

0000-14

**Minutes of the Special Meeting of
The Board of Regents of the University of New Mexico
July 14, 2020; 8:00 AM**

9:00 AM Open Session – virtual meeting via Zoom; livestreamed for public viewing

Members present

Douglas Brown, President
Kim Sanchez Rael, Vice President
Sandra Begay, Secretary/Treasurer
Rob Doughty
Melissa Henry
Marron Lee
Robert Schwartz

Administration present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Paul Roth, EVP and Chancellor for Health Sciences Center; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, Chief Legal Counsel; Cheryl Willman, Director and CEO, UNM Comprehensive Cancer Center; Assata Zerai, VP for Equity and Inclusion; Ava Lovell, Sr. Executive Officer for Finance & Administration, HSC; Francie Cordova, Interim Chief Compliance Officer, Director of OEO, ADA Coordinator; Duane Arruti, CIO; Dorothy Anderson, VP HR; Dan D. Garcia, VP Enrollment Management; Eddie Nunez, Athletic Director; Dan D. Garcia, VP Enrollment Management; Cinnamon Blair, Chief University Marketing and Communications Officer; Connie Beimer, Int. VP Alumni Relations; Liz Metzger, University Controller; Terry Babbitt, President's Chief of Staff

Advisors present

Muskan 'Mia' Amin, President, ASUNM; Chad Cooper, President, UNM Alumni Association; Kevin Malloy, President, Retiree Association; Nikhil Naguru, President, GPSA; Nancy Shane, President, Staff Council

Presenters in attendance

Bonnie White, CFO, UNM Hospitals; Norma Allen, Director, University Budget Operations; Nicole Dopson, Director, Financial Operations, Provost's Office; Rodney Martinez, CFO, Comprehensive Cancer Center; Tom Neale, Director Real Estate; Alexandra Benjamin, Chair, Harwood Foundation Governing Board; Ryan Mummert, UNM Foundation Investment Committee chair; Kenny Stansbury, UNM Foundation CFO

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Douglas M. Brown called the meeting to order at 8:02 AM and confirmed a quorum with six members attending virtually via Zoom. At 8:08 AM, all seven members were in attendance.

VOTE TO ADOPT THE AGENDA

The motion to adopt the agenda passed unanimously (1st Doughty; 2nd Begay; roll call vote – all members voted yes).

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

The motion to close the meeting passed unanimously (1st Doughty; 2nd Schwartz; roll call vote – all members voted yes).

Executive Session Agenda

- A. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1(7), NMSA (1978)
- B. Discussion of personally identifiable information about a student, as permitted by Section 10-15-1.H(4), NMSA (1978), as amended

VOTE TO OPEN THE MEETING

The vote to re-open the meeting was unanimous; the meeting re-opened at 9:00 AM. The livestream of the virtual meeting for public viewing was reconnected. Regent President Brown certified that only those matters described in the closed session agenda were discussed and there was one item upon which to action would be taken in open session.

The motion to deny a request by an individual student, dated June 3, 2020, for the Board's discretionary review of an appeal of an OEO determination, passed unanimously (1st Begay; 2nd Henry; roll call vote - all members voted yes).

APPROVAL OF MINUTES OF THE MAY 12, 2020 REGULAR MEETING

Before approval of the minutes, Regent Brown asked if members had any corrections, deletions, or changes to the draft minutes. There being none, he asked for a motion.

The motion to approve the minutes of the May 12, 2020 regular meeting passed unanimously (1st Schwartz; 2nd Henry; roll call vote - all members voted yes).

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes said part of her report would be a standard administrative report and part would be a preview related to things that the Legislative Finance Committee has asked about. In the area of celebrations, President Stokes called attention to recent UNM successes, including Fulbright awardees, Udall Scholar recipients, women in STEM awardees, UNM's Top-100 patent ranking in the world, and recent faculty distinguished professor promotions. President Stokes touched on recent issues on the minds of Lobos, including law enforcement, the Zimmerman Murals, building naming, and student visas related to international students. There are potential regulations that would make it very difficult for international students who have decided for health reasons to go entirely online - it would force those students to leave the country. This has created much hardship and fear for these students. UNM has 1000 international students, all an integral part of the UNM community both at the undergraduate and graduate level. New Mexico has joined other states in playing an active role in discussions about these potential regulations. President Stokes said UNM has some great new deans and commended Provost Holloway for overseeing successful searches. The College of Fine Arts' new dean, Harris Smith, will start August 1st. Dr. Smith has a theatre and acting background and comes to UNM from the University of Utah, where he was chair of the department of theater. The search for the new EVP for Health Sciences is ongoing with the final four candidates scheduled to visit campus later in the month. Constituent groups will meet each of the candidates via zoom meetings, and open forums are scheduled to allow for community involvement. President Stokes will solicit feedback about the candidates from all constituents for this critical position.

President Stokes reported on academic performance during COVID-19. In mid-March and early-April, UNM had to move very fast to help students and faculty move to a completely remote teaching and learning environment in order to complete the spring semester. There was serious concern about student progress during the transitioning to the online environment, so policy adjustments were made to allow for the large utilization of Credit, No-Credit grading. Comparing the spring semester data with 3 prior years' data, there were more students who took advantage of the Credit, No-Credit option (2,838 students vs. around 100 in each of prior years). There were also far fewer withdrawals from classes than past years, and this allowed students to continue to make progress toward their degree, which was a high priority. Also seen was an increase in the number of A and A+ grades which led to an increase in GPAs for the semester. This was as a result of the significant interventions that were put into place to help students be successful.

President Stokes discussed enrollment projections. The COVID-19 crisis really has universities and colleges across the country reeling. Current projections for Fall compared last Fall look at student registrations at a point in time 6 weeks prior to term and show returning-student enrollment dropping by 5.12% (726 students), but new-freshmen enrollment is projected to increase by 3.73% (about 70 students), so the total overall decrease looks to be about 4.29%. President Stokes talked about possible enrollment factors due to the COVID-19 pandemic, including more resident students staying in New Mexico and less coming from out of state or internationally.

President Stokes discussed the plan to return to full operations in a phased approach. The planning is guided by a network of teams that have been addressing urgent priorities amid evolving conditions, addressing such areas as health protocols, external communications, space allocations, instructional continuity and student support, financial planning, and sports and athletics. Provost Holloway discussed in more detail the ramping up of research, scholarship, creative work, and community engagement. He discussed the hybrid fall class schedule, which is a relatively common model across the country. Smaller institutions across the country are actually predominantly going back and hoping to do largely

in person education, but institution of UNM's size and nature are planning the hybrid schedule. About 7% of classes will be fully in person, and about 25% partially in person, meaning they might meet once a week with the rest being remote. That leaves two-thirds of the classes that will be fully remote. Provost talked about specialized facilities for clinical and lab learning, limiting facility and classroom density and student housing density, and a ramped up virtual mentoring program for first-year students. He outlined testing priorities and response protocols that have been put into place. With contact tracing and coordination with the NMDOH, UNM will monitor changes in COVID infection within the UNM community.

President Stokes asked Paul Roth to speak about the Health Sciences Center's (HSC) activities during the COVID-19 pandemic. Dr. Roth spoke about the incident management team that was set up in early March and the protocols set up to guide the HSC in all of its missions. The crisis impacted all of the HSC's three missions, and so the HSC modified all operations to address education of learners, research, and meeting the health and well-being of all New Mexicans. Dr. Roth talked about the gating criteria for returning to full operations which would include, among other criteria, a greatly reduced reproduction rate (RO) of the virus and increased testing availability. He also talked about a phased clinical resumption plan, coordinated with the education and research mission, that includes monitoring, ongoing coordination, and a plan in place for a possible future surge. Dr. Roth discussed details about research phased resumption, administrative reopening, and academic phased reopening.

President Stokes addressed the Legislative Finance Committee's (LFC) request to look for ways in which the universities and colleges in New Mexico can collaborate. One example is the New Mexico Consortium of Academic Libraries (NMCAL) that turned out to be critical to cutting costs of libraries. Other possible areas of collaborations might be a shared research infrastructure and a shared procurement consortium, any areas that support the core mission and does not involve competition.

Regent Rael inquired if critical information is being supplied to students and families to help make decisions about coming to UNM, including decisions about housing and other financial decisions and if any policies are in place to allow for financial flexibility. President Stokes and SVP Constantinidis weighed in to answer her questions. In the spring, UNM did reimburse students for residence halls and the food program. When a decision needs to be made where it's safety versus flexibility and financials, the safety aspect trumps the others.

Regent Schwartz inquired about the criteria that would trigger UNM going back to fully online classes. President Stokes discussed COVID testing, contact tracing and leadership's constant evaluation of all the issues, and ensured that faculty and staff and the community are doing everything they can to protect the health of people while trying to continue the education for students. Provost Holloway discussed further the plans to keep the campus safe.

President Stokes closed her report with a tribute to Dr. Paul Roth who would be stepping into retirement at the end of the month. She likened Dr. Roth to an icon and a monument in our society, one deserving of respect and a permanent legacy. She thanked him for his support and for helping her make a safe landing and smooth transition when she came to UNM two years ago. President Stokes highlighted a few of the projects and initiatives that lie at the crossroads of education in medicine that uniquely define Dr. Roth's humane and inclusive world outlook. He came to New Mexico more than 40 years ago to serve as a resident physician in Family Medicine at UNM. Since that time, he also served as an attending physician and department chair, Associate Dean for clinical affairs, Dean of the School of Medicine, and UNM Executive Vice President. He also served as UNM's acting President for a while 2010. Just a few of his other accomplishments include improving access to healthcare and communities around New Mexico, creation of the combined BA/MD program, development of the Emergency Medicine Program, and as a nationally recognized leader in disaster medicine, he helped shape the national response to global disasters and crises and develop strategies to contend with an unprecedented global pandemic.

ADOPTION OF RESOLUTION HONORING DR. PAUL B. ROTH

Regent Schwartz continued the tribute to Paul Roth adding several notables to his legacy. Dr. Roth is not only EVP and Chancellor of the Health Sciences Center, but also CEO of the Health System and Dean of the School of Medicine, serving in all of those positions at the same time! And as mentioned, he was for a while acting president of UNM. Among his accomplishments is bringing underrepresented

groups into medical education in New Mexico and opening up the healthcare workforce in New Mexico so that it would look a lot more like the state and so better serve the state, and he was a decade or more ahead of the rest of the country in doing that. Of note, Dr. Roth was first in his family to go to college, and he made UNM Medical School one that is welcoming to first-in-college grads, to Hispanic students, and to Native American students. And to women who were a very tiny minority of the faculty and staff when he first came to UNM, he worked very hard to create an environment where everyone was welcome and where everyone could succeed, and the strides that have been made in that direction are extraordinary and exemplary on the national scene. Regent Schwartz expounded upon Dr. Roth's professional, medical and personal ethical principles, his adherence to those principles, as well as his compassion and humility - "He's just not somebody who takes the easy way out. He is a wonderful role model for his students, for his colleagues, and for all of us."

Regents, President Stokes, and several members of administration read in turn, out loud the resolution honoring Dr. Paul B. Roth. [ATTACHMENT A]

The motion to adopt the resolution honoring Dr. Paul B. Roth passed unanimously (1st Schwartz; 2nd Dougherty; roll call vote - all yes votes).

Regent President Brown thanked and commended Dr. Roth and added it was a great pleasure to be able to pass the resolution.

ADOPTION OF RESOLUTION HONORING JUNE AND JOHN PEROVICH

Regent Brown introduced the resolution honoring June and John Perovich. John Perovich has been such stable support for the University in so many ways and most recently in his leadership of the Sandia Foundation Board. The Sandia Foundation provides indispensable support to UNM students, directing quarterly checks of scholarship funds to the University. The last quarterly distribution was \$365,625 and an additional contribution of \$50,000 to the John and June Perovich endowment scholarship will be directed, at Mr. Perovich's request, to UNM.

Regent Brown read the resolution honoring the Lifelong Lobo. [ATTACHMENT B]

The motion to adopt the resolution honoring June and John Perovich passed unanimously (1st Brown; 2nd Begay; roll call vote - all yes votes).

APPROVAL OF UNM ALUMNI ASSOCIATION'S NEW BOARD MEMBERS

Chad Cooper, President of the Alumni Association's Board, presented the eight names of candidates for membership on the board: Kenneth Armijo; Kyle Biederwolf; Aprilyn Chavez Geissler; Ryan Ferguson; Jessica Hurtado; Erica Kraus Muñoz; Susan Moczygemba-McKinsey; and José (Joe) Ortiz. He also discussed recent Alumni Association activities, events, and developments.

The motion to approve the 8 new board members to the Alumni Association Board passed unanimously (1st Schwartz; 2nd Begay; roll call vote - all yes votes).

PUBLIC COMMENT

Matías Fontenla, Faculty, Professor of Economics, spoke in support of including faculty in discussions about the budget, raises, and returning to campus, and in support of compensation increases for faculty.

Athena Christodoulou, Secretary, NM Solar Energy Association Board, raised awareness about oil and gas rig-count reductions in the state and globally - this is a key time to examine whether any investments in the fossil fuel industry is wise from a fiduciary perspective, for the state's economic development and diversification, and for the global climate.

Paula Corbin Swalin, Lobo Vocal Academy, Music Department faculty member, and UNM alumnus, asked UNM leadership to come to an agreement with faculty that assures transparency, clarity, equity and guidance during the COVID crisis, including how the University is handling the HVAC systems and management of non-University personnel on the campus.

Manel Martinez-Ramón, Professor, Department of Electrical and Computer Engineering, and proud member United Academics of UNM, spoke about the budget and advocated for fairness in negotiations with the union.

William 'Billy' Brown, Faculty, Instructor, Department of Mathematics and Statistics, advocated for faculty involvement in the budget process, not only for the annual budget, but the longer-term as well; urged seeking guidance on appropriate faculty participation in budget formulation and recommended the American Association of University Professors statement of 1972 (amended in 1990) on the role of faculty on budgetary and salary matters, from which Dr. Brown read excerpts.

Heather Sweetser, Lecturer, Foreign Languages and Literature Department, spoke about the importance of safely reopening UNM, protecting international students, and concerns for students who were living in the dorms when the COVID-19 pandemic broke out during the spring semester.

Nahir Otano Gracia, Assistant Professor of English, spoke about concerns for the health and safety of faculty colleagues who are having to decide how to open in the fall; also concerns about childcare if schools are closed, COVID-19 risks to older populations and concerns for faculty, staff and students, particularly non-traditional students; concerns about tenure track faculty, accommodations made during COVID and requested that clear information from leadership be made available.

Gary Cook, Associate Professor at UNM-Taos, advocated for UNM budget transparency with the faculty union and for faculty to have a voice, to be included in meetings, particularly regarding budgets.

ADVISORS' COMMENTS

Mia Amin, ASUNM President, spoke regarding the budget decision. For the fall semester, there is a petition going around among the student body to lower tuition and fees. Virtual learning does not provide the same experience as in person learning; and a lot of the buildings, facilities and services funded by student fees are not available. Ms. Amin asked the Regents to have good discussion on the budget before approving it and to give students a tuition break if possible. She asked to support students in the future by promoting ways to make college more affordable, departments more fiscally responsible.

Regent Begay encouraged attendance at the Finance and Facilities Committee meetings where there is more in depth discussion on budget issues, and she encouraged researching past years' recommendations on student fees and Regents' decisions with regard to tuition and fees so to get a good background as to where we are today.

Nancy Shane, Staff Council President, spoke about the difficulties for staff in the loss of the 4% compensation increase; concerns for possible furloughs or layoffs; the safety for staff returning to work; and possible challenges with childcare.

Nikhil Naguru, GPSA President, spoke about student concerns and supporting graduate students, collaborations, and the issue of tuition and fees.

COMMENTS FROM REGENTS

Regent Begay congratulated Dr. Roth on his retirement and on his very honorable career, and said, the gemstone that we forget in life is that people earn the right to retire, and it's a celebration that they've done a great career and have done a lot for their institution. She spoke about an especially poignant part of his career to her, that being his successful efforts to diversify the medical field, particularly with the BA/MD program that he started.

Regent Rael expressed appreciation for the work of the administration and the Regents on supporting the University through this trying time, and she emphasized that higher education (HE), not only UNM but everywhere in the country, will never be the same. This is a pivotal moment for HE institutions and it's certainly an extreme challenge, but is also an opportunity to reset and rethink the delivery of HE and how the future is going to look for the fiscal solvency of UNM and for all of HE across New Mexico and the country. She encouraged President Stokes and the leadership to think more broadly than ever before about how to leverage all the assets at UNM's disposal and avoid things like tuition increases, even look for opportunities like reducing fees, ensuring fees directly support students. She encouraged President Stokes and leadership to continue to work with the LFC and leaders in Santa Fe on the

concept of a strategic plan for all of HE across the state that optimizes UNM's ability to meet the HE mission for key constituents but does so in a more streamlined and cost effective way for all constituencies. There will be no return to business as usual, and she encouraged everyone to work together to take UNM and all communities to the next level.

Regent Brown said all of the public comments were very thoughtful and affirmed the importance of two-way communication with faculty, students, staff and all constituents about what's going on. The situation [during the COVID crisis] is fluid and changes day to day, and week to week, so active, continuous communication is critical.

APPROVAL OF CONSENT DOCKET

Regent Brown addressed the consent docket. There was no request for removal of any items for discussion. Regent Rael moved approval of the consent docket.

- A. Approval of UNM Hospital Disposition of Assets
- B. Approval of Election of Certain Directors of UNM Medical Group, Inc.
- C. Approval of Election of Certain Directors of UNM Sandoval Regional Medical Center, Inc.
- D. Approval of Disposition of Surplus Property for Apr., May, & June 2020
- E. Approval of 4th Quarter Financial Actions Report and Certification through June 30, 2020
- F. Approval of Real Estate Item: Maui High Performance Computing Center Annual Lease Renewal
- G. Re-Approval for UNM Popejoy Hall Artist Support Spaces Renovation

The motion to approve the items on the consent docket passed with a unanimous vote in favor (1st Rael; 2nd Schwartz; roll call vote - all members voted yes).

HEALTH SCIENCES CENTER COMMITTEE

Approval of Revised FY2021 Budget for HSC

Ava Lovell presented the item and referred to slides provided in the eBook. **[ATTACHMENT C]**

Ms. Lovell clarified this would be the first revised budget, as it is expected the budget will be revised again. This budget revision depict an overall \$11,096,000 cut from the original FY21 budget. The cuts include 4% reduction to I&G (-\$2,525,900); a 6% across the board cut to RPSPs (Research & Public Service Programs) resulting in \$2,484,800 reduction; a cut to original I&G funding in the amount equal to the CARES stimulus funding that was received for the COVID outbreak (-\$1,204,600); and cut to the compensation and fringe funding of \$4,880,700 that was in the original budget. Ms. Lovell showed a detail listing of the appropriations reductions and spoke about other possible budgetary impacts due to the COVID-19 crisis. Ms. Lovell presented the budget changes at the HSC component level, including the Academic Enterprise, UNM Hospitals, and the Medical Group. She also touched on next steps and strategies, including changing health professions' educational needs, clinical platform changes and continued pandemic adjustments.

Regent Begay clarified that UNM cannot make up for the state's compensation funding that was eliminated because that was money from the state. She emphasized the importance of understanding the color of money, separate pockets of funding that don't mix, for example funds toward the academic mission, research and grant funding, capital funding, and foundation funds.

Regent Schwartz said UNM could grant raises if it could save money someplace else. While there are funds that are committed, there are still an awful lot that are under UNM's control.

The motion to approve the revised FY2021 HSC budget passed unanimously (1st Henry; 2nd Brown; roll call vote - all yes votes).

Approval of UNM Comprehensive Cancer Center Integrated Informatics System

Cheryl Willman presented the item. The Cancer Center is facing its federal renewal and certification with the National Cancer Institute, and one of the new requirements for comprehensive cancer centers across the nation are for informatics, or Big Data artificial intelligence projects. The expectation is to

create an internal database that collects data on patients that are treated, including survivors and their outcome data. The first component will be to build an integrated HIPAA compliant data warehouse for existing and future patients and survivors throughout the state. The second platform will be an external facing, community database to look at statewide factors to model data to determine regions of the state in which to intervene to improve cancer prevention. An RFP went out for this contract. There were five respondents, and the chosen vendor was a local company, Resilient Solutions 21, Inc. The total project estimate is \$3,022,000, of which \$2.5 million will be funded with state RPSP funding, and the remaining from reserves and recent NCI grant funds.

The Regents congratulated Dr. Willman on the Cancer Center successes and this exciting project.

The motion to approve the CCC Integrated Informatics System passed unanimously (1st Doughty; 2nd Henry; roll call vote - all yes votes).

Approval of UNM Hospital Items:

1-Capital Project – New Hospital Tower Project – New Parking Structure Building (\$75,800,000)

2-Agreement with Cerner Corporation: Remote Hosting Services (\$34,788,936)

3-Agreement with Cerner Corporation: Existing Solutions (\$25,218,261)

4-Agreement with LivaNova re Vagus Nerve Stimulation therapy System (\$26,000,000)

Bonnie White presented each of the UNM Hospital items; after which the Regents voted on all four of the items together. The first item will be a 1,401 space, 7-level concrete parking structure to be constructed in multiple phases. The new structure will be constructed first, then the existing 500-car structure will be demolished to permit construction of the New Hospital Tower. The contract involved a construction manager at risk selection process, to which Bradbury Stamm Hunt was awarded. The total project construction budget is not to exceed \$75,800,000. The second item is a 7-year agreement with Cerner Corporation for an extension of the remote hosting software and infrastructure that is housed in Kansas City. UNM Hospital will extend the agreement to ensure no disruption in services to the Electronic Medical Record and all of the products that are currently in production. The total contract award is \$34,788,936 with projected annual costs just under \$5 million. The third item is a 7-year agreement with Cerner Corporation for an extension of the core Electronic Medical Record software renewal. UNM Hospital will extend the agreement to ensure no disruption in services. The total contract award is estimated at \$25,218,261 with projected annual costs of \$3.6 million. The fourth item is a ten-year agreement with a sole source, LivaNova, for a Vagus Nerve Stimulation Therapy System for the operating room. It is an FDA approved treatment of refractory epilepsy and treatment-resistant depression, currently a standard of care for surgical intervention in epilepsy treatment at UNM Hospital. Total projected contract amount is \$2.6 million over a ten-year period.

The motion to approve all four of the UNM Hospital items as presented passed unanimously (1st Brown; 2nd Doughty; roll call vote - all yes votes).

Information Item:

Amendment of Exhibit A of Regents' Policy 3.8 (which designates health care components of the UNM hybrid covered entity) to add the OEO and the Office of the Title IX Coordinator, when providing services and/or conducting investigations in respect to any of the health care components
Scot Sauder discussed the item. The only change to the policy is that the OEO and the Office of Title IX Coordinator were added to the policy's Exhibit A list. The Regents established UNM's HIPAA privacy compliance under this policy, RPM 3.8.

FINANCE AND FACILITIES COMMITTEE

Approval of the Main and Branch FY21 Budget Adjustment

Teresa Costantinidis presented the item, referring to slides that were provided in the eBook. **[ATTACHMENT D]**

This budget is based upon the revised NM State Budget House Bill that emerged from the special session of the New Mexico legislature and was signed by the Governor on June 30. SVP Costantinidis discussed the three state-funded changes to the original budget: 1-removal of the 4% compensation increase (-\$14.5 million); 2-sanding of the 4% I&G and 6% RPSP funding increases (-\$14.6 million); and 3-a reduction equal to the CARES stimulus funding that was received (-\$7.0 million). SVP

Costantinidis cautioned there is potential for additional general fund budget reduction and it is anticipated the state will need to impose additional budget reductions for FY22 as well. Provost Holloway presented a draft of the budget principles and strategies and discussed COVID-19 impacts. SVP Costantinidis discussed details of the overall budget adjustments for Main Campus and the branches. The overall budget adjustment for Main Campus has a \$33.5 million reduction to revenues, or 6.5%. There was discussion.

The motion to approve the Main and Branch FY21 Budget Adjustment passed unanimously (1st Lee; 2nd Schwartz; roll call vote - all yes votes).

Approval of Real Estate Item: Conveyance of Real Property Interests of Innovate ABQ to UNM Regents
Tom Neal presented the item. On behalf of the UNM's Administration, the Real Estate Department is requesting approval of the conveyance of the real property interest of Innovate ABQ to the Board of Regents. The primary components of the conveyance include the fee interest in the seven-acre site at the northwest corner of Central Avenue and Broadway Boulevard, the fee interest in the former church sanctuary, adjoining five-story tower, and an education wing. The conveyance also includes the leased fee interest in the CNM Fuse Makerspace and the long-term ground lease to Signet Enterprises, the developer of the Lobo Rainforest Building. There is not a fee or price associated with this conveyance. Upon completion of the conveyance, the Board of Regents will be responsible for operational and management control of the ownership. If approved by the Regents, this project will be co-managed by Rainforest Innovations and the Lobo Development Corporation. Mr. Neale expressed excitement to get this project back under the control of the Regents, as there are a lot of resources, including potential research resources and subject-matter experts, which will be able to reinvigorate this project.

The motion to approve the conveyance of real property interests of Innovate ABQ to UNM Regents passed unanimously (1st Schwartz; 2nd Rael; roll call vote - all yes votes).

Approval of the Appointment of Harwood Board Nominated Members, Shawn Berman, Patricia Day, Lucile Grieder, Cindy Grossman, and Sherry Parsons to the Harwood Foundation Governing Board and Approval of the Appointment of Harris Smith, Dean of the UNM College of Fine Arts, to the Harwood Foundation Governing Board

Alexandra Benjamin presented the item. The Delegation Resolution, adopted in 2007 by the Regents, delegated to the Harwood Board certain responsibility for the governance, oversight, management and operation of UNM's Harwood Museum. The resolution provides that the Regents shall appoint the members of the Harwood Board, including six (6) members appointed based on recommendations by the Harwood Board. The Harwood Board recommends, Shawn Berman (2-year term), Patricia Day (1-year term), Lucile Grieder (3-year term), Cindy Grossman (3-year term), and Sherry Parsons (3-year term) and also Harris Smith as an administrative appointment to a three-year term position. Dr. Smith is the new Dean of the College of Fine Arts and will replace Tom Tkach whose term is expiring.

The motion to approve the 5 Harwood Board Nominated members and Harris Smith, Dean of the College of Fine Arts, for appointments to the Harwood Governing Board passed unanimously (1st Lee; 2nd Schwartz; roll call vote - all yes votes).

Approval of UNM/UNM Foundation Consolidated Investment Fund Investment Policy Amendment

Ryan Mummert presented the item. The policy change adds a new asset class for Investments in University Strategic Priorities. Investments in University Strategic Priorities will be structured as loans from the Consolidated Investment Fund (CIF) to the University to provide capital for strategic priorities that have an expected financial return to the University. By allowing loans from the CIF, for University strategic priorities, UNM will have an additional option for financing mission-critical projects. Loans to the University under the new program will carry a fair-market interest rate with a maximum term of ten years. Projects will be certified as strategic priorities by the University's Senior Vice President for finance and Administration. Other amendments to the investment policy included updated logos for UNM and the Foundation and the name change for STC.UNM to UNM Rainforest Innovations.

The motion to approve the UNM/UNMF CIF Investment Policy amendment passed unanimously (1st Brown; 2nd Lee; roll call vote - all yes votes).

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn: Regent Begay motioned; Regent Rael seconded; all members voted in favor; the meeting adjourned at 12:42 PM.

Approved:

Attest:



Douglas M. Brown, President



Sandra K. Begay, Secretary/Treasurer



RESOLUTION HONORING PAUL B. ROTH, M.D., M.S.

WHEREAS, Dr. Paul B. Roth arrived at The University of New Mexico in 1976 to pursue a residency in family medicine; and

WHEREAS, Dr. Roth soon fell in love with the people and the place, and decided to make New Mexico his permanent home both professionally and personally; and

WHEREAS, it is impossible to do justice to Dr. Roth's innumerable accomplishments at the University of New Mexico over the past 44 years; and

WHEREAS, it is fitting to describe Dr. Roth's career at UNM and his contributions to the State of New Mexico as both remarkable and unparalleled; and

WHEREAS, as a faculty member, Dr. Roth helped launch the School of Medicine's Department of Emergency Medicine and the emergency medicine residency program, pioneering the concept of urgent care; and

WHEREAS, Dr. Roth also initiated the establishment of medical disaster response teams and served heroically on those teams on many occasions, including leading emergency response teams for the 9/11 terror attacks and hurricanes in the Caribbean, where he selflessly aided his fellow human beings in need; and

WHEREAS, Dr. Roth has served as Dean of the UNM School of Medicine for 26 years at a time when the average tenure of medical school deans nationally is eight years. During this time, Dr. Roth's leadership caused the School of Medicine student body to grow by 30 percent, the BA/MD program for New Mexico students from rural and underserved parts of the state was created, and medical school tuition was decreased each year to make medical school more accessible; and

WHEREAS, Dr. Roth's role at the Health Sciences Center was expanded when he assumed the role of Executive Vice President and Chancellor for Health Sciences in 2006, and since then, his leadership:

- fundamentally transformed the medical faculty practice plan through the creation of UNM Medical Group, Inc. in 2007,
- expanded UNM Hospital's operations through opening the Barbara and Bill Richardson Pavilion at UNM Hospital in 2007 and opening several community-based outpatient clinics throughout Albuquerque,
- opened the new Cancer Center facility 2009 and supported the University's successful effort to attain NCI-designation and NCI-comprehensive cancer center designation,
- transformed health care in Sandoval County by opening Sandoval Regional Medical Center in 2012,
- opened all three phases of the Domenici Center for Health Sciences Education,
- supported the University's successful effort to have a Clinical and Translational Science Center, and
- grew substantially the amount of extramurally-funded research at the Health Sciences Center from about \$60 million in 2006 annually to \$200 million annually in 2019, or 233 percent, making the University's Health Sciences Center a significant player in health-related research; and

WHEREAS, Dr. Roth has, throughout his tenure, been on the forefront of reducing health disparities and advancing health and health equity in New Mexico; and

WHEREAS, Dr. Roth successfully led the charge for more diversity and inclusivity at the School of Medicine and the Health Sciences Center, which is evidenced by increases in racial, ethnic, gender, sexual orientation and sexual identity diversity across staff, faculty, student and leadership; and

WHEREAS, in sum, during his tenure, the breadth and scope of the Health Sciences Center has grown exponentially, as has the diversity and strength of its student body, faculty and staff; and

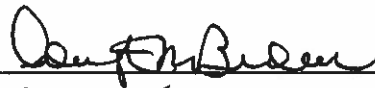
WHEREAS, Dr. Paul Roth's humble, steady, focused, and compassionate leadership has positively impacted countless students, faculty, staff, and medical providers across the University community and has positively impacted the ability of all New Mexicans to have greater access to quality healthcare.

NOW, THEREFORE BE IT RESOLVED that, in light of his long and transformational contributions to the State of New Mexico and the University of New Mexico and the immeasurable impact Dr. Paul Roth has had on academic medicine nationally as well as UNM's students, faculty, staff, and providers, the UNM Board of Regents hereby formally expresses its great appreciation to Dr. Roth and honors his well-deserved retirement.

Presented on Tuesday, July 14, 2020

The University Board of Regents

Douglas M. Brown, President



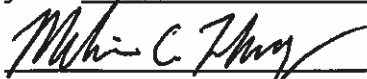
Sandra K. Begay



Robert M. Doughty



Melissa Henry



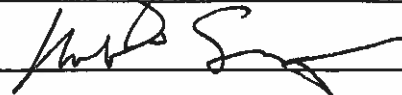
Marron Lee



Kim Sanchez Rael



Robert Schwartz



The University of New Mexico President

Garnett S. Stokes





RESOLUTION HONORING JUNE AND JOHN PEROVICH

WHEREAS, John Perovich is a native New Mexican and lifelong Lobo, who grew up in Van Houten, NM, a mining community near Raton, NM; and

WHEREAS, John and his wife, June Perovich, met in high school and married in 1945 while they were students at The University of New Mexico; and

WHEREAS, in 1948, John began his career at The University of New Mexico as a student assistant; and

WHEREAS, he received a Bachelor's of Business Administration degree (1948) and a Master's of Business Administration degree (1949) from The University of New Mexico; and

WHEREAS, from 1948 and 1982, John held numerous positions at The University of New Mexico, including Purchasing Agent, Comptroller and Vice President for Business and Finance; and from 1982 to 1985, served as President of The University of New Mexico; and

WHEREAS, during his tenure as President, he was credited with increasing the number and award amount of Presidential Scholarships and raising funds for The University of New Mexico Foundation; and

WHEREAS, one of the most significant developments during his presidency was the expansion of the Medical Center, including Carrie Tingley Hospital. He was also instrumental in securing research grants and funding for two School of Engineering Chairs; and

WHEREAS, in 1985, John retired, completing 40 years of employment at the University of New Mexico, and was named President Emeritus of the University of New Mexico; and the Board of Regents named the building which houses the University Bursar's Office, the John and June Perovich Business Center.

WHEREAS, John and June Perovich established a University of New Mexico endowment that will benefit New Mexico students and UNM athletics in perpetuity; and

WHEREAS, in addition to his academic career, John has been very active in philanthropy, serving as the Board Chair of the Sandia Foundation for 48 years, as well as a board member of the Frank C. Hibben Charitable Trust.

BE IT RESOLVED by The University of New Mexico Board of Regents that John and June Perovich be recognized and celebrated for their lifelong service, commitment and support of The University of New Mexico and our students. Go Lobos.

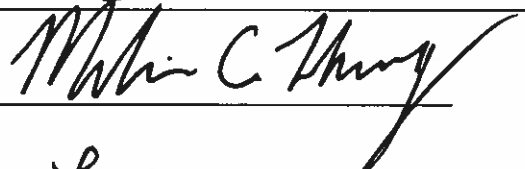
Presented on Tuesday, July 14, 2020

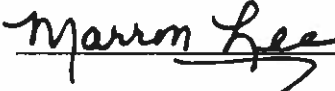
The University Board of Regents

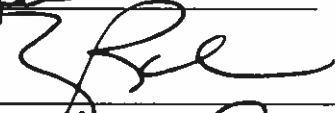
Douglas M. Brown, President 

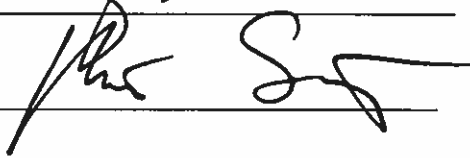
Sandra K. Begay 

Robert M. Doughty 

Melissa Henry 

Marron Lee 

Kim Sanchez Rael 

Robert Schwartz 

The University of New Mexico President

Garnett S. Stokes 



Health Sciences

FY 2021 Revised Budget
Tuesday July 7, 2020

FY 2021 Special HB1 Snapshot

HSC FY 2021 Original Budget has been cut \$11,096,000

- *4% sanding to I&G - \$2,525,900*
- *CARES Stimulus Swap as additional reduction to HSC I&G \$1,204,600*
 - *A "swap" was put into place by the legislature which cut the I&G appropriation to offset federal stimulus funds for lost physician billing revenue as result of the pandemic*
 - *One-time federal funds were used to supplant state appropriations*
 - *From the bill language, this 'swap' should be a non-recurring cut*

FY 2021 Special HB1 Snapshot, continued

- 6% across the board sanding to RPSPs - \$2,484,800
 - Large unsustainable cuts to two state-wide programs will be a challenge during FY2021 and forward: Office of Medical Investigator (\$345,600) and Poison Center (\$94,300)
- Compensation and fringe funding eliminated that was included in the Original FY2021 budget
 - \$4,880,700

ATTACHMENT C Cont. (Attachment to the Minutes of the July 14, 2020 Board of Regents Special Meeting)

FY 2021 HSC Appropriations

	FY21 HB2 w/out Comp	FY21 Special Sanding	CARES Stimulus SWAP	FY21 Special HB1	% cut from FY21 Original Budget	FY21 HB2 4% Comp Cut
HEALTH SCIENCES CENTER						
Cancer Center	5,703,200	(342,200)		5,361,000	-6.00%	189,400
Cancer Center, Cervical Cancer Research	250,000	(15,000)		235,000	-6.00%	
Carrie Tingley Hospital	5,880,100	(352,800)		5,527,300	-6.00%	626,300
Child Abuse Services	150,000	(8,000)		141,000	-6.00%	
Children's Psychiatric Hosp.	7,891,600	(473,500)		7,418,100	-6.00%	735,900
Financial Aid for Medical School	200,000	(12,000)		188,000	-6.00%	
GME Residencies	2,161,900	(129,700)		2,032,200	-6.00%	65,000
Grief Services Program (OMI)	220,000	(13,200)		206,800	-6.00%	
Hepatitis C Outreach Program	2,756,000	(165,400)		2,590,600	-6.00%	57,600
HSC I & G & Nurse Expansion	1,012,300	(60,700)		951,600	-6.00%	
HSC I&G, GF - General	63,148,000	(2,525,900)	(1,204,600)	59,417,500	-5.91%	2,756,500
HSC I&G, GF - Graduate Nurse Education	1,758,600	(105,500)		1,653,100	-6.00%	
Minority Student Services	182,900	(11,000)		171,900	-6.01%	
Movement Disorders	300,000	(18,000)		282,000	-6.00%	
Native American Health Center	261,300	(15,700)		245,600	-6.01%	6,200
Native American Suicide Prevention	95,400	(5,700)		89,700	-5.97%	5,000
Newborn Intensive Care	3,270,700	(196,200)		3,074,500	-6.00%	115,500
New Mexico Bioscience Authority	313,000	(18,800)		294,200	-6.01%	
Office of the Medical Investigator	5,539,300	(332,400)		5,206,900	-6.00%	206,100
Pediatric Oncology	1,272,300	(76,300)		1,196,000	-6.00%	46,200
Poison Control Center	1,572,000	(94,300)		1,477,700	-6.00%	71,000
Physician Assistant Program	373,800	(22,400)		351,400	-5.99%	
Statewide Nurse Education Program Coordination	250,000	(15,000)		235,000	-6.00%	
Total Health Sciences Center	\$ 104,562,400	\$ (5,010,700)	\$ (1,204,600)	\$ 98,347,100		\$ 4,880,700

COVID-19 Impacts/Questions

- Enrollment Decline
- Direct COVID-19 related expenses
 - Safety Supplies
 - Work/Education space safety
- Greater need for Patient Care Simulation training
- Reduced Surgeries and Clinical visits

UNM HSC Academic Enterprise

*Comparative Analysis: Revised Budget – Original Budget
(In thousands)*

Total HSC Academic	FY 2019 Actuals	FY 2020 Projected Actuals	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2021 Budget Change	FY 2021 Percent Change
Revenues	\$628,330	\$710,565	\$738,630	\$723,004	(\$15,626)	-2.1%
Expenses	\$620,737	\$700,172	\$738,307	\$726,105	(\$12,201)	-1.7%
Net Margin	\$7,592	\$10,393	\$324	(\$3,101)		

- Revenue decrease: State funding decrease and Professional fee reduction
- Expense decrease: Comp increase eliminated offset by COVID safety related expenses

UNM HSC Academic Enterprise

FY 2021 Revised Budget
(In thousands)

FY21 Revised Budget	School of Medicine	College of Nursing	College of Pharmacy	College of Population Health	Research & General Admin.	HSC Academic Enterprise FY21 Total
Revenues	\$590,285	\$15,624	\$21,694	\$5,816	\$89,585	\$723,004
Expenses	592,435	15,738	22,426	5,893	89,613	\$726,105
Net Margin	(\$2,150)	(\$114)	(\$732)	(\$77)	(\$28)	(\$3,101)

- All Units expected to use reserves to offset COVID related financial impacts in the short-term

FY 2021 UNMH Budget Assumptions

The net margin for FY2021 Revised Budget is \$18.7M after a capital project commitment of \$30.4M. Original FY2021 Net Margin budget was \$11.6M.

The State of NM Human Services Department (HSD), the US Centers for Medicare and Medicaid (CMS) and UNM HSC have been developing a Medicaid Directed Payment program to bring greater healthcare access to New Mexicans. Work on this program is nearing completion and will have a positive impact to UNMH after negotiated rate reductions with payers. The Directed Payment impact has been estimated for FY2020 projections and for FY2021 Revised budget.

As a result of the Special Legislative Session, State appropriations for Children's Psychiatric programs and Children's musculoskeletal and orthopedic and rehabilitation programs were decreased \$2.2M in FY2021 revised budget.

FY 2021 UNMH Budget Assumptions

Compensation expense increased \$7.0M in FY2021 Revised Budget as compared to FY2021 Original Budget, primarily due to the need to hire contract nurses to staff hospital operations. UNMH has needed as many as 200 contract nurses to staff up and fill-in for illnesses and lack of childcare options for regular staff.

Compensation expense was also increased to continue implementation of recommendations related to salary structure from the Mercer compensation study.

The Revised Budget also shows increased supplies expense of \$5.4M, to cover price increases due to recent shortages of medical supplies and PPE.

The Revised FY2021 expense budget also shows the commitment for capital projects of \$30M, approved by the Board of Trustees toward building the new Parking Structure and central utility plant.

UNM Hospitals

Comparative Analysis: Revised Budget – Original Budget
(In thousands)

Total UNM Hospitals	FY 2019 Actuals	FY 2020 Projected Actuals	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2021 Budget Change	FY 2021 Percent Change
Revenues	\$1,200,609	\$1,325,882	\$1,282,653	\$1,314,233	\$31,580	2.5%
Expenses	1,175,912	1,243,282	1,252,267	1,265,476	\$13,208	1.1%
Capital Project Commitments	23,000	30,000	0	30,000		
Capital from State Appropriation	0	33,589	0	0		
Net Margin	\$1,697	\$19,011	\$30,386	\$18,758		

- **Directed Payment Program impacting FY2020 Actual and FY2021 Revised budget**

UNM Medical Group

Comparative Analysis: Revised Budget – Original Budget
(In thousands)

Total UNM Medical Group	FY 2019 Actuals	FY 2020 Projected Actuals	FY 2021 Original Budget	FY 2021 Revised Budget	Budget Change FY 2021	Percent Change FY2021
Revenues	\$231,654	\$272,070	\$281,686	\$277,523	(\$4,164)	-1.5%
Expenses	215,051	278,436	273,783	269,697	(\$4,086)	-1.5%
Net Margin	\$16,603	(\$6,366)	\$7,903	\$7,825		

- FY2021 revenue decreases are driven by lower volume from the impact of COVID-19 clinic and procedure cancellations (80,000 canceled clinics through June 30, 2020) and 3% Medicaid rate reduction.
- FY2021 expense decrease due to reduction to purchased services and dean's taxes



ATTACHMENT C Cost (Presented to the Board of Regents July 14, 2020 Board of Regents Meeting)

11

UNM Sandoval Regional Medical Center

Comparative Analysis: Revised Budget – Original Budget
(In thousands)

Total UNM SRMC	FY 2019 Actuals	FY 2020 Projected Actuals	FY 2021 Original Budget	FY 2021 Revised Budget	Budget Change FY 2021	Percent Change FY2021
Revenues	\$84,581	\$87,871	\$93,922	\$91,961	(\$1,961)	-2.1%
Expenses	84,413	88,107	93,914	91,956	(\$1,958)	-2.1%
Net Margin	\$167	(\$236)	\$8	\$5		

- FY2021 Revised budget revenue reduction due to continued limited operations as a result of the pandemic
- Salaries, Medical and contract services impacted by early implementation of the new Trauma service
- Other revenues and other expenses primarily impacted by mortgage refinance



ATTACHMENT C Cost (Presented to the Board of Regents July 14, 2020 Board of Regents Meeting)

12

UNM Health System

FY 2021 Revised Budget
(In thousands)

FY21 Revised Budget	UNM Hospitals	UNM Medical Group	UNM Sandoval Regional Medical Center	UNM Health System 6/30/2021 Total
Revenues	\$1,314,233	\$277,523	\$91,961	\$1,683,717
Expenses	1,265,476	269,447	91,956	\$1,626,879
Capital Project Commitments	30,000	0	0	\$30,000
Net Margin	\$18,758	\$8,075	\$5	\$26,838

UNM Health Sciences Center

FY 2021 Revised Budget
(In thousands)

FY21 Revised Budget	HSC Academic Enterprise	UNM Health System	HSC Total
Revenues	\$723,004	\$1,683,717	\$2,406,721
Expenses	726,105	1,626,879	\$2,352,984
Capital Project Commitments	0	30,000	\$30,000
Net Margin	(\$3,101)	\$26,838	\$23,737

Next Steps

- *Regent Approval of FY21 Revised Budget*
 - *Submit BAR to HED*
 - *Colleges and Units will proceed to make detailed budget adjustments to accommodate reductions*
- *Strategize HSC initiatives*
 - *State's economy*
 - *Changing health professions' educational needs*
 - *Clinical platform changes and continued pandemic adjustments*
 - *Support the COVID research surge*

Request for Approval of the FY 21 Main and Branch Budget Adjustment Request (BAR)



FY 21 Revised State Appropriations

(Dollars in thousands)

	FY 20 Final (A)	FY 21 Original (B)	Remove 4% Compensation Increase	FY 21 Original w/o Compensation (C)	Budget Cut "Sanding" 4% and 6%	CARES Swap I&G Reduction	FY 21 Revised (D)	%Δ FY 20 (A) to FY 21 Original (B)	%Δ FY 21 Original (B) to FY 21 Revised (D)	%Δ FY 21 Original (C) to FY 21 Revised (D)
Main Campus	\$ 194,436	\$ 208,092	\$ (8,706)	\$ 199,386	\$ (7,975)	\$ (5,237)	\$ 186,173	7.0%	-10.5%	-6.6%
Main RPSP's and Other	10,722	12,733	(179)	12,554	(753)	-	11,801	18.8%	-7.3%	-6.0%
Health Sciences Center	99,254	109,443	(4,881)	104,562	(5,011)	(1,205)	98,347	10.3%	-10.1%	-5.9%
Branches	21,039	22,311	(703)	21,608	(884)	(541)	20,182	6.0%	-9.5%	-6.6%
Total	\$ 325,450	\$ 352,579	\$ (14,469)	\$ 338,110	\$ (14,624)	\$ (6,983)	\$ 316,504	8.3%	-10.2%	-6.4%



Future Legislative Sessions

- There is a potential for additional general fund budget reductions in mid-year FY 21
- We anticipate that the state will need to impose additional budget reductions in FY 22 also

ATTACHMENT D Cont. (Attachment to the Minutes of the July 14, 2020 Board of Regents Special Meeting)



3

Draft Budget Principles and Strategies

We will:

1. Protect the critical core missions of providing education, creating new knowledge, developing creative works, providing patient care, and public service.
2. Protect core initiatives surrounding enrollment, student services, and critical infrastructure.
3. Protect initiatives surrounding compliance and safety.
4. Recognize that this crisis may exacerbate inequality, and we will make decisions to protect our most vulnerable students, staff, and faculty and continue to ensure social mobility for our students.
5. Develop incentive-based revenue generating activities and develop opportunities to generate new revenue streams.
6. Develop budget reduction and cost containment strategies that are fair, equitable and responsible.
7. Consolidate and reorganize, to the greatest extent possible, administrative functions such as: finance, human resources, IT, scheduling, student services, counseling services, and other administrative services in order to gain efficiencies.
8. Develop plans to reduce and/or gain efficiencies in building space, maintenance, and energy consumption.
9. Work with auxiliary units and athletics to develop business models that are sustainable for the short and long term.
10. Develop plans that do not adversely affect the University's bond ratings or its ability to make bond payments.

ATTACHMENT D Cont. (Attachment to the Minutes of the July 14, 2020 Board of Regents Special Meeting)



4

COVID-19 Impacts

- Direct COVID-19 Related Expenses (>\$1m in FY 20)
 - Safety Supplies
 - IT-Related expenses (Licenses, Hardware, Internet Access)
 - Training
- Lost Revenue (>\$12m in FY 20)
 - Housing
 - Food Service
 - Parking
 - Services
 - Events
- Potential Enrollment Decline

ATTACHMENT D Cont. (Attachment to the Minutes of the July 14, 2020 Board of Regents Special Meeting)



FY 21 Main Campus BAR

Main Campus	FY 2019 Actuals	FY 2020 Projected Actuals	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2021 Budget Change	FY 2021 Percent Change
Revenues	\$493,481,505	\$484,018,101	\$516,875,710	\$483,341,210	(\$33,534,500)	-6.5%
Expenses	\$481,044,274	\$484,817,885	\$531,509,685	\$497,809,185	(\$33,700,500)	-6.3%
Net Margin	\$12,437,232	(\$799,785)	(\$14,633,975)	(\$14,467,975)		

ATTACHMENT D Cont. (Attachment to the Minutes of the July 14, 2020 Board of Regents Special Meeting)



Main Campus Budget Adjustments

Revenues--~\$33.5M Reduction or 6.5%

- State Appropriations-\$21.9M I&G reduction
- State Appropriations--~\$900K RPSP reduction
- 10% SCH Drop Assumption
 - \$8.6M Tuition
 - \$2.5M SFRB Fees
 - +~\$400K HSC Formula Transfers Out

Use of Reserves-Decrease of \$200K

Expenses--~\$33.7M Reduction or 6.3%

- 4% Compensation Rollback to 0% and reductions to RPSPs \$10.6M
- Allocations-Additional \$20.6M Reduction or 7.7%
 - Note: This is in addition to the 3.6% FY 21 cut in the Spring.
- SFRB Fee Allocation-\$2.5M Reduction or 7.6%
 - Note: This is in addition to the 2.3% FY 21 cut in the Spring.



Main Campus Overall Budget Scenario

Main Campus-DRAFT-4% Sanding, 0% Comp, CARES Swap, 10% SCH Drop						
Category	FY 20 Original Budget	Fiscal Year 2021 Scenario-2020 Legislative Session	Fiscal Year 2021 Scenario-Special Session	% Change from FY 20 Original Budget	% Change from FY 21 Budget	
State Appropriations	194,435,800	200,092,000	186,173,400	7.0%	-10.5%	
Tuition Revenue	114,381,211	113,688,887	105,088,887	-0.6%	-7.6%	
One-Time Revenues	4,270,113	281,234	281,234	-93.4%	0.0%	
Other/Net Transfers Out	(16,998,171)	(18,872,015)	(18,455,711)	11.0%	-2.2%	
Total I&G Revenues	296,089,053	303,190,107	273,087,811	2.4%	-9.9%	
Mandatory Student Fees	33,519,606	32,740,828	30,240,828	-2.3%	-7.6%	
Total Revenues	329,608,659	335,930,935	303,328,639	1.9%	-9.7%	
Base Allocation	279,099,407	269,050,724	248,460,277	-3.6%	-7.7%	
Utilities	16,989,646	16,989,646	16,989,646	0.0%	0.0%	
Funding Requests	-	2,219,853	2,219,853	-	-	
Must Fund Increases	-	5,418,035	5,418,035	-	-	
Compensation 4% and 0%	-	9,511,849	-	-	-	
Total I&G Expense	296,089,053	303,190,107	273,087,811	2.4%	-9.9%	
Mandatory Student Fee Allocations	33,519,606	32,740,828	30,240,828	-2.3%	-7.6%	
Total Expense	329,608,659	335,930,935	303,328,639	1.9%	-9.7%	



Branch Budget Adjustments

Revenues--~\$3.1M Reduction or 7.5%

- State Appropriations-\$2.1M reduction
- Projected Enrollment Decline and Auxiliary Revenues
 - ~\$561K Tuition and Fees
 - ~\$439K Bookstore Revenues

Use of Reserves-Increase of ~\$645K funded through Branch central reserves

Expenses--~\$2.5M Reduction or 5.8%

- 4% compensation rollback to 0% and reduced spending due to reduced revenue streams



FY 21 Branch BAR

Branches Summary	FY 2019 Actuals	FY 2020 Projected Actuals	FY 2021 Original Budget	FY 2021 Revised Budget	FY 2021 Budget Change	FY 2021 Percent Change
Revenues	\$37,758,673	\$38,831,670	\$41,094,902	\$37,995,481	(\$3,099,421)	-7.5%
Expenses	\$35,914,605	\$41,363,948	\$42,308,720	\$39,854,206	(\$2,454,514)	-5.8%
Net Margin	\$1,844,068	(\$2,532,278)	(\$1,213,818)	(\$1,858,725)		



Next Steps

- Regent Approval of FY 21 Revised Budget
 - Submit BAR to HED
 - Colleges and Units will proceed to make detailed budget adjustments to accommodate reductions
- Determine Strategic Initiatives
 - State's Economy
 - Initiatives to Increase Revenues
 - Initiatives to Decrease Expenditures
 - Address COVID Impact

ATTACHMENT D Cont. (Attachment to the Minutes of the July 14, 2020 Board of Regents Special Meeting)