

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico
May 13, 2016
Hodgin Hall, Bobo Room**

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Ryan Berryman; Bradley C. Hosmer

Members absent

Jack Fortner, Suzanne Quillen

Administration present

Robert G. Frank, President; David Harris, EVP of Administration, COO, CFO; Josephine 'Jozi' De Leon, VP Equity & Inclusion; Elsa Cole, University Counsel; Dorothy Anderson, VP HR; Paul Krebs, VP Athletics; Steve McKernan, CEO UNM Hospitals; Liz Metzger, University Controller; Helen Gonzales, Chief Compliance Officer; Amy Wohlert, President's Chief of Staff

Regents' Advisors present

Ann Rhoades, Alumni Association; Jenna Hagengruber, ASUNM; Texanna Martin, GPSA; Crystal Davis, Staff Council; Stefan Posse, Faculty Senate

Presenters in attendance

Jacklyn Asamoah, Student, Junior in Medical Laboratory Sciences; Dakarai McCoy, Graduating Senior in Electrical Engineering; Norma Allen, Associate Director for University Budget Operations; Vahid Staples, Budget Officer; Ella Watt, Chief Financial Officer, UNM Hospitals; Chris Muirhead, Modrall Sperling; Beverly Kloeppel, M.D., Exec. Director, Student Health and Counseling (SHAC); Paul Krebs, VP Athletics

Others in attendance

Members of the administration, faculty, staff, students, the media and others.

CONFIRMATION OF PRIOR SPECIAL MEETINGS IN EXECUTIVE SESSION

The Board of Regents met in closed session on May 4, 2016 from 12:03 to 1:08 PM in the President's Conference Room 141 of Scholes Hall on Main Campus. The meeting was held in closed session under the following Open Meeting Act (NMSA 1978) exception: discussion of threatened litigation, as permitted by Sections 10-15-1H(7). Members present in person: Ryan Berryman, Robert Doughty, Marron Lee, Bradley Hosmer. Regents Suzanne Quillen and Jack Fortner joined the meeting telephonically. University Counsel and President Robert Frank were also present. The matters discussed were limited to those specified in the notice and agenda for the meeting, and there were no matters upon which action was taken.

The Board of Regents met in closed session on May 13, 2016 from 7:52 to 8:52 AM in the 'Library' in Hodgin Hall on Main Campus. The meeting was held in closed session under the following Open Meeting Act (NMSA 1978) exceptions: discussion of threatened litigation, as permitted by Sections 10-15-1H(7) and discussion of personally identifiable information about an individual student, as permitted by 10-15-1H(4). Members present: Bradley Hosmer, Ryan Berryman, Marron Lee and Robert Doughty. Members absent: Suzanne Quillen and Jack Fortner. University Counsel was present. The matters discussed were limited to those specified in the notice and agenda for the meeting. **The Regents voted unanimously to deny the appeal of a February 25, 2016 Letter of Determination issued by the OEO.**

CALL TO ORDER, CONFIRMATION OF A QUORUM AND APPROVAL OF THE AGENDA

Regent President Robert Doughty called the May 13, 2016 regular meeting of the Board of Regents to order at 9:05 AM. A quorum was confirmed. Before approval of the agenda, two amendments to the agenda were put forth by Student Regent Ryan Berryman: 1) Move Agenda Item VII, "Approval of Degree Candidates" to immediately after Item II, Approval of Minutes, and 2) Rename Agenda Item VI.a. "Athletic Department Student Fee Adjustment" to "Athletic Department Fee Supplement". The first amendment was made due to people needing to attend graduation events happening in the morning. The second amendment was made because there was concern the title of the action could be misleading, as there were no fee adjustments to Student Fee Review Board (SFRB) recommendations that Regents accepted at the March 22 Budget Summit.

The motion to approve the agenda as modified passed by a unanimous vote with a quorum of Regents present and voting (1st Berryman; 2nd Lee).

APPROVAL OF MINUTES

Regent Doughty asked for a motion to approve the minutes of the April 8, 2016 regular meeting.

The motion to approve the minutes of the April 8, 2016 regular meeting passed by a unanimous vote (1st Lee; 2nd Hosmer).

APPROVAL OF DEGREE CANDIDATES

Nancy Ridenour, Dean of the College of Nursing, presented the Health Sciences degree candidates for approval. Stefan Posse, the President of the Faculty Senate, presented the full list of Spring 2016 degree candidates.

The motion to approve the list of the Health Sciences Center Spring 2016 degree candidates passed by a unanimous vote (1st Hosmer; 2nd Lee).

The motion to approve the comprehensive list of Spring 2016 degree candidates as presented by the Faculty Senate President passed by a unanimous vote (1st Hosmer; 2nd Lee).

THE PRESIDENT'S ADMINISTRATIVE REPORT

President Robert Frank provided his administrative report to the Board of Regents. There are 3800 students graduating from various colleges, and the graduation events have already begun. The American Indian Graduation was the night prior and those graduating students wore their tribal attire, the variance of dress was beautiful and it was a great event organized by Pam Agoyo, Director of Ethnic Student Services. President Frank, Regent Hosmer, and Student Regent Berryman were in attendance.

President Frank had the honor of addressing the Albuquerque Economic Forum and the business community of Albuquerque. His first address to the Albuquerque Economic Forum was a few months into his Presidency and at the time he did not know many people. This time he knew most people in attendance, and during the event he realized how much progress the University has made and the challenges and opportunities it has had as an organization. One aspect President Frank stressed to the community was that for the past 500 years, universities have not changed much from the German Research University models. But in recent years, perhaps the last 10 years, Universities have begun to change a great deal. At the forum, President Frank spoke about the issues facing UNM today, issues involved with educating non-traditional students and traditional students, how the University responds in this social media age, and the demands of society.

Currently, Native American students have asked the University to think about its seal. Two images were displayed of UNM seals, one seal was adopted in 1969 and has two figures on it (a frontiersman and a conquistador) which were certainly two influences in New Mexico; however, there are many other influences that are not represented in the seal. The original seal was displayed and adopted in 1908 with a different image. Kevin Washburn, former Dean of the School of Law, who served as Assistant Secretary of American Indian Affairs, participated with UNM leadership and members of the Kiva Club in a dialogue for several hours regarding the concerns raised over what the seal represents, as well as other issues on campus. It was an educational experience and President Frank said he learned a great deal. They would like to have more conversations on the concerns the seal raises. President Frank invited Vice President for Equity and Inclusion, Josephine 'Jozi' De Leon, to speak about the process for creating dialogue surrounding the seal.

VP De Leon stated that recently there was very instructive dialogue. Given the fact that it is the end of the semester, they did not have the kind of turn out they had expected, but there were quite a few students who were willing not only to speak, but were able to provide written comment that is going to be helpful in framing the conversation. The University of New Mexico is not the only university that has been faced with looking at symbols and other campus imagery that is problematic or represents a problematic past. In fact, as we look at other institutions that have had similar issues, Harvard, Yale, University of Mississippi, are among them, and what is really telling is how a university responds to those situations and whether or not they respond in a fashion that demonstrates that they care about the issue, and the University of New Mexico has really been responsive. The Kiva Club first had a call to action on April 29th, and on May 5th they spoke before the Regents' Academic/Student Affairs and Research Committee. On May 9th, a group of individuals convened under the direction of the President and Provost to discuss a further plan of action. We gathered a group of folks that have been dealing with these issues for a long time that could provide some well-guided insight into what the next steps might be in addressing the concerns raised by the Kiva Club and Red Nation. President Frank met with the Kiva Club students yesterday and we hosted the forum. We want to have additional conversation that is going to be inclusive and involve a large range of individuals. The plan is over the summer we will engage constituents that will be available, staff, alumni, and other folks from the community, and take that information and begin to analyze the input. In August, we will have another forum that will involve the students and faculty that are back on campus. As we move along, we will analyze and reflect on the information that is being provided so that we may begin to develop a plan. It is not just about having a conversation, but it is how we take input that we're receiving and provide programming that addresses the issues that emerge. Over the summer and through August, the planning group that has been convened will have bi-weekly meetings to discuss that programming. We are thinking the programming will involve a number of conversations about race, colonization, social justice and will involve a number of activities. This is an opportunity for everyone on campus to not only

engage in the dialogue, but to learn. We saw an example of this when the students expressed their perspectives, it was a teaching moment for all of us as they express their views. Between early fall to end of semester we will gather the administrative group, collate community input in a report that we will submit to the President and Provost, along with some recommendations for their consideration. That is the plan and I am happy to answer questions. Dr. Virginia Sharif has been working closely with VP De Leon on the issue.

Regent Berryman inquired if there was any method to engage alumni on the issue. VP De Leon responded that over the summer they hope to engage the alumni. Some are on campus now. They want to have small intimate discussions with alumni as she feels that would work best as opposed to having any kind of forum. VP De Leon will be communicating with the Alumni Association to find out what might be the best strategy.

Regent Hosmer inquired if the process that VP De Leon just described would be issued in a form of a formal document. President Frank responded that they will release a formal plan and commented that when he spoke with Pam Agoyo and students yesterday, one of the things that became very apparent that President Frank had previously not been aware of was that last year's students passed a resolution on the seal, and each year before the Kiva Club has raised their concern about the seal.

PUBLIC COMMENT

- Major General Melvin Montaño, USAF (ret.), and Former Adjutant General, New Mexico National Guard: From overhearing what you just said maybe what I have to say needs to be done with forums, but I'd like to ask a couple of questions right off the bat and that is the seal has changed, as I can tell from sitting here, three times. How often is this seal going to change? When everyone gets a wild hair? Or is it going to be subject to the precepts of the school, history of the school and how it was established? From doing some research at the Southwest Research Center, I found out that the seal was actually designed by a non-Hispanic, non-Native American; and incorporated in the seal, from what I can tell, the Frontiersman, which of course, they did come here during the early days, the Conquistador, and above the seal is a Native American rendition of a roadrunner. So the three ethnic groups are covered in some form or fashion. Now, what I'd like to say about the Conquistador, you got to think in the vernaculars of the times, 1400s and 1500s. Conquistadors were considered conquerors of territories, not conquerors of people. They dressed up in the garb they had because they didn't know what they were going to encounter wherever they went exploring. There is a movie out called '1492 Conquest of Paradise', it is about Christopher Columbus. He did not come over with a huge force of people to kill. So we want to get this genocide thing put aside because that isn't the case when they came over here. I will give you a good example that comes to my mind right now and is continuing to date. I am not sure how many of you have been to Vatican City and seen the Swiss garb. They are dressed up in the same garb that the Conquistadors are dressed up in, except the colors are different. They have the Morion Helmet which is the helmet that wards off blows to the head by swords. They have spears and have swords with them, and they are there every day. Their duty is not to keep non-Christians out of the Vatican City, they're there for security and that is what the Conquistador came over here to do. It was to secure the area because the first people that entered here in 1598 was Don Juan De Oñate and they weren't professional soldiers, they came here to colonize. They were colonizers and they dressed up in the garb because they didn't know what they were going to encounter, and then later on yes, there were encounters. It was not a mission that was supposed to happen. My last point I want to make is that Juan De Oñate's wife is either the granddaughter or great-granddaughter of Montezuma. So there was a Native American influence in the colonization as well. I will conclude with that, I know there is more to talk about, but we are limited for time. Thank you.

Regent Doughty thanked General Montaño for his time and stated there will be more discussions in the future.

- Elmer Maestas, MA/UNM, USN/30-yrs Vet. Master Chief, Ret., 10th Generation New Mexican, Author: Good morning, I am Elmer Maestas, thank you for having this open forum. It gives us a chance to present our views. The Hispanic and Spanish cultures have been lost through the years because they don't teach it in our high schools anymore. The high school teaching of New Mexico history starts with the statehood period. There is very little, so we don't have many things left because our own children aren't learning Hispanic culture. I am Elmer Maestas, a proud Hispanic resident of New Mexico. I am a tenth generation New Mexican. My great ancestor Juan Maestas de Peralta came to New Mexico in Santa Fe in 1656. I am a 30-year military veteran like General Montaño. I retired as a Master Chief, US Navy, and I have one quarter Native American blood. I am also a graduate of UNM, graduating from here with a Master's degree and I have a lot of pride in the University of New Mexico and its seal until this issue came up. Some of us weren't aware that it was, I hate to use the term "genocide" because I don't agree with it, but some people agree that it is racist and represents genocide. I don't believe that. I am proud of the University and its inclusiveness in what it stands for. However, I do favor, if there is going to be any change in the seal, I do favor change that still has the Frontiersman, the, like General Montaño said, there's a lot of misconception about the Conquistador. Maybe a Conquistador holding his helmet, a Frontiersman holding his hat, with a Native American in the middle, holding hands, clasping hands with one hand raised up looking toward the future.

Right now we are looking backwards, when you bring these issues up it is looking backwards. But looking backwards, I did write a book about New Mexico's history. I did a five-year research and found out a lot of things about New Mexico's history that are not taught in our schools. Let me just read one thing about, I am quoting from one of our renowned New Mexico historians, Dr. Mark Simmons: "At the time the Europeans, like Indians, tended to go where they pleased. In truth, all history is filled with storm of islands, both in the old world and the new. The Iroquois exterminated the Erie. The Comanche exterminated the Lipan Apache. Pecos destroyed neighboring Native American villages. A Tiwa Pueblo Indian once told Oñate that he was glad the Spanish had come to impose peace on warring villages. New Mexico at the time of its European founding was a very dangerous place, with dangerous conditions for survival and they were horrifying. A 16th Century soldier could not be expected to perform as a 20th Century man with modern sensibilities. And Native American's likewise could not be held accountable because some tribes culturally approved of torture and mutilation of captives." There are some examples of that in the book I wrote. I would like to quote for a Native American Historian, who I am quoting for is a Native American Historian Joe Sando, he said, "despite their tribulations, the pueblos are fortunate that it was the Spanish who came to this area because the Pueblo people were granted full citizenship rights to their lands and were included in the Guadalupe Treaty, and the Pueblos are still living where the Spanish invaders found them. While other Indian tribes, which met the English, French and Russian Invaders, were moved to much less desirable areas and lost much of their language and religion. Thank you.

Regent Doughty thanked Mr. Maestas for his time and stated there will be more discussions in the future.

- Daniel Antonio Herrera: Buenos Dias, Yo, me llamo Daniel Antonio Herrera, y yo era el Presidente de la Merced Del Pueblo de Manzano. For those of you who don't know the home and official language of New Mexico, which is Spanish, and English which also is a great language, a good tool to know. But it is our language and it should be taught in all schools, especially at UNM. It reminds me of when I went to UNM in the mid to late 70s, I would walk by Ortega Hall and it would have the four languages and Spanish and the Native languages were considered foreign. How dare UNM do that to us? Those are native languages, and by the way we're the majority here. We were the majority then, we're the majority now and our numbers are increasing. This is what I say, my great-great grandmother was a Taos Indian, my great-grandmother was Mescalero Apache, and I was raised Spanish from La Merced Del Pueblo de Manzano. All of the Pueblos and all of the Mercedes have the same designation, which is the legal designation through the Spanish and Mexican period, La Merced Del Pueblo De Sandia, La Merced...and on and on and on. The reason I am here is to try and help you all and educate you all - and by the way, I graduated in 1980 "GO LOBOS" - to try and educate you on our past. And also to try and stop the forces that are to stop stealing our identity, just like Bernalillo County stole our identity when it came to the seal. And again, the seal had the Spanish Cross and they took it away. I've seen in different forms, they would have a group of cows, or a group of sheep, but those represented Los Mercedes Del Pueblo. And by the way some of those are what you call is Indian and what we call is "our people". We all, well not all because there are some that have strictly Spanish blood in them, but most of us have Native American blood. So I too agree with Elmer that if we change it, that it represents the triad, of the Anglo presence - the American presence, and the Native American presence and the Spanish, which in our case is the Conquistador.

Regent Hosmer requested for the minutes of the meeting, the presentation by VP De Leon and those who provided public comment be in full transcription, not in summary. Regent Doughty agreed and commented he was glad to hear from those who spoke. Everyone should be heard. It is important, and he looks forward to the future conversations.

ADOPTION OF RESOLUTION: REGARDING SHARED GOVERNANCE AT THE UNIVERSITY OF NEW MEXICO

Regent Rob Doughty introduced the item and made a clarification that a slightly revised version to the draft included in the agenda eBook was on the table for approval. The revision version excluded the last phrase of paragraph eight. The Board of Regents voted and approved the final version of the resolution (Exhibit A).

The motion to approve the Resolution on Shared Governance at the University of New Mexico passed by a unanimous vote (1st Lee; 2nd Berryman).

BLACK STUDENT ALLIANCE (BSA) (information item)

Regent President Doughty introduced the information item. Regent Doughty recently attended a town hall where he had the opportunity meet students and he agreed to have members of the Black Student Alliance speak to the Regents about their organization. It's a good idea to hear from some of organizations on campus, a five minute presentation to discuss what the organization does. This will be added to the agenda throughout the year. These organizations should work through the student governments to get on the agenda; not related to grievances, but to give information about the organization.

Dakarai McCoy is a graduating senior in Electrical Engineering, and he introduced Jacklyn Asamoah, a junior majoring in Medical Laboratory Sciences, President of the Black Student Union, and also part of the Black Student Alliance. The Black Student Alliance is a collective of Black student organizations on campus with assistance of African American Student Services. They include the Black Student Union, National Society of Black Engineers, Voices of Inspiration, Powerful Movement of Educated Sisters, Black Men in Motion, and other Black Greek lettered organizations. Black Student Alliance is a way for the different Black student organizations to come together and be on one page regarding the community, campus, city and state. They raise issues regarding campus climate and racial events on campus. It is a space to gather together. The Black Student Alliance was first formed as a stand of solidarity with the University of Missouri when they had their incidents in terms of lack of representation or misrepresentation of black students on campus. The Black Student Union held a black out to stand in solidarity with them. That event prompted a meeting with UNM Administration to address concerns they had. It gave students to share their stories on campus with regards to race or misrepresentation of students. With that, they were able to voice concerns on campus and those issues covered diversity and sensitivity training with staff and faculty and CAPS tutors. They also want an increase in Black faculty and students on campus representation as it is important to include diversity on campus. Also, the representation, recruitment, and retention of black students, faculty and staff are important. The main goal of the organization is the support of Black students through scholarships, classes or engagement in the community. They push for student success and support of Black students. Finally the climate report was released and they want a change from 2011 to now, but they did not see change. They have scheduled monthly meetings with the Provost to understand issues and the discussed who they could talk to in working on changes on campus. Phillip Cox moved forward to ASUNM to bring forth a change for Black students and other underrepresented groups or communities on campus. It is the beginning of change, and they want to see change on campus to support Black students. They want to continue that and continue the dialogue, not focus on past events but provide solutions to better themselves and the University. Ms. Asamoah asked several rhetorical questions for the Regents to keep in the back of their mind. How would you help a diverse group of students give opportunities to speak about events on campus and provide solutions? She hopes the Regents are on the same page, and how will there be communication between Regents, UNM Administration, and students on campus? What measures are in place so that everyone is held accountable, especially UNM Administration, to address campus climate and racial issues? There is one goal, change for the support of Black students which is what the Black Student Alliance is for. Ms. Asamoah thanked the Regents for the opportunity to speak.

DISCUSSION AND ACTION ON FY17 BUDGET COMPONENTS

- a. Athletic Department Fee Supplement
- b. One-Time Pay Supplement
- c. FY17 Budget
 - i. Main Campus, Branches, and Capital
 - ii. Health Sciences Center
- d. FY16 Budget Adjustment Requests (BAR) – Main Campus, HSC, Hospitals, and Branches

EVP Harris introduced the item. At the March 22 Budget Summit, the basic outcome from that day was that Regents approved a 2.5% tuition increase and also directed administration to look at ways to hold the athletics budget whole given the student fee allocation to athletics was to decrease slightly. In addition, Regents agreed to hear recommendations for a one-time pay supplement for certain UNM faculty and staff. Unfortunately, budget director Andrew Cullen couldn't attend the meeting. Mr. Harris said UNM has a really fine central budget staff that usually works behind the scenes, but today, Norma Allen, Associate Director of Office of Planning, Budget and Analysis, will take the lead in presenting the budget components.

Norma Allen introduced other budget staff members attending the meeting: Vahid Staples, Budget Officer; Tom Stephenson, University Budgets Administrator; Regina Dominquez, Budget Officer; and Natalia Koup, Financial Analyst in the Budget Office.

Vahid Staples presented the Athletic Department Fee Supplement item. The supplement was necessitated due to budget pressures in the athletics department arising from reduced revenue and increased expenses. On the revenue side, there are reductions in the I&G (Instruction and General), as well as RPSPs (Research and Public Service Projects), and declining ticket revenue. On the expense side, athletics is more effected by utility cost increases; tuition increases directly increase expense in grants and aide; travel costs are also going up. In the budget process, there was a \$120K reduction to the student fee allocation to athletics, which will be a recurring reduction. The proposal, for a one-time stop-gap, is to reduce the facility fee by \$120K and restore the athletics allocation by that same amount, bringing athletics' total student fee allocation back up to \$4 million. The reduction to the facility fee would be offset by revenue from the 2001 bonds which have been the benefactor of historically low interest rates. This has allowed some surplus to be built up. The 2001 bonds are not funded by student fees and payment on the debt service will not be effected. The proposal allows there to be no increase in student fees, which was the general original commitment.

Student Regent Berryman explained that Regents accepted the student fee recommendations, and athletics was cut \$120K, and this is a one-time stopgap to cover that reduction of fees.

Regent Marron Lee mentioned the athletics department financials are somewhat hampered by having to carry on its books a campus-wide expense that is allocated to athletics for renovation of the Pit.

David Harris explained that the Board of Regents could approve all of the components in one motion because they all wrap up into the FY17 budget.

Regent Doughty reiterated the Regents adopted exactly what was proposed by the SFRB (Student Fee Review Board) and did not make changes to its recommendations.

Norma Allen presented One-time pay supplement item. This is follow-up to the March 22 Budget Summit, and because of budget pressures the University has been unable to implement permanent pay increases for employees. The task was to consider several scenarios for a one-time pay supplement. The options were presented to executive leadership. Faculty and staff leadership was also involved in the conversation. The proposal is a \$550 pay supplement to all regular faculty and staff employees with salaries less than \$100K; it is merit based for employees with hire date before January 1 and not on probation as of end of June. The pay supplement for Main Campus I&G employees will come out of the central reserve, and the total amount would be, with fringe benefit costs included, about \$1.4 million. The proposed reduction to the central reserve will leave the reserve with a balance still within the requirement by the HED (Higher Education Department). The units that are not paid with Main Campus I&G will have to come up with the dollars to fund the supplement. This has been the case in the past.

Regent Bradley Hosmer inquired about the merit component of the one-time pay supplement. Ms. Allen responded performance evaluation have to be at the level of Satisfactory or better.

Student Regent Berryman said he supported the proposal. He inquired the ramifications the taking funds out of the central reserve and how they will be replenished. EVP Harris responded the HED requirement is to have a central reserve amount of 3% of I&G, and the University is about at that level now. The proposed reduction will leave the reserve right at the 3% requirement, so there is no need to build it further.

Norma Allen presented the FY17 Budget for Main Campus, the Branches and Capital. She referred the Regents to the 206-2017 Operating and Capital Budget Plan book they had been provided, <http://budgetoffice.unm.edu/assets/documents/budget/operatingcapitalbudgetplans.pdf> and referred to a slide presentation summary (Exhibit B). The entire UNM Consolidated Budget for FY17 is \$2.857 billion, \$850 million is Main Campus, \$1.955 billion is Health Sciences, and \$51 million is for the Branches (Gallup, Los Alamos, Taos, and Valencia). The change from the FY16 Original Budget is +1.3% for Main Campus, +2.5% for Health Sciences, and -0.1% for the Branches, giving a total overall change of +2.1%. Ms. Allen went over the revenue and expense changes for Main Campus and the Branches (Exhibit B).

For Main Campus only, changes that contributed to the overall 1.3% increase from last year's budget, on the revenue side are: 1) \$5 million reduction in state appropriation, 2) \$2 million revenue increase due to increased tuition and fees, primarily driven by the bond issue, and offset by enrollment decline, 3) a \$1.2 million net decrease to federal and state contracts/grants and bonds (-\$9 million in state bonds, offset by +\$7.8 million increase in Federal, State and contracts budget), 4) a \$4.9 million increase in sales and services, primarily due to auxiliaries, athletics budgets, and other increases, including Popejoy projected ticket sales, and 5) a \$10.4 million drawdown in reserves in I&G, Research, Internal Services, and Plant. Part of the \$10.4 million drawdown is the one-time pay supplement, already incorporated into the budget; other drawdowns are from one-time expenditures in research, internal services, and \$3 million in plant fund drawdown. On the expenditure side: 1) a \$1.3 million net decrease in labor and benefits, primarily due to hiring review process and position clean-up efforts, 2) a \$6.1 million net increase in scholarships and awards, 3) \$6.2 million net increase in unbudgeted restricted Federal & State contracts/grants revenues and offsetting expenditure activity.

The overall change for Branch Campuses is relatively flat; however, between the branch campuses: 1) UNM-Gallup has a net decrease of \$90K, primarily in I&G due to reduction in state appropriation and projected reduction in restricted fed/state contracts and grants activity; 2) UNM-Los Alamos has a \$860K net increase primarily in auxiliaries expense contingency related to housing unit sale along with increase in tuition and fees and I&G expenditures and restricted fed/state contracts and grants activity; 3) UNM-Valencia has a net decrease of \$1.031 million primarily due to projected reduction in federal restricted contract and grant activity; and 4) UNM-Taos has a \$221K net increase primarily due to projected increase in federal restricted contract and grant activity.

Regent Hosmer inquired regarding the drawdown to reserves and if there is a plan to replenish reserves or to hold them where they are. President Frank said reserves cannot be drawn down much more and he would prefer if some could be built back up in the future. EVP Harris said the drawdown in Plant Fund reserves are due to multi-year projects; the research reserve utilization may be multi-year grant funds. Ms. Allen responded the uses of reserves are for non-recurring items. EVP Harris added that budget reductions in recurring costs are much more important.

Ella Watt presented the details for the Health Sciences Center budget. For UNM Health Sciences, all components, including the Academic Enterprise and UNM Health Systems, total budgeted revenues are \$1.992 billion, a 4.2% increase over the FY16 budget, and total budgeted expenditures are \$1.980 billion, a 3.6% increase over FY16 budget. Ms. Watt referred to a slide presentation (Exhibit C) which was also presented to the Regents' Finance and Facilities Committee.

There was discussion about Medicaid cuts and when those would be reconciled to the budget. Ms. Watt explained the notification for those cuts went out in a memo dated April 29 on the State website, and typically there is a 30-day window for public comments to be made. After the 30-day window, the final regulations will be published, and partial impact (Medicaid fee-for-service or exempt) to the budget can be calculated, and other impacts (contracts with Medicaid payers) will be known after several months.

Regent Lee inquired about the incremental tuition of \$2.433 million that Main Campus will retain and if that holdback significantly affected some of the programs. Ms. Watt explained this was an MOU between HSC and UNM and depends upon how tuition is allocated amongst the units, and for the next two years some of the tuition associated with those programs. The colleges impacted would be the College of Nursing and the College of Pharmacy. Regent Lee asked if other units were affected. Ms. Watt responded the departments in the School of Medicine will be more effected by the Medicaid cuts.

Regent Doughty requested there be clear communication to the departments as to why the budgets may be reduced, to clarify if it is due to the tuition holdback or due to the Medicaid reductions.

EVP Harris said President Frank and he negotiated the MOU with Dr. Roth, and when the decision was made that it was a good idea to do this, it was because the academic components of Health Sciences had adequate balances to accommodate this. This is for only two years and the belief was the reductions would come from existing reserves balances. But subsequently, what was chosen was to reduce the programs. Administration would certainly not advocate cutting the nursing program. President Frank said all negotiations are complicated, the monies were thought to come out of reserves, but they came out of tuition. This was exacerbated by other drastic budget cuts across the board that affected the School of Medicine. The College of Population Health was also affected. President Frank mentioned that Dr. Roth has said that he will watch these programs carefully for budget distress and give financial aid if necessary. This is a common practice across campus now during these tight budgetary times. There was discussion.

Regent Hosmer requested to Ms. Watt a document from HSC showing the operational impact to the HSC of the \$2.433 tuition retention. Regent Doughty agreed such a report would be useful.

EVP Harris said, with regard to the BAR (Budget Adjustment Request) it is the practice at the University to present to the Regents a monthly financial report and it really reflects the expenditure side of the budget. Always during the budget approval process, a book is composed to show all the adjustments that bring the total budget into balance, and this will be presented to the State.

Norma Allen presented the material for the FY16 Budget Adjustment Request (BAR) (Exhibit D). The BAR book prepared by the central budget office was sent to Regents several days in advance of the meeting. The BAR with comparison to the original budget was submitted to the HED on May 1 with an exemption to follow up with Regents' approval on the document. The reason a budget adjustment is made is because the budgets are prepared way in advance and throughout the year actuals are reported, and the budget adjustment that is prepared is based on those changes that have been reported throughout the year by Liz Metzger, University Controller. Regents' approval is required for the BAR to cover financial authority approval requirements (Exhibit D).

The motion to approve the FY17 Budget and the FY16 Budget Adjustment Request (BAR) passed by a unanimous vote (1st Lee; 2nd Hosmer).

COMMENTS FROM REGENTS

Student Regent Berryman wanted to take a moment to acknowledge and discuss with the Board the recent ASUNM joint resolution 5S. The resolution stated concerns about holding the budget summit on or around spring break, due to most students being away at that time. Going forward, Student Regent encouraged the Board and Budget Leadership Team (BLT) when possible to avoid meetings during spring break or the days

following spring break. With that said, Student Regent also mentioned that he understands there are a number of constraints on meeting dates, including the legislative cycle and the statutory requirement for Regents to meet the second Monday in March for election of officers. Student Regent requested a good faith effort going forward into the next year towards that and encouraged the student leaders to take back the BLT information back to their student leaders when possible.

Regent Hosmer commented regarding issue that public comment addressed, and requested a published version of the plan that was described by VP of Equity and Inclusion, Jozi De Leon, earlier in the meeting. This is an opportunity for students and all members of the University constituencies to do something constructive about a strongly-felt view by having an exchange of views and not just an expression of views. That's what universities do, it's a paradigm case, and that's what universities are all about, striking new knowledge, new approaches, new solutions, out of discussions. I think that should be applauded and the University should support it in every way it can. Regent Doughty agreed.

REGENT COMMITTEE REPORTS

CONSENT DOCKET

1. Health Sciences Center Committee (HSCC) – Consent Items
 - a. Approval of the UNM Hospitals Service Contract with TomoTherapy, Inc.
 - b. Approval of the UNM Hospitals Contract with Cerner Corporation for Electronic Medical Record Remote Hosting Services
 - c. Approval of the UNM Hospitals Contract with Infor (US), Inc.
 - d. Approval of the UNM Hospitals Contract with Jaynes Corporation for the Interventional Radiology Computed Tomography Repair and Replacement Project
 - e. Approval of the UNM Hospitals Contract with Siemens Medical Solutions USA, Inc. for the Purchase of Two Bi-Plane Angiographic Rooms
 - f. Approval of the UNM Hospitals Contract with Medline Industries for Custom Packs
2. Academic/Student Affairs & Research Committee (ASAR) – Consent Items
 - a. GPSA Constitution Update
 - b. ASUNM Constitution Update
 - c. Posthumous Degree: Joshua Duran
3. Finance and Facilities Committee (F&F) – Consent Items
 - a. Approval of Fiscal Watch Report; and Monthly Consolidated Financial Report (info item)
 - b. Approval of Disposition of Surplus Property for Main Campus for April 2016
 - c. Capital Project Approval: UNM North Golf Course Water Reclamation Project
 - d. Approval of Request to Conduct Analysis of Potential Duplication of Efforts
 - e. Approval of New Mexico Higher Education Five-Year Capital Plan
 - f. Approval of CNM Representative to the Innovate ABQ Board of Directors

Regent President Doughty introduced the Consent Docket, and referenced Regents' Policy 1.2, any member of the Board of Regents shall have the right upon request to remove any item on the Board's consent agenda and place the item on the Board's regular agenda for discussion.

Regent Hosmer noted supporting material was not available for F&F consent item 3.d., Approval of Request to Conduct Analysis of Potential Duplication of Efforts, and requested the item be removed from the consent docket for discussion and a separate vote.

The motion to approve the items as listed on the Consent Docket, excepting of item 3.d., passed by a unanimous vote (1st Lee; 2nd Hosmer).

HEALTH SCIENCES CENTER COMMITTEE

UNM Health System Update (information item)

Steve McKernan presented the health system update. The first item related to the replacement hospital. There is now full engagement with consultant architectures FBT and HDR, the architecture firm chosen out of the RFP process during January and February. There have been a number of meetings, including an initial visioning retreat on April 25 that included department Chairs, and key medical staff, hospital leadership and other HSC participants. Committees were created and there was agreement among all parties of the Health Sciences Center (HSC) about who ought to be on those committees. There is a weekly update with the architects on the progress. The next large meeting is set for early June. The whole process is expected to last about six months with the expectation to bring more concrete information on the project to the Regents in August or September.

Regent Lee inquired about the number of different working groups that may add up to as many as 60. Mr. McKernan responded there are many groups working on different aspects of the project, there is the clinical has to do with utility support, program planning on flow of patients and visitors, the nature of the medical office building. The faculty are very much involved along with other administrative people in trying to. At this point it the program planning, to understand the programs we have now and how we want those programs put together into the future, with the eye of how this facility would work 20-30- years down the road as healthcare evolves. That's why having a high-level architect that has done this for other medical centers is very important and the faculty have responded very well to the program planning side of this process.

The second item, the monthly activity report for the Health System, was also provided at the Health Sciences Center Committee (HSCC) and the report was included in the agenda eBook. Finances of the health system are stable at the moment with an eye to the future about what will happen with Medicaid reductions and contract negotiations, but at the moment they are stable. Activity levels are very high at the organization with increases in clinic visits and increases in many of the other diagnostic and therapeutic procedures at the organization.

The last item, because of the Regent involvement, there has been active involvement with the Native American community, especially the All Pueblo Council of Governors (APCG) and the Indian Health Service (IHS), including a series of meetings with those parties, since the last Regents' meeting. Additionally, the UNM Hospital Board of Trustees has developed a committee of its board, to be called the Native American Liaison Committee, and passed its charter at its last meeting. Now, formal work is taking place with the IHS and APCG, with that committee. In the future, items that out of that committee will go to the HSCC and to Regents for their review.

Dr. Craig Timm was not able to attend; his presentation on the SOM accreditation was postponed to next month's meeting.

ACADEMIC / STUDENT AFFAIRS & RESEARCH COMMITTEE

KUNM Radio Board Annual Report (information item)

Regent Hosmer referred the member to the KUNM Radio Board annual report that was included in the meeting agenda book and stated it is a good piece of work and the organization is a fine part of this institution. There was no presentation of the material.

FINANCE AND FACILITIES COMMITTEE

Discussion of Approval of Request to Conduct Analysis of Potential Duplication of Efforts

Regent Lee requested President Frank to introduce the item. At the May 10 Finance and Facilities Committee meeting, Regents tasked administration with examining positions, including titles, roles, functions and responsibilities, across the University to determine if there are consolidation possibilities. The Regents requested administration present recommendations at the June Regents' meetings. Vice President for HR, Dorothy Anderson is looking at the financial area, a consultant will be looking at the technical area, and marketing and communications will be looked at with regards to common titles on Main Campus and HSC to see if there are opportunities for collaboration or a change in reporting structure. Regent Lee requested, with respect to salaries at and over \$100K, analysis of compensation levels and if they match the duties assigned.

Regent Hosmer commented that a more difficult task would be to find like duties that don't have the same job title, and in those cases, the initial screening criteria will not work. Regent Hosmer inquired if the analysis will look at those cases as well. President Frank responded that more detailed analyses will be conducted as time progresses.

The motion to approve the Analysis of Potential Duplication of Efforts passed by a unanimous vote (1st Lee; 2nd Berryman).

Disclosure Responsibility Memo (Orange County memo) (information item)

Vahid Staples, UNM Budget Officer, along with Chris Muirhead and Katherine Creagan, Bond Counsel from the Modrall Sperlberg Law Firm, provided information on the Disclosure Responsibility memo (Orange County memo). The item was put on the agenda to provide context and clarity as there was some question as to why the Disclosure Responsibility Memo, also known as the Orange County Memo, was brought before the Regents when we were going forward with the 2016A and 2016B Bond sale. The answer is twofold; first is the University has sent it many times when working on the Preliminary Official Statement (POS) on the advice of Bond Counsel and has done so approximately five times since 2011. They also believe it was sent when they did the 2005 and 2007 Bonds, but unfortunately there was a change in the computer system at

the law firm and they were not able to obtain hard copies. Everyone's recollection is that the University created memos at that time as well. The second reason is that it reminds the Regents of their overarching responsibility in approval of the bond sale. The supplementary question, why do we do the POS, which turns into the Official Statement, and that is because it is what bond buyers review and rely on when they look to purchase the University's bonds. They want to ensure they fully sell out the bonds. Given its importance, they gather a large amount of information from across the University and the entities they gather from sign off on their specific components. Some entities included in that are the Controller's Office, Enrollment Management, UNM Foundation, HSC Budget Office, and Provost Office who all collude and compile information. In addition to the internal entities that provide information, they also have a myriad of reviews from the Financial Advisor (First Southwest), Legal Counsel, and the Underwriters. Because of the process they have in place, they believe that the Regents have every reason to fully endorse the POS and Official Statement when it is provided to the Board for review.

Mr. Muirhead stated the Disclosure Responsibility Memo is driven by the Securities & Exchange Commission and Federal Law about what is required in terms of giving information to potential investors. It began 20 years ago from some enforcement actions and it has been the standard practice in the industry over that time. At the end of the day, they want to make sure the Regents have the opportunity to review and comment on the POS. This is consistent with all of their clients and across the country of what you see in terms of public marketing of Municipal Securities. The FCC gave guidance that the issuing body needs to be familiar with the document as well as the professionals. UNM has a tremendous amount of involvement across many departments and once it reaches the consultants, the Underwriters, UNM Legal Counsel, and Financial Advisors review it. They are very comfortable recommending its approval subject to your review. That is the history of the memo and is something that has been standard practice for 20 years. Federal Securities Law dictates that this is the standard procedure for transparency and to ensure everyone is familiar with what they are taking to the market.

Regent Lee commented that she appreciated the clarification as there was concern internally through individuals stating the memo, given out before the bond sale, was somehow a warning to the Board with a hidden message within the provided memo at the same time.

Mr. Muirhead stated it is the standard in the industry and across all clients and issuers across the country given FCC guidance. Modrall Sperling gives an opinion at the end of the transaction that covers this topic; whether the POS and Official Statement are full and complete and accurate. That is the first line of defense, the legal firm standing behind it saying it meets the requirements set forth by federal law. It is standard procedure and it has been historically known as the Orange County Memo.

Regent Hosmer stated he was one that raised an issue at the time, and pointed out he had no reservations on the accuracy or specificity or the foundation behind the document. However, in his opinion, there was one label in the document, if read not within the financial community, that could be perceived as misleading.

Discussion of SHAC Facilities and Services (information item)

Dr. Beverly Kloeppel, Executive Director of Student Health and Counseling (SHAC), presented the material and referred to a number of slides that were included in the agenda eBook. The SHAC facility is located just east of the Student Union Building; its organization is under the division of Student Affairs. The SHAC's mission is to provide quality health services and programs to foster student success and wellness, and it directs its services to busy students who have little time for obtaining health care and scarce resources to pay for care. The SHAC has an integrated model of care, which involves behavioral health, psych, medical services and health education; it has its accreditation by AAAHC which is an accrediting organization for outpatient facilities. The SHAC is attributed with a high level of student satisfaction, it is accessible, affordable and helps to retain students at UNM. Dr. Kloeppel listed over 12 services the SHAC offers. Besides primary and acute medical care and counseling, it offers allergy and immunization, pharmacy, physical therapy, nutrition services, acupuncture, specialty clinics, travel health, nutrition services, massage therapy, laboratory and X-ray. Faculty and staff also use travel health, massage services and pharmacy. Dr. Kloeppel mentioned the other education and outreach services the SHAC provides, including health education, behavioral health consultation, campus emergency and crisis management and sexual assault response and prevention. Regarding utilization of the facilities in fiscal year 2015, there were: 18,278 medical services; 8,360 counseling services; 6,243 allergy and immunizations; and 30,093 pharmacy prescriptions. A 2015-2016 survey showed 96% affirmative responses with regard to receiving care when needed. Other surveys have shown high marks in overall SHAC experience as well as services provided having attributed to academic success and retention. Dr. Kloeppel spoke about costs to the student; the SHAC is student fee subsidized at about \$4.5 million per year; it accepts health insurance payers. Dr. Kloeppel spoke about college health trends and the SHAC facility which was constructed in 1968. In recent years, studies have shown a shortage in square footage and needs assessments have recommended about 9,000 additional gross square footage. Options to address the space shortage are: renovations with building an addition, a

new building, or expansion with functional fixes. The Honors College is currently fully utilizing the basement of the facility.

Regent Hosmer commented this is clearly a booming cottage industry which will grow, and any estimated additional space requirements now will most probably be outdated and underestimated in a decade down the road; also the Honors College capacity is also short right now, producing limitation. Hopefully, options will come forward to the Finance and Facilities Committee presenting one solution that can solve two space issues.

Regent Lee commented that Dr. Kloeppel is retiring and commended her for the operations of the SHAC, providing necessary and timely care to its constituents.

Discussion of Plan to Expand Alcohol Sales on South Campus (information item)

Paul Krebs, VP for Athletics, presented the item. By way of background, a license to sell beer and wine was granted when the arena was renovated, and that license allows the sale of beer and wine in select areas of the football stadium and WisePies Arena. There were additional times when applications for temporary permits allowed for trial sales of alcohol and all of those went smoothly. This was consistent with what many universities were doing at the time. Now, there are over 40 universities, and more are moving forward, with public sale of alcohol at football or basketball games, or both. The NCAA, for the first time ever, is allowing public sale of alcohol at the national baseball and softball championships this spring. Mr. Krebs said he believes the reason schools are moving in this direction are revenue related and related to the ability to curb or limit binge drinking. It also has an impact on attendance. In conversations with other schools, they have reported experiencing less behavioral issues in the stands associated with alcohol since going with the public sales of alcohol, and most report less alcohol-related issues related to the tailgate areas. After conversations with President Frank and EVP Harris, several months ago a change in the liquor license was requested at the state level; this was done in advance in hopes to move forward with license in hand if that change was granted. The change in the license has been granted. The change in the license would allow for public sale of alcohol, specifically in the football stadium and at the WisePies Arena. So based on this national trend and the need for additional revenue in athletics, Mr. Krebs recommended to the Regents to support moving forward with the public sale of beer and wine in both the football stadium and in the Arena. This was recently trialed at a recent event called the Nitro Circus in the football stadium where there was a crowd of over 7,000 people in attendance. Beer and wine was sold and fans could take it back to their seats and there were no reported issues. VP Krebs mentioned working with COSAP (Campus Office of Substance Abuse Prevention) to coordinate a training program for the public servers of beer and wine that go along with the concessionaire's training program.

Regent Doughty asked Mr. Krebs to speak about New Mexico State University's (NMSU) sales of alcohol and if there have been conversations regarding how their program has been going. Mr. Krebs responded NMSU started sales of alcohol last season in both football and basketball and he has had casual conversations with NMSU and attended games there and observed the public sale of alcohol at those games. University of Texas El Paso (UTEP) also has public sale of alcohol. Regent Doughty commented about Isotopes Park, and Mr. Krebs followed up that it is his understanding that beer and wine, along with hard spirits, have been sold there since the park was built. Regent Doughty asked if VP Krebs would reach out to the Isotopes Park managers to have conversations about their sales. Mr. Krebs said he would do that and also have conversations with other peer institutions around the country. The concessionaire hired to do this at UNM also does this at other facilities nationally and has a training program that they will implement. VP Krebs added the University has been slow to move on this, has been cautious and prudent. Based on seeing that other institutions have been able to implement this and manage this, and in many cases have lessened the issues in and around their venues when they have gone to the public sale of alcohol, and the need for revenue, make this a good time to move forward. Regent Doughty emphasized the priority of education on responsible alcohol consumption.

Regent Hosmer requested a report to the Regents in a year's time regarding how the program has shaped up. President Frank commended VP Krebs on the slow approach to this. Beer and wine has been sold on the Club levels for five years now. Another important aspect is this, primarily for the football games, will promote a better and safer environment for students, if they come into the stadium rather than stay outside the stadium in student tailgates that sometimes go on for hours.

Regent Lee inquired if the sales of alcohol on the club levels saw any increases in DWIs or harm to the public, and also inquired how the Mountain West peers handle this? VP Krebs said to his knowledge no incidents due to the sales on the club levels. With regard to Mountain West, six schools sell alcohol, UNLV, Nevada, San Diego State, Colorado State, Hawaii, and in several instances they have been doing this for a number of years. Regent Lee mentioned the state fair sells beer, wine, and alcohol during the rodeos through the city. VP Krebs reiterated the University has been slow and deliberate on this, to be cautious and continue to be cautious even moving forward.

Student Regent Berryman commented there are eleven teams in the Mountain West conference and over 50% are selling alcohol. Following up to Regent Hosmer's request for a report, Student Regent Berryman requested a report before the Fall that will outline the safety procedures and plan that will be implemented before football season, for example, cutoff of sales at the end of third quarter, wristbands, etc. VP Krebs said he will submit a report and added there will be very detailed and specific plans in place for sales and enforcement along with an education program.

AUDIT AND COMPLIANCE COMMITTEE

Meeting Summary Report, May 5, 2016 meeting (information item)

Regent Hosmer presented on behalf of the committee chair, Regent Fortner. Regent Hosmer spoke briefly about the whistleblower policy, which will restate and clarify that the University has a very strong whistleblower policy, has not come out yet but will do so. Secondly, the Chief Compliance Officer, Helen Gonzales, will retire at the end of the fiscal year, and Regent Hosmer congratulated Ms. Gonzales for her work and all her efforts in setting up the entire system for compliance, a completely novel enterprise. She has set up a system which is about as effective and at as modest a cost as could be expected. It will continue to be refined, as this is a never-ending issue. Ms. Gonzales has laid a fine foundation on which to work with.

COMMENTS FROM REGENTS' ADVISORS

Alumni Association – Ann Rhoades, Alumni Association President, provided a report to the Board. Ms. Rhoades stated that the University has 190,000 active graduates and 43% of those are alumni. This year Dana Allen began as the new Executive Director and Vice President of Alumni Relations has been a wonderful addition. She has started online registration and new graduates are being actively encouraged to register to get their contact information. The redesign of Hodgkin Hall Courtyard was approved and will be funded with Alumni Association funds and donations. This year they've had significant engagement with the Lobo Living Room events, which include different programs highlighting the talent at UNM. There is a group of Lobos that are very active in Lobos for Legislation who actively follow Legislation and help in lobbying. There are 104,000 graduates in New Mexico and at the request of President Frank more outreach is being done. There was an event held in Denver at the Rockies Stadium, thanks to UNM Alumni Ruben Donnelly; over 100 attended including President Frank and Janet. The incoming President of the Alumni Association will travel to Hawaii. Ms. Rhoades traveled to Deming this past year for outreach.

Dana Allen, VP for Alumni Relations, welcomed the meeting attendees to Hodgkin Hall and encouraged everyone to look around the building. She has been with UNM since February 1, 2016. Since she's been in the position, her biggest focus has been to reach out across campus and learn about UNM and its alumni base. She has met with many Deans and heads of schools as well as other Administrators. She has been focused on improving the relations of the Alumni Association. They are also doing things to integrate with technology and are utilizing iPads to gather information from alumni at events. This year they hired a photographer to take free photos of graduates in front of the U and had a great turnout, the photos will be free to students and will become a new tradition.

Faculty Senate – Stefan Posse, Faculty Senate President, provided a report to the Board and stated it is an important day at UNM with Spring Commencement. He thanked the Regents for responding to the Faculty Senate's resolution which was an important step toward engaging in a conversation. Faculty Senate will remain engaged in the budget development process and they see continuing challenges to this and will continue to engage their budget committee. They will present at the next F&F meeting the results of the Faculty Survey.

Associated Students of the University of New Mexico (ASUNM) – Jenna Hagengruber, ASUNM President, provided a report to the Board. ASUNM passed a resolution from the perspective of Senators who did not have time to have an open dialogue with 20,000 undergraduate students about the tuition increase. Ms. Hagengruber thanked the Board and stated she will be graduating with a Bachelor's degree, nothing will beat the experience she gained meeting and working with the Regents. The new ASUNM President, Kyle Biederwolf, was introduced to the Board. Mr. Biederwolf stated he looks forward to working with the Regents in the upcoming year. He hopes he can live up to the high bar set by Ms. Hagengruber. Regent Doughty congratulated Ms. Hagengruber and thanked her for her hard work.

Graduate and Professional Student Association (GPSA) – Texanna Martin, GPSA President, provided a report to the Board. Ms. Martin stated she will be receiving an award from the LGBTQ Center for being an ally. Looking back on her two years she honed in on the *e pluribus Lobo* and the silos the graduate students face. She hopes graduate students can continue to break down those silos and support graduate students

as they should be supported. She thanked the Regents and all those she worked with as it has been a pleasure; she has learned a lot about higher education.

Regent Hosmer stated that over the last few months President Martin has pulled together a comprehensive list of all the grants, awards and scholarships for students. This had not been done before and was remarkable work. Ms. Martin stated that they have over 150 lists and they will get these lists linked on various UNM websites for students.

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

The vote to close the meeting and proceed in Executive Session passed unanimously (1st Lee; 2nd Hosmer). The meeting closed at 11:37 AM.

Members present during closed session: Ryan Berryman, Robert Doughty, Brad Hosmer, and Marron Lee

1. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H(7), NMSA (1978)
2. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H(8), NMSA (1978)
3. Discussion and determination where appropriate of limited personnel matters as permitted by Section 10-15-1(2), NMSA(1978)
4. Discussion of strategic or long-range plans of public hospitals, pursuant to Section 10-15-1.H(9), NMSA (1978)

VOTE TO RE-OPEN THE MEETING

The vote to re-open the meeting passed unanimously (1st Lee; 2nd Hosmer).

Regent Doughty certified that only those matters described in the closed session agenda were discussed in closed session and action on a property item was taken in closed session. Following is the motion taken in closed session.

The motion to approve the Innovate ABQ 5-Year Business Plan and Forecast for FY2017-2021 passed by a unanimous vote (1st Lee; 2nd Berryman).

ADJOURN

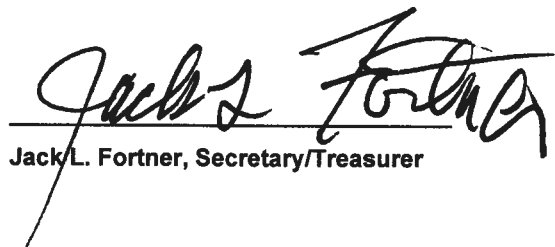
The motion to adjourn the meeting passed unanimously (1st Lee; 2nd Berryman). The meeting adjourned at 11:48 AM.

Approved:

Attest:



Robert M. Doughty III, President



Jack L. Fortner, Secretary/Treasurer



Resolution Regarding Shared Governance at the University of New Mexico

WHEREAS, Art. XII, Sec. 13 of the Constitution of the State of New Mexico vests ultimate authority, control and management over the University of New Mexico in the University's Board of Regents; and

WHEREAS, the Board's power to govern the University includes fiduciary responsibility for the assets and programs of the University, establishment of goals and policies to guide the University, and oversight of the functioning of the University; and

WHEREAS, the Board agrees that the tripartite structure of shared governance by faculty, administration, and regents emphasizes specialization within each of those three sectors, all within the ultimate authority of the Board of Regents; and

WHEREAS, the Board agrees with the concept of joint effort between governing boards, administration, faculty, students and others formulated in the "Statement on Government of Colleges and Universities" as adopted by the American Association of University Professors; and

WHEREAS, in particular, the Board agrees that joint effort will take a variety of forms appropriate to the kinds of situations encountered; and

WHEREAS, the Faculty Senate has the perception that certain decisions adopted by the UNM Board of Regents over the past 6 years arguably violated the UNM commitment to the Higher Learning Commission for achieving best practices of shared governance by a series of actions; and

WHEREAS, the majority of issues cited in the Faculty Senate Resolution of April 26, 2016 were operational in nature, and, in addition, were reviewed by and discussed with the Budget Leadership Team which included the President of the Faculty Senate; several academic deans also participated on the Team; and

WHEREAS, the Board of Regents also has a different perception of those events in that there was a need for it to exercise its fiduciary responsibilities for the assets and programs of the University through swift action calculated to address financial concerns.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of New Mexico:

AFFIRMS its commitment to shared governance as a process of dialogue and collaboration between the Board of Regents, the university administration, and faculty leadership along with regular consultation with other stakeholders in the university community; this dialogue, collaboration, and consultation will take a variety of forms to address different issues, but will occur prior to taking actions that profoundly affect University activities; and

AFFIRMS its commitment to fully comply with all the provisions and requirements of the Inspection of Public Records Act, as described in Regent Policy 2.17 regarding records of official University business.

Adopted by the Board of Regents of the University of New Mexico on this 13th day of May, 2016

THE UNIVERSITY OF NEW MEXICO

EXHIBIT B



OPERATING AND CAPITAL BUDGET PLANS
2016-2017

UNM Consolidated Budget

	FY 2016 Original Budget	FY 2017 Original Budget	% Change
UNM Main Campus	839,092,736	850,185,701	1.3%
UNM Health Sciences Center	1,908,468,292	1,955,853,329	2.5%
UNM Branches	51,569,225	51,529,127	-0.1%
<i>Total</i>	2,799,130,253	2,857,568,157	2.1%

- Budget Development Participants:
 - Academic Affairs Departments
 - Administrative Departments
 - Health Sciences Center
 - Branch Campuses
 - OPBA Staff

Main Campus

- **Main Campus-\$850m**
- **1.3% Net Increase of \$11m primarily due to:**

Revenues

- **<\$5.1m> Net Decrease State Appropriations**
- **\$2.0m Net Increase in Tuition and Fees (Rate Increase/Offset Enrollment)**
- **<\$1.2m> Net Decrease Federal and State Contracts/Grants and Bonds**
- **\$4.9m Net Increase in Sales and Services and Other Revenues**
- **\$10.4m Net Increase in Use of Reserves in I&G, Research, Internal Services, and Plant**

Expenses

- ***<\$1.3m> Net Decrease in Labor and Benefits - primarily due to Hiring Review Process and position clean up efforts***
- **\$6.1m Net Increase in Scholarships and Awards**
- **\$6.2m Net Increase- Unbudgeted Restricted Federal & State Contracts/Grants revenues and offsetting expenditure activity**

Branch Campuses

- **Branch Campuses-\$51.5m**
- **.1% Net Decrease of <\$40K> primarily due to:**
 - ***Gallup <\$90K> Net Decrease*** - primarily in I&G due to reduction in state appropriation and projected reduction in Restricted Federal/State Contracts and Grants activity
 - ***Los Alamos \$860K Net Increase*** - primarily Auxiliaries expense contingency related to housing unit sale, increase in tuition and fees and I&G expenditures, and Restricted Federal/State Contracts and Grants activity
 - ***Valencia <\$1.031m> Net Decrease*** - primarily due to projected reduction in Federal Restricted Contract and Grant activity
 - ***Taos \$221K Net Increase*** - primarily due to projected increase in Federal Restricted Contract and Grant activity

Approved Tuition and Fees

Category	Undergraduate Resident Annual Cost			
	% Increase		Dollar Increase	
	12 Hours	15 Hours	12 Hours	15 Hours
Tuition	2.50%	2.50%	\$145.20	\$129.00
Mandatory Student Fees	10.41%	10.43%	\$130.80	\$157.20
Tuition & Fees	3.90%	4.29%	\$276.00	\$286.20

Undergraduate/Graduate Resident at 15 Hours		
Semester Cost: FY 2017		
Tuition	\$ 2,643.00	\$ 3,127.44
Fees	\$ 832.20	\$ 762.72
Total	\$ 3,475.20	\$ 3,890.16



UNM

HEALTH SCIENCES CENTER

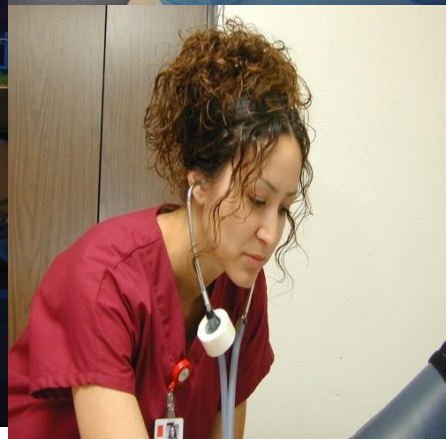
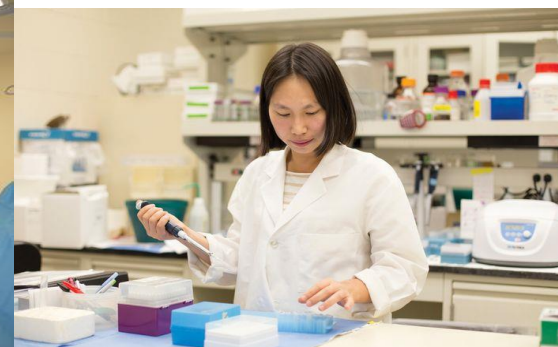
EXHIBIT C

FY 2017 Budget

(To the minutes of the May 13, 2016 Board of Regents meeting)

Presentation to the UNM Health Sciences Center Committee – May 10, 2016

Presentation to the UNM Board of Regents – May 13, 2016



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

Ava J. Lovell, CPA
Senior Executive Officer
for Finance & Administration
UNM Health Sciences Center

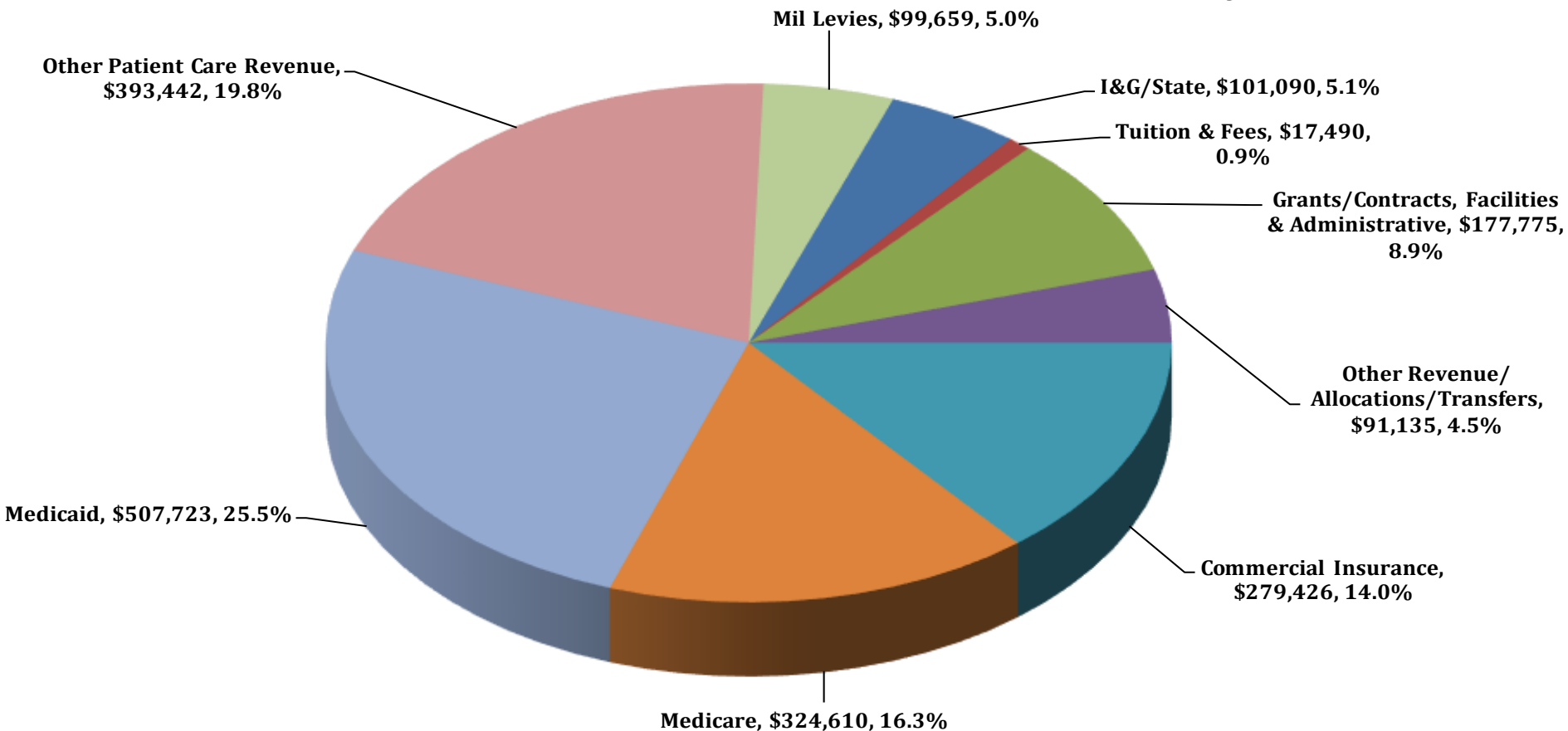
Ella B. Watt, CPA
Chief Financial Officer
UNM Health System



UNM HSC All Components - Revenues

FY 2017 Budget
(In thousands)

EXHIBIT C cont.
(pg. 2 of 18)



Note: Includes UNM HSC Academic Enterprise and UNM Health System

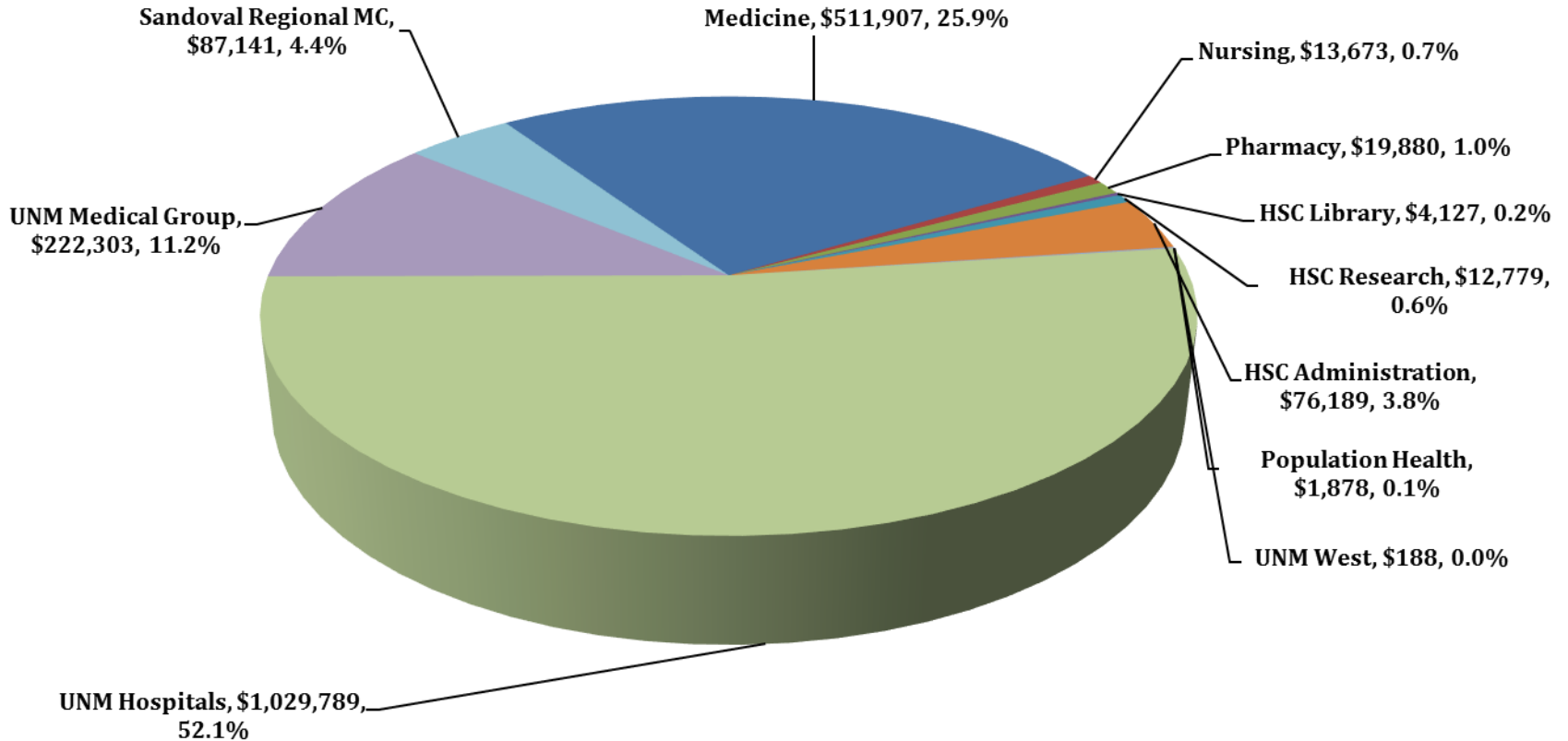
Total Budgeted Revenues \$1,992,350
4.2% Increase over FY 2016 Budget



UNM HSC All Components - Expenditures

FY 2017 Budget
(In thousands)

EXHIBIT C cont.
(pg. 3 of 18)



Note: Includes UNM HSC Academic Enterprise and UNM Health System

Total Budgeted Expenditures \$1,979,854
3.6% Increase over FY 2016 Budget



**UNM HSC Campus
Budget Development
Fiscal Year 2017
Total HSC I&G Budget
Summary (in thousands)**

Table II

Sources of Funds:	FY16 Revised	Changes	FY 17 Budget	
State I&G General Fund:				
State Appropriation I&G Pooled Base	66,216	0	66,216	1
HSC State Appropriation Change: HB2 0.6% Rescission FY16; 2.43% cut FY17	-391	-1,240	-1,631	2
Subtotal State I&G General Fund	65,826	-1,240	64,585	3
Tuition:				
Starting Base MD and Differentials	13,465	1,483	14,948	4
Base Amount Generated per MOU MC/HSC 8/22/2014	9,089	0	9,089	5
Projected Incremental Tuition FY13-FY17	1,386	1,047	2,433	6
Adjustment: 1% SOM Tuition Rate Decrease	0	-67	-67	7
Subtotal Tuition	23,940	2,464	26,404	8
Course Fees:				
Starting Base	2,401	165	2,565	9
Subtotal Course	2,401	165	2,565	10
Net Transfers To/From Health Sciences Center Transfers and Main Campus:				
Health Sciences Center Generated Formula Transfer from Main	19,334	0	19,334	11
FY16 0.6% rescission/FY17 2.43% cut	-119	-333	-452	12
Health Sciences Center Transfers to Main	-3,476	31	-3,444	13
FY16 0.6% rescission/FY17 2.43% cut	21	64	84	14
Base Amount Generated per MOU MC/HSC 8/22/2014	-9,089	0	-9,089	15
Health Sciences Center Incremental Tuition returned to Main Campus per agreement 3/17/2016		-2,433	-2,433	16
Subtotal Transfers to Health Sciences Center from I&G Base	6,671	-2,671	4,000	17
Miscellaneous				
RCM Assessment - Institutional Support	25,132	2,617	27,750	18
F&A Revenues	24,500	-500	24,000	19
Other Self Supporting Revenues	3,832	80	3,912	20
Transfer to Plant	-4,567	4,123	-444	21
Net Other Transfers (F&A and misc.)	-27,478	-1,515	-28,994	22
One-Time Use of Reserves	955	-955	0	23
Subtotal Miscellaneous	22,374	3,849	26,224	24
Total Sources of Funds:	121,212	2,567	123,778	25



Total HSC I&G Budget cont.

EXHIBIT C cont.
(pg. 5 of 18)

Uses of Funds:	FY16 Revised	Changes	FY 17 Budget	
I&G Expenditure Budget:				
Expenditure Base	87,993	218	88,211	26
Fixed Costs:				
Health Care	6,689	487	7,176	27
Utilities	3,805	87	3,891	28
Property & Liability Insurance	1,757	217	1,974	29
Pooled Fringe Benefits	18,515	-675	17,840	30
Funding Priorities:				
Institute for Resilience	0	106	106	31
College of Population Health	0	1,672	1,672	32
LoboRESPECT Advocacy Center	53	-1	52	33
UNM West	0	291	291	34
Subtotal I&G Expenditures	118,811	2,402	121,213	35
Course Fees:				
Expenditure Base	2,401	165	2,565	36
Subtotal Mandatory Student Fee Allocations and Requests	2,401	165	2,565	37
Total Uses of Funds	121,211	2,567	123,778	38
Balance	0	0	0	39



UNM HSC Academic Enterprise

FY 2017 – Financial Assumptions

Revenue

- Medical student tuition decrease 1% - Main Campus will retain \$2.433M of incremental tuition until FY 2019
- Decrease in overall State Funding (General Fund Appropriations, HSC Formula Funding and Tobacco Settlement Fund Appropriations) totaling 2.3%

Expense

- Group Health Insurance increase 4.5%
- HSC utilities increase 1.9%
- General Liability insurance increase of 14.3%
- Property insurance increase of 5.5%

EXHIBIT C cont.
(pg. 6 of 18)



UNM HSC Academic Enterprise

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2015 Actuals	FY 2016 Revised Budget	FY 2017 Budget	Percent Change 2016-17
Revenues	\$603,760	\$642,880	\$643,698	0.1%
Expenses	579,543	616,509	633,872	2.8%
Net Margin before Non-Recurring Items	\$24,217	\$26,371	\$9,826	
Capital/Recruitment/Startup/Scholarships/ Non-Recurring Transfers	(13,467)	(20,784)	(4,493)	
Net Margin Due to Committed Items	9,682	4,657	5,033	
Net Margin Due to Operations	1,068	930	300	
Total Net Margin	\$10,750	\$5,587	\$5,333	



UNM HSC All Components

FY 2017 HSC **Decreases** in State Funding

EXHIBIT C cont.

(pg. 8 of 18)

General Fund (GF)	FY16 Base	\$ Change	FY17 Base	% Change
	Appropriation		Appropriation	
HSC I&G	\$ 62,331,600	(1,515,200)	\$ 60,816,400	-2.4%
SPECIAL PROJECTS				
Cancer Center	2,691,200	(65,400)	2,625,800	-2.4%
Carrie Tingley	5,327,600	(129,500)	5,198,100	-2.4%
Children's Psych	7,292,900	(177,300)	7,115,600	-2.4%
Hepatitis C, Project ECHO	2,143,800	(52,100)	2,091,700	-2.4%
Native American Health Center	274,700	(6,700)	268,000	-2.4%
Native American Suicide Prevention	99,700	(2,400)	97,300	-2.4%
Newborn Intensive Care Unit	3,350,200	(81,400)	3,268,800	-2.4%
Nurse Expansion	1,103,300	(26,900)	1,076,400	-2.4%
Nurse Education, Graduate	1,650,700	(40,200)	1,610,500	-2.4%
Office of Medical Investigator	5,025,300	(20,300)	5,005,000	-0.4%
Pediatric Oncology	1,303,500	(31,700)	1,271,800	-2.4%
New Mexico Poison & Drug Information Center	1,554,700	(6,300)	1,548,400	-0.4%
Residencies, General Surgery/FCM	335,500	(8,200)	327,300	-2.4%
Residencies, Internal Medicine	1,068,500	(26,000)	1,042,500	-2.4%
Residencies, Psychiatry	403,400	(9,800)	393,600	-2.4%
Special Projects Subtotal	\$ 33,625,000	(684,200)	\$ 32,940,800	-2.0%
GF Total	\$ 95,956,600	(2,199,400)	\$ 93,757,200	-2.3%

Tobacco Settlement Fund (TSF)

HSC I&G	607,800	(26,200)	581,600	-4.3%
Genomics, Biocomputing, Environ Health	979,800	(42,600)	937,200	-4.3%
Pediatric Oncology	261,400	(11,400)	250,000	-4.4%
New Mexico Poison & Drug Information Center	590,300	0	590,300	0.0%
Specialty Ed, Trauma	261,400	(11,400)	250,000	-4.4%
Specialty Ed, Pediatrics	261,400	(11,400)	250,000	-4.4%
TSF Total	\$ 2,962,100	(103,000)	\$ 2,859,100	-3.5%

Total GF & TSF	\$ 98,918,700	(2,302,400)	\$ 96,616,300	-2.3%
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UNM Health System (pg. 9 of 18)

FY 2017 - Financial Assumptions

- 4% growth in revenue driven by programmatic changes
 - Revenue increases from throughput and operational efficiencies
 - Increase in inpatient discharges; efficiencies in surgical services; expansion of outpatient services at Eubank women's clinic, behavioral health based primary care clinic, SRMC specialty clinics
- Implementation of Cerner population health module and computer assisted coding initiatives to prepare for value based purchasing and capitation
- Expense growth in medical supplies driven by volume increases
- In collaboration with Bernalillo County and Indian Health Services, implementation of behavioral health and subspecialty care programs
- Additional support for medical services including obstetrics, pediatrics, neurology, internal medicine, family community medicine, dermatology and radiology



UNM Hospitals

(pg. 10 of 18)

FY 2017 Budget – UNM Hospital Statistics

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	FY 2017 Budget
Nursing Division				
Inpatient Days	154,573	160,512	157,902	160,074
Discharges	26,955	25,328	24,431	25,636
Emergency & Urgent Care Visits	102,124	103,724	93,189	98,754
Operations	18,654	19,460	19,581	20,845
Births	3,161	2,979	3,045	3,000
Ambulatory				
Primary Care Clinics	141,056	148,651	150,437	153,523
Specialty Clinics	342,305	339,772	348,031	363,704
Ancillary Services				
Lab Services	2,773,320	3,021,186	2,819,879	3,004,297
Pharmacy	3,736,007	3,763,810	3,956,973	3,960,666
Radiology	294,033	294,854	299,025	304,185
Rehab Services	380,690	504,105	584,936	593,559



UNM Hospitals

FY 2017 Budget - Behavioral Health Statistics

	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	FY 2017 Budget
Patient Days	22,041	24,126	23,307	24,102
Other Stats				
Outpatient Visits	36,283	40,709	34,524	38,792
Midlevel	89,830	93,871	89,611	97,270
Methadone & Buprenorphine	143,862	137,423	143,150	144,910



UNM Hospitals

FY15 to FY16 Revenue Changes

- Revenues due to implementation of ACA collected in FY15 for prior years, non-recurring for FY16 - \$38.1 million
- Loss of Medicaid Disproportionate Share funding for FY15 and FY16 due to increased coverage of patients - \$40.8 million
- Loss of volumes at Behavioral Health - \$2.9 million
- Increase in Medicaid IME - \$10.7 million
- Revenue cycle improvements - \$22.5 million



UNM Hospitals

FY16 to FY17 Revenue Changes

- Medicare reductions (market basket decreases, DSH reductions, packaging and bundling of services) - \$4.4 million
- Medicaid reductions in reimbursement (capitation, bundling, fee schedule reductions) ~ \$28.5 million*
- Improvements in volumes at BHO - \$3.5 million
- Revenue cycle and volume improvements at UNMH - \$41.3 million

* Estimate was based on information known as of March 2016. New Medicaid reductions could be much higher based on recent information received.



EXHIBIT C cont.
(pg. 14 of 18)

UNM Hospitals Revenue Roll forward

	FY 2016 Projected	FY 2017 Budget
Operating Revenue Prior Year	\$ 938,161,520	\$ 889,603,535
ACA prior year impact	(38,137,149)	
Loss of Medicaid Disproportionate Share	(40,839,439)	19,273,890
Volume loss at Behavioral Health	(2,850,258)	3,503,832
Increase in Medicaid Indirect Medical Education	10,683,477	1,245,875
Volume and Revenue Cycle impact	22,585,384	40,044,723
Medicare Enacted Cuts		(4,405,600)
Medicaid reductions in reimbursement		(28,458,156)
Contracted commercial payer increases		1,435,488
Reforecasted Operating Revenues	<u>\$ 889,603,535</u>	<u>\$ 922,243,587</u>



UNM Hospitals

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2015 Actuals	FY 2016 Revised Budget	FY 2017 Budget	Percent Change 2016-17
Revenues	\$1,049,870	\$998,845	\$1,032,531	3.4%
Expenses	914,458	993,063	1,029,789	3.7%
Net Margin before Non-Recurring Items	\$135,412	\$5,782	\$2,742	
Capital Initiatives/Return on Investment - TriWest/Meaningful Use Revenue/Health Insurance - OPEB	(114,810)	7,896	-	
Net Margin	\$20,602	\$13,678	\$2,742	



UNM Medical Group

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2015 Actuals	FY 2016 Revised Budget	FY 2017 Budget	Percent Change 2016-17
Revenues	\$201,292	\$207,065	\$222,546	7.5%
Expenses	193,409	205,748	220,488	7.2%
Net Margin before Non-Recurring Items	\$7,883	\$1,317	\$2,058	
Meaningful Use Revenue/Use of UNMMG Reserves	(6,774)	(2,069)	2,346	
Net Margin	\$1,109	\$(752)	\$4,404	



UNM Sandoval Regional Medical Center

Comparative Analysis: Prior Year - Current Year - Next Year

(In thousands)

	FY 2015 Actuals	FY 2016 Revised Budget	FY 2017 Budget	Percent Change 2016-17
Revenues	\$81,363	\$82,260	\$87,158	6.0%
Expenses	78,702	82,246	87,141	6.0%
Net Margin before Non-Recurring Items	\$2,661	\$14	\$17	
Capital Initiatives/Return on Investment - TriWest/Meaningful Use Revenue/Health Insurance - OPEB	-	-	-	
Net Margin	\$2,661	\$14	\$17	

EXHIBIT C cont.
(pg. 17 of 18)



UNM Health System

EXHIBIT C cont.
(pg. 18 of 18)

FY 2017 Budget
(In thousands)

	UNM Hospitals	UNM Medical Group	UNM Sandoval Regional Medical Center	UNM Health System 6/30/2017 Total
Revenues	\$1,032,531	\$222,546	\$87,158	\$1,342,235
Expenses	1,029,789	220,488	87,141	1,337,418
Net Margin before Non-Recurring Items	\$2,742	\$2,058	\$17	\$4,817
Capital Initiatives/Return on Investment - TriWest/Meaningful Use Revenue/Health Insurance - OPEB/Use of UNMMG Reserves	-	2,346	-	2,346
Net Margin	\$2,742	\$4,404	\$17	\$7,163

UNM

EXHIBIT D

Budget Adjustment Request
Fiscal Year 2015-2016



UNM Budget Adjustment Request (BAR)

- The FY16 Original Operating and Capital Budget was submitted to HED on May 1, 2015
- Budget to Actuals are monitored through the Monthly Financial Report presented by the UNM Controller
- UNM is required to submit a revised budget to HED by May 1 if year-end projections show that actual revenue, transfers, or expenditure levels will exceed those initially budgeted
- **Audit finding if we exceed expenditure authority by exhibit**

Budget Adjustment Request (BAR) Drivers

- Change in revenue and expenditure projections
- Use of reserves for one-time expenditures
- Increase in restricted grant and contract revenues and expenditures
- Restatement of beginning reserves to audited financial statements
- Other changes in transfers

Main Campus Changes

- Main Campus - \$114m Net Increase primarily due to:
 - **\$109m Increase** - Refunding of the 2007A and 2007B Bonds which results in an increase to revenue and offsetting increase to expenditures
 - **\$3m Increase** - Unbudgeted Restricted Federal & State Contracts/Grants revenues and offsetting expenditure activity
 - **\$4m Decrease** in I&G expenditures primarily due to 1.5% pullback from departments related to the decrease in tuition revenues, mandatory student fees and state appropriations
 - **\$6m Increase** in expenditure authority for Internal Services, Student Social, Public Service, and Athletics exhibits

Branch Campus Changes

- Branch Campus \$1.442m Net Increase primarily due to:
 - **Gallup \$519K Net Increase** - primarily I&G expenditure authority due to one-time campus projects and expenditures related to Nursing Expansion funding.
 - **Los Alamos \$965K Net Increase** - primarily due to housing unit sale, I&G expenditure authority, and Restricted Contract and Grant closeout activity .
 - **Valencia \$56K Net Increase** - primarily due to Restricted Contract and Grant activity and cost share agreements.
 - **Taos \$98K Net Decrease** - primarily due to transfers to Plant Fund for equipment purchases/capital projects.

Executive Summary: FY2016 Budget Adjustment Request (BAR)

The BAR for FY2016 Expenditure Authorization Approval is due to the NM Department of Higher Education (HED) on May 2, 2016.

For the UNM Health Sciences Center, only the UNM HSC Academic Enterprise and UNM Hospitals are required to submit an official BAR to HED.

The overall BAR impact to the **UNM HSC Academic Enterprise** is a favorable change in net revenues, transfers and expenditures of \$5,003,372, which is under 1 percent of the \$637.4 million original budget.

The primary drivers of this change are increases in budgeted revenue due to increased Health System Revenue of \$19.1 million due to patient volume.

Significant increases in budgeted expenditures are driven by increases in Faculty compensation and Health System patient volume of \$5.1 million.

UNM Hospitals is projecting an increase to overall expenses totaling \$17.1 million is due to increases in surgical volumes and additional support for the University Clinician Program and increases in all other expenses which were related to lab services, repairs and maintenance and software licensing and maintenance for population health.

UNM Hospitals is projecting an overall revenue increase of \$27.4 million primarily due to increases in outpatient and Cancer Center volumes.

The overall BAR impact to the UNM Hospitals is a favorable change in net revenues and expenditures of \$10,256,745, or 1.1% of the \$968.3 million original budget.

Please see attached official reports that detail each change in the FY2016 Revised Budget for the State of NM governmental units as required by HED.

Health Sciences Center

The overall FY2016 BAR impact to the **UNM HSC Academic Enterprise** is a favorable change in net revenues, transfers and expenditures of \$5,003,372, which is under 1 percent of the \$637.4 million original budget.

The primary drivers of this change are increases in budgeted revenue due to increased Patient Revenue of \$19.1 million due to volume, increases in (F&A) overhead recoveries on research contracts and grants totaling \$2.4 million, and an increase of \$1.4 million due to gains on restricted contracts.

Significant increases in budgeted expenditures are driven by increases in Faculty compensation and Health System increased patient volume totaling \$7.0 million.

Unrestricted

Significant Changes listed below:

- \$14,145,766 Increase - **Beginning Reserves** change from Original Budget to Audited FY15 Ending Reserves
- \$29,315,753 - Net increase in **Revenues** primarily due to:
 - \$2,970,344 - I&G net increase due to increase in F&A revenue
 - \$37,829 - Student Social and Cultural Development net increase due to increase in Student Fund raising
 - \$623,085 - Research net increase due to increase in Gains on Restricted contracts
 - \$24,179,029 - Public Service net increase due to increase in Patient Revenue due to volume
 - \$1,517 - Internal Services net increase
 - \$384,392 - Student Aid Grants & Stipends net increase due to increase in Scholarship revenue
 - \$1,119,557 - Independent Operations net increase mainly due to increase in Housestaff funding as reflected in HB 2
- \$16,422,559 - Net increase in **Transfers** out primarily due to increased budgeted transfers to Plant Funds
- \$7,889,822 - Net increase in **Expenditures** primarily due to:
 - \$23 - I&G net increase
 - \$67,255 - Student Social & Cultural Development increase in Student activities
 - \$69,047 - Research net increase due to increases in program expenses
 - \$5,103,893 - Public Service net increase due to Faculty compensation and Health System patient volume
 - (\$51,573) - Internal Services net decrease due to reduction in ARF expenditures
 - \$296,846 - Student Aid Grants & Stipends net increase due to increase in Scholarships
 - \$2,404,331 - Independent Operations net increase due to increase in Housestaff FTE as reflected in HB 2

Restricted

- \$10,846,126 - Net Decrease in **Revenues** primarily due to:
 - (\$6,563,476) - I&G net decrease in Restricted award revenues
 - (\$1,102,624) - Research net decrease in Restricted award revenues
 - (\$2,822,287) - Public Service net decrease in Restricted award revenues
 - (\$357,739) - Student Aid Grants & Stipends net decrease in Restricted award revenues
- \$10,846,126 - Net Decrease in **Expenditures and Transfers** primarily due to:
 - (\$6,563,476) - I&G net decrease in Restricted award expenses
 - (\$1,102,624) - Research net decrease in Restricted award expenses
 - (\$2,822,287) - Public Service net decrease in Restricted award expenses
 - (\$357,739) - Student Aid Grants & Stipends net decrease in Restricted award expenses

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED
INSTRUCTION & GENERAL

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>BEGINNING RESERVES</i>	\$6,113,673	(\$518,908)	\$5,594,765
<i>REVENUES</i>	117,863,569	2,970,344	120,833,913
<i>TOTAL AVAILABLE</i>	<u>\$123,977,242</u>	<u>\$2,451,436</u>	<u>\$126,428,678</u>
<i>EXPENSES</i>			
<i>INSTRUCTION</i>	\$76,726,701	\$533,519	\$77,260,220
<i>ACADEMIC SUPPORT</i>	11,583,935	(2,516,135)	9,067,800
<i>STUDENT SERVICES</i>	7,821,640	41,260	7,862,900
<i>INSTITUTIONAL SUPPORT</i>	16,383,847	2,429,280	18,813,127
<i>OPERATIONS & MAINTENANCE</i>	8,695,350	(487,901)	8,207,449
<i>TOTAL EXPENSES</i>	<u>\$121,211,473</u>	<u>\$23</u>	<u>\$121,211,496</u>
<i>TRANSFERS</i>	(\$2,973,863)	\$3,551,692	\$577,829
<i>ENDING RESERVES</i>	5,739,632	(1,100,279)	4,639,353
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$123,977,242</u>	<u>\$2,451,436</u>	<u>\$126,428,678</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Decrease - To adjust Beginning Reserves to Actual		(\$518,908)	
TOTAL BEGINNING RESERVES		<u>(\$518,908)</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Decrease in revenue - HB 2, .6% state appropriation rescission		(\$390,500)	
Increase in revenue - F&A revenue and tuition		3,360,844	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>\$2,970,344</u>	
TRANSFERS (FROM) OR TO:			
To I&G		\$46,847	
From Student Social Cultural		(123)	
To Research		2,219,176	
From Public Service		(3,123,948)	
To Internal Service		238,457	
To Student Aid		44,425	
To Independent Operations		4,308	
To Plant Minor/Major (Chancellor's share Health Education Building phase 3 \$4.1 M)		4,122,550	
TOTAL TRANSFERS (FROM) OR TO		<u>\$3,551,692</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Instruction - Increase Expenditure Authority		\$533,519	
Academic Support - Decrease Expenditure Authority		(2,516,135)	
Student Services - Increase Expenditure Authority		41,260	
Institutional Support - Increase Expenditure Authority		2,429,280	
Operations & Maintenance - Decrease Expenditure Authority		(487,901)	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$23</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED STUDENT SOCIAL & CULTURAL DEVELOPMENT		CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
	<i>BEGINNING RESERVES</i>	\$37,813	\$35,996	\$73,809
	<i>REVENUES</i>	28,029	37,829	65,858
	<i>TOTAL AVAILABLE</i>	<u>\$65,842</u>	<u>\$73,825</u>	<u>\$139,667</u>
	<i>EXPENSES</i>	\$52,477	\$67,255	\$119,732
	<i>TRANSFERS</i>	(6,637)	(11,725)	(18,362)
	<i>ENDING RESERVES</i>	20,002	18,295	38,297
	<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$65,842</u>	<u>\$73,825</u>	<u>\$139,667</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:				
	Increase - To adjust Beginning Reserves to Actual		\$35,996	
	TOTAL BEGINNING RESERVES		<u>\$35,996</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:				
	Increase in revenue - Student Social & Cultural fund raising		\$37,829	
	TOTAL INCREASE (DECREASE) IN REVENUES		<u>\$37,829</u>	
TRANSFERS (FROM) OR TO:				
	From Student Social Cultural Main Campus		(\$2,275)	
	From Public Service Main		(9,450)	
	TOTAL TRANSFERS (FROM) OR TO		<u>(\$11,725)</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:				
	Increase in expenses - Student Activities		\$67,255	
	TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$67,255</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED RESEARCH	<u>CURRENT BUDGET</u>	<u>PROPOSED INCREASE (DECREASE)</u>	<u>REVISED BUDGET</u>
<i>BEGINNING RESERVES</i>	\$16,107,630	\$1,446,499	\$17,554,129
<i>REVENUES</i>	10,624,385	623,085	11,247,470
<i>TOTAL AVAILABLE</i>	<u>\$26,732,015</u>	<u>\$2,069,584</u>	<u>\$28,801,599</u>
<i>EXPENSES</i>	\$23,655,582	\$69,047	\$23,724,629
<i>TRANSFERS</i>	(12,403,771)	142,896	(12,260,875)
<i>ENDING RESERVES</i>	15,480,204	1,857,641	17,337,845
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$26,732,015</u>	<u>\$2,069,584</u>	<u>\$28,801,599</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Increase - To adjust Beginning Reserves to Actual		1,446,499	
TOTAL BEGINNING RESERVES		<u>\$1,446,499</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Decrease in revenue - HB 2, .6% state appropriation rescission		(\$29,000)	
Increase in revenue - Gains on Restricted Contracts & Grants, Insurance Reimbursement BRF flood and Other Revenues		652,085	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>\$623,085</u>	
TRANSFERS (FROM) OR TO:			
From I&G		(\$2,102,993)	
To Student Social Cultural		\$250	
To Research		918,583	
To Public Service		21,304	
To Student Aid		922	
To Plant Fund Minor/Major		1,304,830	
TOTAL TRANSFERS (FROM) OR TO		<u>\$142,896</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Increase in projected expense		\$69,047	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$69,047</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED PUBLIC SERVICE		CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
	<i>BEGINNING RESERVES</i>	\$15,229,344	\$10,560,494	\$25,789,838
	<i>REVENUES</i>	282,108,405	24,179,029	306,287,434
	<i>TOTAL AVAILABLE</i>	<u>\$297,337,749</u>	<u>\$34,739,523</u>	<u>\$332,077,272</u>
	<i>EXPENSES</i>	\$281,090,690	\$5,103,893	\$286,194,583
	<i>TRANSFERS</i>	422,482	12,344,656	12,767,138
	<i>ENDING RESERVES</i>	15,824,577	17,290,974	33,115,551
	<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$297,337,749</u>	<u>\$34,739,523</u>	<u>\$332,077,272</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:				
Increase - To adjust Beginning Reserves to Actual				\$10,560,494
TOTAL BEGINNING RESERVES				<u>\$10,560,494</u>
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:				
Decrease in revenue - HB 2, .6% state appropriation rescission				(\$50,200)
Increase in revenue - Patient Clinical revenues due to increase in patient volume				24,229,229
TOTAL INCREASE (DECREASE) IN REVENUES				<u>\$24,179,029</u>
TRANSFERS (FROM) OR TO:				
To I&G				\$2,874,224
From Research				(241,373)
To Public Service				100,217
From Student Aid				(43,300)
From Independent Operations				(394,595)
To Endowments				320,076
To Plant Fund Minor/Major (Cancer Center capital projects \$6.5 M, SOM capital projects and lab/space renovations \$2.8 M)				9,729,407
TOTAL TRANSFERS (FROM) OR TO				<u>\$12,344,656</u>
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:				
Increase in expenses - Faculty compensation - due to increased patient volume				\$5,103,893
TOTAL INCREASE (DECREASE) IN EXPENDITURES				<u>\$5,103,893</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED INTERNAL SERVICES		CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
	<i>BEGINNING RESERVES</i>	\$20,600	\$9,397	\$29,997
	<i>REVENUES</i>	19,659	1,517	21,176
	<i>TOTAL AVAILABLE</i>	<u>\$40,259</u>	<u>\$10,914</u>	<u>\$51,173</u>
	<i>EXPENSES</i>	\$380,778	(\$51,573)	\$329,205
	<i>TRANSFERS</i>	(361,119)	(207,026)	(568,145)
	<i>ENDING RESERVES</i>	20,600	269,513	290,113
	<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$40,259</u>	<u>\$10,914</u>	<u>\$51,173</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:				
Increase - To adjust Beginning Reserves to Actual				<u>\$9,397</u>
TOTAL BEGINNING RESERVES				<u>\$9,397</u>
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:				
Increase in projected revenue				<u>\$1,517</u>
TOTAL INCREASE (DECREASE) IN REVENUES				<u>\$1,517</u>
TRANSFERS (FROM) OR TO:				
From I&G				(\$240,612)
To Plant Fund Minor/Major				<u>\$33,586</u>
TOTAL TRANSFERS (FROM) OR TO				<u>(\$207,026)</u>
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:				
Decrease in projected expense				<u>(\$51,573)</u>
TOTAL INCREASE (DECREASE) IN EXPENDITURES				<u>(\$51,573)</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED STUDENT AID GRANTS & STIPENDS	<u>CURRENT BUDGET</u>	<u>PROPOSED INCREASE (DECREASE)</u>	<u>REVISED BUDGET</u>
<i>BEGINNING RESERVES</i>	\$9,142,683	\$1,221,948	\$10,364,631
<i>REVENUES</i>	1,611,491	384,392	1,995,883
<i>TOTAL AVAILABLE</i>	<u>\$10,754,174</u>	<u>\$1,606,340</u>	<u>\$12,360,514</u>
<i>EXPENSES</i>	\$4,515,054	\$296,846	\$4,811,900
<i>TRANSFERS</i>	(2,389,567)	(6,044)	(2,395,611)
<i>ENDING RESERVES</i>	8,628,687	1,315,538	9,944,225
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$10,754,174</u>	<u>\$1,606,340</u>	<u>\$12,360,514</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:			
Increase - To adjust Beginning Reserves to Actual		\$1,221,948	
TOTAL BEGINNING RESERVES		<u>\$1,221,948</u>	
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:			
Increase in projected revenue		\$384,392	
TOTAL INCREASE (DECREASE) IN REVENUES		<u>\$384,392</u>	
TRANSFERS (FROM) OR TO:			
From I&G		(\$46,225)	
To Public Service		37,800	
To Endowments		1,126	
To Plant Fund Minor/Major		1,255	
TOTAL TRANSFERS (FROM) OR TO		<u>(\$6,044)</u>	
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:			
Increase in projected expense		\$296,846	
TOTAL INCREASE (DECREASE) IN EXPENDITURES		<u>\$296,846</u>	

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

UNRESTRICTED INDEPENDENT OPERATIONS		CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
	<i>BEGINNING RESERVES</i>	(\$10,751,208)	\$1,390,340	(\$9,360,868)
	<i>REVENUES</i>	80,345,699	1,119,557	81,465,256
	<i>TOTAL AVAILABLE</i>	<u>\$69,594,491</u>	<u>\$2,509,897</u>	<u>\$72,104,388</u>
	<i>EXPENSES</i>	\$81,708,078	\$2,404,331	\$84,112,409
	<i>TRANSFERS</i>	1,742,490	608,110	2,350,600
	<i>ENDING RESERVES</i>	(13,856,077)	(502,544)	(14,358,621)
	<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$69,594,491</u>	<u>\$2,509,897</u>	<u>\$72,104,388</u>
TO ADJUST BEGINNING RESERVES TO ACTUAL:				
Increase - To adjust Beginning Reserves to Actual				\$1,390,340
TOTAL BEGINNING RESERVES				<u>\$1,390,340</u>
TO INCREASE (DECREASE) REVENUE AS FOLLOWS:				
Decrease in revenue - HB 2, .6% state appropriation rescission				(\$106,000)
Increase in projected revenue - Primarily HB 2 Housestaff funding due to increased Housestaff FTE				1,225,557
TOTAL INCREASE (DECREASE) IN REVENUES				<u>\$1,119,557</u>
TRANSFERS (FROM) OR TO:				
From I&G				(\$5,058)
To Research				2,148
To Public Service				397,948
To Internal Service				2,072
To Plant Fund Minor/Major				211,000
TOTAL TRANSFERS (FROM) OR TO				<u>\$608,110</u>
TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:				
Increase in projected expense - Primarily HB 2 Housestaff compensation due to increased Housestaff FTE				\$2,404,331
TOTAL INCREASE (DECREASE) IN EXPENDITURES				<u>\$2,404,331</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

**RESTRICTED
INSTRUCTION & GENERAL**

	<u>CURRENT BUDGET</u>	<u>PROPOSED INCREASE (DECREASE)</u>	<u>REVISED BUDGET</u>
<i>REVENUES</i>	\$10,526,928	(\$6,563,476)	\$3,963,452
TOTAL AVAILABLE	<u>\$10,526,928</u>	<u>(\$6,563,476)</u>	<u>\$3,963,452</u>
<i>EXPENSES</i>			
<i>INSTRUCTION</i>	\$5,382,758	(\$1,382,758)	\$4,000,000
<i>ACADEMIC SUPPORT</i>	133,532	(115,390)	18,142
<i>STUDENT SERVICES</i>	5,010,638	(4,935,778)	74,860
<i>INSTITUTIONAL SUPPORT</i>	0	10,000	10,000
<i>OPERATIONS & MAINTENANCE</i>	0	0	0
TOTAL EXPENSES	<u>\$10,526,928</u>	<u>(\$6,423,926)</u>	<u>\$4,103,002</u>
<i>TRANSFERS</i>	\$0	(\$139,550)	(\$139,550)
<i>ENDING RESERVES</i>	0	0	0
TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES	<u>\$10,526,928</u>	<u>(\$6,563,476)</u>	<u>\$3,963,452</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Decrease in I&G Restricted Awards	(\$6,563,476)
TOTAL INCREASE (DECREASE) IN REVENUES	<u>(\$6,563,476)</u>

TRANSFERS (FROM) OR TO:

From I&G for Cost Share	(\$127,751)
From Public Service for Cost Share	(\$11,799)
TOTAL TRANSFERS (FROM) OR TO	<u>(\$139,550)</u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Decrease in expenses - I&G Restricted Awards	(\$6,423,926)
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u>(\$6,423,926)</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

RESTRICTED
RESEARCH

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>REVENUES</i>	\$70,370,430	(\$1,102,624)	\$69,267,806
<i>TOTAL AVAILABLE</i>	<u>\$70,370,430</u>	<u>(\$1,102,624)</u>	<u>\$69,267,806</u>
<i>EXPENSES</i>	\$71,213,327	\$146,866	\$71,360,193
<i>TRANSFERS</i>	(842,897)	(1,249,490)	(2,092,387)
<i>ENDING RESERVES</i>	0	0	0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$70,370,430</u>	<u>(\$1,102,624)</u>	<u>\$69,267,806</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Decrease in Research Restricted Awards	<u>(\$1,102,624)</u>
TOTAL INCREASE (DECREASE) IN REVENUES	<u>(\$1,102,624)</u>

TRANSFERS (FROM) OR TO:

From I&G for Cost Share	(\$92,160)
From Research for Cost Share	(\$918,016)
From Public Service for Cost Share	(\$223,202)
From Internal Service for Cost Share	<u>(\$16,112)</u>
TOTAL TRANSFERS (FROM) OR TO	<u>(\$1,249,490)</u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Increase in expenses - Research Restricted Awards	<u>\$146,866</u>
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u>\$146,866</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

RESTRICTED
PUBLIC SERVICE

	CURRENT BUDGET	PROPOSED INCREASE (DECREASE)	REVISED BUDGET
<i>REVENUES</i>	\$39,746,267	(\$2,822,287)	\$36,923,980
<i>TOTAL AVAILABLE</i>	<u>\$39,746,267</u>	<u>(\$2,822,287)</u>	<u>\$36,923,980</u>
<i>EXPENSES</i>	\$39,937,370	(\$2,791,968)	\$37,145,402
<i>TRANSFERS</i>	(191,103)	(30,319)	(221,422)
<i>ENDING RESERVES</i>	0	0	0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$39,746,267</u>	<u>(\$2,822,287)</u>	<u>\$36,923,980</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Decrease in Public Service Restricted Awards	(\$2,822,287)
TOTAL INCREASE (DECREASE) IN REVENUES	<u>(\$2,822,287)</u>

TRANSFERS (FROM) OR TO:

To I&G to return Cost Share	\$123,251
From Research for Cost Share	(\$50,000)
From Public Service for Cost Share	(\$100,217)
From Independent Operations for Cost Share	(\$3,353)
TOTAL TRANSFERS (FROM) OR TO	<u>(\$30,319)</u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Decrease in expenses - Public Service Restricted Awards	(\$2,791,968)
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u>(\$2,791,968)</u>

UNIVERSITY OF NEW MEXICO
REQUEST FOR BUDGET REVISIONS
FISCAL YEAR 2015-16

UNM HEALTH SCIENCES CENTER

**RESTRICTED
STUDENT AID GRANT AND STIPENDS**

	<u>CURRENT BUDGET</u>	<u>PROPOSED INCREASE (DECREASE)</u>	<u>REVISED BUDGET</u>
<i>REVENUES</i>	\$3,081,160	(\$357,739)	\$2,723,421
<i>TOTAL AVAILABLE</i>	<u>\$3,081,160</u>	<u>(\$357,739)</u>	<u>\$2,723,421</u>
<i>EXPENSES</i>	\$3,081,160	(\$356,817)	\$2,724,343
<i>TRANSFERS</i>	0	(922)	(922)
<i>ENDING RESERVES</i>	0	0	0
<i>TOTAL EXPENSES, TRANSFERS, & ENDING RESERVES</i>	<u>\$3,081,160</u>	<u>(\$357,739)</u>	<u>\$2,723,421</u>

TO INCREASE (DECREASE) REVENUE AS FOLLOWS:

Decrease in Student & Fellowship Restricted Awards	(\$357,739)
TOTAL INCREASE (DECREASE) IN REVENUES	<u>(\$357,739)</u>

TRANSFERS (FROM) OR TO:

From Research for Cost Share	(\$922)
TOTAL TRANSFERS (FROM) OR TO	<u>(\$922)</u>

TO INCREASE (DECREASE) EXPENDITURES AS FOLLOWS:

Decrease in expenses - Student & Fellowship Restricted Awards	(\$356,817)
TOTAL INCREASE (DECREASE) IN EXPENDITURES	<u>(\$356,817)</u>

UNM Hospitals

The overall BAR impact to the **UNM Hospitals** FY 2016 original budget is a net favorable change in net revenues and expenditures of \$10,256,745, or 1.1% of the \$968.3 million budget.

Expenditures

- \$17,111,388 - Net increase in **Expenditures** primarily due to:
 - \$10,456,011 - Net increase in Medical Supplies due to increased surgical volumes requiring implants and pharmaceutical pricing shift to specialty pharmacy
 - \$4,016,818 – Net increase in University Clinician Program - additional support for Anesthesia, Emergency Services, Internal Medicine, Obstetrics/Gynecology, Pathology and Pediatrics
 - \$6,119,211 - Net increase in All Other Expenses due to increased lab services, repairs and maintenance and software licensing and maintenance for population health
 - (\$4,340,596) – Reduction in bond interest expense and other bond related costs due to refinance of outstanding bonds in June 2015

Revenues

- \$27,368,132- Net Increase in Revenues primarily due to:
 - \$27,368,132 - Increase in Net Patient Revenues – Increase in outpatient and Cancer Center volumes

UNIVERSITY OF NEW MEXICO HOSPITALS
REQUEST FOR BUDGET REVISION
FISCAL YEAR 2015-2016

	ORIGINAL BUDGET FY 2015 - 2016	REVISED BUDGET FY 2015 - 2016	FY 2015 - 2016 REVISED TO ORIGINAL VARIANCE
NET PATIENT REVENUES	849,790,631	876,469,577	26,678,946
CONTRACT AND GRANT REVENUES	3,080,313	3,889,728	809,415
OTHER OPERATING REVENUES	21,497,425	21,788,930	291,505
TOTAL OPERATING REVENUES	<u>874,368,368</u>	<u>902,148,234</u>	<u>27,779,866</u>
MILL LEVY	93,216,109	93,409,257	193,148
OTHER NON-OPERATING REVENUES	4,145,087	3,540,206	(604,881)
TOTAL REVENUES	<u>971,729,564</u>	<u>999,097,697</u>	<u>27,368,132</u>
SALARIES, WAGES, & BENEFITS	463,033,837	463,050,220	16,382
MEDICAL SUPPLIES	147,901,645	158,357,656	10,456,011
UNIVERSITY CLINICIANS PROGRAM	88,891,218	92,908,036	4,016,818
HOUSESTAFF	28,359,203	29,202,764	843,561
ALL OTHER EXPENSES	231,975,262	238,094,474	6,119,211
TOTAL OPERATING EXPENSES	<u>960,161,166</u>	<u>981,613,150</u>	<u>21,451,983</u>
INTEREST EXPENSE & BOND RELATED COSTS	8,146,754	3,806,158	(4,340,596)
TOTAL EXPENSES	<u>968,307,920</u>	<u>985,419,308</u>	<u>17,111,388</u>
NON-RECURRING		-	-
NET GAIN/(LOSS)	<u>\$ 3,421,644</u>	<u>\$ 13,678,389</u>	<u>\$ 10,256,745</u>
NOTE:			
TOTAL CAPITAL OUTLAY	\$ 42,971,764	\$ 40,644,381	(2,327,383)
FUNDING FROM OTHER SOURCES (DONATIONS AND CAPITAL INITIATIVES FUND)	(11,479,586)	(8,771,499)	2,708,087
CAPITAL OUTLAY (FUNDED FROM CASH BALANCES)	<u>\$ 31,492,178</u>	<u>\$ 31,872,882</u>	<u>\$ 380,704</u>