



MEMORANDUM

Date: February 11, 2009

To: FY 2009/2010 Budget Development Hearing Presenters

From: Andrew A. Cullen, AVP Office of Planning, Budget & Analysis (OPBA)

Subject: **UNM Budget Development Hearings and Main Campus FY 2009/2010 Budget Recommendation Guidelines and Calendar**

As a result of economic challenges at the national and state levels, and as discussed in various forums on campus, the University of New Mexico has incurred a mid-year budget rescission. In addition, a reduction in state funding for the upcoming fiscal year is a certainty. With the implementation of the hiring pause, the suspension of various capital projects, and the introduction of other cost saving measures, the executive leadership team has positioned the University to fund the FY 2009 rescission. Our attention must now turn to FY 2010.

The budget process used for the last 4 years began with a budget summit, followed by meetings with the Finance and Facilities Committee, and ended with decisions taken by the full Board of Regents. This process focused almost exclusively on incremental budgeting, with State formula funding and tuition and fee increases supporting a higher level of spending. This process worked well as long as new revenues were projected from the State and tuition and fee increases were deemed reasonable. With State budget reductions likely and pressure to keep tuition and fees as low as possible, this is clearly not the case for FY 2010. Consequently, it is imperative that we review the logic of our current I&G allocation process and undertake a more comprehensive review of existing I&G resources. By simultaneously reviewing the total budget during the budget development cycle, we can achieve the following:

- **OBJECTIVES**

- Encourage the optimal use of all resources; and
- Provide an opportunity for units to participate in the budget planning process by sharing plans consistent with the institution's overall priorities, including: 1) student recruitment, retention and graduation; 2) contributions to faculty research and scholarly activity; and 3) advancing the University's diversity goals.

To ensure that the Regents have the most complete, credible and up-to-date financial information, the following general guidelines should be considered:

- **RECOMMENDATIONS**

- Provide a detailed accounting of every operating unit of the University, including the President's office. Mid-Year Budget Reports with Year-End Balance projections that were produced in preparation for the mid-year review may be used for this purpose.
- All I&G funded academic and administrative units should provide productivity and efficiency data related to current operations.
- Each College and/or Unit should develop recommendations including a complete rationale, justification and measurable performance metrics.
- Academic/Student Affairs – I&G Formula generation and distribution. Include workload and enrollment information for each college.
- Revenue producing areas of the University, such as Auxiliaries, UNMH, Intercollegiate Athletics and parts of the Health Sciences Center need not prepare the same level of detail as those units that are funded primarily through student tuition and I&G appropriations.
- Identify areas impacted by legislative funding reductions in FY 2009 and 2010.
- Identify funding trade-offs and/or reallocation plans. Please be prepared to describe and discuss such options.
- The endowments presentation should include a complete report on all endowments controlled by the Regents including a three-year history and an explanation of the valuation of all alternative investments.

- **PRESENTATION ORDER AND LEAD PRESENTER ON APRIL 9, 2009**

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| ○ Health Sciences Center and UNMH | EVP Paul Roth |
| ○ Utility Costs | VP Steve Beffort |
| ○ Main Campus Auxiliaries and Athletics | EVP David Harris and VP Paul Krebs |
| ○ Student Activities funded through Student Fees | EVP Suzanne Ortega and VP Cheo Torres |
| ○ Main Campus Research | VP Julia Fulghum |
| ○ Main Campus Research and Public Service Projects | AVP Marc Saavedra |
| ○ Endowments | VP John Stropp |
| ○ Main Campus I&G Formula Generation and/or Distribution | |
| ▪ Academic/Student Affairs | EVP Suzanne Ortega |
| ▪ Administration | EVP David Harris |
| ○ Tuition & Fees and Salary Guidelines | President David Schmidly |

To allow sufficient time for review by all stakeholders, the following schedule will drive the budget development process.

- **SCHEDULE and TEMPLATES**

- 3/13/09: President/EVPs/VPs/AVPs submit budget recommendations to the OPBA
- 3/20/09: OPBA submits budget recommendations to constituency groups for review and comment
- 3/27/09: Constituency groups forward budget recommendation comments to OPBA
- 4/1/09: OPBA forwards final budget recommendations to Regents
- 4/9/09: FY 2009/2010 Budget Development Hearings
- 5/1/09: Regents approve FY 2009/2010 UNM Budget and FY 2008/2009 Budget Adjustment Request (BAR)

Adherence to the schedule above will drive the budget development process. To assist with this effort, a copy of this memo, summary and detailed calendars, and a suggested template/instructions for preparing the FY 2010 Budget Recommendation is located on the OPBA website under the following links:

- <http://www.unm.edu/~budget/guidelines/> Link for Budget Hearings and Template
- <http://www.unm.edu/~budget/calendar/> Link for Summary and Detailed Calendars

Specific instructions regarding the time allotted for presentations, including a period for questions and responses, will be forthcoming from the President’s Office. Finally, it is critical for all participants to recognize the basic premise for development of the FY 2010 budget – UNM will be confronted with budget reductions at the State level, and we must honor our commitment to limit tuition and fee increases at this time to keep UNM affordable for all New Mexicans. We appreciate your thoughtful consideration of this request as we move the University forward in these challenging economic times.

cc: Board of Regents
 Breda Bova
 Pug Burge
 Mike Dougher
 Bob Fondino
 Tonya Giddings
 Mitch Garrity
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