needs Dental		500.0	500.0	100.0%
Pediatric Oncology - <i>shift from TSF to GF</i>	1,329.1	1,579.1	250.0	18.8%
Poison and Drug Information Center - <i>shift from TSF to GF</i>	2,020.3	2,610.5	590.2	29.2%
Genomics, biocomputing, and environmental health research - <i>shift from TSF to GF</i>		937.4	937.4	100.0%
Specialty Education, Trauma - <i>shift from TSF to GF</i>		250.0	250.0	100.0%
Specialty Education, Pediatrics - <i>shift from TSF to GF</i>		250.0	250.0	100.0%
Rural and Urban Underserved program - <i>roll to I&G line item</i>	200.0	-	(200.0)	-100.0%
Minority Student Services (Legis Add) - <i>roll to I&G line item</i>	166.8	-	(166.8)	-100.0%
Office of Diversity Equity and Inclusion(\$125K Comm to Career & \$50.6K ENLACE student support) - <i>roll to I&G line item</i>	175.6	-	(175.6)	-100.0%
CNAH - Native American Student success - <i>roll to I&G line item</i>	60.0	-	(60.0)	-100.0%
Total RPSPs	60,550.0	68,877.6	8,327.6	13.8%
Total GF Recurring HSC	143,285.7	155,122.8	11,837.1	8.3%

UNM Health Sciences Center

FY25 Opioid Settlement Recurring				
Health Sciences (numbers in thousands)	FY24 Budget	FINAL		
		Total	\$ Change	% Change
Children's Psych Hospital	1,000.0	1,000.0	-	0.0%
ECHO	800.0	800.0	-	0.0%
Total TSF	1,800.0	1,800.0	0.0	0.0%

FY25 Government Results & Opportunity (GRO)	
Health Sciences (numbers in thousands)	Total
Cerebral Cavernous Angioma	420.0
ENLACE Government Training & Minority Student Services	800.0
Health Sciences Student Support	200.0
OfDEI Spanish Curriculum	200.0
Psychedelic Assisted Therapies	200.0
Nanoscience & Nanomedicine lab for cancer research	160.0
Total GRO	1,980.0