

Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
March 22, 2022
9:00 AM Open Session-Student Union Building (SUB), Ballroom C
8:00 AM Closed Session-Cherry Silver Room, 3rd Level SUB
Livestreamed for public viewing

Members Present

Douglas M. Brown, Chair
Sandra K. Begay, Secretary-Treasurer
Jack L. Fortner
Randy Ko
William H. Payne
Robert L. Schwartz

Members Not Present

Kim Sanchez Rael, Vice Chair

Administration Present

Garnett S. Stokes, President; Douglas Ziedonis, EVP of UNM Health Sciences and CEO of the UNM Health System; Loretta Martinez, University Counsel; James Holloway, Provost and EVP for Academic Affairs; Teresa Costantinidis, SVP for Finance and Administration; Ava Lovell, Exec. Officer for Finance & Administration, HSC; Assata Zerai, VP for Equity and Inclusion; Connie Beimer, VP Alumni Relations; Tim Gutierrez, Int. VP Student Affairs; Terry Babbitt, President's Chief of Staff; Norma Allen, University Controller; Richard Larson, Exec. Vice Chancellor and VP for Research, HSC; Kate Becker, CEO UNM Hospitals; deans and others

Advisors Present

Tim Backes, Retiree Association President; Mike Silva, Alumni Association President; Scott Sanchez, Staff Council President; Finnie Coleman, Faculty Senate President; Greg Romero, ASUNM President; David Saavedra, GPSA President

Presenters

Christos Christodoulou, Jim and Ellen King Dean of Engineering and Computing; Mahmoud Taha, Distinguished Professor and Chair, Civil Engineering; Leo Lo, Dean College of University Libraries & Learning Sciences; William Stanley, Association Provost for Faculty Success; Kelly Ward, Director, Lobo Development Corp.; Bonnie White, CFO, UNM Hospital

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Chairman Doug Brown called the meeting to order at 8:01 AM in the Cherry Silver Room on 3rd level of the SUB and confirmed a quorum of 6 members present, in person. Regent Kim Rael was unable to attend.

VOTE TO ADOPT THE AGENDA

- The motion to adopt the agenda passed unanimously (1st Fortner; 2nd Ko).

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

(1st Begay; 2nd Payne; roll call vote – all members voted yes)

The meeting closed at 8:02 AM. The doors to the Cherry Silver Room were closed.

The Executive Session agenda follows:

1. Discussions, and where appropriate determination, of matters subject to attorney-client privilege pertaining to threatened or pending litigation, as permitted by Section 10-15-1H(7), NMSA (1978)

2. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1H(5), NMSA (1978)
3. Discussion of "limited personnel matters" as defined in and permitted by Section 10-15-1.H(2), NMSA (1978) – regarding: employee appeals(s)

VOTE TO RE-OPEN THE MEETING

(1st Fortner; 2nd Ko; roll call vote – all members voted yes)

The meeting re-opened at 8:53 AM. The doors to the Cherry Silver Room were opened.

- o *The Regents proceeded to SUB Ballroom C for continuation of the meeting in Open Session [9:07 AM]*

CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE EXECUTIVE SESSION AGENDA WERE DISCUSSED IN CLOSED SESSION, AND IF NECESSARY, FINAL ACTION WITH REGARD TO CERTAIN MATTERS WILL BE TAKEN IN OPEN SESSION

Regent Brown certified that only matters described in the executive session agenda were discussed during closed session and confirmed that there were two items upon which the Board would take action in open session:

- **The motion to deny the appeal for Regents' discretionary review, dated January 15, 2022, passed with a vote of 5-1 (1st Fortner; 2nd Begay; Regents Fortner, Brown, Begay, Ko, Payne voted yes; Regent Schwartz voted no)**
- **The motion to deny the appeal for Regents' discretionary review, dated January 28, 2022 passed unanimously (1st Fortner; 2nd Payne)**

LAND ACKNOWLEDGEMENT STATEMENT

Regent Brown read aloud UNM's Land Acknowledgement Statement:

Founded In 1889, The University of New Mexico sits on the traditional homelands of the Pueblo of Sandia. The original peoples of New Mexico – Pueblo, Navajo, and Apache – since time immemorial, have deep connections to the land and have made significant contributions to the broader community statewide. We honor the land itself and those who remain stewards of this land throughout the generations and also acknowledge our committed relationship to Indigenous peoples. We gratefully recognize our history.

APPROVAL OF MINUTES: March 14, 2022 REGULAR MEETING

- **The motion to approve the minutes of the March 14, 2022 regular meeting passed unanimously (1st Payne; 2nd Begay).**

REGENTS' RECOGNITIONS AND ACKNOWLEDGEMENTS

The Regents acknowledged Douglas "Doug" Campbell's generous donation to the School of Engineering. Regent Chair Brown asked Dean Christos Christodoulou to introduce Mr. Campbell who joined the meeting via zoom. Doug Campbell, a UNM alum with both a Civil Engineering Bachelor's (2001) and Master's (2002) from UNM, pledged \$5 million to the Civil Engineering department and will create the, *Gerald May Department of Civil, Construction and Environmental Engineering*. Campbell, Founder and CEO of the electric vehicle battery development company Solid Power, chose for his donation to honor a fellow Lobo, Gerald May, who was formative in his education and overall life experience—an engineering professor who made a direct impact on him and who, to this day, he credits for much of his success in his career and life. Gerald May was a longtime professor in the department, School of Engineering, dean and UNM president. The Gerald May Department of Civil, Construction and Environmental Engineering will be the first endowed department in UNM history. The Regents thanked Mr. Campbell for his generous support to the University

The Regents recognized two faculty members who were recently awarded UNM's annual Research and Creative Works Leadership Awards. Regent Brown asked Associate Provost for Faculty Success, William Stanley, to introduce the award recipients: Dr. Levi Romero, Associate Professor of Chicana and Chicano Studies; and Dr. Richard Antoine White, Professor of Tuba and Euphonium in the Department of Music. Dr. Levi was able to attend the meeting. The Regents congratulated both awardees for their research and thanked them for their leadership.

PUBLIC COMMENT

Paula Corbin Swalin, Term-Teaching Faculty in the Department of Music, spoke in support of faculty pay raises and in particular for adjunct faculty, emphasizing equal pay for equal work.

Laura Haniford, Assoc. Professor of Secondary Teacher Education, spoke in support of faculty pay raises.

Manel Martinez-Ramón, Professor, spoke in support of the 7% faculty pay raises.

Jens Van Gysel, Teaching Assistant, spoke in support of the graduate workers union negotiations.

Greg Romero, ASUNM President, spoke in support of the budget proposal, adding that the budget process was very positive, student constituent voices were at the table; he spoke in support of the tuition and fee increases that would be proposed later in the meeting.

David Saavedra, GPSA President, spoke in support of the budget proposal; reminded the Regents of the Student Fee Review Board (SFRB) process and said its fee recommendations were accepted; confirmed that students' input was valued during the budget process; he spoke in favor of the tuition and fee proposals.

Chairman Brown asked Provost Holloway to respond to the public comments made regarding faculty salary increases. Provost Holloway expressed appreciation for the comments and clarified that there are two raises that were approved by the New Mexico Legislature: a 3% raise, effective April 1, and a 4% raise, effective July 1. He explained that this somewhat unprecedented structure puts UNM in a 'new place', and the Provost assured faculty that UNM was working on a plan to implement the compensation increases.

APPROVAL OF THE PROPOSED FISCAL YEAR 2022-23 BUDGET PLANNING ASSUMPTIONS

Introduction and Remarks:

President Stokes opened the budget presentation with a summary review of the FY23 Legislative Appropriations that were approved in House Bill 2 (HB2), including Instruction and General (I&G) funding for Central Campus, Health Sciences and the Branches, as well as the HB2 special appropriations. The President Stokes outlined the University's requests, going into the Legislative Session, and the funding that was ultimately approved. For I&G, UNM requested a 10% increase on the prior year's funding for Central and the Branch Campuses in order to restore I&G levels to what they were before the FY21 cuts. The funding outcomes ended up at a 3% increase for the Central and Branch Campuses. The University requested a \$40 million increase for the HSC, but received no increase in I&G levels over FY22. President Stokes outlined a summary of the budget recommendations that would be before the Regents for approval, including a 7.12% compensation plan, with a 3% increase to be applied as of April 1, 2022, and another 4% increase on July 1, 2022, as outlined in House Bill 2. Additionally, administration would be asking for the Regents' approval on a 1% increase in mandatory student fees, a 3% tuition increase on undergraduate and graduate resident tuition, and a 5% tuition increase on non-resident tuition. [For HSC, a 1% tuition increase on resident tuition and 3% for non-resident] **[Attachment A]**

Regent Begay commented that the 7.12% compensation would not be fully funded by the state.

Regent Payne commented that the Branch Campus funding models are different from that of Central Campus' in that the branches' revenues include mil levy funding.

Central Campus – Tuition, Fees, and Compensation Proposal:

Teresa Costantinidis and Provost Holloway presented the item. In developing the budget proposal, the Budget Leadership Team's (BLT) goal was to ensure sufficient: 1) investment in compensation; 2) faculty startup funding; 3) investment in facilities, virtual infrastructures, safety and compliance, and 4) maintenance of sufficient reserve balances. The BLT's Tuition and Fee Committee's goal was to have a proposal to ensure: 1) affordability for all New Mexicans; 2) strong graduation and retention rates; 3) a simpler rate structure; and 4) competitive rates that keep in line with inflation. Provost Holloway outlined the *critical strategic needs* proposal totaling \$14.7 million. The proposal is a composite list of what has been prioritized by administration including, \$3 million for faculty startup funds; \$2.4 million for strategic research, education and service; \$1.8 million for athletics; \$1.8 million for College of Arts & Sciences faculty replacement; and \$1 million for enrollment and student success. [Attachment B]

Regent Fortner inquired the plan for the College of Arts and Sciences reduction. Provost responded that no one department will be in focus, and any reductions will primarily be through natural attrition.

SVP Costantinidis addressed funding shortfalls and must-fund needs. For the current fiscal year 2021-2022, there is a projected I&G deficit of \$2.5 million, primarily related to tuition revenue shortfall. Additionally, the 3% compensation increase in 4Q FY22, and the 4% increase in FY23 will not be 100% funded by the state, leaving a \$2 million gap that will need to be filled. Must-funds expenses total \$6.9 million, of which \$3.3 million is to cover the mandated 2% increase in the ERB (Education Retirement Board) employer contribution. Other must-fund expenses include: \$3K for 2% cost increase in group health insurance; and \$8K for the minimum wage increase to \$15. [Attachment C]

SVP Costantinidis outlined the total unmet funding level of \$17.1 million resulting from the sum of the needs as previously outlined (\$40.5m), including the strategic funding needs (\$14.7m); 7.12% compensation increase (\$16.4m); must-funds (\$6.9m); and the current year's revenue shortfall (\$2.5m), offset by the state funding of \$23.4 million (\$14.4m for compensation). The University is also seeing increased operating costs due to inflationary push.

SVP Costantinidis and Provost Holloway outlined the rationale and development of the tuition proposal, including a zero-growth enrollment assumption, analysis and alignment of base rates with peer institutions, and steps toward simplification of the current tuition model. The tuition proposal included a 3% increase to the base resident tuition with a 5% increase to the nonresident tuition - these increases would generate an estimated \$13.3 million in revenue. Put against the total unmet funding needs, there is still a \$3.8 shortfall. [Attachment D]

Regent Fortner inquired what tuition increase would be needed to close the full gap of \$17.1 million. SVP Costantinidis responded that it would probably take another 4% more, with the rule of thumb being \$1 million per percent increase; however, enrollment would also probably be affected.

There was discussion about the newly approved Opportunity Scholarship. Regent Schwartz asked how the scholarship would impact the budget assumptions. Provost Holloway responded that the rules of the scholarship were still being determined, but that the funding was relatively neutral from a UNM funds perspective, as it just changed who writes the check; however, from a student perspective, it would have an impact and may affect behavior.

Branch Campuses: Gallup, Los Alamos, Valencia, Taos – Tuition, Fees, and Compensation Proposals:

Provost Holloway presented the item. UNM-Gallup has seen declining revenue from lower mill levy revenues due to business closures in Gallup. UNM-Gallup has decided that it cannot and will not replace those revenues with tuition increases. Each of the branches' advisory boards vote on their respective budgets to recommend to the Regents for approval. For tuition and fees, the UNM-Los Alamos and UNM-Valencia advisory boards recommend no increase in tuition and fees, and it is expected the UNM-Gallup advisory board will vote on no increases at its upcoming meeting. The UNM-Taos advisory board is slated to vote on a 3.85% and 3.73% tuition increase for resident and non-resident students, respectively, and an increase from \$15 to \$30 student

support fee charged per student. Compensation recommendations from the branch advisory boards are voted on as part of the branch budgets in budget meetings which will take place later in the spring. In the past, the advisory boards have agreed with the Legislative Appropriations signed by the Governor as regards to compensation increases. [Attachment E]

Health Sciences Center – Tuition, Fees, and Compensation Proposal:

Doug Ziedonis introduced the item and Ava Lovell presented details. Dr. Ziedonis outlined the broad Health Sciences priority areas and the UNM Health System's issues and priorities. Regarding compensation, the HSC receives only 6% of the required increase and so will have to find 94% of the required funding which will be a challenge. Dr. Ziedonis outlined the Health System's key strategic initiatives and the HSC's key academic strategic initiatives. [Attachment F]

Ms. Lovell presented the FY23 Academic Enterprise financial assumptions, along with the expected impacts of the state appropriations and 7.12% compensation increase. Additionally, the 2% employer ERB increase will be partially funded by the state, leaving a \$6 million shortfall. Ms. Lovell outlined a shortfall of \$20.5 million for the Academic Enterprise that would be attributed to the 7.12% compensation increase, including fringe. The non-School of Medicine (SOM) units will be able to fund their shortfalls primarily with strategic use of reserves. The SOM compensation shortfall plan is being developed. Compensation is 87% of the HSC Academic Enterprise expenses. Ms. Lovell outlined the proposed tuition recommendations: a 1% base increase for resident tuition and 3% increase of non-resident, both at the undergraduate and graduate level, with a mandatory student fee increase of 1%. The proposed tuition increase will not apply to the School of Medicine's MD program, nor the College of Pharmacy's Pharm D program. Ms. Lovell presented financial assumptions for both UNM Hospitals and the Medical Group. [Attachment G]

Ms. Lovell opened the floor for Regents' questions. Regents inquired about hospital capacity due to COVID, the ERB funding increase, and CARES Act funding. There was discussion.

Student Regent Ko asked SVP Costantinidis how the administration predicts tuition revenue. SVP Costantinidis responded that estimated revenues are outputs from a tuition model based on projected inputs.

SVP Costantinidis closed the presentation with a summary of all the budget recommendations for approval for Central Campus, HSC, and the Branch Campuses. [Attachment H]

There was further discussion. Regent Begay brought up the Regents' Endowment as a source that could be utilized to fund the \$3.8 million projection of unmet needs. Regent Brown responded with a reminder that there is a commitment to not dig into the corpus of the endowment; however, if there is an emergency, the University needs to look at what can be done internally, adding that he would be pleased to consider a recommendation from administration.

Regent Brown asked for a motion to approve the recommendations; Regent Fortner motioned; Regent Payne seconded; there was further discussion before the vote.

- **The motion to approve the budget proposals for Tuition, Fees and Compensation passed unanimously (1st Fortner; 2nd Payne).**

- *Chairman Brown called for a 5-minute break [11:16 AM]*

REGENTS' COMMITTEE REPORTS

APPROVAL OF CONSENT DOCKET

There being no requests to remove any items from the docket for discussion, Chairman Brown asked for a motion to approve the items listed on the docket; Regent Begay motioned; Regent Fortner seconded; there was discussion. Regent Payne said that there was an inquiry in F&F Committee about the origin of the Geology Museum being named after the Silver Family. He clarified that that was his only question about the agenda item (4.a). There was also discussion

and clarification that the approval item was for the renovation only and not for the name. Administration responded it would investigate the origin of the name and confirm the approval process. There being no further discussion, Chairman Brown asked for a vote on the motion:

1. [SSTAR]* Form C: Health Information Technology-AAS Degree (GA)
2. [SSTAR] Form C: Pre-Health Scholars Certificate (HSC) (New)
3. [SSTAR] Form D: Cert Technical & Professional Communication Graduate
4. [F&F]* Project Construction Approvals:
 - a) Silver Family Geology Museum Renovation
 - b) Northrup Hall Radiogenic Isotopes Lab HVAC
 - c) UNM-Taos Harwood Museum HVAC Improvement
 - d) Biomedical Research Facility BLS-2 Lab Airflow Modifications
5. [F&F] Approval of Lease: UNM Early Childhood Services Center, 4400 Alameda NE, Suites A & B, Albuquerque, NM 87113
6. [F&F] Approval of Appointments of Representatives from the Lobo Development Corporation to the South Campus Tax Increment Development District (TIDD) Board

* [SSTAR] Student Success, Teaching and Research Committee; [F&F] Finance & Facilities Committee

- The motion to approve the items on the consent docket passed unanimously (1st Begay; 2nd Fortner).

REVISIONS TO REGENTS' POLICY 1.6, "SPECIAL RECOGNITION AND AWARDS"

Regent Rob Schwartz presented the item. The proposed revision to Regents' Policy 1.6 establishes a process for nominations and recommendations to the Regents for three different awards that are already outlined in the original policy: the Meritorious Service Medal, Regents' Recognition Medal, and the University Medal. The process will be similar to that for Honorary Degrees, outlined in the policy, except instead of the Honorary Degree Committee, the University President will solicit nominations and appoint a committee to review the nominations for the medals, after which the committee will make recommendations to the Regents for approval. Regent Schwartz clarified that it is the intention that these awards will be presented to recipients at commencement ceremonies. **[Attachment I]**

Regent Payne advocated for a process that would help to broaden the areas of recognition, so they would not tend to skew toward only certain categories.

- The motion to approve the revisions to Regents' Policy 1.6 passed unanimously (1st Schwartz; 2nd Begay).

APPROVAL TO NAME THE DEPARTMENT OF CIVIL, CONSTRUCTION AND ENVIRONMENTAL ENGINEERING THE, GERALD MAY DEPARTMENT OF CIVIL, CONSTRUCTION AND ENVIRONMENTAL ENGINEERING

Mahmoud Taha, Distinguished Professor and Chair, Civil Engineering Department, presented the item. Doug Campbell, the generous donor for this naming item, made a multi-year pledge of \$5 million for the department, and the naming will be official once the \$5m threshold has been reached. Mr. Campbell is a graduate of the department and credits Jerry May for providing helpful guidance during his undergraduate and graduate years at UNM. Gerald May was Professor of Civil Engineering for 35 years; he is Professor Emeritus and served as UNM's 14th President.

- The motion to approve the naming item passed unanimously (1st Begay; 2nd Schwartz).

APPROVAL TO CREATE ENDOWED PROFESSORSHIP, THE JIM AND MARY LOIS FRIDAY HULSMAN LIBRARIANSHIP FOR STUDENT SUCESS

Leo Lo, Dean of the College of University Libraries and Learning Sciences, presented the item and talked about Jim Hulsman, a UNM alum and longtime coach and legend, having received numerous accolades in the coaching and education arena. Jim Hulsman was also Albuquerque High School's head Basketball coach for 41 successful years. Mary Lois Friday Hulsman, a native Texan and UNM alumna, was also on the faculty at Albuquerque High and worked in Albuquerque Public Schools for 25 years. Jim Hulsman donated to Zimmerman Library a unique

and sizeable collection of documentation he had compiled on his players and Albuquerque's Athletics, which distinguished him as a notable historian. The endowment reflects the Hulsman's devotion to UNM and its students and their deep interest in giving back to the community. Their contributions to UNM total nearly \$1 million. This endowment will support a different librarian every three years whose work will focus on projects directly devoted to the success of UNM students.

Regents Ko, Fortner, and Schwartz talked about how they each knew Jim Hulsman, his reputation as a legend and deep commitment to the students of Albuquerque High, and his ability to create an environment with a set of expectations that fostered achievement in his students.

- **The motion to approve the endowed professorship passed unanimously (1st Payne; 2nd Fortner).**

APPROVAL OF REVISIONS TO POLICY C07 – FACULTY MISCONDUCT AND PROGRESSIVE DISCIPLINE

Finnie Coleman, Faculty Senate President, presented the item. It has been a 5-year process to get the revisions to their final form. Dr. Coleman thanked University Secretary, Nancy Middlebrook, and Carol Stevens for their support, as well as the constituent feedback that was given. Dr. Coleman said he thought this was a strong and good policy.

Regent Fortner asked Regent Schwartz how this policy revision would affect the work on revising the Regents' Policy on appeals to the Regents. Regent Schwartz responded that this and the union contracts will both affect any revisions to Regents' Policy 1.5.

- **The motion to approve the revisions to Policy C07 passed unanimously (1st Fortner; 2nd Begay).**

APPROVAL OF REVISED ASUNM CONSTITUTION

Greg Romero, ASUNM President, and Ryan Regalado, ASUNM VP, presented the item. This is a newly composed constitution that incorporates needed changes, some of which were needed to align with current practices that are in place. The changes regarding finances included senator salaries and an ASUNM fee to be levied on each undergraduate student in the amount of \$35, to be increased by \$5 every three years until the fee reaches a total of \$50. This constitution revision received an 83% vote in favor at the March 9 student body vote.

Regent Ko expressed support for the changes, adding that he also thought they were sustainable.

Regent Fortner inquired about senator salaries and how donations are handled. There was discussion; President Romero said that donations are always anonymous.

- **The motion to approve the revisions to the ASUNM Constitution passed unanimously (1st Begay; 2nd Schwartz).**

RESEARCH AND CREATIVE WORKS LEADERSHIP AWARDS (information item)

The item was presented earlier in the meeting during Regents' Recognitions and Acknowledgments.

APPROVAL OF THE SALE OF REAL PROPERTY TO TUCKER ACQUISITIONS, LLC

Kelly Ward presented the item. Lobo Development Corporation (LDC) and the UNM Real Estate Department seek Regents' approval of the sale of real property located at the northeast corner of Gibson Boulevard SW and Alumni Drive SE on UNM's South Campus. The contract buyer of the property is Tucker Acquisitions, LLC, and the LDC reviewed and approved the terms of the sale at its September 9, 2021 meeting. The agreement calls for final approval by the Board of Regents and notification to the Higher Education Department. The sale is Tract 3 of Gibson Commercial District Subdivision and is approximately 1.3 acres with a sales price of \$1,694,658, or \$30 per square foot. The tract will be developed as a Raising Cane's Chicken Fingers fast food restaurant, of which there are over 600 establishments nationwide. The tract is located within

the recently approved South Campus Tax Increment Development District, and gross receipts tax generated from construction and operation will accrue to the district to support infrastructure improvements.

Regent Fortner inquired about the use restrictions in the agreement. Mr. Ward responded that there is an option to develop a coffee shop adjacent to Raising Cane's. Regent Fortner asked if the covenant restrictions are on the deed itself, and Mr. Ward responded in the affirmative. Regent Fortner inquired about the other provisions. Mr. Ward said that there is a five-year window for development of the land; after which time, if not developed according to the provisions, UNM has the option to repurchase the parcel at a purchase price equal to this sale price. UNM will also have the option to purchase the parcel, any improvements and interest in leases at any time after the tenth year following closing of the property. Additionally, UNM will have the right of first refusal should the buyer seek to sell the parcel at any time in the future.

Student Regent Ko commented that the sale supports a diversified use of the land.

- **The motion to approve the sale of real property to Tucker Acquisitions passed unanimously (1st Begay; 2nd Payne).**

APPROVAL OF CAPITAL PROJECT: UNM HOSPITAL BEHAVIORAL HEALTH CRISIS SYSTEM OF CARE (CRISIS TRIAGE)

Bonne White presented the item. The design, professional services and indirect costs for this project have already been approved (\$4.650m); UNM Hospital (UNMH) is requesting approval of \$40 million to fund the construction of the facility. Bernalillo County and UNMH are collaborating and jointly funding the project. Bernalillo County will be contributing \$20 million, and UNMH will contribute the remaining \$20 million. The project will combine the Crisis Triage Center and the Psychiatric Emergency Services (PES). The combined project will be referred to as Behavioral Health Crisis System of Care.

Regent Bill Payne inquired about the funding coordination with the County. Ms. White responded that UNM is in charge of the construction, and the County has a PO in place, confirming it has reimbursed its share for the design work thus far. Regent Payne inquired how cost overruns, if any, would be handled. Ms. White said that the possibility of overruns had not been addressed.

- **The motion to approve the capital project, UNM Hospital Behavioral Health Crisis System of Care, passed unanimously (1st Fortner; 2nd Payne).**

Regent Fortner said that he and his wife, who is a County Commissioner for San Juan County, are very interested that San Juan County implement a similar behavioral healthcare model to this one.

APPROVAL OF COLLEGE OF NURSING AND PUBLIC HEALTH EXCELLENCE CAPITAL PROJECT CONSTRUCTION

Ava Lovell presented the item. Deans Christine Kasper (College of Nursing-CON) and Tracie Collins (College of Population Health-COPH) presented details about each college and were available to answer questions. The request was for project approval for the, College of Nursing and Public Health Excellence Building (CON-PHE). The 93,740 GSF building will be located at the UNM Health Sciences Albuquerque campus and will be a 3-story building that will include offices, 2 classrooms and a research wet lab. Construction time is estimated to be 16 months, with start in early fall 2022 and ending January 2024. The project will contribute to 285 lost parking spots, so mitigation efforts are underway to conserve total number of lost parking spots that will be recouped at satellite locations. The new building will provide the required space to accommodate undergraduate enrollment in both colleges to meet UNM strategic initiatives. In addition, it will support modest increases for graduate programs, faculty positions, and research. The building will provide efficient shared space geared toward collaboration, shared services, and the creation of combined degrees to meet workforce demands.

The state is currently experiencing a healthcare workforce shortage, and the CON-PHE building will allow for program expansion to enable more healthcare professionals to be trained to work in New Mexico. The COPH was founded in 2016 and has seen an average annual growth of 31%, and the current space is not sufficient for the college or for research activities. Both of these colleges currently occupy spaces in multiple buildings and one goal of this project is to get them into one building.

The total estimated project budget for the CON-PHE building is \$43,239,665, which will be funded by a FY2022 GO Bond (\$30m); FY2022 House Bill 2 special appropriation bond (\$2.5m); and Health Sciences Center matching funds (\$10,739,665). Ms. Lovell presented design renderings of the building that will include an aesthetic park area.

Regent Payne asked if the current parking structure being built near the new hospital tower will have the capacity to make up for the lost parking spaces from this project. The new garage has a 1401 space capacity, additional spaces will be needed and are planned to be added at the Elks Parking Lot on University Boulevard, as well as the Donut Mart Parking Lot on Lomas Avenue.

Regent Ko thanked Ms. Lovell for the presentation and emphasized the need to address the parking issue on North Campus.

Regent Begay said she appreciated the level of detail presented, adding that there are a lot of changes taking place on North Campus which will warrant a walking tour there soon.

- The motion to approve the College of Nursing and Public Health Excellence Capital Project Construction passed unanimously (1st Begay; 2nd Payne).

ADVISORS' COMMENTS

Tim Backes, Retiree Association President, reported on recent association activities including the Associations work in support of the ERB.

Mike Silva, Alumni Association Board President, reported on recent and upcoming events hosted by the association.

Scott Sanchez, Staff Council President, reported on recent Council activities and events.

Greg Romero, ASUNM President, reported on recent activities and events.

David Saavedra, GPSA President, reported on recent activities and events.


Finnie Coleman, Faculty Senate President, reported on recent faculty issues.

ADJOURN

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

Approved:

Attest:



Douglas M. Brown, Chair



Sandra K. Begay, Secretary/Treasurer

Legislative Appropriations for FY 23

House Bill 2 Summary of FY23 Recurring I&G Appropriations to UNM

1	Campus	FY23 UNM Request	FY23 I&G	FY23 House Bill 2	FY23 over FY22 (% difference)
2	Central Campus	<ul style="list-style-type: none"> 10% increase to restore FY21 cuts base adjustment increase for inflation in group and liability insurance, and utility costs 	\$197,843,000	\$203,767,700	3.0%
3	HSC	<ul style="list-style-type: none"> \$40 million increase 	\$66,582,500	\$66,582,500	0.0%
5	UNM Gallup	<ul style="list-style-type: none"> 10% increase to restore FY21 cuts 	\$8,848,700	\$8,994,600	1.6%
6	UNM Los Alamos	<ul style="list-style-type: none"> base adjustment increase for inflation in group and liability insurance, and utility costs 	\$1,926,200	\$1,975,400	2.6%
7	UNM Taos	<ul style="list-style-type: none"> base adjustment increase for inflation in group and liability insurance, and utility costs 	\$3,864,700	\$3,948,500	2.2%
8	UNM Valencia	<ul style="list-style-type: none"> base adjustment increase for inflation in group and liability insurance, and utility costs 	\$5,847,400	\$5,989,600	2.1%

HB 2 Summary of Special Appropriations

1	Project	FY23 HB2
2	College of Nursing/College of Population Health Shell	\$2,500,000
3	Human Papillomavirus Pap Registry	\$500,000
4	Office of the Medical Investigator	\$500,000
5	Endowed faculty positions in Native American Studies	\$5,000,000
6	For School of Public Health	\$10,000,000

- Budget planning has the same primary principles across all campuses
- Distinctive considerations for each unique mission
- Compelling conditions, strategic urgency and proposed plan for each campus
- Recommendations

Recommendations for Approval Central Campus and HSC

- We are recommending that the Board of Regents approve the following:
 - 7.12% compensation plan (3% in Q4 FY22, 4% in FY23)
 - 1% increase in mandatory student fees (recommended by the SFRB)
 - \$15 increase in the ASUNM fee
 - Approved by the student body in a constitutional referendum held 03/09/2022
 - Tuition simplification for Central Campus and HSC (remove discount)
 - Central Campus:
 - Increase in undergraduate resident tuition by 3%, with a flat rate at 15 credit hours
 - Increase in graduate resident tuition by 3%, with a flat rate at 12 credit hours
 - Increase in non-resident tuition (undergrad and graduate) by 5%, with a flat rate at 12 credit hours
 - HSC:
 - 1% base increase undergraduate and graduate resident tuition
 - 3% increase in non-resident base tuition
 - No change in HSC tuition differentials

Recommendations for Approval Branches

- UNM-Los Alamos:
 - No change in tuition and fees
- UNM-Valencia:
 - No change in tuition and fees
- UNM-Gallup:
 - No tuition and fee increase contingent upon Advisory Board approval
- UNM-Taos
 - Contingent upon Advisory Board approval:
 - Tuition
 - Current rates: \$78/ch resident; \$198.60/ch non-resident
 - Proposed rates: \$81/ch resident (+3.85%); \$206/ch non-resident (+3.73%)
 - Fees
 - Current rate: \$15 Student Support (block fee per student, per semester)
 - Proposed rate: \$30 Student Support (block fee per student, per semester)

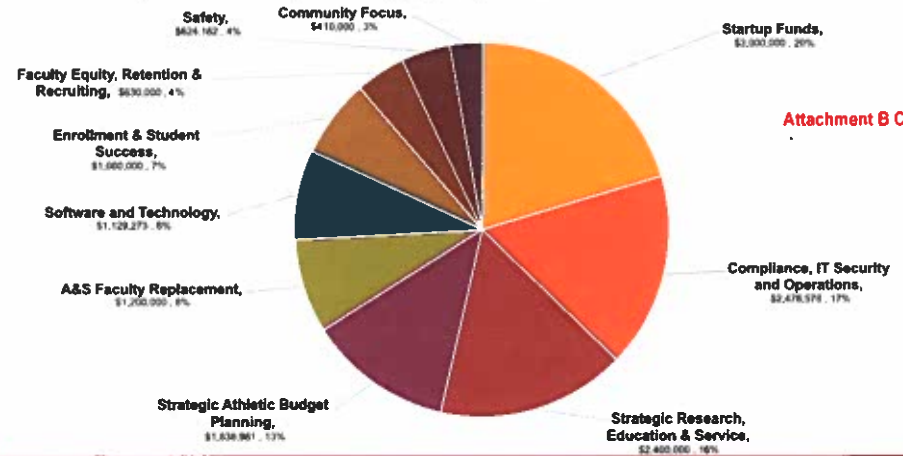
Budget Priorities and Workplan

Budget Leadership Team's (BLT) goal is to ensure we have sufficient:

BLT Tuition and Fee Committee's goal is to have a proposal to ensure we have:

Investment in Compensation	Faculty Startup Funding	Affordability for All New Mexicans	Strong Graduation and Retention Rates
Reserve Balance	Investment in Facilities, Virtual Infrastructure, Safety and Compliance	A Simpler Rate Structure	Competitive Rates that Keep in Line with Inflation

Units submitted \$14.7M of funding proposals for critical strategic needs



Attachment B Cont.

President's Office

SVP for Finance and Administration

Emphasis on Community Alumni Relations personnel support for programming Division of Equity and Inclusion infrastructure, personnel, professional development Additional advisors needed to meet hearing load Institutional spot, digital advertising \$410,000
Emphasis on Compliance Split Clery and compliance role, data support Internal Audit system upgrades and professional development \$215,000
Strategic Athletic Budget Planning Additional cost of attendance, travel, and backfill projection tuition/fee increases Football initiatives (priorities 1 and 2) Facilities deferred maintenance Utilities inflationary increases Student professional development and institutional support \$1,838,961

Software and Technology Recurring software maintenance fees that are critical for operations Required upgrades and/or shift to cloud-based subscriptions Software Licensing Escalators (built into existing software license obligations) Licensing and Enterprise Applications Support Position \$1,129,273
Compliance, IT Security, and Operations Recurring software maintenance fees that are critical for compliance Funding for positions that are critical for compliance, IT security, and operations Information security initiatives including endpoint detection and response Restoration of operating budgets in critical areas (reduced in FY21) \$2,261,576
Safety UNMPD: Six Additional Dispatchers Needed (w/ Fringe Benefits) UNMPD: Critical Compensation Pay Increase for Dispatchers and Security Alarms Inspections and Fire Sprinkler Renewals \$624,182

Attachment B Cont. Academic Affairs

Enrollment and Student Success Recruiting, prospect development, and financial aid optimization Support for summer teaching and improved advising \$1,000,000	Faculty Equity, Retention & Recruiting To achieve competitive faculty salaries requires \$14M in 2021 dollars Funds to address strategic on-going equity, retention and recruiting needs \$630,000
A&S Faculty Replacement Over 5 years SCH taught in A&S has decreased by 28% To manage budget shortfall the A&S budget must be reduced These funds (tranche 1 of 3) allow us to reduce by 30 faculty FTE rather than 60 Provides funding roughly equivalent to 10 faculty positions \$1,200,000	Startup Funds UNM struggles to recruit faculty because of insufficient startup funds. Creates a recurring pool to be used for faculty start up Also allocates funds for start up for Dean of Engineering & VP Student Affairs \$3,000,000
Strategic Research, Education & Service Support for Graduate Student Assistantships Strategic Faculty and instructor Lines Funding for Library Collections Teacher Preparation Programs and Faculty / Staff Professional Development \$2,400,000	

We need to address a 2021-22 I&G deficit of \$2.5M

Category	Fiscal Year 2022 Budget	Fiscal Year 2022 Projected Actuals
State Appropriations (H&FC CS)	197,843,000	199,358,735
Tuition Revenue	115,973,247	110,935,361
Other/Net Transfers Out	(16,089,989)	(16,089,989)
Total I&G Revenues	297,726,258	294,204,107
Mandatory Student Fees	25,392,526	24,939,909
Total Revenues	323,118,784	319,144,016
Base Allocation	294,934,739	294,934,739
Funding Requests	-	-
Must Fund Increases	-	-
Compensation (estimated)	-	1,759,584
Total I&G Expense	294,934,739	296,694,323
Mandatory Student Fee Allocations	25,392,526	25,392,526
Total Expense	320,327,265	322,086,849
Projected Surplus (Deficit)	2,791,519	(2,942,832)
I&G Surplus (Deficit)	2,791,519	(2,490,216)
MSF Surplus (Deficit)	0	(452,617)
Total Surplus (Deficit)	2,791,519	(2,942,832)

Attachment C

FY22 projected I&G deficit because tuition revenue was not as much as expected

We need to address a \$2M shortfall in compensation funding

- A 7.12% compensation increase would require \$16.4M of I&G funding
- We expect to receive \$14.4M* of state funding
- FY23 compensation shortfall (\$2M)

* Amounts given by HED as of 3/15/22. Final amounts are still being finalized

Attachment C Cont.

We have must-fund expenses totaling \$6.9M including an ERB obligation of \$3.3M

» \$6,889,603 needed for FY23 Must Fund Expenses:

- \$325,768 Group Health Insurance 2% cost increase
- \$276,903 Group Health 1.7% plan design change
- \$795,432 Minimum Wage increase to \$15.00
- \$3,301,500 ERB employer contribution 2% increase
- \$470,000 Faculty promotion and tenure increases including fringe
- \$300,000 Miscellaneous Fringe Benefits
- \$420,000 Property and General Liability Insurance
- \$1,000,000 For additional student aid

NOTE: With tuition increases, the need for aid also increases; we set aside 10% for aid for incremental increases in tuition revenue

Attachment C Cont.

Total Need is \$40.5M, some portion of which we will need to make up through a tuition increase

Summary of Needs:

\$2.5M Shortfall from 2021-22
 \$16.4M 7.12% compensation increase
 \$6.9M Must-fund expenses
 \$14.7M Funding proposals for strategic needs
\$40.5M Subtotal

\$23.4M Additional State Sources
 \$40.5M Less: Needs

(\$17.1M) Unmet Needs

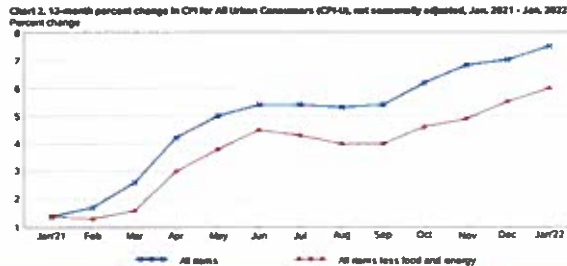
- We wouldn't raise tuition by \$17.1M, so we will still have unmet needs.

UNM units are also facing increased operating costs

Attachment C Cont.

» Consumer Price Index (CPI)

- Over last 12 months (January 2021 – January 2022), all items index increased 7.5% (before seasonal adjustment), 6.0% for all items less food and energy (Consumer Price Index – January 2022).



In the tuition realm we have many moving parts

Attachment D

- Enrollment
 - Enrollment assumption is 0% growth
- Rate
- Simplification

Our base tuition rates have been aligned with our peer NM research institutions, but we need to make adjustments to stay competitive

Attachment D Cont.

2021-22 ACADEMIC YEAR as reported in FY22 Budget Exhibit

Four Year Institutions
Research
UNMNT
UNMSU
UNM

Part-time/hourly rate		Undergraduate Tuition		Summer Session	
Resident in District	Non Resident	Resident in District	Non Resident	Resident Per Credit Hr.	Non Resident Per Credit Hr.
297.95	952.51	3,515.40	11,430.00	292.95	292.95
276.70	937.80	3,234.70	12,045.50	276.70	314.40
275.20	974.76	3,444.08	11,970.78	275.20	275.20

Part-time/hourly rate		Graduate Tuition		Summer Session	
Resident in District	Non Resident	Resident in District	Non Resident	Resident - Per Credit Hr.	Non Resident - Per Credit Hr.
408.00	1,349.58	3,677.00	12,146.22	408.00	408.00
276.70	962.80	2,499.30	8,665.20	276.70	345.70
336.12	1,078.54	4,033.44	12,979.26	336.12	336.12

* Based on 12-18 credit hours

* Based on 9-13 credit hours

** Based on 15+ credit hours

** Based on 12+ credit hours

We need to simplify our tuition model:
Hard for students, Hard for planning

Attachment D Cont.

	CURRENT STATE	
	RESIDENT	NON-RESIDENT
UNDERGRAD	FLAT RATE AT 15 CREDIT HRS. DISCOUNT OF \$409 FROM HOUR 14	FLAT RATE AT 12 CREDIT HRS. PREMIUM OF \$274 AT HOUR 12
GRADUATE	NO FLAT RATE / BLOCK	BLOCKED RATE FROM 12-18 CREDIT HOURS PREMIUM OF \$37 AT HOUR 12
GRADUATE PROFESSIONAL	FLAT RATE AT 12 CREDIT HRS.	BLOCKED RATE FROM 12-18 CREDIT HOURS PREMIUM OF \$37 AT HOUR 12

We propose setting a flat rate at 15 credit hours for resident undergrads, 12 credit hours for nonresident undergrads and both types of grads and eliminating the discounts and premiums

PROPOSED SIMPLIFICATION			
		RESIDENT	NON-RESIDENT
UNDERGRAD		FLAT RATE AT 15 CREDIT HRS. NO DISCOUNT	FLAT RATE AT 12 CREDIT HRS. NO DISCOUNT
GRADUATE		FLAT RATE AT 12 CREDIT HRS.	FLAT RATE AT 12 CREDIT HRS.

Attachment D. Cont.

Student fees to now follow same simplified methodology as tuition!

Attachment D Cont.

To pay for our increased needs we will include a 3% base resident tuition increase and 5% nonresident tuition increase, generating \$13.3M of additional revenue

Undergraduate Tuition			
Credits	Current Tuition Rate Schedule		Proposed Simplification
	Residents	Non-Residents	
1-14 hours (per hour)	\$ 275.20	\$ 932.76	\$ 275.20
15+ hours	n/a	\$ 13,979.78	n/a
15+ hours	\$ 1,444.06	n/a	\$ 1,444.06

Graduate Tuition			
Credits	Current Tuition Rate Schedule		Proposed Simplification
	Residents	Non-Residents	
1-13 hours (per hour)	\$ 136.12	\$ 1,078.54	\$ 136.12
14+ hours	\$ 4,089.14	n/a	\$ 4,089.14
14+ hours (per hour)	n/a	\$ 1,078.54	n/a

Changes and Tuition Increases (M)			
Resident: allocation of discount & 3% increase; LG: 5% increase; GR: discount; GR & GR 5% increase			
Recommended Option	Current Tuition	Proposed Simplification	Proposed Simplification
	Residents	Non-Residents	Residents
	\$ 250.46	\$ 1,647.63	\$ 250.46
	\$ 12,569.32	n/a	\$ 12,569.32
	\$ 4,251.88	n/a	\$ 4,251.88

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

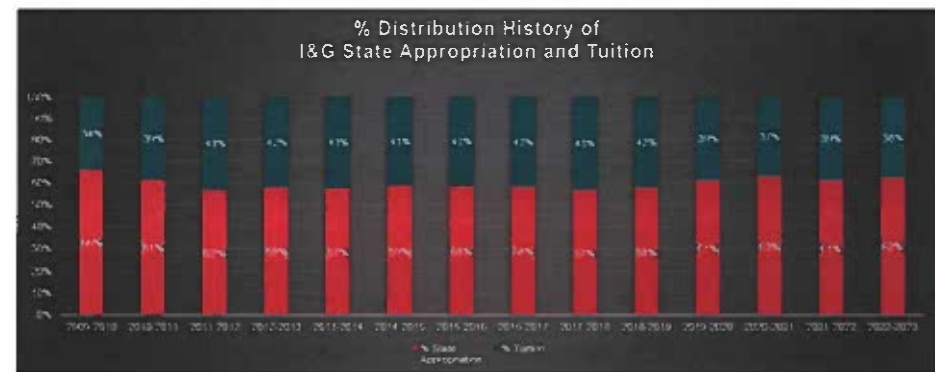
Attachment D Cont.

Undergraduate Resident T&F- 15ch flat, plus 3% base tuition, 1% fee increase & \$35 ASUNM hc fee	% of Students	# of Students	Net T&F Out-of-Pocket Per Semester
T&F fully covered	21%	2,686	\$0
2.7% T&F increase	18%	2,348	\$99
2.8% up to 19.1% T&F increase	53%	6,760	\$1,995
19.2% T&F increase	8%	1,038	\$5,088

- Approximately 40% of students will pay less than \$100
- Approximately 50% of students will pay on average \$1,995
- Less than 10% of students have no aid and will pay the full T&F

With these assumptions, the ratio of state appropriations to tuition remains roughly the same

Attachment D Cont.



Category	Fiscal Year 2022 Budget	Fiscal Year 2022 Projected Actuals	Fiscal Year 2023 Scenario	FY22 % Change from Original	FY23 % Change from FY22 Proj
State Appropriations (NAFC CS)	197,843,000	199,358,735	221,281,195	0.8%	11.0%
Tuition Revenue	115,973,247	110,935,361	124,205,729	-4.3%	12.0%
Other/Net Transfers Out	(16,089,989)	(16,089,989)	(18,700,917)	0.0%	16.2%
Total I&G Revenues	297,726,258	294,204,107	326,786,008	-1.2%	11.1%
Mandatory Student Fees	25,392,526	24,939,909	25,151,875	-1.8%	0.8%
Total Revenues	323,118,784	319,144,016	351,937,883	-1.2%	10.3%
Base Allocation	294,934,739	294,934,739	294,854,223	0.0%	0.0%
Funding Requests	-	-	10,925,066	N/A	N/A
Must Fund Increases	-	-	6,343,519	N/A	N/A
Compensation (estimated)	-	1,759,584	14,663,199	N/A	N/A
Total I&G Expense	294,934,739	296,694,323	326,786,007	0.8%	10.1%
Mandatory Student Fee Allocations	25,392,526	25,392,526	25,416,858	0.0%	0.1%
Total Expense	320,327,265	322,086,849	352,202,865	0.5%	9.4%
Projected Surplus (Deficit)	2,791,519	(2,942,832)	(264,983)		
I&G Surplus (Deficit)	2,791,519	(2,490,216)	0		
MSF Surplus (Deficit)	0	(452,617)	(264,983)		
Total Surplus (Deficit)	2,791,519	(2,942,832)	(264,983)		

Attachment D Cont.

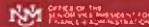
Summary

Attachment D Cont.

- In this scenario we can only pay for 77.8% of our unmet strategic needs
 - Additional Revenue Generated - \$13.3M
 - Unmet Needs - \$17.1M

We would still have \$3.8M in unmet strategic needs

3% base tuition increase, 25.7% reduction base requests



24



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Attachment E

Branch Recommendations

Compensation recommendations from the Branch Advisory Boards are voted on as part of the branch budgets in budget meetings, which will take place later this Spring.

In the past, our Boards have agreed with the Legislative Appropriations signed by the Governor as regards to compensation increases.

Following are the tuition and fees recommendations:

UNM-Los Alamos

The Advisory Board met in January and voted to recommend no increase in tuition and fees.

UNM-Valencia

The Advisory Board met February 21 and recommended no increase in tuition and fees.

Attachment E Cont.

We are asking you to approve the UNM-Gallup and UNM-Taos tuition and fee recommendations with the contingency of their subsequent Advisory Board approvals.

UNM-Gallup

The Advisory Board will meet today, March 22 at 4pm, and is expected to recommend no tuition and fee increase.

UNM-Taos

The Advisory Board will meet tomorrow, March 23 and will vote on the following proposal:

Tuition

- Current rates: \$78/ch resident; \$198.60/ch non-resident
- Proposed rates: \$81/ch resident (+3.85%); \$206/ch non-resident (+3.73%)

Fees

- Current rate: \$15 Student Support (block fee per student, per semester)
- Proposed rate: \$30 Student Support (block fee per student, per semester)

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UNM-Taos is proposing a tuition and fee increase, the first since 2015. The tuition increase covers only a portion of the increased cost of instruction but brings the tuition closer to our cost. Likewise, the increase in fees reflects the expanded services that are newly provided to all UNM-Taos students, such as both in-person and 24-hour online tutoring, support for online learning resources available to all students regardless of class modality, and a community resource navigator who assists students locate mental and physical health services, food, housing, transportation, and other resources that students need to thrive in life and school. ~ **Chancellor Mary Gutierrez**

Broad Health Science Priority Areas

- ❖ **Health Equity & Community Needs**
 - ❖ Inclusive Excellence (IEC, CNAH, Center for Hispanic / Latino Health, etc)
- ❖ **Healthy aging across the lifespan**
- ❖ **Access & High Quality Clinical Care**
 - ❖ Patient & Family Centered-Care and Experience
- ❖ **Behavioral Health**
 - ❖ Center of Excellence in Addictions idea
 - ❖ State, County, and City Partners
- ❖ **Public Health** (across the UNM campus & Health System and NM, including NMSU)
- ❖ **Data Science, IT, & Biostatistics (Health Sciences, Health System, and all of UNM)**
- ❖ **Recruit and Retain Faculty, Students, and Staff**
 - ❖ Increase faculty salaries to 50th percentile (SOM mostly at 25th percentile)
 - ❖ Expand Child Care RFP and planning
- ❖ **Health System and Health Sciences Strategic Planning Initiative – start in May 2022**

UNM Health System Issues & Priorities

COVID – Response & Recovery

- Public Health Orders / Crisis Standards of Care (expires 3/11/22)
- How We Move Forward – “Rightsizing” Clinical Operations, Lessons Learned and New Normal
- telehealth / remote work

Patient Experience, Access, and Quality of Care

- The Patient Relations Departments - Patient Advocacy, Patient Experience, & PFACs
- Quality and Safety – Innovation: Everyone has great ideas (Lean/Shingo & Huron/Baldrige)

Our People - Workforce Engagement, Alignment, and Wellness

- System Issues / Ease of Practice & Personal Resilience, Peer Support, and Leadership Training
- Mentoring and Career Development
- About 8K staff, 350 AP employees, 1000 HSC clinical faculty, 700 Residents, & many students

Diversity, Equity, and Inclusion

- Community Partnerships & Impact
- Health Equity, Stigma, Anti-Racism, and Social Determinants of Health
- Office of Community Engagement UNMH; Inclusive Excellence Council (IEC)

UNM Health System Key Strategic Initiatives

UNM Hospital	SRMC
Hospital Tower Adult Surgical, Critical Care, EM, & Advanced Diagnostics Backfill Plan Gallup Multi-Specialty Clinic including Women's Specialty Clinic Behavioral Health – Crisis Triage Center & Child Psychiatric Center Outpatient Access: Discharge Clinic, Movement Disorder Center, Senior Health Clinic, Primary Care, and Uptown Clinic Telehealth Expansion	Orthopaedic Center of Excellence – now open Level III Trauma Certification Behavioral Health Programs Rio Rancho Campus Development Alignment
UNM CCC	UNMMG
Radiation Oncology Capital Project	Rio Rancho Primary Care Clinic – now open Telemedicine Expansion Primary Care Strategic Plan and additional sites Truman Expansion – Roswell First Choice Community Health (FCH) Partnerships
Health System Expansions	
Network Partnerships, Project ECHO, Office of Community Health, & Virtual Health	

UNM Health Sciences Key Academic Strategic Initiatives

Attachment F Cont.

School of Medicine

- Buildings and Space
- Orthopaedic Center of Excellence
- Research Growth and Structure
- Growth of GME Programs
- Clinical Expansion – New Tower, Child Psychiatric Center, Primary Care



College of Nursing

- CON Building & Rio Rancho Campus Sim. Center
- Further Research Expansion
- Development/UNM Foundation
- Primary Care Strategic Plan



College of Pharmacy

- Pharmacist Provided Primary Care Strategic Plan
- COP Building Renovation
- Research Support/Infrastructure
- FQHC Partnerships
- Cannabis education for healthcare professionals and public



College of Public Health

- SPH Building
- Executive Council for Public Health

Health Sciences Integration

- Career Development / Mentoring / Employee Rel.
- Marketing/Communication Integration
- Office of Strategic Initiatives
- Project ECHO expansion
- ISUBI
- Health Equity Initiative



UNM HSC Academic Enterprise

FY 2023 – Financial Assumptions

Attachment G

- Net Margin**
- Balanced budget from recurring operations
 - Strategic use of reserves
 - SOM will use reserves for recurring operations due to the compensation and ERB increases
- Revenues**
- HSC I&G Appropriations
 - HSC RPSP House Bill 2 Appropriations
 - F&A revenue increase 5% – expected growth in awards
 - Tuition
- Expenses**
- Salary increases for HSC Faculty and Staff – 7.12% in preliminary budget
 - Group Health Insurance – 3.7% increase
 - Partially funded 2% employer ERB increase - \$6M shortfall
 - Utilities - 3% Rate increase
 - New Initiatives (delayed implementation)

UNM Health Sciences Center

Attachment G Cont.

Institution / Program (detail listed primarily in HB2 order)	FY22 Final Recurring	FY23 HB2 Section 4		
		Total	\$ Change	% Change
UNM HEALTH SCIENCES CENTER				
UNM/HSC Medical School I&G (incl. BA&MD program)	66,982,588	66,481,249	-	0%
Office of Diversity, Equity and Inclusion	135,000	135,000	-	0%
ENLACE Statewide Collaborative	813,300	813,300	-	0%
Comprehensive Muscular Disorders	273,500	273,500	-	0%
Free Medical School Tuition	183,400	-	(183,400)	(100%)
Business Authority - Includes Costs of Facilities	286,900	286,900	-	0%
MMNFC	235,000	-	(235,000)	(100%)
Office of Medical Investigation - Child Services Program	303,600	303,600	-	0%
Physician Assistant Nurse Practitioner	340,000	2,000,000	1,650,000	487%
Child Abuse Evaluation Center (Lean Add)	138,000	138,000	-	0%
Undergraduate Nurse Expansion	951,000	951,000	-	0%
Graduate Nurse Practitioner Education	1,653,100	1,653,100	-	0%
Native American Health Center	240,500	240,500	-	0%
Native American Student Services	88,100	88,100	-	0%
Office of Medical Investigation	5,141,600	5,141,600	800,000	16%
Children's Psychiatric Hospital	7,479,000	7,479,000	-	0%
Farne 2 registry Hospital	5,153,000	5,153,000	-	0%
Minority Student Services (Lean Add)	186,800	186,800	-	0%
Nursing Intensive Care	1,025,400	1,025,400	-	0%
Podiatric Clinics	1,177,700	1,177,700	-	0%
Purson and Drug Information Center	1,838,700	1,838,700	-	0%
Cancer Center	5,007,000	5,007,000	-	0%
Regentus Community Health Outcomes (Project ECHO)	2,537,500	6,037,500	3,500,000	138%
Graduate Medical Education/Residencies	1,907,200	1,907,200	-	0%
Total GIL Recurring	107,272,888	112,897,849	5,624,961	5.2%

UNM Health Sciences Center

Attachment G Cont.

HB2 Other Non-recurring, Section 5 and Section 10	Total
College of Pop Health, HB2 Section 10 other special (through FY24 or revert)	10,000,000
PAP Registry, HB2, Section 5 special (FY22 to FY23 or revert)	500,000
DMI operational costs, Section 5 special (FY22 to FY23 or revert)	500,000
Total HSC	\$ 11,000,000

SB48 Junior Appropriations	FY22-FY23	FY23	Total
ENLACE, Gov't training for high school students and minority student services	50,000	300,000	450,000
Office for Diversity, Equity and Inclusion BOSS Minority Student Services, Student Minority STEM program for middle school students in ABQ	-	100,000	100,000
HSC Student Grant Account for Rural Rotations	100,000	-	100,000
Movement Disorders Center operations	-	130,000	130,000
Native American Health Student Services	-	60,000	60,000
Office for Diversity, Equity and Inclusion Career Training to Career	50,000	50,000	100,000
DMI Grief Services	-	100,000	100,000
Total HSC	\$ 300,000	\$ 740,000	\$ 1,040,000

Capital Outlay - HB153 GO Bond, SB212 STB and HB2 Section 5	Total
Children's Psychiatric Center (GOR)	36,000,000
Children's Psychiatric Center (STB)	4,000,000
Nursing and Public Health Excellence Building, HB2, Section 5 (FY22 to FY23 or revert)	2,500,000
Total HSC	\$ 42,500,000

UNM's SPH Six Deliverables to Impact NM Public Health

- ❖ **Deliverable #1: Increase the number of students**
 - ❖ More than double number of public health students to increase public health workforce for the private, non-profit, and public sectors.
- ❖ **Deliverable #2: Increase the number of faculty**
 - ❖ Increase from 13 to at least 24 to enhance quality education, research, and capacity for effective public health interventions statewide.
- ❖ **Deliverable #3: Increase non-state research dollars**
 - ❖ Double our total research dollar amount – increases research focused on New Mexico public health challenges and create jobs statewide.
- ❖ **Deliverable #4: Create a Public Health Education Network Statewide**
 - ❖ In partnership with NMSU and other higher education institutions, inventory public health educators to identify gaps and provide access to the School of Public Health faculty to support programs and students at other institutions, including expanding our pipeline programs.
- ❖ **Deliverable #5: Expand Statewide Community Health Assessments**
 - ❖ Partner with local Health Councils, County Public Health Offices, and community stakeholders to identify community needs.
- ❖ **Deliverable #6: Lead two major public health intervention initiatives**
 - ❖ Pilot two initiatives: (1) Implement the CDC's Diabetes Prevention Program to reduce diabetes and obesity statewide, (2) Implement a few evidence-based addiction prevention best practices to reduce high-risk individuals substance misuse.

HSC Tuition Assumptions

- HSC Undergraduate Tuition
 - Tuition Simplification (Un-discount the block)
 - HSC tuition revenue generated \$513,100
 - 1% Base increase resident, 3% non-resident
- HSC Graduate Tuition – 1% Base increase resident, 3% non-resident
- Mandatory Student Fee increase 1%
- HSC Tuition Differentials - No Change

UNM School of Medicine Average Faculty (Physicians) Compensation by source

TUITION
STATE FUNDING
CONTRACTS & GRANTS
CLINICAL



Clinical challenges to Fund Compensation

- UNMH has current negative bottom line
- No room for Volume increase
- No opportunity for Rate increase
- In-patient platform does not have margin to assist in SOM compensation increases

UNM HSC Academic Enterprise

FY 2023 Faculty & Staff 7.12% Salary Increase plus Fringe

All HSC Unrestricted	College of Nursing 7.12% w Fringe	College of Pharmacy 7.12% w Fringe	College of Population Health 7.12% w Fringe	HSC VP Research and HSJIC 7.12% w Fringe	School of Medicine - Staff 7.12% w Fringe	School of Medicine - Faculty 7.12% w Fringe	VP HSC Administration 7.12% w Fringe	Total HSC 7.12% w Fringe
Grouping								
Faculty	609,553	363,399	140,044	149,750		17,225,375	800,874	19,288,995
Staff	259,520	256,079	59,801	339,141	5,688,695		1,752,057	8,155,293
Grand Total	869,073	619,478	199,845	488,891	5,688,695	17,225,375	2,552,931	27,644,289
Estimated State comp w fringe	535,253	516,085	173,439	89,977	4,504,633		1,254,383	7,073,770
Shortfall – recurring cost	(333,820)	(103,393)	(26,406)	(398,914)	(1,184,062)	(17,225,375)	(1,298,548)	(20,570,519)

- Non SOM units will be able to fund shortfall
- SOM Compensation shortfall plan is being developed
- Compensation is 87% of HSC Academic Enterprise expenses

Attachment G Cont.

UNM HSC Academic Enterprise

FY 2023 ERB Increase

2% HSC ERB Increase	\$7,703,475
FY23 Estimated State ERB Funding	1,053,512
HSC ERB Shortfall	\$(6,649,963)

Attachment G Cont.

UNM Hospitals

FY 2023 – Financial Assumptions

Revenues

- Inpatient access
 - Inpatient volumes should normalize to FY21 post-OMICRON surge and crisis standards of care
 - Discharges to remain consistent with historical length of stay
 - Case Mix Index to remain flat
- Ambulatory access
 - Programs are being developed to identify preventable avoidable admissions,
 - expansion of home care offering
 - comprehensive navigation services
 - Primary Care clinics are expected to remain flat relative to revised FY22 projections
 - Specialty Care Clinics expected increase 2%
- Surgeries are also expected to remain flat to revised FY22 projections

Attachment G Cont.

UNM Hospitals

FY 2023 – Financial Assumptions

Expenses

- Compensation and Benefits
 - FTEs in alignment with volume changes
 - Health Insurance increases in line with prior year
 - Reductions in Contract Labor in FY23 as volumes align to normal operating levels
- Housestaff
 - Expansion of programs and residents in psychiatry, infectious disease, surgery, epilepsy, hospice/palliative, neurology and cardiology
- Supplies: 2-4% inflation for supplies & pharmaceuticals
- Equipment
 - Ongoing renovations & repairs of existing facilities

Attachment G Cont.

UNM Medical Group

FY 2023 – Financial Assumptions

Revenues

- Continued growth and recovery from pandemic-related volume decreases and fluctuations
 - WRVUS – 4.1% above FY22 forecast
 - Billed visits growth of 4%
 - Medical Group clinics will show a continued growth year-over-year in patient visits and net revenues
 - Collections – 5.2% increase over FY22 forecast
- Increase in managed care UPL to include \$7M in funds for Anesthesiology. Offsets a decrease in BCBS contract rates specific to Anesthesiology.
 - Average Commercial Rate (ACR) changed from 96% to 117% with the addition of Anesthesiology

Expenses

- FY23 expenses expected to return to original FY22 budget levels as employee vacancy rates decrease and there is increased activity supporting the Health System.
- Work From Home will continue to keep non-staffing expenses low for both supplies and lease rates while meeting employee needs.

Sandoval Regional Medical Center

FY 2023 – Financial Assumptions

Attachment G Cont.

Revenue

- Inpatient access and throughput
 - Inpatient volumes to decline with the OMICRON surge and crisis standards of care winding down prior to the beginning of the fiscal year
 - Discharges to remain consistent with historical length of stay
 - Case Mix Index to remain flat
 - Medicaid IP rate increase
- Ambulatory access and throughput
 - Increased volume in Ortho COE
 - Decreased volume in Family Practice (2 providers have left and multiple other providers have reduced time)
 - Slight increase in surgical volumes for Orthopedics

Expenses

- Compensation adjustments – Full Year Impact
- Benefits flat
- Decrease in contract labor usage
- Supplies and Pharmaceuticals CPI increase 3-4%
- Ortho COE full year impact

Summary of Recommendations for Approval

Central Campus and HSC

Attachment H

- We are recommending that the Board of Regents approve the following:
 - 7.12% compensation plan (3% in Q4 FY22, 4% in FY23)
 - 1% increase in mandatory student fees (recommended by the SFRB)
 - \$15 increase in the ASUNM fee
 - Approved by the student body in a constitutional referendum held 03/09/2022
 - Tuition simplification for Central Campus and HSC (remove discount)
 - Central Campus:
 - Increase in undergraduate resident tuition by 3%, with a flat rate at 15 credit hours
 - Increase in graduate resident tuition by 3%, with a flat rate at 12 credit hours
 - Increase in non-resident tuition (undergrad and graduate) by 5%, with a flat rate at 12 credit hours
 - HSC:
 - 1% base increase undergraduate and graduate resident tuition
 - 3% increase in non-resident base tuition
 - No change in HSC tuition differentials

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Summary of Recommendations for Approval

Branches

Attachment H Cont.

- UNM-Los Alamos:
 - No change in tuition and fees
- UNM-Valencia:
 - No change in tuition and fees
- UNM-Gallup:
 - No tuition and fee increase contingent upon Advisory Board approval
- UNM-Taos
 - Contingent upon Advisory Board approval:
 - Tuition
 - Current rates: \$78/ch resident; \$198.60/ch non-resident
 - Proposed rates: \$81/ch resident (+3.85%); \$206/ch non-resident (+3.73%)
 - Fees
 - Current rate: \$15 Student Support (block fee per student, per semester)
 - Proposed rate: \$30 Student Support (block fee per student, per semester)

Attachment I

Regents' Policy Manual - Section 1.6: Special Recognition and Awards

~~Adopted Date: 09-12-1996~~

~~Amended: 11-14-1996~~

Applicability

This policy applies to awards of honorary degrees and other types of special recognition given on behalf of the University at the discretion of the Board of Regents. This policy does not preclude other kinds of awards and recognition by other units or officials of the University.

Policy

It is the practice of the Board of Regents of the University to recognize from time to time the contributions of special people to the University, to the state of New Mexico, or to the national or international community. The Board has established the following awards for this purpose.

- Honorary Degrees.** The University ~~of New Mexico~~ wishes to recognize and thereby encourage individuals by awarding special honors to those persons who have contributed significantly to the cultural or scientific development of the Southwest, or to the spiritual or material welfare of its people. At the same time, due regard should be paid to eminent individuals and scholars whose contributions are of general significance and transcend geographic limitations. In no case should a passing courtesy to the University ~~of New Mexico~~, such as the delivery of a commencement address, be the sole or principal cause for such honorary awards. The award of an honorary degree to a person seeking or holding a political office does not indicate endorsement by the University ~~of New Mexico~~. Political involvement should not prevent selection of an individual for an honorary degree. It is not the University's policy to award honorary degrees to active members of the faculty, staff, or administration. This does not preclude, in an exceptional case, the awarding of an honorary degree to an emeritus member of the faculty or to a former employee whose stature remains or becomes eminent in the years following active service with the University. In such exceptions, sufficient time shall have elapsed to insure objectivity in the process of selection. ~~Honorary degrees will be awarded only upon the approval of the Regents, based on recommendations from the Honorary Degree Committee, whose membership is set out in the Faculty Handbook.~~
- Regents' Meritorious Service Medal.** The Regents' Meritorious Service Medal will be awarded to a member or members of the faculty and staff of the University ~~of New Mexico~~ in recognition of extraordinary and distinguished service to the University. The criteria for the faculty award will be outstanding teaching, service to students, research, scholarship, publications, performance in faculty and University governance, or other such contributions which have enhanced the institution. The criteria for the staff award will be outstanding performance of duties and meritorious service which have enhanced the University. ~~Nominations for these awards may be submitted to the President by students, faculty, and staff. The final decision will be made by the Regents.~~

3. **Regents' Recognition Medal.** The Regents' Recognition Medal will be awarded ~~by the Regents of the University of New Mexico~~ to a person or persons, other than faculty or staff, who have performed outstanding service to the institution. The criteria for the award will be extraordinary and unselfish assistance to the University over an extended period of time. However, a single service might be recognized if, in the judgment of the Regents, circumstances warrant. Selection will be made by the Regents.
4. **The University Medal.** The University Medal will be awarded by the Regents ~~of the University of New Mexico~~ to a person of national or international accomplishment deserving of high honor. In keeping with the universal nature of the knowledge and public service which are embodied in the very essence of the University, the University Medal will be used to express the appreciation of the University for the accomplishments and contributions of the individual, which may be in any field of knowledge or public service of national or international character. ~~No limits of residence or national origin are to be placed on this award. Since the desirability of honoring such persons should be both obvious and compelling, the Regents will not grant this award on a systematic basis, nor institute fixed time periods for making the award.~~ The medal will be awarded only in the event that the attainments of a qualified individual are such that the administration and Regents are persuaded that this rare and special recognition is clearly deserved.
5. **Special Commendation.** ~~A special commendation may be awarded to particularly meritorious nominees for any of the Regents' Meritorious Service Medal, the Regents' Recognition Medal or the University Medal.~~

Selection Process and Awards

Honorary degrees will be awarded only upon the approval of the University faculty and the Regents, and will be based on recommendations from the Honorary Degree Committee, whose membership is set out in the Faculty Handbook.

The President of the University periodically will solicit and receive nominations for the Regents' Meritorious Service Medal, the Regents' Recognition Medal and the University Medal in time for the review process described here to take place before the next commencement. The President of the University will provide the charge and all nominations to the Regents' Special Recognition and Awards Committee, which will be comprised of one person appointed by the President of the Faculty Senate, one person appointed by the President of the Staff Council, one graduate student appointed by the President of the Graduate and Professional Student Association, one member appointed by the President of the Associated Students, a Chair appointed by the President of the University, and such additional members as the President of the University shall deem helpful. These additional members may be drawn from the UNM Foundation, school and colleges at the University, the branch campuses, alumni, athletics and elsewhere. The Committee will recommend particular nominees for each award to the Regents, which shall make final decisions with regard to the awards.

Except for Special Commendations, awards will be medals, or other appropriate signs of recognition, bearing, as appropriate and as space permits, the seal of the University and other designs, and will be accompanied by a certificate upon which the nature of the service will be cited. Special Commendations shall be in the form of a certificate

Implementation

~~Awards will be a silver alloy medal, or other appropriate device, bearing the seal of the University of New Mexico and other appropriate designs and will be accompanied by a certificate upon which the nature of the service will be cited.~~