

Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
April 10, 2023

9:00 AM Open Session-Student Union Building (SUB), Ballroom C
8:00AM and Luncheon Executive Sessions in Cherry Silver Room, SUB
Open Session livestreamed for public viewing

Members Present

Kim Sanchez Rael, Chair; Jack L. Fortner, Vice Chair; Robert L. Schwartz, Secretary-Treasurer; Paul Blanchard; Randy Ko; Paula Tackett

Members Not Present

William H. Payne

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Teresa Costantinidis, EVP for Finance and Administration; Doug Ziedonis, EVP for Health Sciences and CEO of the Health System; Loretta Martinez, General Counsel; Kate Becker, CEO UNM Hospitals; Michael Richards, Senior Vice President for Clinical Affairs, HSC; Norma Allen, Controller; Joe Wrobel, Chief Finance Officer, HSC; Ellen Fisher, VP Research; Assata Zerai, VP Equity and Inclusion; Eric Scott, VP Student Affairs, Dan Garcia, VP Enrollment Management; Eddie Nunez, AD; Connie Beimer, VP Alumni Relations; Francie Cordova, Chief Compliance Officer; Kevin Stevenson, Asst. VP HR; Terry Babbitt, President's Chief of Staff; Cinnamon Blair, Chief University Marketing and Communications Officer; deans and others

Advisors Present

Amie Ortiz, Staff Council President; Shaikh Ahmad, GPSA President; Ian May, ASUNM President; Alfred Mathewson, Retiree Association, President; Amy Miller, President Alumni Association; Ryan Mummert, Chair, UNM Foundation Board of Directors

Presenters

Bill Stanley, Assoc. Provost for Faculty Success; Yolanda Sanchez, Director & CEO, UNM Comprehensive Cancer Center; Scot Sauder, Deputy University Counsel

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Chair Kim Sanchez Rael called the meeting to order at 8:07 AM in the Cherry Silver Room on 3rd level of the SUB and confirmed a quorum with 6 members present in person – Jack Fortner, Paul Blanchard, Paula Tackett, Randy Ko, Rob Schwartz and Kim Rael. Regent Bill Payne could not attend the meeting.

VOTE TO ADOPT THE AGENDA

Before adoption of the agenda, Regent Rael put forth modifications to the agenda: 1) move to Special Recognitions, before public comment, the SSTAR Committee action items, and the SSTAR Committee information item regarding research and creative works leaders of 2022; and 2) place Advisors' Comments related to agenda items directly after public comment.

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

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

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

The meeting closed at 8:08 AM. The doors to the Cherry Silver Room were closed.
Executive Session agenda:

1. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978);
2. Discussion of strategic and long-range business plans of public hospitals pursuant to Section 10-15-1H(9), NMSA (1978);
3. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1.H(5), NMSA (1978); and
4. Discussion of the purchase, acquisition or disposal of real property as permitted by Section 10-15-1.H(8), NMSA (1978).

VOTE TO RE-OPEN THE MEETING

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

The meeting opened at 9:07 AM.

- o *The Regents proceeded to SUB Ballroom C*

CONVENE OPEN SESSION

Regent Rael convened open session at 9:12 AM in Ballroom C and certified that the Board's closed session discussions were limited only to items on the executive session agenda.

Regent Rael read aloud UNM's Land Acknowledgement Statement:

Land Acknowledgement Statement of the University of New Mexico

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

- **The motion to approve the minutes of the March 13, 2023 statutorily required meeting and the informational meeting notes of the March 31 Committee of the Whole meeting passed unanimously with six members present and voting (1st Fortner; 2nd Blanchard).**

SPECIAL RECOGNITIONS

Regent Rael asked Student Regent Randy Ko, Chair of SSTAR Committee, to introduce the items. Regent Ko asked Doug Ziedonis to present the first item.

Appointment of Yolanda Sanchez, PhD to the Maurice and Marguerite Liberman Distinguished Chair in Cancer Research

Dr. Ziedonis spoke about the generous gift the Liberman's established supporting cancer research and explained that the distinguished chair is reserved for the CEO and Director of the UNM Comprehensive Cancer Center (CCC). Dr. Ziedonis introduced Yolanda Sanchez, who began her role as the CEO and Director of UNM's Comprehensive Cancer Center in February 2023. Dr. Sanchez joined UNM from the Dartmouth Cancer Center, an NCI-designated comprehensive cancer center that

oversees all cancer-related academic, education, training, and clinical activities at Dartmouth College, where Dr. Sanchez held leadership roles to bridge basic, translational, and clinical research with clinical programs. Dr. Sanchez is a pioneer in cancer research, and her research leadership roles have included integrating initiatives across basic science, population science and clinical research to ensure high-quality collaborative activities across research programs. In addition to her research leadership, Dr. Sanchez is an accomplished independent research investigator. Dr. Sanchez said that she was extremely honored for the title and thanked the Liberman's for their generosity.

Regent Rael welcomed Dr. Sanchez to the UNM Community, adding that she was proud of the work Dr. Sanchez was continuing.

- **The motion to appoint Yolanda Sanchez to the Maurice and Marguerite Liberman Distinguished Chair in Cancer Research passed unanimously (1st Fortner; 2nd Tackett).**

Creation of the Endowed Professorship 'The Donna M. Tomky and Robert W. Geer Professorship in Ovarian Cancer Research', and Appointment of Dr. Sarah Adams as the inaugural holder of 'The Donna M. Tomky and Robert W. Geer Professorship in Ovarian Cancer Research'

Dr. Yolanda Sanchez presented the item and spoke about the endowment established by Robert 'Bob' Geer after his wife Donna M. Tomky received exceptional care at UNM's cancer center after Donna had been diagnosed with advanced stage ovarian cancer. The experience led Bob Geer to fund an endowment to support future generations of cancer doctors and researchers.

Dr. Sanchez introduced Dr. Sarah Adams who has been the holder of the Victor and Ruby Hansen Surface Endowed Professor in Ovarian Cancer Research since 2012. Dr. Adams is a gynecological oncologist and holds a research appointment, her lab focusses on tumor immunology and the development of novel treatment strategies for ovarian cancer. With Dr. Adams' experience in translating work from the lab to national clinical trials, she was appointed to be the Associate Director for Translational Science at the UNM CCC. Dr. Adams expressed appreciation for the donors and thanked the Regents, Dr. Sanchez, and others for the honor and the opportunity that the professorship provides.

- **The motion to create the endowed professorship 'The Donna M. Tomky and Robert W. Geer Professorship in Ovarian Cancer Research', and appoint Dr. Sarah Adams as the Inaugural holder of the professorship passed unanimously (1st Blanchard; 2nd Schwartz).**

Recognition of Research and Creative Works Leaders 2022: Irene Salinas Remiro and Brandon Schmandt (information item)

Bill Stanley, Associate Provost for Faculty Success, presented the item and introduced the faculty awardees. The Office of Academic Affairs has recognized two faculty members for this academic year's Research and Creative Works Leader Awards. These awards are given by the Provost based on nominations received from the Provost's Tenure and Promotion committee. That committee nominates a few of the most extraordinary candidates for promotion each year based on their records as assembled for milestone reviews, including evaluations by external and internal peer reviewers. Awards are being given to Professor Irene Salinas Remiro of the Department of Biology, and Professor Brandon Schmandt of the Department of Earth

and Planetary Sciences. Both are considered by external and internal reviewers alike to be among the top scholars in the world in their areas of research.

[applause and congratulations]

PUBLIC COMMENT

Satya Witt, Faculty member in the Department of Biology and UA UNM representative for the College of Arts and Sciences, spoke in support of faculty compensation, adding that it is of great concern to the union that compensation bargaining has not yet begun. It is the position of the union that sharing the budget prior to compensation bargaining is premature. Dr. Witt announced that the union would submit a formal proposal for there to be a union representative as a Regent Advisor and also a constituent on the Budget Leadership Team.

Ford Peay, Graduate Student, spoke in favor of budgeting for graduate worker compensation increases and specifically for funds allocated for significant stipend raises for graduate workers for the upcoming fiscal year to ensure financial stability for graduate students which will also benefit the undergraduate students that graduate students instruct and support.

ADVISORS' COMMENTS RELATED TO AGENDA ITEMS

Amie Ortiz, Staff Council President, thanked the university administration for including the voice of staff in the budget development process, including a place on the Budget Leadership Team and encouraged the Regents to approve the budget recommendations, affirming that the final budget proposal attempts to address the concerns of all of the various constituencies

Ian May, ASUNM President, thanked the Board for moving advisors' comments to the beginning of the meeting. President May stated that from the students' perspective all of the projects put forward in the budget are important, but there are pros and cons to raising tuition versus keeping it flat for the next fiscal year, and he encouraged the Regents to pursue looking for other funding sources before raising tuition.

Shaikh Ahmad, GPSA President, said that steady tuition and fees are good for students and that small, marginal, gradual increases are better than large increases. What is important is to have a robust fiscal plan that adequately supports critical resources and enhances higher education.

Regent Rael inquired about the GPSA fee that didn't pass. President Ahmad responded that GPSA started with a bill that was introduced and passed in the council with barely 66% votes by the council members. The proposal went to a general election, had mixed support, and in the end lost by about 63 votes. At the same time, this could indicate that students are not ready for that kind of increase at the moment, even just a \$10 per semester increase per graduate student.

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes opened her report with recent highlights, including the grand opening ribbon cutting for the ISUBI building, UNM's Interdisciplinary Substance Use and Brain Injury Center, a new wing on the west side of Domenici Hall which is a 15,700 square foot facility that provides our Lobo health care providers and researchers with the state of the art facility and home for collaborative interdisciplinary research on a broad range of studies related to substance use and misuse and studies of brain injuries. This was funded partly by a construction grant from NIH and then UNM, Health and Health Sciences contributed the remainder of the funding. The facility reflects a high priority

for the university. New Mexico has led in alcohol mortality rates for years, for decades, and it has one of the highest rates of unintentional overdose deaths. New Mexicans also suffer a higher than normal rate of traumatic brain injuries. So this is a facility that is really going to serve the entire campus and serve an incredible need for the State of New Mexico.

Another highlight is the new Center for Pedestrian and Bicyclist Safety in the School of Engineering, funded by the DOT at \$2 million annually for 5 years for virtual reality technology to find ways to make roadways safer for pedestrians and bicyclists. Other highlights included the prestigious Lobo Scholars, recipients of the Goldwater Scholarship, Kelsey Adler and Melissa Rudden, and Fulbright Scholar Miguel Sabol. In addition, President Stokes highlighted the new Dean of Engineering and Computing, Donna Riley, who began on April 1 and is the first female Dean of the School of Engineering.

The President provided an update on the legislative session. President Stokes thanked everyone who spent so much time in Santa Fe, adding that the University had a great deal of success in the legislature this year. First, in terms of instruction and general funding (I&G), the initial ask was developed in collaboration with other institutions in the state of New Mexico, that being a 5% increase to I&G funding and a 10% compensation increase along with a 1% increase for ERB support. The Legislative Finance Committee (LFC) framework, which was adopted by House Appropriations, included a one-percent of new I&G funds to be distributed by the formula that exists and partial funding for a one-percent employer contribution to ERB. There were also some non-formula adjustments to I&G. For targeted faculty compensation, they provided \$6 million statewide, so that will be divided up among institutions. Instruction and General allocations for FY24 were as follows:

- \$229.23 million for UNM Central Campus (3.1% increase to prior year)
- \$77.85 million for Health Sciences (3.9% increase)
- \$9.91 million for UNM Gallup (2.4% increase)
- \$2.18 million for UNM Los Alamos (2.8% increase)
- \$4.37 million for UNM Taos (2.6% increase)
- \$6.58 million for UNM Valencia (2.6% increase)

President Stokes emphasized that the new money UNM received through the formula is 1% and is the only flexible use funding which UNM will to cover the gaps in compensation and ERB, with some funds going toward students support needs. The President explained that Health and Health Sciences does not receive funding through the formula, but it did receive a base increase to I&G: \$1.1 million for pension increase and \$1 million for targeted faculty pay. President Stokes said there's still a long way to go with dealing with the compensation gaps that exist, but stated her appreciation for the conversations administration has been able to have about the importance of that and she thanked the Board for their recognition of that need.

President Stokes discussed the Research and Public Service Project (RPSP) funding, categorical and recurring funding, and the President focused her highlights on the RPSP expansion funding. The University received \$7.16 million for eight expansions that included athletics, the office of the medical investigator (OMI), the New Mexico Poison and Drug Information Center, and programs that really addressed the states critical shortage of health care providers. UNM also received \$1.5 million for 4 new projects that we're focused on Bachelors prepared nurses, supporting student success, and growing the School of Public Administration. Additionally, UNM received \$1.8 million from the consumer settlement fund - the first year UNM received this

support, and \$1 million of it will go to the Child Psychiatric Center for services to children and families. Another \$800K will go to Project Echo to provide training and consultation. President Stokes commented that one whole, administration was please with the support UNM received.

President Stokes discussed the special appropriations and the Junior Bill. The non-recurring special appropriation request process is something UNM cannot count on, and administration doesn't know if it will even be given the opportunity to provide requests in these categories. If asked, UNM focuses on urgent needs, but it's really outside the normal legislative timeline. Ultimately, anything that the HED and LFC recommend, it goes through this process. DFA invited proposals for the 2023 session and UNM put in 14 requests that were largely related to RPSP and capital project requests, but none of them ended up funded through the special appropriations requests. However, two existing RPSPs got funded, the HPV PAP registry for \$500K and the bioscience authority, which the latter ended up getting vetoed. Additionally, UNM Taos received \$1 million of special appropriations. In the Junior Bill, UNM had 26 projects that received about \$5.4 million in nonrecurring funding, and those included five new RPSPs and one expansion request.

President Stokes outlined a summary of the capital outlay requests. Forty capital projects receive \$42.8 million: \$6.3 million for Central Campus for critical safety and security improvements, essential campus infrastructure, and information technology upgrades; \$16.1 million for Health Sciences for upgrade to the interprofessional health simulation center, HSC research equipment, Health Sciences Library and Informatics Center renovation, and UNM CCC; \$6.8 million for the Branches; and \$13.7 million for individual sponsored project – 29 projects ranging from \$50K-\$4 million. The process of developing UNM's capital priorities for FY24 began in the fall of 2021, so this is a very long-term process. These projects were approved by the Regents and presented to the HED, DFA and LFC staff in the summer of 2022. UNM's top priority was the funding of building access controls as part of public safety and campus safety features. It was partially funded and will be eligible for additional funding that's available from HED which received a \$20 million allocation for building renewal and replacement. The information technology upgrade was not funded in the capital bill, but UNM may receive partial funding from a special appropriation for equipment and renewal, \$3 million statewide that went to the HED.

The President addressed statewide appropriations, funding that UNM may have access to, but the funds go to the Higher Education Department and then universities can apply for that funding. This is another mechanism by which universities can receive support. The \$55 million for technology and enhancement funds provides matching funds to state research universities to support applied research. Other statewide appropriations included, \$5 million for public health programs at UNM and NMSU, \$10 million for a health professionals loan repayment fund, and \$10 million for nursing endowed faculty positions.

President Stokes discussed financial aid opportunities provided by the State of New Mexico in the Opportunity in Lottery Scholarships, seed funding that will make education tuition and, for Opportunity, fees, free for thousands of in-state undergraduates for the remainder of FY23 and going forward. UNM worked with its students and other higher education institutions to support this continued and expanded funding for the Opportunity Scholarship, which is a signature program for New Mexico's Governor. The legislature made a onetime supplemental appropriation of \$45 million to support students through FY23 and a recurring \$146 million to the Opportunity Scholarship going forward. President Stokes asserted that the

Opportunity Scholarship has been a contributor to UNM's enrollment increases, and students have been by far the biggest beneficiaries of the program, with nearly \$70 million paid to almost 11,000 students in this academic year. Additionally, a \$24 million budget adjustment was made to the Lottery Scholarship to cover the program fully for FY23, and transferred another \$40 million for FY24. The President stated how pleased she was with the legislature's decision to invest in graduate education by providing \$10 million for scholarships to graduates from New Mexico high schools for those students enrolled in master's or doctoral, stem degree programs, full-time. On top of that, there was an additional \$20 million for endowments to support financial aid, scholarships, and practicums for New Mexico residents and New Mexico high-school students who are currently enrolled in master's level social work programs. The President stated that there is a lot of work going on related to social work and related to teacher preparation.

President Stokes discussed policy bills considered during the legislature that were absolutely critical for UNM, and several of the bills that were considered will have a direct impact. House Bill 216 was one that higher education was following because it basically was focused on the possibility of having all education, including higher education, included under the LFC committee, but that ended up being considered duplicative, and so that conversation will most likely continue. Other bills of importance are House Bill (HB) 407 and Senate Bills (SB) 51, 92, and 219. Senate Bill 51 is intended to remedy practices by pharmacy benefit managers that limit covered entities' access to the discounts that are provided under the Federal 340B program, which was a very important component of the bill for UNMH and other safety net hospitals in the state. Senate Bill 92 expands the provider capacity of pharmacist so pharmacists will now have the capacity to take care of more of the health care of the people in the state. Senate Bill 219 includes more name, image, and likeness rules for athletics.

Regent Fortner inquired the scope of the pharmacist practice expansion in SB 92. President Stokes responded that the changes in the definition of practice of pharmacy included, administering or prescribing devices or supplies, or administering drug therapy, and the ordering, performing and interpretation of Clinical Laboratory Improvement Amendments and the waivers by the FDA and they're authorized tests, adding that there is new material that allows a pharmacist to order tests, screen, and treat for five conditions: Covid, influenza, group-A strep, pharyngitis, uncomplicated urinary tract infections, and HIV and some other conditions of public health.

President Stokes talked about the passage of the South Campus Tax Increment Development District (TIDD) House Bill 353. This is a project UNM has worked on for years, and it's the first of its kind in New Mexico. It's a collaboration that began with UNM and the City of Albuquerque and is designed to stimulate economic growth and development, encourage private sector investment, and finance statewide and local public improvements to benefit an underserved area of metro Albuquerque. In other states across the country, when universities are involved in this kind of major project, it creates a tremendous way to have an impact on a state and on a local government and regional area, and this is how universities work with local and state entities to really serve the state that they're in. It will develop regionally significant services and it will expand UNM's partnerships with Sandia National Labs, the Kirtland Air Force Base, and the Air Force research labs. There will also be improvements for I-25, especially at the Gibson Boulevard and Avenida Cesar Chavez exchanges, including pedestrian walkways and improved safety. President Stokes emphasized that this will be transformative over the next ten years. This was a project that was brought to her early in her tenure as president as something UNM should pursue, and Stokes said she was absolutely committed to it from the beginning. President Stokes said that

thanks go to a cadre of state and county officials, naming some including Governor Lujan-Grisham, the New Mexico State Legislature, especially UNM's sponsors, Day Hochman-Vigil, Javier Martinez, Liz Thompson, Art De La Cruz, and Meredith Dixon. UNM is also grateful for the support of the multiple New Mexico State Cabinet Secretaries, the State Board of Finance, the NM Finance Authority, and the Bernalillo County Administration and commissioners. President Stokes expressed appreciation for Mayor Tim Keller, the City of Albuquerque administration and the City Council, and then internally, Stokes thanked the Regents, and in particular, Kim Sanchez Rael for her support for this project. She thanked the Government Relations office, the TIDD team, Lobo Development Corporation and others. President Stokes reiterated her excitement for the passage of the bill, adding that this deserves a celebration because the TIDD is going to have a great impact.

The President provided an update on an efficiency and improvement project that is underway related to the Helio Campus Benchmarking Consortium Project Act, which looks at labor expense data from over 70 institutions across 35 states. When comparing UNM to peer institutions, the data shows that UNM is well below its peers in percent of labor cost spent on administration to its total labor cost. That's probably a reflection of the University's strategic priorities to spend more on academic labor costs and programming. Of note is that UNM's organization is more decentralized compared to peers, and President Stokes said this brings up the need to evaluate the extent to which decentralization is serving UNM well. Additionally, a look at whether greater efficiencies can be obtained from the functional areas is an area that may need attention. In another look by 'activity', UNM compared to the benchmarks of seven other institutions and came in slightly above the average for finance and Research Administration, which is probably understandable given there are parallel organizations on campus for central campus and for health sciences. UNM came in under benchmark average in the cost areas of HR, Development, IT, General Administration, Student Services, facilities and communication. Regarding Student Services staffing intensity, UNM is also below benchmark average, and this is a critical area where we know it's important to make investments. Students services are the broad range of services including academic advising, admissions, Career Services, Dining Services, diversity, tutoring, recreational services, registration, residential services, student engagement and financial aid. President Stokes said this is something administration is going to dig deeper on, emphasizing the value of doing this particular study to illuminate potential areas for better investments.

President Stokes addressed the ongoing integrated campus planning project which has involved comprehensive engagement with a wide range of UNM stakeholders. One thing that has been clear is how much the UNM communities like nature and open space. Constituents are also concerned about facility quality, accessibility and safety. President Stokes touched on some of the areas of focus, the need for safer intersections, buffered and expanded walking pathways, effective use of retaining walls and clear and aesthetically positive signage at campus entry points, and she talked about the many ways the campus planning team is gathering stakeholder input, including through meetings, online surveys, and a 3-day open house later in the month.

Regent Chair Rael thanked President Stokes for her presentation and commented that the benchmarking data that shows UNM's costs below peers may actually be something that UNM's competitors would want to learn from UNM about. President Stokes and Regent Rael both agreed, that the data probably depicts a combination of factors, including UNM doing a good job.

REGENTS' COMMENTS

Regent Rael commented in support of the bicycle safety project and mentioned an experience when years ago she sustained injuries from being hit by a car while riding a bicycle. Regent Rael commented with respect to Women's History Month, that she was very proud of UNM for the women in leadership and the institution's commitment to women in leadership. Regent Rael gave a congratulatory shout out on the TIDD, adding that many people worked so hard on it and she agreed it will be a transformational opportunity for the university and will change the face of this whole part of our great city. Regent Rael reminded everyone that she appointed Regent Blanchard to the Lobo Development Corporation Board which will be managing and overseeing that project for the University.

Lastly, Regent Rael commented on the budget assumptions and the vote that would take place later in the meeting, adding that everyone will hear differences of opinions and perspective and a lively discussion, and she urged that everyone continue to be professional and respectful, even when a topic may not be approached from the same perspective.

Regent Rael spoke about a recent Association of Governing Boards (AGB) conference she attended where she heard Regents being described as a buffer and a bridge with the outside world for those forces applying influence on the institution. "Regents are here to be a boundary and a shield for pressures that might want to come in, and Regents' job is not to run the university on a day-to-day basis, that is the President's job and the President and her team's job; however, Regents do have a governance role." Regent Rael talked about the demographic shift due to lower birth rates that will hit higher education around 2025, and she suggested that this imminent challenge can be viewed as an opportunity for UNM - to think differently, to move faster, to pivot quickly, and to take what is not working for other institutions and literally make it a strategic advantage for UNM. Regent Rael explained that with the demographic shifts, there will be a lot of talent out there looking for a great place to be and stated that she is 100% committed to UNM being that "great place to be". Regent Rael commented on the state's reliance on oil and gas revenues and the decline in those revenues in the out years. She offered a real scenario for illustration: the decline of Blockbuster and the corresponding rise of Netflix, illustrating the importance of understanding your market and not missing opportunities, adding that higher education institutions are closing down at a rapid rate and this can be seen as an opportunity for UNM. Regent Rael confirmed her support for the compensation increase and other strategic initiatives proposed in the budget, but she urged administration to look for other ways to fill the \$3 million gap that the proposed 3% tuition increase was slated to cover. Regent Rael affirmed the hard work of the Budget Leadership Team and stated that there are a lot of leaders in Santa Fe who are committed to higher education as seen by the way the Lottery and Opportunity Scholarships have been funded. Regent Rael emphasized that, "it is on us as an institution to also remain affordable." She described three intersecting circles of values that are also very consistent with UNM 2040: Prosperity; Affordability; and Mobility. Prosperity relating to the academic enterprise and everything that it touches, including all auxiliary activities. Affordability and prosperity intersect, and the third circle, mobility, are the things UNM is doing, relating to the people whose lives are being touched by the institution. Is UNM empowering people, giving them the tools they need for upward mobility - to have the life that they want to have and to raise a family too, to be impactful as members of our health care workforce? Regent Rael stated in conclusion that UNM is positioned to execute brilliantly at the intersection of the three circles, but she didn't want to do it with the tuition increase. Regent Rael invited other Regents' comments.

Regent Fortner thanked Regent Rael for her insightful comments.

Regent Schwartz commented that it is important to have broad principles which point a way forward, and he affirmed the principles Regent Rael laid out. Regent Schwartz put forth the question of why the University has Regents and postulated that since the University is well-run in so many ways, the regents' job is to bring the values of the state to the university to ensure that what happens at UNM is infused with the values of what's important to the state, examples being the need for doctors, nurses and teachers. Regents' job is not to manage on a day-to-day basis, but the job is to develop essentially general policy that will help the university make sure that the university is infused with the values of the state. The problem is drawing the line between what constitutes general policy and what constitutes management, and that's a problem for every board in the country, as was discussed at the recent AGB conference, that this is something that every board and every university administration faces. One of the issues that we need to address and talk about is tuition, another is the nature of the budget itself and other sources of revenue.

PROPOSED MEETING CALENDAR FOR 2023-2024 ACADEMIC YEAR

(information item)

Regent Rael explained that this was still an information item as the proposed meeting dates were slightly revised from those put forward at the last meeting, and so still under review.

COMMITTEE REPORTS

CONSENT DOCKET

1. Appointment of Regent Paul Blanchard to the LDC Board of Directors
2. New External Audit Contract
3. Form C – Certificate in Practical Nursing [UNM-Gallup]
4. Deletion of the Bachelor of Integrative Studies and Innovation program
5. Revision to Faculty Handbook Policy C150 "Political Activities of UNM Faculty" and the deletion of Faculty Handbook Policy C240 "Leave of Absence Incident to Political Activity"
6. Construction Projects: Demolition of Education Classrooms, Bldg #67
7. Authorize UNM-Valencia to Submit to the Electorate of Valencia County for the Issuance of \$15 million of Local General Obligation Bonds in November 2023
8. NEPC, LLC (investment consultants) Contract Extension
9. Quasi-Endowment Fund for the Obstetrics & Gynecology Department
10. Appointment of Mr. Henry Monroy to the UNMH Board, 7/23-6/26 term
11. Appointment of Dr. Nathan Boyd to the UNMH Board, 7/23-6/25 term
12. UNMH Capital Project (re-approval): University Hospital Main Kitchen Hood and Exhaust Upgrade (NTE \$1.9 million)
13. UNMH Capital Project: Off-Site Sleep Disorders Clinic Renovations (NTE \$750K)
14. Enhance UNM Health Sciences Simulation Activity: IHSC Improvement Project

*Docket Note: #1 is an administrative matter to follow LDC bylaws; #2 moved from Audit and Compliance Committee; #3-5 moved from Student Success, Teaching and Research [SSTAR] Committee; #6-8 moved from Finance & Facilities [F&F] Committee; #9-14 moved from HSC Committee; committee items received unanimous approval in committee

There being no request for discussion of a particular item, Regent Rael asked for a motion to approve the consent docket.

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

STUDENT SUCCESS, TEACHING, AND RESEARCH COMMITTEE (SSTAR)

Faculty Senate Resolution (information item)

Regent Ko asked Faculty Senate President, Finnie Coleman, to briefly present the item. This resolution has to do with academic freedom. As people are aware, in other states, much of the work that gets done, especially in ethnic studies and the like, increasingly has become illegal in places like the state of Florida. This resolution is an attempt on the part of the faculty, first, to show solidarity with colleagues around the country who are suffering from these kinds of incursions from their state legislatures, and second, to the point, is to ask the Board to embrace the resolution as part of the ethos of the institution, that we will fight at every opportunity, any encroachment on academic freedom, that we will always embrace the open expression of ideas.

FINANCE AND FACILITIES COMMITTEE (F&F)

Proposed Fiscal Year 2023-24 Budget Planning Assumptions (Tuition & Fee Rates and Salary Guidelines)

Provost Holloway presented the item. **[ATTACHMENT A]** The budget proposal was presented in longer form to the Committee of the Whole at the end of March. Since then, after a number of conversations and changes coming from Santa Fe, some modifications will be presented at the meeting, namely, 1) elimination of the \$10 increase to the GPSA (Graduate and Professional Student Association) fee, since the fee did not pass the student body vote; 2) clarification of the formula funding of 1.1%; 3) the addition of tuition increase scenarios with impacts of 1%, 2%, and 3% increases, and 4) the addition of alternative budget assumption recommendations.

The Branch campuses are not seeking tuition increases this year; their advisory boards have endorsed that position. As a reminder, the tuition on the branch campuses is a very different prospect than tuition on the Albuquerque campuses. Tuition at the Branch campuses constitutes about 10% of their total revenue, so it's not the most significant revenue stream as the way it is in some other parts of the University. In addition, some of the branch campuses are basically at market compared to other two-year schools in the state, where by contrast, the Albuquerque campuses are about 25th percentile of flagship universities nationally.

For Health Sciences, the recommendations are in many ways tied to the other recommendations. The health sciences support the 3% base tuition increase and will support any other increase that is approved. Tuition simplification was discussed in the Committee of the Whole and health sciences also supports the tuition simplification that will be described, as well as the mandatory student fee increase, the SHAC (Student Health and Counseling) fee increase and removing the limitation where medical students do not pay the athletics student fee.

Provost addressed the budget timeline through the year. (Att.A, slide 12) This is the meeting where Regents are asked to approve the assumptions, the major drivers of budget building - compensation, tuition, and fees. What follows over the next month or so are the teams getting together to actually build the budgets, getting guidelines out to the units, and locking budgets into the Budget Planner. This is the technical work that has to happen leading up to the May Board of Regents meeting where the final and full budget is presumably approved. Provost Holloway addressed the cost drivers that affect students, staff and faculty (Att.A, slide 20) as well as the cost to run the university. For FY22, the Consumer Price Index was a little over 7%, the Higher Education Price index, a little over 5%. And the higher education price index in the region was about 4.9%. Administration strives to be below those numbers. Provost

addressed a number of other drivers, (Att.A, slide 21) one is a set of earmarks that were put into the budget, compensation for faculty that is intended to help UNM close equity gap, both internally but even more importantly, equity gaps with other HE institutions. The state also responded with funding for covering the ERB, a contribution increase that was not funded last year. So those particular funds that are coming in must be spent for those purposes. Another area that was generously provided for is targeted support for students support services. There are also unfunded requirements from the state and from UNM's own internal needs. Group health insurance has gone up, liability insurance, workers comp insurance, and the student health plan. This is not the SHAC fee, but rather the student health insurance plan that UNM has. There is some savings in the miscellaneous fringe pool, and so netted out, there is about \$1.9 million of unfunded items that UNM must do (Att.A, slide 21), and add this to about \$4.4 million of the items funded with earmarked funds from the state, the total expenditure increase is \$6.3 million. Provost Holloway reminded the Regents that the State House Bill 2 contains language for a 6% compensation increase, (Att.A, slide 22) and the word 'average' was lined out of that bill, so it says 6% across the board. Essentially, the state funds cover about 80% of compensation for I&G funded employees, so of the \$15.6 million UNM needs to cover I&G employees' 6% increase, it will receive about \$14.3 million and UNM will have to cover the \$1.3 million difference. Provost clarified that about 70% of the University is not I&G funded, so for employees in auxiliary units like SHAC, housing, and the hospital, funds for increases there have to be found internally or raises do not occur.

Provost Holloway presented the tuition and fee proposal. Administration is proposing 3% increases on the current base tuition rates. And the numbers presented were for a full year of undergrad or full year of graduate student for a full-time student. (Att.A, slide 29) In addition, the student fee review board proposed a 3% increase for mandatory student fees this year, and a 2.05% increase for next year. For the SHAC fee, the total need is estimated to be about \$44 per term per student, and the proposal splits the fee increase over two years to a \$22 increase for this year and \$22 for next year. What has been taken out of the proposal is the \$10 fee increase for GPSA that in the end didn't pass the student body vote. All total, the proposal leads to a 4.6% increase for undergraduate students and 4.5% increase for graduates. Provost Holloway presented scenarios of the potential impact to students of the proposed 3% increases to tuition and fees and emphasized the impact is not uniform across all students. About 41% of students would have to pay the full amount of the tuition and fee increase, about \$250 per semester, and around 47.7% would see an increase less than \$100 per semester. It ranges from no impact for students whose tuition and fees are fully covered to full impact for students who may have more means and their tuition fees are not covered. Additionally, 10% of revenues from tuition increases is set aside for financial aid.

Next, Provost Holloway presented 2 differential tuition proposals, these are programmatic specific tuition charges. One is \$75 per credit for the athletic training program, a Master of Science degree in the School of Education and Human Sciences. The other proposal is an increase of the existing differential tuition in the School of Law for both the JD and the Masters of Studies in Law. What the differential tuition for the Master of Science in athletic training really does is it allows that program to have the resources to grow, because the unit running that program will see the revenue stream coming in from increasing the number of students in that program. And with the JD and Master of Studies in Law, that increase will be used for various kinds of students support services within law. (Att.A, slide 33)

Provost presented the big picture of what the proposal would look like. With state appropriations of \$20.2 million coming into the year from FY23, and the 1.1% formula funding increase (\$2.3 million) along with the earmarked funds from the state as previously discussed, this gives a total of \$243.6 million coming from the state. Add in the tuition revenues with the proposed increase (\$134.2 million) and the total revenue bottom line is \$358.8 million. (Att.A, slide 35) Provost explained that the expenditure side would see an available \$9.1 million of funds for new initiatives administration, including hiring faculty in stem, growing stem education, hiring police officers, improving security, cybersecurity expenses.

Provost Holloway presented scenarios for 3%, 2%, 1%, 0% tuition increases. Basically, a 1% tuition would be about \$1 million of additional revenue. With 2% and 3% tuition increases would give \$2 and \$3 million additional revenues, respectively. What administration would like to do is use these funds to address some of the faculty competitiveness issues, recruit and retain faculty, support student success more strongly, enhance IT services and cyber security, and improve campus safety. Additionally, 10% of revenues from tuition increases is set aside for financial aid.

Provost Holloway discussed another piece of the budget recommendation, tuition simplification. Main Campus and Health Sciences would align the non-resident undergraduate block at 15 credit hours per semester. Provost explained that 15 credit hours is an important metric, because at 15 credit hours, one completes a 120 credit hour degree in eight terms, in four years. There would also be alignment in the accelerated online programs with the 15-credit hour block for undergrads and the 12-credit hour block for graduates. Another piece is inclusion of medical students in the athletics student fee assessment. Provost explained that these are the simplifications so far, but once these are complete, there will be a further look at additional areas of simplification.

Provost talked about the compensation guidelines and then presented a summary of the original recommendations, the request for vote from the Regents that included the 3% base tuition increase and a \$3.79 million net impact. (Att.A, slide 52) He also presented alternative budget recommendations B and C and the net impacts of each. Recommendation B included a 2% base tuition increase which would give a net impact of \$2.74 million, or \$1.05 million less than the 3% tuition increase scenario. Recommendation C has no base tuition increase and net bottom line impact of \$0.65 million, which is \$3.14 million less than the 3% tuition increase scenario. (Att.A, slide 53) Provost commented that the budget proposal includes revenues and a balanced budget which the state requires. He added that any additional revenues through other means can be sought out, but explained that administration can't build a budget and make a budget assumption on revenues before they've been identified. Provost Holloway concluded his presentation and stood for questions.

Regent Rael inquired when alternative revenue streams would need to be identified for administration to feel comfortable baking them into the budget by July 1st by or by May 1st when the budget needs to be uploaded to the HED, or for May 10th when Regents are supposed to come back and approve the budget after it's been uploaded to HED. Provost Holloway responded that the budget can be adjusted through a budget adjustment request (BAR) and there's no particular deadline for making a change, adding that the key thing is that the budget that is uploaded to the state on May 1 is balanced and make sense. Teresa Costantinidis commented that a BAR should be done after actual enrollments come in for the fall semester, and she urged caution, especially at this point in the year, to budget things where it is unsure where the funds are coming from.

Regent Paula Tackett commented about the timeliness of tuition setting so that families and students can make decisions. Provost agreed and added that any decision made now should stay unchanged so to not cause confusion. Financial aid packets are being prepared to go to students now, so the decision on tuition should be firm one way or the other. Regent Tackett said she would feel more comfortable about meeting expenditure demands if there was resolution on where the revenues were coming from. Provost responded that prioritization of expenditures will have to occur, with 'must fund' items and compensation first, and other items will be deferred if revenues are not available.

Regent Paul Blanchard brought up the issue of recurring expenses needing recurring revenues, and Provost agreed that over the past decade, meeting expense needs with non-recurring funds has led to significant difficulties, adding that over the last four years, administration has tried to be careful and conservative in terms of managing long-term commitments. Sometimes items are funded with onetime money with the hope that it will be built into the budget in the long run. There was discussion.

Regent Fortner asked if the funds that went to the HED for higher education would be recurring. Provost Holloway confirmed they would be onetime funds.

Regent Schwartz commented that the Regents were being asked to vote on a tuition increase without really knowing how it's going to be used. He inquired what would be cut from that budget if the Regents didn't approve the tuition increase, adding that Regents can't evaluate really what the consequences are. Provost gave an example that from an Academic Affairs perspective, there are a number of commitments that would just need to be scaled back if funds were not available, those including faculty lines and engineering that were part of the new dean's startup, lines in arts and sciences that were part of the NIH first grant, startup funds and retention funds. Within administration, for example, expenditures on cybersecurity and campus safety would probably be scaled back this year.

Student Regent Ko noted the additional \$5.9 million of revenues in FY23 attributed to higher than expected enrollment, and he inquired about enrollment assumptions and whether the budget proposal expenditures were optimal strategically for moving the institution forward. Provost responded that although UNM has seen enrollment increases over the past three year, that rate of growth is not expected to continue. Provost added that there's a reason that administration is very careful with that enrollment assessment, it is far better to be pleasantly surprised in September, than disappoint. Provost Holloway addressed the question about right investments in student success initiatives and said it would be difficult to develop specific programs or invest in specific programs through a governance process, explaining that it's really a management process. EVP Costantinidis added that if there were to be a pleasant enrollment surprise in September, then those items that couldn't be funded with an identified source could be added back.

Regent Blanchard inquired the expenditure gap after the must fund items (eg. health insurance and compensation increase) were accounted for. EVP Costantinidis responded that the budget proposal has \$9 million of funds available for new funding requests, and if a tuition revenue increase was excluded, that would leave about \$6 million for new recurring funding requests.

Regent Schwartz suggested that it might be worth taking a chance to figure out whether UNM can provide these services without the tuition increase, adding that it

would take only 300 new students to bring in the same tuition that the 3% increase would bring. He said that keeping tuition lower in itself will bring in students who will change the nature of the budget. Regent Schwartz questioned the conservative enrollment numbers, adding that they may be appropriate from an administrative perspective, but it may be up to Regents to think about whether it's worth taking a little bit of a risk.

Regent Tackett inquired if UNM would get the funding from 300 more students, given the various financial aid scenarios for students. Provost Holloway confirmed that it was safe to assume that UNM would get the funding. Regent Tackett suggested the idea of dropping the tuition increase down to 2% and spending the next year identifying those different revenue streams that UNM can count on, on an ongoing basis. Provost Holloway agreed that the reason why administration is asked to provide not just one alternative, but two, is so that there could be some thinking and discussion about what those different alternatives might mean. With regard to being conservative versus not, it's more prudent to be conservative now and pleasantly surprised later, because there are things that can be done in the fall that may be enabled by what might come in on enrollment. Provost Holloway explained that it is a very painful transition to make when enrollment numbers come in under what was budgeted, and it's also the case that if UNM were to have 300 new students, the expense side will also be impacted.

EVP Costantinidis thanked Regent Tackett for her comments and pointed out potential areas to look to for other revenue streams that can help replace reliable tuition. She made a point to clarify that the TIDD is not a project that is intended to generate revenue for the University of New Mexico. It's a partnership with the city and the county and the state to generate sources that will be invested in that area and benefit us all. EVP Costantinidis explained that there are three or four areas for sources of revenue, and time is necessary to make those happen. One is borrowing, but there has to be a source to pay it off. Second is leveraging the institution's assets, looking at things like land assets - selling something off to get money in - or taking an asset like cash balances and investing in ways that might bring more income. That's one that we really need to look at as an institution and say, are we doing a good job with our university cash assets? Even if it is a gift that has come in for a certain restricted purpose, until it is spent, that money is available for investments. Another area is the major bucket of resources coming in such things as tuition or contracts and grants, money brought in to do services or non-operating revenue like state funds, or gifts. That's another area where laser-like focus is needed to determine if more revenues can be generated. In addition to those three things, one can't forget the importance of looking at ways to be more efficient on the expense side. Administration has heard loud and clear from the Regents they are not wanting to cut services, so the question is, can we be more efficient? Reducing costs is like a pseudo-increase in revenues, so all of those different buckets of activity are ones that administration would look to over the course of the next several number of months in hopes of identifying funds for such things as faculty compensation.

Regent Rael related an experience when she brought a business idea to UNM and it didn't get traction, so she took her idea to another entity. She told the story to illustrate the vision of the potential for UNM to expand the culture in the institution around engagement for new opportunities so that 20 years down the road, after many higher ed institutions have closed, people will be saying, we should have done what UNM did! Regent Rael also said that, "the graduate students vote against something as small as a \$10 increase is a strong message from some of our key constituencies on economic matters. I think we need to listen."

With no more discussion, Regent Rael open the floor for a motion on the budget recommendation.

Regent Blanchard motioned acceptance of Budget Recommendation C; Regent Fortner seconded

Regent Ko commented that the University needs to keep affordability and accessibility at the forefront. This is one of the top governance issues when speaking with other colleges and universities and across the nation. And UNM needs to provide education for a diverse range of students, for students or families who are low income to ensure that financial consideration don't stand in front of them for talented individuals, a quality education that UNM can provide and ultimately address student debt concerns. "Are we leaving students beyond the university, whether they complete their degree or not, better off than when we first brought them in?" Most of the time, when the debt burden is increased, students down the road are less often going to engage in civic activities. Keeping tuition low keeps the institution competitive, and this is definitely a long game, to keep college more affordable and more people accessible.

Regent Rael called for a vote on the motion; all members voted in favor of Recommendation C, with 6 Regents present and voting.

Regent Rael said that she would be actively involved to recruit new students and look for sources of extra revenue.

Finance & Facilities Committee Information Items

Regent Rael stated for the record that the following items were on the agenda as information only and would not be presented, as they were presented in committee.

- UNM Foundation Fundraising and Investment Performance Report Ending 12/31/22
- Results of Pricing for UNM Series 2023 Bond Issuance
- Integrated Campus Plan Update

HEALTH SCIENCES CENTER COMMITTEE (HSCC)

Metropolitan Detention Center: Approval of Resolutions Authorizing Joint Powers Agreement Establishing the Metropolitan Detention Center Health Care Authority and Authorizing the Implementation Thereof

Co-Chair of the Committee, Regent Rob Schwartz, asked Kate Becker to present the item. Mike Richards and Scot Sauder were also available to answer questions. The Metropolitan Detention Center is the Bernalillo County Jail, and the medical and behavioral health care at the jail has been provided for about the last 16 years by a variety of private providers, for profit entities who contracted to come in and provide that service; however, that has not been satisfactory for the County or for the residents of the community. UNM decided that it could partner with the County and provide those services in a more robust way and in a way that helps those patients and inmates reintegrate with the community to support their health care going forward as well. The University deeply appreciates the support Bernalillo County has given the hospital over their 71-year relationship and agreement with the County has been reached to enter into a joint powers agreement. That is a very specific thing that will create a Health Care Authority for the Metropolitan Detention Center so that the partners can work together to improve health care for those who are incarcerated at that facility. Ms. Becker stood for questions and comments.

Regent Fortner commented that, as a four-term county commissioner and having a wife who provided psychiatric mental health services to the detention center years ago, this is quite an endeavor and it is quite a service to the public, to the county, and to the families of inmates.

Regent Schwartz expressed his appreciation for the willingness to jump into this, to identify this tremendous community problem, and see that UNM was the way that it could be solved. It's a tough road ahead, obviously for UNM and for the County to solve something that nobody else has been able to deal with in the last several years, "but I if anyone can do it, you can do it. We can do it together as the University and the County working on these issues. And I so appreciate your willingness to take that on."

Regent Rael echoed the sentiments, adding that this is an incredibly important and difficult service to the community, that UNM Hospital is uniquely and probably the only institution that can really make this successful. "So, I'm very, very proud of you and your team today, so thank you."

- **The motion to approve the resolutions related to the Metropolitan Detention Center and authorizing a Joint Powers Agreement as presented passed unanimously (1st Tackett; 2nd Ko).**

[ATTACHMENT B – EXECUTED RESOLUTION]

ADVISORS COMMENTS

- Amy Miller, Alumni Association President, spoke about recent and upcoming alumni events, including the Association's presence at the Mountain West basketball tournament in Las Vegas, Lobo Living Room later in the month, Alumni Emeriti events in May, and Alumni Chapter events around the country in Fresno, Seattle, and Austin for baseball games!

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION (Roll Call Vote)

Regent Fortner motioned to close the meeting; Regent Schwartz seconded; all Regents voted in favor to close the meeting. The Regents proceeded to the Cherry Silver Room on 3rd Floor of the SUB for:

- Discussion of limited personnel matters as defined in and permitted by Section 10-15-1.H(2), NMSA (1978)

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE EXECUTIVE SESSION AGENDA WERE DISCUSSED IN THE CLOSED SESSION

The meeting re-opened at 1:00 PM; the doors to the Cherry Silver Room were opened. Regent Rael certified that the closed session discussion was limited to personnel matters only. Regent Rael confirmed there were no items needing a vote.

ADJOURN


There being no further business, Regent Rael asked for a motion to adjourn the meeting; Regent Fortner motioned; Regent Ko seconded; all were in favor; the meeting adjourned at 1:01 PM.

Approved:

Attest:



Kim Sanchez Rael, Chair



Robert L. Schwartz, Secretary-Treasurer

ATTACHMENT A

Attachment to the Minutes of the April 10, 2023 Board of Regents Meeting

REVISED



APRIL 10, 2023

APPROVAL OF THE PROPOSED FISCAL YEAR 2023-24 BUDGET PLANNING ASSUMPTIONS (TUITION AND FEE RATES AND SALARY GUIDELINES)

FOR
BRANCH CAMPUSES, HEALTH SCIENCES, AND MAIN CAMPUS

1

Agenda

- Branch Campus Recommendations for Tuition, Fees, and Compensation
- Health Sciences Recommendations for Tuition, Fees, and Compensation
- Main Campus Recommendations for Tuition, Fees, and Compensation
- Staff Compensation Guidelines Framework
- Summary of Recommendations for Approval – Compensation, Tuition, and Fees

Edits from 3/31/2023 F&F Version:

- Pages 28, 29, 47: Eliminate GPSA fee recommendation
- Page 35: Clarify formula funding of 1.1%
- Page 39: Addition of tuition increase impact slide
- Pages 50-53: Addition of alternative recommendation slides



2

Branch Campus FY24 Budget Recommendations

TUITION, FEES, AND COMPENSATION

3

Branch Recommendations

- Compensation recommendations from the Branch Advisory Boards are voted on as part of the branch budgets in annual budget meetings.
- Branches hold an annual budget meeting between January and April, depending on the branch.
- Historically, boards have voted to implement and fund the legislative appropriations signed by the Governor in regards to compensation increases.



4

Branch Recommendations

The Advisory Boards for each branch campus has voted or will propose no increase in tuition and fees at their respective meetings.

Compensation increases of 6% will be implemented.



5

Impact of Funding Gaps

	Funding gap at 6%	% of I & G salaries
Gallup	\$267,411.54	3.3%
Los Alamos	\$38,755.37	2.3%
Taos	\$112,381.70	3.1%
Valencia	\$232,895.82	3.6%



6



FY24 TUITION AND COMPENSATION PROPOSALS



7

Health Sciences Tuition & Fees

HSC Tuition

- **3% Base Tuition** increase (excluding SOM MD students) can be supported
- **Tuition Simplification**- Change the undergraduate non-resident 12-credit hour block to the resident 15-credit hour block, which would align the resident and non-resident structure to be the same.

HSC Student Fees

- **Mandatory Student Fee**- 3% increase in FY24 and 2.05% increase in FY25
- **Student Health and Counseling Fee**- \$22 increase in FY24 and \$22 increase in FY25
- **Athletics Student Fee**- Include Medical Students starting in FY24



8

Health Sciences Compensation

House Bill 2 calls for average salary increases of 5%, and an additional increase of 1%, for a total increase of 6%

- Health Sciences will follow the UNM FY24 MSU Guidelines for staff, while also appreciating the flexibility given with the ranges provided in the MSU guideline.
- CON/COP/CoPH faculty salary will be able to achieve the targeted goal
- School of Medicine faculty salary increase guidelines will be determined based on the financial status

Main Campus FY24 Budget Recommendation

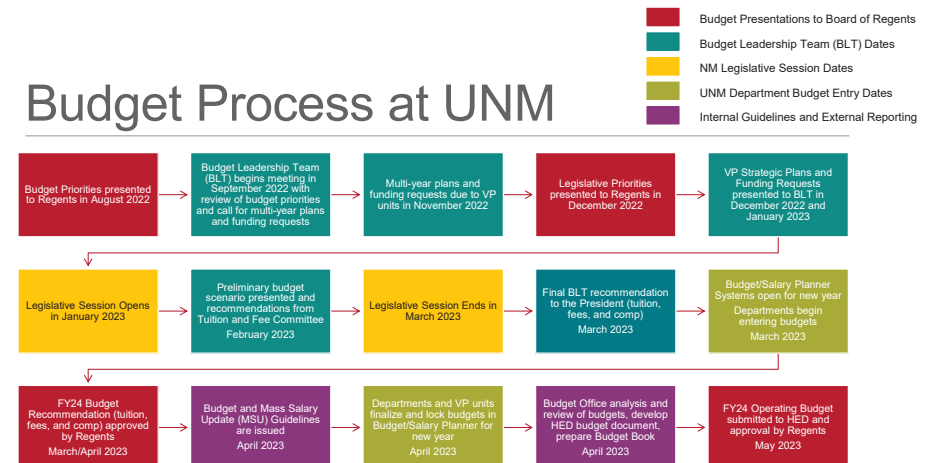
TUITION, FEES, AND COMPENSATION

Budget Process at UNM

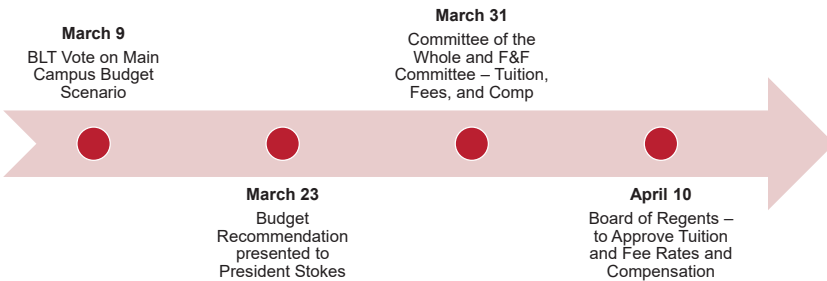
Budgeting at the University of New Mexico is a continuous process that occurs throughout the year and at every level of the university. Our budget cycle starts with strategic multi-year planning and crafting budget priorities that consider programmatic needs and strategic initiatives, such as the UNM 2040: Opportunity Defined Strategic Planning Framework, and continues with consideration of important cost drivers, such as state-mandated compensation increases or increases in fringe benefits.

The Budget Leadership Team (BLT) considers various revenue enhancement proposals, including initial recommendations on tuition and fee levels, in order to help fund programmatic needs, strategic initiatives, inflationary increases for core institutional operations, and compensation increases not funded by state appropriations.

Budget Process at UNM



Budget Recommendation Timeline



Step 1: Strategic Funding Requests

OUR BUDGET CYCLE STARTS IN THE FALL WITH STRATEGIC MULTI-YEAR PLANNING AND CRAFTING BUDGET PRIORITIES THAT CONSIDER PROGRAMMATIC NEEDS AND STRATEGIC INITIATIVES

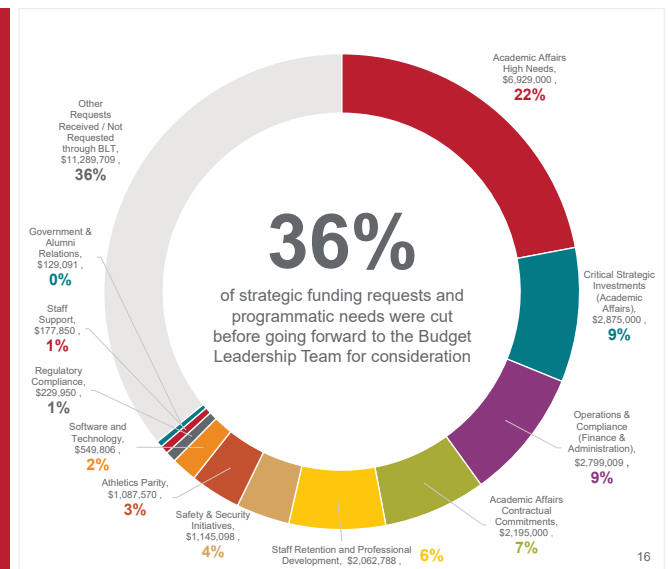
UNM Budget Principles and Strategies

- 1. Advance the vision, mission, and values articulated in our UNM 2040 Strategic Planning Framework** by providing education, creating new knowledge and cultural contributions, providing public service, delivering patient care, and building an educated, healthy, and economically vigorous New Mexico.
- 2. Be mindful** of the ways in which our choices and the exogenous influences to which we are subject might exacerbate inequality, and make decisions to protect our most vulnerable students, staff, and faculty, so that we will continue to ensure social mobility for our students and live into our fundamental UNM values (Goal 3: Inclusive Excellence).
- 3. Ensure that we can attract great students** at both the graduate and undergraduate levels and provide the services and supports necessary for their success, both because their learning and success is a key part of our mission and because their enrollment is a key source of the revenue and state support that allows us to deliver on that mission (Goal 2: Student Experience and Educational Innovation).
- 4. Make decisions that enhance our ability to engage** in cutting edge and applied research, scholarship, and creative production, and which enhance our opportunities to generate the external resources on which this work often rests, so that we can continue now and for the long-run to create the intellectual foundation for our educational and service enterprise, and generate the new ideas that society requires (Goal 1: Advance New Mexico and Goal 5: One University).
- 5. Continue to ensure compliance, safety, and security**, so that the UNM environment will be one in which our community can work, learn, and grow without fear, unacceptable risk, or loss of critical resources (Goal 4: Sustainability).
- 6. Continue long-range, all-enterprise, all funds budget planning**, so that we can ensure the long-term future and impact of UNM and decrease volatility in our resource base (Goal 4: Sustainability).



FY24 Strategic Funding Requests Received

\$31.5M in new recurring funding requests were received, of which \$20.2M were presented to BLT for consideration



With no tuition increase, new strategic initiatives, programmatic needs, and operating requests would need to be cut by **73%** in order to produce a balanced budget

FY24 Funding Requests
Discretionary recurring operating requests

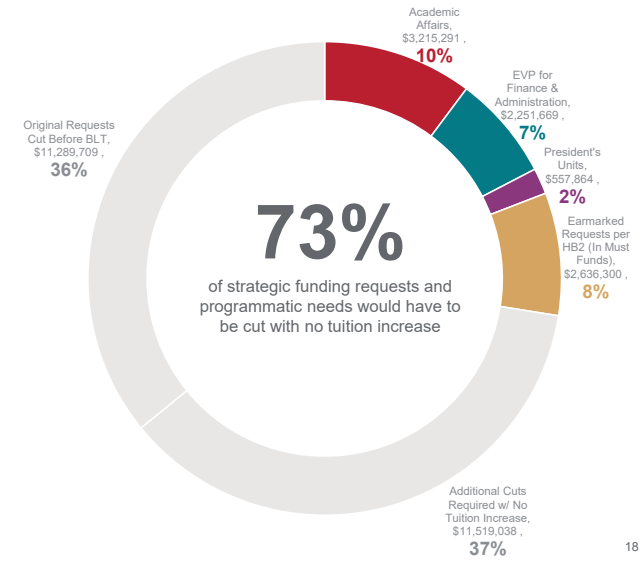
NOTE: FY24 Original Recurring Requests were already cut by 36%

	FY24 - Original Recurring Requests Presented to BLT	Less: Must Funds for Faculty Comp and Student Services (HB2)	Total Adjusted Recurring Requests	Total Adj. No Tuition Increase
Academic Affairs	11,999,000	(2,636,300)	9,362,700	3,215,291
Finance and Administration	6,556,701	-	6,556,701	2,251,669
President's Units	1,624,461	-	1,624,461	557,864
Total Requests	20,180,162	(2,636,300)	17,543,862	6,024,825



FY24 Strategic Funding Requests Received

With no tuition increase, we would only be able to fund \$6M of the original \$31.5M of strategic funding requests

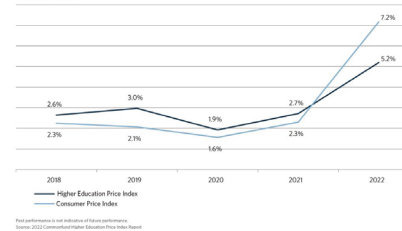


Step 2: Consideration of Important Cost Drivers

OUR BUDGET CYCLE CONTINUES WITH CONSIDERATION OF IMPORTANT COST DRIVERS, SUCH AS STATE-MANDATED COMPENSATION INCREASES OR INCREASES IN FRINGE BENEFITS.

Inflation for colleges and universities was 5.2% in FY22 (4.9% in Mountain Region)

FIGURE 1: THE HIGHER EDUCATION PRICE INDEX
Fiscal Years 2018-2022



- For FY2022, inflation for colleges and universities was 5.2%, a 93% increase over FY2021's 2.7% and well over double FY2020's 1.9%.
- For FY2022, inflation for colleges and universities in the Mountain Region (includes New Mexico) was 4.9%.
- Costs across the entire domestic economy rose sharply in FY2022, as the Consumer Price Index (CPI) increased 7.2%.



Source: Commonfund Higher Education Price Index | 2022 Update
NOTE: the CPI values reported by Commonfund for HEPI are based on fiscal year (July 1 through June 30) 12-month averages rather than the monthly (or point-to-point) CPI values usually reported by the Bureau of Labor Statistics.

Our budget scenario includes a \$6.4M increase to expenditures that must be funded either due to legislative mandates or increases in fringe and insurance rates

Funded through State Appropriations (HB2):	
Faculty Compensation (HB2 Nonformula Base Adj.)	\$ 1,860,900
ERB Employer Contribution 1% Increase (estimate using FY23 rate)	\$ 1,767,845
Student Support Services (HB2 Nonformula Base Adj.)	\$ 775,400
	\$ 4,404,145
Unfunded:	
Group Health Insurance Increase (Includes Salary Tier Changes)	\$ 1,743,924
Property and General Liability Insurance Increase	\$ 400,000
Worker's Compensation and Unemployment Employer Portion Increase	\$ 160,000
Student Health Increase of 5%	\$ 133,000
Savings from Misc. Fringe Benefits Decrease in the rate for FY24	\$ (460,000)
	\$ 1,976,924
Subtotal	\$ 6,381,069

NOTE: Group Health insurance scenario includes a 9.2% base increase, salary tier adjustments, and reducing Mental Health & Substance Abuse copay to \$10 across Tier 1 & Tier 2 Networks for LoboHealth and Presbyterian Plans.



Current legislation includes language for a 6% average compensation increase for higher education employees, of which \$1.3M is unfunded for I&G

FY24 I&G Compensation Shortfall (est.)	
14,383,600	6% compensation funding from HED (est. from HED Comp File)
15,661,563	6% compensation cost estimate
(1,277,963)	Compensation Shortfall for I&G

▪ **STATE LEGISLATION:** House Bill 2 initially included language for an average 5% increase for higher education employees, however, Senate Bill 521 introduced a supplemental 1% salary increase for higher education employees to offset inflation, including increases in insurance premiums.

* Compensation includes salaries and fringe benefits



Step 3: Look at Available Funding Sources

OUR BUDGET CYCLE CONTINUES WITH CONSIDERATION OF AVAILABLE FUNDING SOURCES TO HELP FUND PROGRAMMATIC NEEDS, STRATEGIC INITIATIVES, INFLATIONARY INCREASES FOR CORE INSTITUTIONAL OPERATIONS, AND COMPENSATION INCREASES

We expect an increase of \$21.4M in State Appropriations, most of which is earmarked to fund compensation and fringe increases

Summary of HB2 and 2023 Legislative Session		
FY23 State Appropriations - I&G Base		222,243,100
Changes to State Appropriations:		
1% New Formula Funding		2,378,000
1% FY24 ERB	EARMARKED	1,978,100
Faculty Compensation	EARMARKED	1,860,900
Student Support	EARMARKED	775,400
FY24 HED Comp File based on SFC (6% est.)	EARMARKED	14,383,600
FY24 State Appropriations - I&G Base (est. w/ comp)		243,619,100

NOTE: Estimated cost to fund 6% comp increase for I&G - \$15,661,563

Total Increase to Revenue - \$21,376,000



The only other significant source of I&G funding is tuition revenue. With flat enrollment, we'd have to increase tuition revenue by 9.89% in order to fund all of our needs in FY24

I&G Budget Scenario - Main Campus	
Category	FY 2024 Scenario w/ No Tuition Increase
I&G Revenues:	
State Appropriations	243,619,100
Tuition Revenue	130,718,466
Other/Net Transfers Out	(18,669,272)
Total I&G Revenues	355,668,294
I&G Expenses:	
Beginning Base Allocation to Units	327,600,838
Compensation (6% est.)	15,661,563
Must Fund Expenses	6,381,069
NEW Recurring Funding Requests	17,543,862
Total I&G Expense	367,187,331
I&G Surplus (Deficit)	(11,519,037)

Assumes Tuition Revenue is flat w/ FY23 Projected Actuals

- 1% Base Tuition Increase is estimated to generate \$1,165,000 in I&G revenue.
- 9.89% Base Tuition Increase would generate approximately \$11,521,850.

In order to avoid a deficit, we'd have to increase tuition revenue by 9.89% if we wanted to fund all of our needs

Step 4: Recommendation for Tuition and Fees

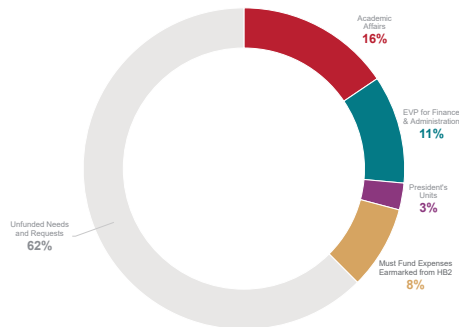
OUR BUDGET CYCLE CONCLUDES WITH RECOMMENDATIONS ON TUITION AND FEE LEVELS, IN ORDER TO HELP FUND PROGRAMMATIC NEEDS, STRATEGIC INITIATIVES, INFLATIONARY INCREASES FOR CORE INSTITUTIONAL OPERATIONS, AND COMPENSATION INCREASES THAT ARE NOT FUNDED BY STATE APPROPRIATIONS.



Base Tuition Recommendation

Base Tuition - Recommendation for a 3% base tuition increase

- A 3% base tuition rate increase would generate an additional \$3.15M in revenue to fund critical programmatic needs and strategic requests
- Recommendation includes setting aside 10% of the revenue generated for financial aid



Student Fee Recommendations

Mandatory Student Fee- 3% increase in FY24 and 2.05% increase in FY25 (bridge FY24 with MSF reserves approx. \$431K)

Student Health and Counseling Fee- \$22 increase in FY24 to \$129 and an additional \$22 increase in FY25 to \$151 per semester (bridge FY24 with central reserves approx. \$594K)

**Debt Service Fee (part of MSF) already approved by BOR- increase \$5.13 UG and \$5.77 GR per credit hour (blocked at undergraduate 15+ and graduate 12+)*



Base Tuition and Fees Proposal

	Main Base Tuition*				Mandatory Student Fees					Head Count Fees					
	Current Base Tuition	Base Increase	Total Proposed Tuition	% Increase	Current MSF	MSF Increase 3%	Debt Service Fee Increase	Total Proposed MSF	% Increase	SHAC (4+ CH)	Proposed SHAC (4+ CH)	% Increase	Athletics (4+ CH)	Tech Fee	ASUNM/GPSA Fee
Undergraduate															
UG / Semester (15+ CH)	\$ 4,251.90	\$ 127.56	\$ 4,379.46	3.0%	\$ 795.90	\$ 23.88	\$ 76.95	\$ 896.73	12.7%	\$ 107.00	\$ 129.00	20.6%	\$ 100.00	\$ 150.00	\$ 35.00
UG / Year (Fall & Spring)	\$ 8,503.80	\$ 255.11	\$ 8,758.91	3.0%	\$ 1,591.80	\$ 47.75	\$ 153.90	\$ 1,793.45	12.7%	\$ 214.00	\$ 258.00	20.6%	\$ 200.00	\$ 300.00	\$ 70.00
Graduate															
GR / Semester (12+ CH)	\$ 4,191.36	\$ 125.74	\$ 4,317.10	3.0%	\$ 717.36	\$ 21.52	\$ 69.24	\$ 808.12	12.7%	\$ 107.00	\$ 129.00	20.6%	\$ 100.00	\$ 150.00	\$ 25.00
GR / Year (Fall & Spring)	\$ 8,382.72	\$ 251.48	\$ 8,634.20	3.0%	\$ 1,434.72	\$ 43.04	\$ 138.48	\$ 1,616.24	12.7%	\$ 214.00	\$ 258.00	20.6%	\$ 200.00	\$ 300.00	\$ 50.00

*Excludes UG-Upper Division Premiums and Differential Tuitions

	Total Current Tuition & Fees	Total Proposed Tuition & Fees	Proposed Increase Amount	% Increase
Undergraduate				
UG / Semester (15+ CH)	\$ 5,439.80	\$ 5,690	\$ 250.38	4.6%
UG / Year (Fall & Spring)	\$ 10,879.60	\$ 11,380	\$ 500.77	4.6%
Graduate				
GR / Semester (12+ CH)	\$ 5,290.72	\$ 5,529	\$ 238.50	4.5%
GR / Year (Fall & Spring)	\$ 10,581.44	\$ 11,058	\$ 477.00	4.5%

- Total base tuition and fee increase for full-time undergraduate residents- **4.6%**
- Total base tuition and fee increase for full-time graduate residents- **4.5%**
- **Proposed total increases are still less than-**
- Higher Education Price Index 2022- Mountain Region **4.9%**
- Higher Education Price Index 2022- National **5.2%**
- Consumer Price Index 2022- **7.2%**

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

Net Price Impact	% of Students	# of Students	T&F % Increase
T&F fully covered	47.7%	6,865	0.0%
Increase between \$0-\$100 per semester	2.9%	415	0.1%-1.8%
Increase between \$100-\$200 per semester	5.5%	785	1.8%-3.7%
Increase between \$200-\$250 per semester	2.7%	395	3.7%-4.6%
Pay the full \$250.38 increase	41.2%	5,932	4.6%

- **Approximately 50% of students would pay less than \$100 extra per semester- 1.8% or less increase**
- **Approximately 50% of students would pay between \$100-\$250.38 extra per semester- between 1.8% to 4.6% increase**

- (1) Award amount would cover the tuition and fee proposed increase. Does not take into consideration increased costs associated with other cost of attendance factors (housing, books, etc.).
- (2) Based on Fall 2022 undergraduate resident enrollments and no change in award amounts. Per semester calculation.
- (3) Student award amounts vary. The average current award amount is \$5,507 per semester, which would cover approximately 97% of proposed tuition and fees.
- (4) There are approximately 6,348 student that are Pell eligible (43% of resident undergraduate students), all should have full T&F coverage including the debt service increase not covered by Opportunity or Lottery scholarship



Step 5: We also plan to continue our important UNM strategy of simplifying our tuition models and fee schedules in as revenue-neutral a way as possible

THE NET IMPACT TO TUITION REVENUE OF THE FOLLOWING TUITION SIMPLIFICATION CHANGES ARE MINIMAL

Recommended Tuition Simplification

Recommendation 1- Align non-resident undergraduate block to 15+ credit hours per semester (includes Health Sciences)

Recommendation 2- Align Accelerated Online Programs (AOPs) with the 15+ credit hour block for undergraduates and 12+ credit hour block for graduates (includes Health Sciences)

Recommendation 3- Assess medical students the Athletics Student Fee (Health Sciences subsidized the revenue generated for AY2022-23)

*Tuition Simplification recommendation estimated net financial impact to Main campus is \$125K, .04% increase to I&G revenues



We are also recommending a new differential tuition and a change to an existing differential tuition that will go directly to programs to pay for increased costs

Master of Science in Athletic Training (COEHS):

- Request a **new** \$75 per credit hour differential tuition

Juris Doctor and Master of Studies in Law (SOL):

- Request to increase the **existing** tuition differential from \$370.90 to \$387.37 per credit hour for residents and \$554.80 to \$579.44 per credit hour for non-residents

FY24 Recommended I&G Budget Scenario

3% BASE TUITION INCREASE AND 47.7% REDUCTION IN NEW FUNDING REQUESTS



BLT Recommendation w/ 3% Tuition Increase

I&G Budget - Main Campus	FY 23 Projection			FY 24 Scenario	
	FY 2023 Budget	FY 2023 Projected Actuals	% Change from FY 23 Budget	FY 2024 Scenario	% Change from FY Proj. Actuals
I&G Revenues:					
State Appropriations	222,243,100	222,243,100	0.0%	222,243,100	
FY24 Formula Funding Increase				2,378,000	1.1%
FY24 Non-formula Funding Increase:					
FY24 1% ERB				1,978,100	
Faculty Compensation				1,860,900	
Student Support				775,400	
FY24 HED Comp Increase (6% est.)				14,383,600	
State Appropriations Subtotal				243,619,100	
Tuition Revenue	124,205,729	130,073,116	4.7%	134,213,500	3.2%
Other/Net Transfers Out	(18,847,991)	(18,803,628)	-0.2%	(19,018,772)	1.1%
Total I&G Revenues	327,600,838	333,512,588	1.8%	358,813,828	7.6%
I&G Expenses:					
Base Allocation to Units	327,600,838	327,600,838	0.0%	327,600,838	0.0%
Compensation (6% est.)				15,661,562	
Must Fund Expenses				6,381,069	
NEW Recurring Funding Requests				9,170,359	
Total I&G Expense	327,600,838	327,600,838	0.0%	358,813,828	9.5%
I&G Surplus (Deficit)	0	5,911,750		0	

EARMARKED

Includes non-formula base adjustments and a 6% compensation estimate that would come from HED

Central Pooled Revenue Flow-Through Amounts

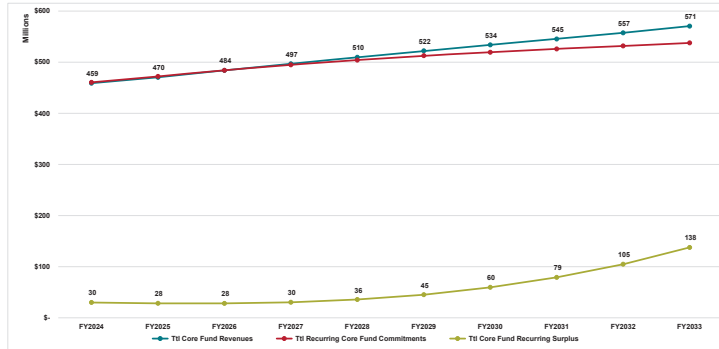
Mandatory Student Fees	FY 23 Projection			FY 24 Scenario	
	FY 2023 Budget	FY 2023 Projected Actuals	% Change from FY 23 Budget	FY 2024 Scenario	% Change from FY Proj. Actuals
Mandatory Student Fee Revenue	24,563,957	24,751,952	0.8%	27,227,226	10.0%
Budgeted Use of Reserves				430,623	
Total Mandatory Student Fee Revenue				27,657,849	
Mandatory Student Fee Allocations	24,563,957	24,563,957	0.0%	27,657,849	12.6%
MSF Surplus (Deficit)	0	187,995		0	

Indirect Cost Recovery (F&A) - Main	FY 23 Projection			FY 24 Scenario	
	FY 2023 Budget	FY 2023 Projected Actuals	% Change from FY 23 Budget	FY 2024 Scenario	% Change from FY Proj. Actuals
Indirect Cost Recovery (F&A)	22,137,247	22,737,247	2.7%	24,273,264	6.8%
F&A Transferred to Research	22,137,247	22,737,247	2.7%	24,273,264	6.8%
Surplus (Deficit)	0	0		0	

NOTE: FY24 projection for F&A is a preliminary estimate and subject to change

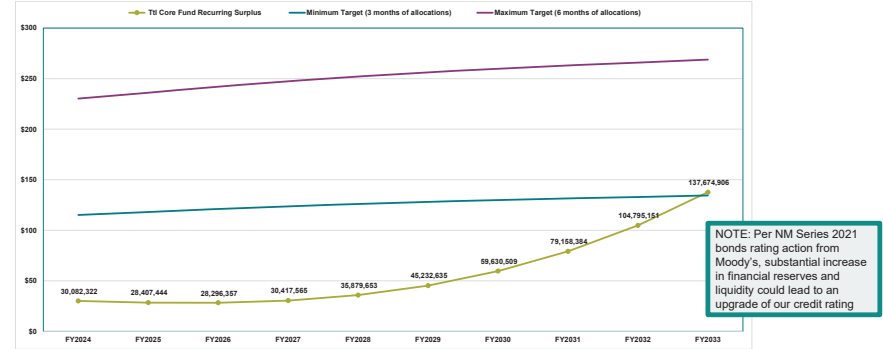


10-Year Core Fund Reserve Trendline 3% base tuition increase, 47.7% reduction base requests



3% base tuition increase, 3% MSF increase, 47.7% reduction base requests

10-Year Core Fund Reserve Sufficiency 3% base tuition increase, 47.7% reduction base requests



NOTE: Per NM Series 2021 bonds rating action from Moody's, substantial increase in financial reserves and liquidity could lead to an upgrade of our credit rating



3% base tuition increase, 3% MSF increase, 47.7% reduction base requests

Impact of Tuition Increase on UNM Operating Budget

Tuition Rate Increase	Impact on I&G Budget Scenario			
	3%	2%	1%	0%
Tuition Revenue for I&G	\$ 3,495,000	\$ 2,330,000	\$ 1,165,000	\$ -
Less: 10% set aside for financial aid	349,500	233,000	116,500	-
Net Revenue for I&G Scenario	\$ 3,145,500	\$ 2,097,000	\$ 1,048,500	\$ -

THESE FUNDS WILL BE USED TO ACHIEVE OUR STRATEGIC GOALS OF:

- Faculty and staff salary competitiveness
- Faculty recruitment and retention
- Student success, engagement and retention
- Support for areas of education of strategic importance to New Mexico
- Research infrastructure
- Basic needs infrastructure: faculty, staff, and student wellness, behavioral health, disability access and accommodation
- Enhanced IT services and cybersecurity
- Student safety and physical security on campus



STAFF COMPENSATION GUIDELINES FRAMEWORK

FOR
BRANCH CAMPUSES, HEALTH SCIENCES, AND MAIN CAMPUS

Staff Compensation Guidelines Framework

Investing in our staff is critical, and UNM's proposal prioritizes maximizing investment in our lowest paid staff.

State funding only partially funds I&G departments. For self-funded units, the 6% increase combined with the impact of the FY23 increases (7% salary, 2% ERB, and \$15 minimum wage) we recognize the need to allow flexibility in determining increase levels where possible.

As a result, we are recommending a tiered approach to staff salary increases for FY24, providing a meaningful base increase to UNM staff and offering department flexibility to manage cost and prioritize targeted increases.

This approach will ensure most staff receive no less than a 6% increase, lower ranges for employees at higher pay levels where smaller increases generate higher levels of cost savings for departments.



Staff Compensation Guidelines Framework

- All eligible staff employees with an annual salary of \$60,000 or less will receive a minimum of a 6% increase, with departmental flexibility to provide up to a 9% increase.
- All eligible staff employees with an annual salary greater than \$60,000 but less than \$100,000 will receive a minimum of a 4% increase, with department flexibility to provide up to an 8% increase.
- All eligible staff employees with an annual salary of \$100,000 or greater will receive a minimum of a 3% increase, with department flexibility to provide up to a 7% increase.
- Increase above range minimums may be given to address equity, market competitiveness, performance, retention, or salary compression. Departments must use consistent criteria for determining increase amounts and maintain internal documentation supporting their increase decisions.
- On a limited basis, Deans/VPs may approve increases of up to 9% for employees earning more than \$60,000 subject to the above criteria.
- I&G-funded units are required to use their entire compensation allocation to support salary increases.
- Increases for union employees are subject to the respective collective bargaining unit agreement.



Regular Staff Counts by Salary Range

Salary Range	Main	Health Sciences	Branches	Grand Total	
<\$60K	1624	1203	199	3026	6%-9%
\$60K-\$100k	792	824	56	1672	4%-8%
\$100K +	229	230	6	465	3%-7%
Grand Total	2644	2258	261	5163	



Cost Distribution of a 1% Staff Increase Regular Staff Only, Includes Salary & Fringe

Campus	I&G	Non-I&G	Restricted	Total	# Of Staff
Main					
<\$60K	\$523,212	\$342,371	\$62,113	\$927,697	1624
\$60K-\$100k	\$418,776	\$229,450	\$104,411	\$752,637	792
\$100K +	\$228,830	\$161,072	\$7,734	\$397,636	229
Main Total	\$1,170,818	\$732,894	\$174,258	\$2,077,970	2644
Health Sciences					
<\$60K	\$196,284	\$259,939	\$256,949	\$713,172	1203
\$60K-\$100k	\$215,301	\$325,898	\$262,439	\$803,637	824
\$100K +	\$118,439	\$236,546	\$36,034	\$391,019	230
Health Sciences Total	\$530,024	\$822,383	\$555,421	\$1,907,828	2258
Branches					
<\$60K	\$71,952	\$8,891	\$28,914	\$109,758	199
\$60K-\$100k	\$41,098	\$1,880	\$8,362	\$51,341	56
\$100K +	\$9,063	\$0	\$0	\$9,063	6
Branches Total	\$122,113	\$10,771	\$37,277	\$170,162	261
Grand Total	\$1,822,956	\$1,566,048	\$766,956	\$4,155,960	5163





SUMMARY OF RECOMMENDATIONS FOR COMPENSATION AND TUITION AND FEES

FOR
BRANCH CAMPUSES, HEALTH SCIENCES, AND MAIN CAMPUS

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Recommendation for Compensation

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

- Staff Compensation Guidelines Framework:
 - All eligible staff employees with an annual salary of \$60,000 or less will receive a minimum of a 6% increase, with departmental flexibility to provide up to a 9% increase.
 - All eligible staff employees with an annual salary greater than \$60,000 but less than \$100,000 will receive a minimum of a 4% increase, with department flexibility to provide up to an 8% increase.
 - All eligible staff employees with an annual salary of \$100,000 or greater will receive a minimum of a 3% increase, with department flexibility to provide up to a 7% increase.
 - Increase above range minimums may be given to address equity, market competitiveness, performance, retention, or salary compression. Departments must use consistent criteria for determining increase amounts and maintain internal documentation supporting their increase decisions.
 - On a limited basis, Deans/VPs may approve increases of up to 9% for employees earning more than \$60,000 subject to the above criteria.



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Voting Recommendations – Tuition and Fees

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

Main Campus and Health Sciences:

- 3% base tuition increase (with 10% set aside for financial aid)
- 3% mandatory student fee increase in FY24 and 2.05% increase in FY25 (bridge mandatory student fee allocations with one-time reserves of approx. \$431K)
- Student Health and Counseling Fee - \$22 increase in FY24 to \$129 and an additional \$22 increase in FY25 to \$151 per semester (bridge FY24 with central reserves of approx. \$594K)

Branch Campuses:

- Advisory Boards voted or will propose no increase in tuition and fees for FY24



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Voting Recommendations – Tuition Simplification

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

Main Campus and Health Sciences:

- Align non-resident undergraduate block to 15+ credit hours per semester
- Align Accelerated Online Programs (AOPs) with the 15+ credit hour block for undergraduates and 12+ credit hour block for graduates
- Include medical students in the Athletics Student Fee assessment (Health Sciences subsidized the revenue generated for AY2022-23)



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Voting Recommendations – Differential Tuition

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

Master of Science in Athletic Training (COEHS):

- A new \$75 per credit hour differential tuition

Juris Doctor and Master of Studies in Law (SOL):

- Increase the existing tuition differential from \$370.90 to \$387.37 per credit hour for residents and \$554.80 to \$579.44 per credit hour for non-residents



APRIL 10, 2023

ALTERNATIVE FISCAL YEAR 2023-24 BUDGET PLANNING ASSUMPTIONS (TUITION AND FEE RATES AND SALARY GUIDELINES)

FOR

BRANCH CAMPUSES, HEALTH SCIENCES, AND MAIN CAMPUS



Staff Compensation Guidelines Framework *Revised*

- As passed by the legislature, HB2 called for average salary increases of 5%, and an additional increase of 1%, for a total increase of 6%.
- On Friday, the Governor vetoed the language allowing an “average” increase, indicating that the vetoed language prevents an equal application of salary increases to all employees.
- In line with this change, we are proposing alternative Staff Compensation Guidelines, providing for a 6% salary increase for all eligible staff employees.
- While this alternative proposal aligns with the language in HB2, it will limit departments’ ability to provide increases of above 6% to our lowest paid staff, and also reduces flexibility for self-funded units to use differential increases to manage costs.



Summary of Original Voting Recommendations

Recommendation A (As Presented at F&F Committee on 3/31/2023)	
Compensation	Staff Compensation Guidelines Framework
Base Tuition	3% base tuition increase (with 10% set aside for financial aid)
Student Fees *	Increase mandatory student fee by \$23.88 per semester (at the undergraduate flat rate of 15 hrs and above) and by \$21.52 per semester (at the graduate flat rate of 12 hrs and above) for FY24. Increase mandatory student fee by \$16.81 per semester (at the undergraduate flat rate of 15 hrs and above) and by \$15.15 per semester (at the graduate flat rate of 12 hrs and above) for FY25. Student Health and Counseling Fee - \$22 increase in FY24 to \$129 and an additional \$22 increase in FY25 to \$151 per semester (bridge FY24 with central reserves of approx. \$594K)
Tuition Simplification	Align non-resident undergraduate block to 15+ credit hours per semester Align Accelerated Online Programs (AOPs) with the 15+ credit hour block for undergraduates and 12+ credit hour block for graduates Include medical students in the Athletics Student Fee assessment
Differential Tuition	Master of Science in Athletic Training (COEHS): A <u>new</u> \$75 per credit hour differential tuition Juris Doctor and Master of Studies in Law (SOL): Increase the <u>existing</u> tuition differential from \$370.90 to \$387.37 per credit hour for residents and \$554.80 to \$579.44 per credit hour for non-residents
Net Impact of this recommendation	Mandatory student fee increase generates \$631K in student fee revenue that would help fund student activities. Base tuition increase and tuition simplification generates \$3.8M in tuition revenue that would help fund new recurring operating requests as follows: Academic Affairs: \$2,023,077 Finance and Administration: \$1,416,762 President's Units: \$351,011

* Represents a 3% mandatory student fee increase in FY24 and a 2.05% fee increase in FY25.



Alternative Recommendations

	Recommendation B	Recommendation C
Compensation *	Revised Staff Compensation Guidelines Framework	Revised Staff Compensation Guidelines Framework
Base Tuition	2% base tuition increase (with 10% set aside for financial aid)	No base tuition increase
Student Fees **	Increase mandatory student fee by \$23.88 per semester (at the undergraduate flat rate of 15 hrs and above) and by \$21.52 per semester (at the graduate flat rate of 12 hrs and above). Increase Student Health and Counseling Fee by \$22 to \$129 per semester.	Increase mandatory student fee by \$23.88 per semester (at the undergraduate flat rate of 15 hrs and above) and by \$21.52 per semester (at the graduate flat rate of 12 hrs and above). Increase Student Health and Counseling Fee by \$22 to \$129 per semester.
Tuition Simplification	Align non-resident undergraduate block to 15+ credit hours per semester Align Accelerated Online Programs (AOPs) with the 15+ credit hour block for undergraduates and 12+ credit hour block for graduates Include medical students in the Athletics Student Fee assessment	Align non-resident undergraduate block to 15+ credit hours per semester Align Accelerated Online Programs (AOPs) with the 15+ credit hour block for undergraduates and 12+ credit hour block for graduates Include medical students in the Athletics Student Fee assessment
Differential Tuition ***	Juris Doctor and Master of Studies in Law (SOL): Increase the existing tuition differential from \$370.90 to \$387.37 per credit hour for residents and \$554.80 to \$579.44 per credit hour for non-residents	Juris Doctor and Master of Studies in Law (SOL): Increase the existing tuition differential from \$370.90 to \$387.37 per credit hour for residents and \$554.80 to \$579.44 per credit hour for non-residents
Net Impact of each recommendation****	Academic Affairs: Decrease of \$559,575 Finance and Administration: Decrease of \$391,871 President's Units: Decrease of \$97,088	Academic Affairs: Decrease of \$1,678,689 Finance and Administration: Decrease of \$1,175,586 President's Units: Decrease of \$291,258

* Provides for a 6% salary increase for all eligible staff employees.

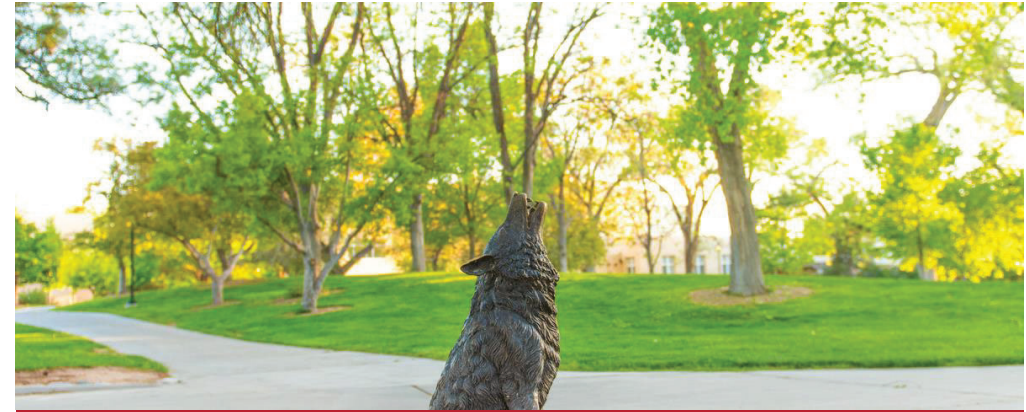
** Represents a 3% mandatory student fee increase. Additional increases in future years will be reconsidered during the budget planning process

*** Removes recommendation for Master of Science in Athletic Training (COEHS) new \$75 per credit hour differential tuition

**** Represents additional reduction to new recurring operating requests by VP Unit, as compared with original recommendation



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Thank you!



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Appendix

ADDITIONAL TUITION AND FEE SLIDES

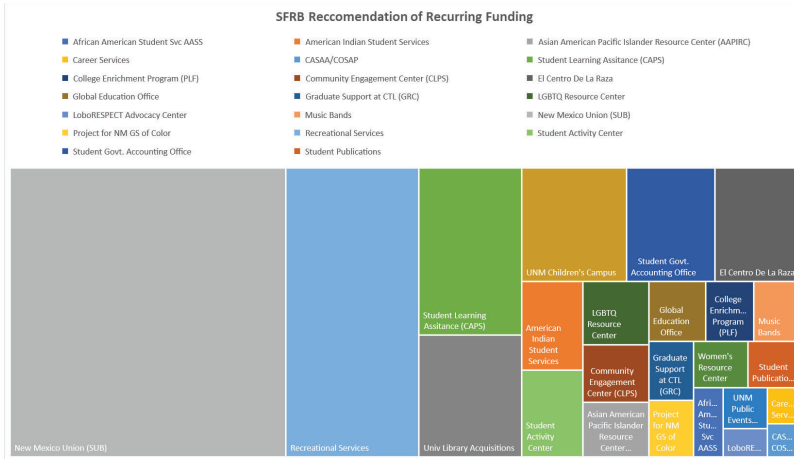
FY24 I&G CORE FUND CHARTS W/ NO TUITION INCREASE

CORE FUND PROJECTION TABLES FOR SCENARIOS PRESENTED

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Student Fee Information

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Total \$6,310,827



Additional Tuition Slides

Recommendation 1:

Change the undergraduate non-resident 12-credit hour block to the resident 15-credit hour block (includes Health Science students), which would align the resident and non-resident structure to be the same. This recommendation would also apply to differentials and mandatory student fees.

	Current Tuition Rate Schedule		Proposed Simplification (option 2)	
	Residents	Non-Residents	Residents	Non-Residents
1-14 hours (per hour)	\$ 283.46	\$ 1,047.44	\$ 283.46	\$ 1,047.44
12+ hours	n/a	\$ 12,569.28	n/a	n/a
15+ hours	\$ 4,251.90	n/a	\$ 4,251.90	\$ 15,711.60
Differentials	blocked at 15+	blocked at 12+	blocked at 15+	blocked at 15+
Option 2: Fiscal Impact			UG-NR: \$ 684,607	

Student impact: approximately 130 non-resident students (68 Health Science students) would be impacted increasing tuition cost between \$1,047 to \$3,142 per semester.

University Fiscal Impact: generate approximately \$685K in tuition revenue (\$349K Main campus and \$336K Health Science)

Recommendation 2:

Align Accelerated Online Programs (AOPs) with the 15+ credit hour block for undergraduates and 12+ credit hour block for graduates (includes Health Science students). The estimated fiscal impact to the university is detailed below:

	Undergraduate			Graduate			Total Estimated Impact
	Total AOP -UG Head Count	AOP- UG 15+ Credit Hours	Estimated Impact- UG (1)	Total AOP -GR Head Count	AOP- GR 12+ Credit Hours	Estimated Impact- GR (1)	
Fall 2021	340	31	\$ (36,716)	330	18	\$ (23,118)	\$ (59,835)
Spring 2022	311	41	\$ (48,560)	418	28	\$ (35,962)	\$ (84,522)
Summer 2022*	179	48	\$ (56,851)	275	18	\$ (23,118)	\$ (79,970)
Total	830	120	\$ (142,128)	1023	64	\$ (82,199)	\$ (224,327)

(1) Assumes students take one additional 3 credit hour course per data provided by UNM Online
*Summer is currently blocked between 6-9 credit hours

Student impact: approximately 120 undergraduate students would save \$1,184 per academic year; and approximately 64 graduate students would save \$1,284 per academic year.

Recommendation 3:

- Currently, medical students are not charged the Athletics Fee, but would like to utilize access to the student athletics tickets.
- Recommendation is to charge medical students the Athletics Student Fee. This year HSC subsidized the revenue generated for AY2022-23.

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Tuition Simplifications to Consider in Future Years:

Currently, medical students are not charged the Athletics Fee, but would like to utilize access to the student athletics tickets. Recommendation is to charge medical students the Athletics Student Fee. This year HSC subsidized the revenue generated for AY2022-23.

Tuition Simplifications to Consider in Future Years:

- Main campus differential tuitions are charged based on major/program. HSC- Population Health is charged based on course (both undergraduate and graduate). Recommendation is to align Public Health programs' differential tuition to be charged by program/major.
- Main campus base tuition rates are the same for all undergraduate and graduate programs. HSC has multiple base rates, which are lower than Main campus base rates.
- Main campus blocks at 12 credit hours for graduate students. HSC blocks between 12-18 credit hours for non-residents and charges per credit hour for 19+ credit hours. For residents there is no block, all students are charged per credit hour (with exception of PharmD, which is blocked at 12 credit hours).
- Upper division course premiums for undergraduates are not assessed to HSC 300-400 level courses.

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Master of Science in Athletic Training (COEHS) For Vote:

- Request a **new** \$75 per credit hour differential tuition

Tuition and Fee Committee Feedback-

- Some reservations, particularly that **a)** there is no percentage set aside for student financial aid/scholarships, **b)** some proposed revenue will go toward faculty professional development, **c)** some proposed revenue will go toward specific course costs, which should perhaps be a course fee, and **d)** some proposed revenue will fund student employees presumptively to assist with running the program, which seem to be roles for staff, faculty, and/or assistantships.
- Suggest either lowering the amount (\$51 per credit hour to exclude these expenses) or establish a \$75 per credit hour differential tuition but fund items above from other sources, like course fees.

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Juris Doctor and Master of Studies in Law (SOL) For Vote:

- Request to increase the **existing** tuition differential from \$370.90 to \$387.37 per credit hour for residents and \$554.80 to \$579.44 per credit hour for non-residents

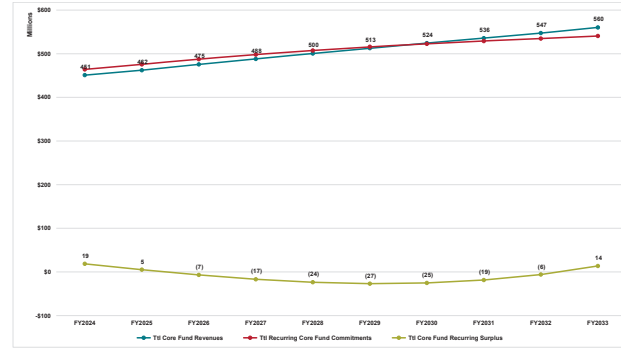
Tuition and Fee Committee Feedback-

- **Juris Doctor-** We recognize the challenges the School of Law is trying to address, in particular low passage rates among African American and American Indian graduates. We support this reasonable increase in differential tuition and to the purposes the revenue will be dedicated.
- **Master of Studies in Law-** This differential tuition increase would maintain alignment with the request for the Juris Doctor increase supported by the Tuition and Fee Committee. This request would also, as described by the School of Law, help fill a position dedicated to recruitment of students. We support this request.

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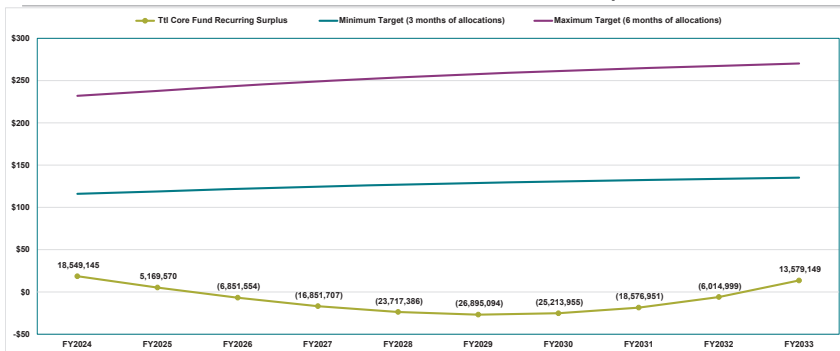
FY24 I&G Core Fund Reserve Trendline and Sufficiency w/ no tuition increase and all base requests included

Core Fund Reserve Trendline No tuition increase, 100% base requests



No tuition increase, 5.05% MSF increase, 100% base requests

Core Fund Reserve Sufficiency No tuition increase, 100% base requests



No tuition increase, 5.05% MSF increase, 100% base requests



10-Year Core Fund Projection Tables for both scenarios presented

ATTACHMENT B

Attachment to the Minutes of the April 10, 2023 Board of Regents

BOARD OF REGENTS OF THE UNIVERSITY OF NEW MEXICO

RESOLUTIONS AUTHORIZING JOINT POWERS AGREEMENT ESTABLISHING THE METROPOLITAN DETEN- TION CENTER HEALTH CARE AUTHORITY AND AUTHORIZ- ING THE IMPLEMENTATION THEREOF

WHEREAS, the County Commissioners of Bernalillo County (the “**County**”) is a governmental entity formed pursuant to NMSA 1978, § 4-1-1 and NMSA 1978, § 4-38-1 *et seq.*, and is the operator of the Metropolitan Detention Center (the “**MDC**”), which primarily houses individuals who have been detained and awaiting trial relative to criminal charges; and

WHEREAS, the County has certain obligations relative to the provision of health care to detainees housed within the MDC pursuant to NMSA 1978, § 33-3-5; and

WHEREAS, the County has been and continues to be subject to a Settlement Agreement (the “**McClendon Settlement Agreement**”) entered into in that certain litigation styled *McClendon v. City of Albuquerque, et al.*, CIV-95-24 JAP/KBM (the “**McClendon Litigation**”), pending in the United States District Court for the District of New Mexico; and

WHEREAS, the McClendon Settlement Agreement sets forth eight (8) domains with which the County must substantially comply for the Court to vacate the County’s obligations, on a domain-by-domain basis, under the McClendon Settlement Agreement and in this regard, Domain 1 of the McClendon Settlement Agreement pertains to the provision of mental health services to detainees (the “**Mental Health Services Domain**”) and Domain 2 pertains to the provision of medical services to detainees (the “**Medical Services Domain**”); and

WHEREAS, the County has endeavored, in good faith, to provide or contract to provide mental health services and medical services to detainees housed at the MDC in a manner substantially compliant with the requirements of the Mental Health Services Domain and the Medical Services Domain; and

WHEREAS, the Regents of the University of New Mexico (the “**University**”) is an institution of higher education enumerated in Article XII, Section 11 of the New Mexico Constitution, and operates the University of New Mexico Hospital (“**UNM Hospital**”), the State of New Mexico’s sole and only Level I trauma center, sole and

only teaching hospital, and the safety net hospital for the State of New Mexico, and in particular, the residents of Bernalillo County; and

WHEREAS, the UNM Hospital, together with the University's medical faculty, has long provided mental health services and medical services in a highly regulated environment with success and has expertise relevant to both of the Health Care Services Domains; and

WHEREAS, the Board of Regents (the "**Board**") is constituted and empowered under the Constitution and laws of the State of New Mexico to control and manage the affairs of the University, with the authority to contract and be contracted with and is responsible, per Regents Policy 7.18, for approving joint powers agreements; and

WHEREAS, the Board finds and concludes that, based upon due and appropriate diligence by administration of the University and presented to the Board, best practices with respect to the provision of stable, high quality mental health care and medical care in the incarcerated and detainment environment calls for a strong alignment between the governmental entity operating the jail or prison and an academic health center/safety net hospital system; and

WHEREAS, the County and UNM Hospital are each governmental entities and as such are each empowered to enter into joint powers agreements pursuant to NMSA 1978, § 11-1-1 *et seq.*; and

WHEREAS, the Board, based upon due and appropriate diligence by administration of the University, finds and concludes that it is in best interest of the mission of the UNM Hospital and the University and the citizens of Bernalillo County for the UNM Hospital work together with the County to create a strong alignment between the County (the governmental entity operating the MDC) and the UNM Hospital (the academic health center/safety net hospital system) with a view to achieving substantial compliance with the Mental Health Services Domain and Medical Services Domains and expanding the University's teaching footprint relative to service lines relevant to the Mental Health Services Domains and Medical Services Domains, which is best achieved by entering into a Joint Powers Agreement with the County to establish the Metropolitan Detention Health Care Authority, substantially in the form of Exhibit A attached to these Resolutions; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Joint Powers Agreement establishing the Metropolitan Detention Health Care Authority, substantially in the form of Exhibit A attached to these Resolutions (the "**JPA**") be, and it hereby is, accepted and approved; and

2. The University and UNM Hospital through the Authorized Officers (as defined below) be, and they hereby are, authorized and directed to take all steps necessary in conjunction with the County to gain approval of the JPA, in accordance with the New Mexico Joint Powers Act, NMSA 1978, § 11-1-1 *et seq.*, including, without limitation, filing the JPA (and all relevant attachments, instruments, and other documents as necessary to secure such approval) with the Secretary of the New Mexico Department of Finance and Administration; and

3. Upon approval of the JPA by the Secretary of the New Mexico Department of Finance and Administration, the University and UNM Hospital through the Authorized Officers (as defined below) be, and they hereby are, authorized and directed to take all steps necessary to implement the purposes and business of the Metropolitan Detention Center Health Care Authority as contemplated in the JPA including, without limitation, execution and delivery of the JPA and other documents reasonably necessary, as determined by the Authorized Officers (as defined below), to carry out and implement the purposes and business of the Metropolitan Detention Center Health Care Authority; and

4. The Board hereby designates and authorizes the following: the President, Executive Vice President for Finance & Administration, the Executive Vice President for Health Sciences and Chief Executive Officer of the UNM Health System, the Senior Vice President for Clinical Affairs, the CEO of UNM Hospital, and the CFO of UNM Hospital (each, an “**Authorized Officer**,” and, collectively, the “**Authorized Officers**”) to do or cause to be done all such acts or things, and to sign and deliver, or cause to be signed and delivered, all documents, instruments, and certificates, in the name and on behalf of the University and the UNM Hospital or otherwise, including the JPA, as they deem necessary, advisable or appropriate to effectuate or to carry out the purposes and intent of the foregoing resolutions; and

5. The Board hereby ratifies and confirms the actions and determinations taken by the Authorized Officers and/or any one of them, in connection with the establishment of the Metropolitan Detention Center Health Care Authority and the JPA prior to the date hereof.

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ADOPTED AND APPROVED at duly called meeting on this 10th day of April, 2023.



THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

By: [Signature]
President of the Board of Regents

ATTEST:

By: [Signature]
Secretary and Treasurer

EXHIBIT A
TO RESOLUTIONS AUTHORIZING JOINT
POWERS AGREEMENT

JOINT POWERS AGREEMENT

Between

THE COUNTY COMMISSIONERS OF BERNALILLO COUNTY

and

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

Establishing

THE METROPOLITAN DETENTION CENTER HEALTH AUTHORITY

Recitals

The County Commissioners of Bernalillo County (the "County") is a governmental entity formed pursuant to NMSA 1978, § 4-1-1 and NMSA 1978, § 4-38-1 *et seq.*, and is the operator of the Metropolitan Detention Center and the Prisoner Transport Center (collectively, the "MDC"), which primarily houses individuals who have been detained and awaiting trial relative to criminal charges. The County has certain obligations relative to the provision of health care to detainees housed within the MDC pursuant to NMSA 1978, § 33-3-5.

The Regents of the University of New Mexico ("UNM" the "University")¹ is a state institution of higher education enumerated in Article XII, Section 11 of the New Mexico Constitution, and operates the University of New Mexico Hospital ("UNM Hospital"), the State of New Mexico's sole and only Level I trauma center, sole and only teaching hospital, and the safety net hospital for the State of New Mexico, and in particular, the residents of Bernalillo County. Under and pursuant to NMSA 1978, § 21-7-7, the Board of Regents has the "power and it shall be its duty to enact laws, rules and regulations for the government of the university of New Mexico." To this end, the Board of Regents, under Regents Policy 7.18, is responsible for approving all joint powers agreements to which the University is now or will be a party.

The County has been and continues to be subject to a Settlement Agreement (the "McClendon Settlement Agreement") entered into in that certain litigation styled *McClendon v. City of Albuquerque, et al.*, CIV-95-24 JAP/KBM (the "McClendon Litigation"), pending in the United States District Court for the District of New Mexico. In addition to the Settlement Agreement, the District Court has, and may in

¹ In this Joint Powers Agreement, UNM (including the UNM Hospital) and the County are each sometimes referred to as a "Party" and, collectively, as the "Parties".

the future, enter other orders addressing obligations for the provision of medical care and mental health care at MDC.

The McClendon Settlement Agreement sets forth eight (8) domains with which the County must substantially comply for the Court to vacate the County's obligations, on a domain-by-domain basis, under the McClendon Settlement Agreement. Domain 1 of the McClendon Settlement Agreement pertains to the provision of mental health services to detainees (the "**Mental Health Services Domain**") and Domain 2 pertains to the provision of medical services to detainees (the "**Medical Services Domain**") (in this Joint Powers Agreement, the Mental Health Services Domain and the Medical Services Domain will be referred to collectively as the "**Health Care Services Domains**").

The County and UNM Hospital are each governmental entities and as such are each empowered to enter into joint powers agreements pursuant to NMSA 1978, § 11-1-1 *et seq.*

The County has endeavored, in good faith, to provide or contract to provide mental health services and medical services to detainees housed at the MDC in a manner substantially compliant with the requirements of the Mental Health Services Domain and the Medical Services Domain, which Health Care Services Domains include American Correctional Association standards, National Commission on Correctional Healthcare Standards, MPC Policies and Procedures, PREA, and other special requirements as listed in the Scope of Service. The UNM Hospital, together with the University's medical faculty, has long provided mental health services and medical services in a highly regulated environment with success and has expertise relevant to both of the Health Care Services Domains.

Best practices with respect to the provision of stable, high quality mental health care and medical care in the incarcerated and detainment environment calls for a strong alignment between the governmental entity operating the jail or prison and an academic health center/safety net hospital system.

The Parties to this Joint Powers Agreement therefore desire to work together to create a strong alignment between the County (the governmental entity operating the MDC) and the UNM Hospital (the academic health center/safety net hospital system) with a view to achieving substantial compliance with the Health Care Services Domains and expanding UNM's teaching footprint relative to service lines relevant to the Health Care Services Domains.

Purpose

UNM, through the UNM Hospital, and the County recognize the value of creating a formal mechanism to create a strong alignment between the County (the

governmental entity operating the MDC) and the UNM Hospital (the academic health center/safety net hospital system) with a view to achieving substantial compliance with the Health Care Services Domains and expanding UNM's teaching footprint relative to service lines relevant to the Health Care Services Domains. To this end, the Parties are creating the Metropolitan Detention Center Health Care Authority (the "**Health Care Authority**") to co-manage the mental health services and the medical services provided to detainees housed at the MDC and to provide stable, high quality mental health care and medical care in the detainment environment at MDC.

Authority

1. *Authority to Form.* This Joint Powers Agreement (this "**JPA**") is entered into pursuant to the Joint Powers Agreement Act, NMSA 1978, §§ 11-1-1 to 11-1-7.

2. *Common Powers.* The common powers exercised under this JPA are:

a. the power to enter into partnership with other entities to accomplish the purposes of this JPA, including the authority to enter into formal contracts, subject to the requirement that such contracts (other than contracts to obtain goods and services by and between UNM Hospital and one of the University Research Park and Economic Development Act ("URPEDA") corporations formed by UNM) be executed by each of the Parties to this JPA, and be signed by a person with signature authority for each Party pursuant to, in the case of the County, NMSA 1978, §§ 3-18-1 and 3-37-1 and, in the case of the University, Article XII, Section 13 of the New Mexico Constitution, NMSA 1978, §§ 21-7-4 (corporate powers of the Board of Regents, including right to contract), 21-28-4A (power to form URPEDA corporations), 21-28-5 (regent powers relative to its URPEDA corporations), and 21-28-7B (University relationship to its URPEDA corporations when procuring goods and services from that URPEDA corporation);

b. the power to provide health care services (including mental health and medical health care services) and to manage the provision of health care services (including mental health and medical health care services) in respect of the detainee population at the MDC pursuant to, in the case of the County, NMSA 1978, § 3-3-5 and, in the case of the University, Article XII, Section 13 of the New Mexico Constitution, NMSA 1978, §§ 21-7-4 (corporate powers of the Board of Regents, including right to contract), licensure as a general acute care hospital (both inpatient and outpatient), under and pursuant to NMSA 1978, Chapter 24, Article 1, and N.M. Admin. Code 7.7.1 et seq., Medicare and Medicaid Certification, NMSA 1978, § 21-7-7 (regent authority to promulgate rules and regulations), and UNM Regents Policies 3.4 and 3.6;

c. the power to take other actions permitted by law to further the purpose.

d. the power to take reasonable actions within the authority of the Parties, including, without limitation, to acquire goods and provide services, receive contributions and donations, receive appropriations state and local public bodies, make expenditures, hire employees, join other organizations, enter into contracts, sue and be sued, and execute any other power inherent to such corporations, consistent with the terms and conditions of this JPA pursuant to NMSA 1978, §§ 3-18-1 and 3-37-1 and Article XII, Section 13 of the New Mexico Constitution, NMSA 1978, §§ 21-7-4 (corporate powers of the Board of Regents, including right to contract), and 21-7-3 (providing that management and control of the university of New Mexico, the care and preservation of all its property, the erection and construction of all buildings necessary for its use and the disbursements and expenditures of all money is under the control of the Regents).

Metropolitan Detention Center Health Care Authority – Creation and Governance

3. *Creation.* The Parties hereby establish the Health Care Authority as the administering agency for this JPA.

4. *Formation of Health Care Authority Board.* The University's President and the County Manager of the County, shall each name three (3) members to serve as the governing board of the Health Care Authority ("**Health Care Authority Board**"), one of whom shall be the CEO of the UNM Hospital (or designee) and one of whom shall be the County Manager. The chairperson of the Health Care Authority Board shall be the CEO of the UNM Hospital. Election of any additional officers shall take place at the Health Care Authority Board's first meeting and annually thereafter.

5. *Policies and Procedures.* The Health Care Authority Board shall determine and adopt such policies and procedures as the Health Care Authority Board determines necessary, in accordance with the quorum and voting requirements set forth below.

6. *Quorum and Voting.* At all meetings of the Health Care Authority Board the presence of a majority of the Board members then in office shall be necessary and sufficient to constitute a quorum, and except as otherwise provided by law or by this JPA, the act of a majority of the members of the Health Care Authority Board present at a meeting at which there is a quorum shall be the act of the Health Care Authority Board.

7. *Virtual or Remote Participation in Meetings.* Unless otherwise restricted by the Open Meetings Act or this JPA, members of the Health Care Authority Board, or any Committee thereof, may participate in a meeting of the Health Care Authority Board, or any Committee, by means of telephone, virtual meeting platforms, or similar communications equipment so long as all persons participating in the meeting can hear each other and are identified when speaking, and such participation in a meeting shall constitute presence in person at the meeting.

8. *Committees.* A majority of the members of the Health Care Authority Board present at a meeting of the Health Care Authority Board at which there is a quorum may from time to time, by Resolution, create such Committees with such functions, powers, and duties as the Health Care Authority Board shall determine. The Health Care Authority Board shall enact rules and regulations for the governance and authority of any such Committee; provided, however, that no such Committee appointed pursuant to this section which is not comprised of all of the members of Health Care Authority Board shall have the power of the Health Care Authority Board.

9. *Vacancy.* Any vacancies occurring of among the members of the Health Care Authority Board shall be filled by the Party whose representative member created the vacancy.

Metropolitan Detention Center
Health Care Authority – Operation

10. *Operational and Health Care Delivery Implementation Plan.* The Health Care Authority, by and through the Health Care Authority Board and the Parties to this JPA, will work collaboratively to design a health care services delivery program for the MDC and develop an implementation plan with respect to that health care services program. This health care services delivery program and implementation plan will generally be outlined in contractual documents and in policy documents.

11. *Funding Contributions.* The County, on an annual basis (but subject to adjustment annually, on the agreement of the parties, to account for inflation (using the U.S. Bureau of Labor Statistics' CPI for All Urban Consumers for medical services)), agrees it shall fund to the Health Care Authority an amount that is the

greater of (a) the amount funded to its most recently retained private mental health and medical services provider, or the (b) the amount agreed upon between the Health Care Authority and UNM Hospital in a separately negotiated services agreement, which funds will be used to enable the Health Care Authority to engage providers of mental health services and medical services (which is anticipated to include UNM Hospital-employed providers or providers employed by UNM or affiliates of UNM). UNM, by and through UNM Hospital, will fund its contribution to the Health Care Authority by providing or arranging to provide mental health services and medical services to the MDC in accordance with the health care services delivery implementation plan developed as contemplated in Section 10 of this JPA, including providing an electronic medical record system that works consistent with the electronic medical record system in use by the University's UNM Health System. Other than as set forth in the foregoing two sentences, each Party shall bear its own costs for participating in the Health Care Authority.

12. *Appropriations.* Notwithstanding any other provision of this JPA, no party shall be obligated for its performance hereunder or by any provision of this JPA during any of the party's future fiscal years unless and until the party's governing body appropriates funds for this JPA in its budget for each such future fiscal year. In the event that funds are not appropriated for this JPA, then it shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The party whose governing body failed to appropriate funds shall provide notice in writing of any such non-allocation of funds at the earliest possible date.

13. *Strict Accountability.* There shall be strict accountability for all receipts and disbursements relating hereto. The Parties shall ensure that all receipts and disbursements of the Health Care Authority are subject to annual audit, either as part of the annual audit of one of the Parties, or independently.

14. *Assignment of employees.* Any Party to this JPA may, but is not required to, assign or second one or more employees to support the Health Care Authority and carry out its activities in accordance with this JPA and the direction of the Health Care Authority Board. Other than the provision of medical services and/or mental health services under one or more medical provider services arrangements in respect of the MDC between the Health Care Authority and a Party, such assignment or secondment of employees may be with or without compensation by Health Care Authority to the Party, subject to the written agreement of the Party and the Health Care Authority. Any such employee shall remain the employee of the Party that assigns or seconds him or her, and shall not become the employee of the Health Care Authority merely through operation of such assignment or secondment.

15. *Provision of Space.* Any Party to this JPA may, but is not required to, make space available to the Health Care Authority to carry out its activities in accordance with this JPA and the direction of the Health Care Authority Board. Such provision of space may be with or without compensation by Health Care Authority to the Party, subject to the written agreement of the Party and the Health Care Authority.

16. *Monitoring and Oversight of the Health Care Domains.* The Health Care Authority, under the guidance and direction of UNM Hospital, will ensure that monitoring and oversight processes are in place to measure, evaluate, and report on activities pertaining to the Mental Health Services Domain and the Medical Services Domain and achieving substantial compliance in each of these Health Care Domains. In this regard, UNM Hospital will be responsible for establishing a utilization management system to ensure that health care services are provided to detainees housed in the MDC in a timely, appropriate and cost-effective manner. UNM Hospital (or an entity affiliated with UNM) will be responsible for ensuring that all health care providers have and maintain appropriate licenses and credentials in accordance with state and federal requirements and that processes are in place to verify and document the credentials of its provider staff.

17. *Fiscal Oversight.* The County will monitor and report to the Health Care Authority the overall financial status of the health care services delivery program and implementation plan developed as provided in Section 10 of this JPA. The County will work cooperatively with each of the Parties to formulate budget submissions for the health care services delivery program and implementation plan contemplated in Section 10 of this JPA.

18. *MDC Employee Health Services.* Under and pursuant to this JPA, UNM Hospital (or an entity affiliated with UNM) will undertake to be responsible for providing employee health care services specified by contract including immediate medical attention to MDC employees injured in the line of duty, TB screening, treatment and immunizations as clinically indicated for bona fide occupational exposures.

19. *Research Coordination.* For research involving detainees housed within the MDC, UNM is required to receive approval of a representative of the MDC, as designated by the County's Manager, in accordance with applicable County and MDC policies. UNM is also responsible for obtaining approval through an Institutional Review Board with jurisdiction and competency in the realm of vulnerable populations and which meets requirements as set forth in 45 C.F.R. Part 46.

Modification, Withdrawal, Term, and Termination

20. *Modifications.* No amendments, modifications to this JPA (or an amendment and restatement) shall be valid unless made in writing and executed by a duly authorized representative of each Party; provided, however, that any such amendment, modification, or amendment and restatement shall be subject to the approval of the Secretary of the New Mexico Department of Finance and Administration.

21. *Term and Termination.* This Agreement will become effective upon approval by the Department of Finance and Administration. This Joint Powers Agreement is of indefinite term, and shall continue in effect until terminated. Any Party may withdraw from this JPA upon 180 days' prior written notice. Any such withdrawal will constitute a termination of this JPA.

22. *Distribution of Property and Funds.* Upon termination of this JPA, the property and funds owned by the JPA shall be distributed as follows. First, property or funds contributed by any member shall be returned to that member at that Party's cost. The contributing Party shall not be entitled to compensation for wear and tear, consumption, destruction, deterioration, loss, distribution, or other consequences of use. Second, to the extent the Parties have contributed funds that were unexpended, those funds shall be divided among the Parties in proportion to the Parties' contributions to, or payments on behalf of, the Health Care Authority (but not including the Party's own costs for participating in the Health Care Authority). Any remaining property shall be sold and the cash proceeds divided on the same basis, unless the Parties agree on an in-kind distribution in whole or in part.

Liability

1. *McClendon Litigation.* This JPA does not relieve Bernalillo County from its Court-ordered obligations in the McClendon litigation nor does it make any party to the JPA, or any entities created by this JPA, a party to the McClendon litigation.

2. *Tort Claims Act.* No Party shall be responsible for liability to third Parties incurred as a result of any other Party's acts or omissions in connection with this JPA. Any liability to third Parties incurred in connection with this JPA is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, § 41-4-1 *et seq.* Nothing contained in the execution and performance of this JPA by UNM or UNM Hospital shall constitute a waiver of the privileges and immunities afforded UNM and UNM Hospital under the Eleventh Amendment to the United States Constitution.

3. *Third Parties.* Nothing in this JPA, express or implied, is intended to confer any rights, remedies, claims and/ or interests upon a person not a Party to this JPA.

4. *State of New Mexico.* Nothing in this JPA, express or implied, shall be deemed to obligate the State of New Mexico, or any agency or department thereof.

IN WITNESS WHEREOF, the Parties hereto have, and through their duly authorized officers, caused this JPA to be executed.

REGENTS OF THE UNIVERSITY OF
NEW MEXICO

COUNTY COMMISSIONERS OF
BERNALILLO COUNTY

By: _____
Garnett S. Stokes, Ph.D.
President

By: _____
Julie Morgas Baca,
County Manager

Dated: _____, 2023

Dated: _____, 2023

Approved as to Form:

Approved as to Form:

By: _____
Scot Sauder, Esq., Deputy
University Counsel for Health
Sciences, Office of University
Counsel

By: _____
W. Ken Martinez
Bernalillo County Attorney

APPROVED:

NEW MEXICO DEPARTMENT OF
FINANCE AND ADMINISTRATION

By: _____
Wayne Propst, Secretary