BOARD OF REGENTS
Budget Summit

Agenda

March 22, 2018
9:00 AM
SUB, Ballroom B
UNIVERSITY OF NEW MEXICO
BOARD OF REGENTS

BUDGET SUMMIT - FY 2019
Thursday, March 22, 2018 at 9:00 AM
Student Union Building, Ballroom B

AGENDA

I. Call to Order, Confirmation of a Quorum, Adoption of the Agenda – Regent President Rob Doughty

II. Approval of the Contract for UNM FY18 Annual Financial Statements Audit – Regent Tom Clifford and Liz Metzger

III. Introduction and Remarks – President Garnett S. Stokes

IV. Comments from the Deans Council – Deans Craig White and Geraldine Forbes

V. Information Items
   a. Branch Campuses Budget Overview – Dr. Jeronimo Dominguez, Branch Directors
      i. Valencia
      ii. Los Alamos
      iii. Taos
      iv. Gallup

VI. Action Items
   a. HSC – Dr. Paul Roth, et al.
      i. Budget Overview

   b. Athletics – Eddie Nunez and Robert Robinson
      i. FY 18 and FY 19 Budget Overview

   c. Main Campus – Dr. Rich Wood and David Harris
      i. Budget Leadership Team (BLT) Overview
      ii. Funding Priorities Overview
         1. Introductory Comments
         2. FY 19 Budget Scenario – Norma Allen and Nicole Dopson
      iii. Compensation and Benefits Proposal – Dorothy Anderson
      iv. Tuition Proposal — Terry Babbitt
      v. Comments – Deans, Faculty, Staff, ASUNM, GPSA

   d. SFRB Recommendation – Student Fee Review Board Representatives
      i. Mandatory Student Fees Proposal – Norma Allen and Nicole Dopson

   e. Request for Approval of Tuition, Fee Rates and Compensation – President Garnett S. Stokes

VII. Adjourn
Date: March 15, 2018

TO: Thomas Clifford, Chairman, Audit and Compliance Committee

FROM: Elizabeth Metzger, CPA – University Controller

RE: FY18 Renewal of Annual Financial Statements Audit Contract

The following information is provided for the Committee’s approval related to the annual financial statement audit for the fiscal year ended June 30, 2018, pending final approval by the State Auditor.

During FY17, UNM issued a Request for Proposal (RFP) for the FY17, FY18, and FY19 external financial statements audit. Proposals and evaluation criteria were distributed to the 6-member evaluation committee on February 27, 2017. The Committee consisted of the University Controller, Executive Officer of the Finance and Administration for the HSC, Controller for the UNM Foundation, Finance Director for the University Hospital, Associate Controller for Procurement Service, and the University Acting Provost. In accordance with appropriate selection criteria established for the procurements, the written proposals were evaluated for responsiveness to mandatory requirements.

Based on the evaluation from the committee members and in-person presentations from the responders, the selection committee recommended awarding the contract to Moss Adams with a subcontract to KPMG for audit of the clinical areas. This was approved by the audit committee on April 13, 2017 and the Full Board of Regents on April 18, 2017.

The proposed cost for year 2 of the audit, FY18, is $924,265 which includes all Component Units. For comparison purposes, the cost for the FY17 audit was $940,965 after an amendment was executed to include three component units that the State Auditor was originally going to audit (Lobo Energy, The UNM Alumni Assoc., and the UNM Lobo Club.)

(update:)
March 15, 2018:
Renewal was approved by the Audit Committee. Due to Familiarity Risk, (this can arise after a long association with a client), the approval was with the provision that KPMG will assign a new engagement partner.
Introduction and Remarks

President Garnett S. Stokes
Comments from Deans’ Council
Presentation To The UNM Board OF Regents

Fiscal Year 2018-2019 Operating Budget
Revenues $14,568,989

State Appropriation, $5,465,465, 36.3%
Local Mil Levy Support, $2,818,183, 18.7%
Tuition and Fees, $1,860,390, 12.3%
Transfers From I&G, $(249,567), -1.7%
Contracts and Grants, $3,166,308, 21.0%
Student Senate, $31,700, 0.2%
Public Service, $225,500, 1.5%
Student Aid, $325,946, 2.2%
Misc Revenues, $267,164, 1.8%
Auxiliary Sales, $657,900, 4.4%
State Appropriation, $5,465,465, 36.3%
Local Mil Levy Support, $2,818,183, 18.7%
Tuition and Fees, $1,860,390, 12.3%
Transfers From I&G, $(249,567), -1.7%
Contracts and Grants, $3,166,308, 21.0%
Student Senate, $31,700, 0.2%
Public Service, $225,500, 1.5%
Student Aid, $325,946, 2.2%
Misc Revenues, $267,164, 1.8%
Auxiliary Sales, $657,900, 4.4%
Expenditures $14,568,989

- I&G Instruction, $4,286,266, 29.4%
- I&G Academic Support, $1,270,594, 8.7%
- I&G Student Services, $1,176,620, 8.1%
- I&G Institutional Support, $1,887,217, 13.0%
- Contracts and Grants, $3,052,321, 21.0%
- I&G Physical Plant, $1,175,119, 8.1%
- Student Senate, $30,559, 0.2%
- Public Service, $217,382, 1.5%
- Student Aid, $314,212, 2.2%
- Auxiliary Sales, $634,216, 4.4%
- Main Campus Admin Fee, $524,484, 3.6%

Total Expenditures: $14,568,989
UNM Valencia is Requesting Approval of the Fiscal Year 2018-19 Budget

Instruction and General Budget of $10,161,636

No tuition Increase For 2018-2019

State Appropriations Increase By $98,300 Through Strong Performance Within The Formula

Grant Funding Continues To Be Significant For The Campus - Instructional Support

Local GO Bonds Will Fund Numerous Projects Including Solar and Renovations

Dual Enrollment Continues To Be Very Strong For UNM Valencia
Presentation To The UNM Board Of Regents
Fiscal Year 2018-2019 Operating Budget
State Appropriation, $1,757,027, 31.2%

Local Mil Levy Support, $1,424,000, 25.3%

Tuition and Fees, $1,039,200, 18.5%

Contracts and Grants, $1,037,157, 18.4%

Transfers From I&G, $(84,373), -1.5%

Student Government, $21,510, 0.4%

Public Service, $10,400, 0.2%

Student Aid, $56,819, 1.0%

Misc Revenues, $201,500, 3.6%

Revenues $5,606,840
Expenditures $5,606,840

I&G Instruction, $1,685,506, 30.1%
I&G Academic Support, $612,736, 10.9%
I&G Student Services, $538,460, 9.6%
I&G Institutional Support, $985,971, 17.6%
I&G Physical Plant, $358,538, 6.4%
Contracts and Grants, $999,819, 17.8%
Student Senate, $20,736, 0.4%
Public Service, $10,026, 0.2%
Student Aid, $54,774, 1.0%
Auxiliary Sales, $138,430, 2.5%
Main Campus Admin Fee, $201,846, 3.6%
I&G Instruction, $1,685,506, 30.1%
UNM Los Alamos is Requesting Approval of the Fiscal Year 2018-19 Budget

Instruction and General Budget of $4,337,354

No tuition Increase For 2018-2019

State Appropriations Increase by $18,500 Through Improving Performance Within The Formula

Key Programs Focus on the Needs of LANL and the Surrounding Community

Local Mil Levy Passed in 2017 Indicates Strong Local Support and Provides Needed Funds

A New Department of Justice Grant Provides Additional Funding for our Campus Community

Dual Enrollment Continues To Be Very Strong For UNM Los Alamos
Presentation To The UNM Board OF Regents
Fiscal Year 2018-2019 Operating Budget
Revenues $13,352,761

- Local Mill Levy Support, $2,007,842, 14.7%
- State Appropriation, $3,634,400, 26.6%
- Use of Budget Reserves, $1,150,000, 8.4%
- Tuition and Fees, $1,127,402, 8.3%
- Transfers From I&G, $(154,276), -1.1%
- Contracts and Grants, $5,038,248, 36.9%
- Student Senate, $55,000, 0.4%
- Student Aid, $79,145, 0.6%
- Misc Revenues, $125,000, 0.9%
- Auxiliary Sales, $40,000, 0.3%
- Public Service, $250,000, 1.8%
Expenditures $13,352,761

Contracts and Grants, $4,856,871, 36.4%
I&G Physical Plant, $1,043,758, 7.8%
I&G Institutional Support, $2,210,497, 16.6%
I&G Student Services, $766,045, 5.7%
I&G Academic Support, $564,483, 4.2%
I&G Instruction, $3,021,532, 22.6%
Main Campus Admin Fee, $480,699, 3.6%
Auxiliary Sales, $38,560, 0.3%
Student Aid, $76,296, 0.6%
Student Senate, $53,020, 0.4%
Public Service, $241,000, 1.8%
UNM Taos is Requesting Approval of the Fiscal Year 2018-19 Budget

Instruction and General Budget of $7,890,368

No tuition Increase For 2018-2019

State Appropriations Increase By $ 91,400 Through Strong Performance Within The Formula

Grant Funding Continues To Be Significant For The Campus - Instructional Support

Dual Enrollment Continues To Be Very Strong For UNM Taos
Revenues $17,573,474

- State Appropriation, $8,880,180, 47.2%
- Local Mil Levy Support, $2,504,800, 13.3%
- Tuition and Fees, $2,928,541, 15.6%
- Transfers From I&G, $(623,335), -3.3%
- Contracts and Grants, $1,813,481, 9.6%
- Auxiliary Sales, $1,270,359, 6.7%
- Misc Revenues, $606,198, 3.2%
- Student Aid, $100,000, 0.5%
- Public Service, $13,250, 0.1%
- Student Senate, $80,000, 0.4%
Expenditures $17,573,474

- I&G Instruction, $7,485,916, 42.6%
- I&G Academic Support, $1,719,594, 9.8%
- I&G Student Services, $1,168,280, 6.6%
- I&G Institutional Support, $1,788,366, 10.2%
- I&G Physical Plant, $1,619,559, 9.2%
- Contracts and Grants, $1,748,196, 9.9%
- Main Campus Admin Fee, $632,645, 3.6%
- Auxiliary Sales, $1,224,626, 7.0%
- Student Senate, $77,120, 0.4%
- Public Service, $12,773, 0.1%
- Student Aid, $96,400, 0.5%
UNM Gallup is Requesting Approval of the Fiscal Year 2018-19 Budget

Instruction and General Budget of $14,296,384

No tuition Increase For 2018-2019

State Appropriations Decreases By $48,500.

New Trio Upward Bound Funding To Be Significant For The Campus - Student Support

Institutional Program Review Underway

Dual Enrollment Through New Partnership With GMCS To Be Significant For UNM Gallup
Introduction

Paul B. Roth, MD, MS
Chancellor
UNM Health Sciences Center
<table>
<thead>
<tr>
<th>VISION</th>
<th>MISSION</th>
<th>VALUES</th>
<th>GOALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The University of New Mexico Health Sciences Center will work with community partners to help New Mexico make more progress in health and health equity than any other state.</td>
<td>Provide an opportunity for New Mexicans to obtain an excellent education in health sciences.</td>
<td>Excellence in Education, patient care and research.</td>
<td>Improve public health and health care to those we serve.</td>
</tr>
<tr>
<td></td>
<td>Advance health discovery and innovation in the most important areas of human health.</td>
<td>Commitment to service, quality and safety.</td>
<td>Build the workforce of New Mexico by providing a premier education.</td>
</tr>
<tr>
<td></td>
<td>Ensure that all populations in New Mexico have access to the highest quality health care.</td>
<td>Integrity and accountability.</td>
<td>Translate our research and discoveries into clinical or educational practice.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Respect and compassion for all people.</td>
<td>Provide the environment to enable our people and programs to do their best.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Teamwork and Collaboration.</td>
<td>Deliver high quality clinical care and service while being accessible to all New Mexicans.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Providing hope for those we serve.</td>
<td>Nurture and embrace an environment of diversity, integrity and transparency.</td>
</tr>
</tbody>
</table>
UNM Health System clinical encounters are not included in these counts. Outreach activities include:

- Education
- Patient Care
- Community Research
- Telehealth Sites

The whole state is our campus...

579 Activities in 246 Communities
Academic Issues and Challenges

- Investing in 2 new Deans
  - FY18 – recruiting for College of Nursing and College of Pharmacy
  - FY19 – In final stages of searches

- Continuing to nurture College of Population Health
  - FY18 – successful year, college growing, interim Dean in place
  - FY19 – recruit Dean, start up TREE Center at UNM Health West

- UNM Health West
  - FY18 – Strategic Planning
  - FY19 – Implementing 5 initiatives

- Increase Health Care workforce for NM
  - FY18 – shrinking budgets, balancing educational demands
  - FY19 – some new revenue, using returned tuition to stabilize the programs, implement new opportunities

- Faculty Compensation
  - FY18 – competitive employment market
  - FY19 – ensuring compensation and performance plans are aligned; 1% increase
Health System Issues and Challenges

- **Value Based Healthcare**
  - FY18 – quality, service, engagement & risk based contracting
  - FY19 – adding more Medicare advantage and managed Medicaid initiatives

- **Strategic Partnerships**
  - FY18 – developing strategies, UNM Lovelace joint venture, Genesis
  - FY19 – Expanding vision for more collaboration

- **Revenue Cycle Operation**
  - FY18 – rapidly evolving Information Technology needs
  - FY19 – specific implementation of projects for rapid improvement

- **Modern Medical Facility / Alternatives**
  - FY18 – inpatient capacity care constraints
  - FY19 – moving forward
Budget Planning FY 2019

March 22, 2018

Ava J. Lovell, MHA, CPA
Senior Executive Officer
for Finance & Administration
Revenues

• FY19 I&G Comp Appropriation of $1,063,000
• FY19 F&A budgeted revenues increased by $700,000

Expenses

• Salary increases for HSC Faculty and Staff – 1% in preliminary budget
• Group Health Insurance increase 1.75%
• HSC utilities increase
• College of Pharmacy Dean start-up package
• College of Nursing Dean start-up package
• UNM Health West start-up costs
UNM Health Sciences Center

UNM HEALTH SCIENCES CENTER
FY 2019 Expense Budget

Total Budget: $2,050,003,619
1.0% increase from 2018 Original

- UNM Hospitals, 1,090,727,859, 53%
- UNM HSC Academic Enterprises, 665,994,811, 33%
- UNM Medical Group, 209,757,718, 10%
- Sandoval Regional Medical Center, 83,523,231, 4%
UNM HSC Academic Enterprise

HSC Academic Enterprise FY 2019 Expense Budget

Total Budget: $665,994,811

Unrestricted Expenses, $508,694,996, 76%

Restricted Expenses, $157,299,815, 24%
UNM HSC Academic Enterprise

HSC Academic Enterprise (Unrestricted)
FY 2019 Expense Budget

- Public Service, $307,251,778, 61%
- Internal Services, $508,695, 0%
- Student Aid, $5,086,950, 1%
- Independent Operations, $476,647,211, 9%
- Instruction and General, $121,222,018, 24%
- Student Social & Cultural, $101,739, 0%
- Research, $26,859,096, 5%

Total Budget: $508,694,996
0.1% increase from 2018 Original
UNM HSC Academic Enterprise

HSC Academic Enterprise (Unrestricted)
FY 2019 Expense Budget

Total Budget: $508,694,996
0.1% increase from 2018 Original
UNM Health Sciences Center

FY 2019 Appropriation Detail

<table>
<thead>
<tr>
<th>Agency/Institution/Program</th>
<th>FY18</th>
<th>FY19</th>
<th>FY19</th>
<th>FY19</th>
<th>FY19</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GF Approp</td>
<td>GF Increase</td>
<td>Compensation 2% plus fringe benefits</td>
<td>Non-recurring appropriation</td>
<td>Final Appropriation</td>
<td>Change from FY18 to FY19</td>
<td>Change from FY18 to FY19</td>
</tr>
<tr>
<td>I &amp; G</td>
<td>57,201.1</td>
<td>0.0</td>
<td>1,063.0</td>
<td>0.0</td>
<td>58,264.1</td>
<td>1,063.0</td>
<td>1.9%</td>
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<tr>
<td>Office of Medical Investigator</td>
<td>4,707.2</td>
<td>500.0</td>
<td>106.2</td>
<td>475.0</td>
<td>5,788.4</td>
<td>1,081.2</td>
<td>23.0%</td>
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<td>Cancer Center</td>
<td>2,469.5</td>
<td>0.0</td>
<td>79.5</td>
<td>0.0</td>
<td>2,549.0</td>
<td>79.5</td>
<td>3.2%</td>
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<td>Carrie Tingley Hospital</td>
<td>4,888.8</td>
<td>0.0</td>
<td>312.3</td>
<td>0.0</td>
<td>5,201.1</td>
<td>312.3</td>
<td>6.4%</td>
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<tr>
<td>Children's Psychiatric Hospital</td>
<td>6,692.2</td>
<td>0.0</td>
<td>384.4</td>
<td>0.0</td>
<td>7,076.6</td>
<td>384.4</td>
<td>5.7%</td>
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<tr>
<td>General Surgery/Family Medicine Residencies</td>
<td>307.7</td>
<td>0.0</td>
<td>32.4</td>
<td>0.0</td>
<td>340.1</td>
<td>32.4</td>
<td>10.5%</td>
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<td>Graduate Nursing Education</td>
<td>1,514.7</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1,514.7</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
<td>Hepatitis C Comm. Health Outcomes</td>
<td>2,017.2</td>
<td>0.0</td>
<td>28.9</td>
<td>0.0</td>
<td>2,046.1</td>
<td>28.9</td>
<td>1.4%</td>
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<tr>
<td>Internal Medicine Residencies</td>
<td>980.4</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>980.4</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
<td>Native American Health Center</td>
<td>252.0</td>
<td>0.0</td>
<td>3.7</td>
<td>0.0</td>
<td>255.7</td>
<td>3.7</td>
<td>1.5%</td>
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<tr>
<td>Native American Suicide Prevention</td>
<td>91.4</td>
<td>0.0</td>
<td>1.4</td>
<td>0.0</td>
<td>192.8</td>
<td>101.4</td>
<td>110.9%</td>
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<td>Newborn Intensive Care</td>
<td>3,074.3</td>
<td>0.0</td>
<td>71.6</td>
<td>0.0</td>
<td>3,145.9</td>
<td>71.6</td>
<td>2.3%</td>
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<tr>
<td>Nursing Expansion</td>
<td>1,012.3</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1,012.3</td>
<td>0.0</td>
<td>0.0%</td>
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<tr>
<td>Pediatric Oncology</td>
<td>1,196.1</td>
<td>0.0</td>
<td>24.8</td>
<td>0.0</td>
<td>1,220.9</td>
<td>24.8</td>
<td>2.1%</td>
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<td>Poison Control Center</td>
<td>1,456.2</td>
<td>0.0</td>
<td>36.8</td>
<td>88.8</td>
<td>1,591.8</td>
<td>125.6</td>
<td>8.6%</td>
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<tr>
<td>Psychiatry Residencies</td>
<td>370.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>370.1</td>
<td>0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Health Sciences Total</td>
<td>88,231.2</td>
<td>500.0</td>
<td>2,145.0</td>
<td>663.8</td>
<td>91,540.0</td>
<td>3,558.8</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
## UNM HSC Academic Enterprise

Comparative Analysis: Prior Year - Current Year - Next Year
(In thousands)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 Actuals</th>
<th>FY 2018 Revised Budget</th>
<th>FY 2019 Projected Budget</th>
<th>Percent Change 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$655,212</td>
<td>$656,207</td>
<td>$666,045</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>648,563</td>
<td>638,824</td>
<td>655,764</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>Non-Recurring Items - (Capital/Recruitment/Startup/Cost Share)</strong></td>
<td>(8,111)</td>
<td>(16,106)</td>
<td>(10,231)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Margin</strong></td>
<td>($1,462)</td>
<td>$1,277</td>
<td>$50</td>
<td></td>
</tr>
</tbody>
</table>
UNM Health Sciences Center

UNM HEALTH SCIENCES CENTER
FY 2019 Expense Budget

Total Budget: $2,050,003,619
1.0% increase from 2018 Original
Revenue Scenario
UNM Health System
Reimbursement Considerations

- Overall reduction in reimbursement per unit of care

- Medicaid
  - Reduced contract rates
  - Reduced enrollment

- Commercial
  - Contract and enrollment reductions

- Increase in Uncompensated Care
  - Individual mandate elimination
  - Reduced Medicaid enrollment
UNM Hospitals (Incl. Cancer Center)

FY 2018 Revised Budget to FY 2019 Projected Budget - Revenue Changes

- UNMH volume increases - $20 million
- Case Mix Index - $7.1 million
- Medicare reductions to 340B drugs reimbursed under OPPS – ($7.2)
- Retail Pharmacy volume increase - $2.4 million
UNM Hospitals (Incl. Cancer Center)
FY 2019 – Financial Assumptions

• Compensation and Benefits – $11.5 million
• UNMH Housestaff - $531K
  • 1.0 Neurosurgery
  • 1.0 ENT Plastic Surgery
  • 1.0 Plastic Surgery
  • 1.0 Neurology
• FY19 contract negotiations regarding wages, estimated to be 1-2% below other institutions
• UCP and Other Medical Services – 1% increase at $916K
Sandoval Regional Medical Center
FY 2019 – Financial Assumptions

Revenues
• Reductions from Medicare and Medicare Advantage plans, effective 1/1/18, continue into FY19.
• Medicare OPPS 340B drug reduction.
• Negative revenue impact due to DaVita physicians relocation
• Add General Surgery program

Expenses
• 1% salary increase effective mid year
• Reduce FTEs to match service changes
• Expense related to Cardiology move and 5th floor beds open
• 2% Medical supply inflation
UNM Medical Group
FY 2019 – Financial Assumptions

• Revenue driven by 4.0% overall increase in wRVUs
• Minimal changes to reimbursement from FY18
• Movement of Cardiology clinic to SRMC
• Expansion of Spine Clinic to new space with increase in Functional Restoration program
### UNM Health System

#### FY 2019 Budget

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>UNM Hospitals</th>
<th>UNM Medical Group</th>
<th>UNM Sandoval Regional Medical Center</th>
<th>UNM Health System 6/30/2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$1,090,730</td>
<td>$209,872</td>
<td>$83,534</td>
<td>$1,384,137</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>1,090,727</td>
<td>209,758</td>
<td>83,523</td>
<td>1,384,009</td>
</tr>
<tr>
<td><strong>Net Margin before Non-Recurring Items</strong></td>
<td>$3</td>
<td>$114</td>
<td>$11</td>
<td>$128</td>
</tr>
<tr>
<td>Capital Initiatives/ Meaningful Use Revenue/ Health Insurance – OPEB/ Use of UNMMG Reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Margin</strong></td>
<td>$3</td>
<td>$114</td>
<td>$11</td>
<td>$128</td>
</tr>
</tbody>
</table>
Questions?
MEMORANDUM

TO: Members of the UNM Board of Regents

FROM: Eddie Nuñez, Athletic Director, UNM Athletics Department

DATE: March 20, 2018

SUBJECT: Athletics Department Financial Overview – FY18

There has never been a more important moment for the future of the University of New Mexico Athletics Department than now. The culture and economics of student athletics programs are being redefined across the country at every level and every institution, and we need to be prepared. It is proven that well-run collegiate sports programs enhance faculty, student, alumni, and community engagement and alignment, increasing the value of the university brand. Athletics programs drive enrollment and academic excellence while also driving revenue for other auxiliaries. Since I became athletics director five months ago, I have emphasized setting higher standards within our department in everything we do and in every challenge we face.

The UNM Athletics Department budget is a dynamic planning tool that hinges annually upon: A) self-generating revenues, corporate sponsorships and fundraising; and B) salaries, facility costs, travel, grant-in-aid, etc., on the expense side. There has consistently been pressure regarding balancing the budget within the athletics department and that again holds true for Fiscal Year 2018.

UNM currently sponsors 22 NCAA Division I varsity sports, including football, men’s and women’s basketball, cross country, soccer and skiing, to name a few. Our Lobo athletics program champions the efforts for UNM to attract truly exceptional young people to our university, many of whom are of diverse or under-represented backgrounds and who serve as role models for our student population.

The following narrative describes the FY18 Budget and what is projected through the remainder of the year given an array of pressures. It also provides a recommendation as well as cost mitigation strategies and revenue generation opportunities (both current and in the years ahead).

**FY18 Budget**

On the next page please find the FY18 budget:
<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY18 Original Budget</th>
<th>FY18 Revised Budget</th>
<th>FY18 Year End Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCAA/Mountain West Conference</td>
<td>5,200,000</td>
<td>5,200,000</td>
<td>4,638,299</td>
</tr>
<tr>
<td>Media Rights/Sponsorship</td>
<td>4,690,500</td>
<td>4,690,500</td>
<td>4,340,500</td>
</tr>
<tr>
<td>Men's Basketball Tickets</td>
<td>4,200,000</td>
<td>4,137,200</td>
<td>3,653,733</td>
</tr>
<tr>
<td>Football Tickets</td>
<td>1,900,000</td>
<td>1,539,800</td>
<td>1,539,833</td>
</tr>
<tr>
<td>Women's Basketball Tickets</td>
<td>330,000</td>
<td>330,000</td>
<td>398,630</td>
</tr>
<tr>
<td>Other Sports Tickets</td>
<td>115,000</td>
<td>115,000</td>
<td>115,000</td>
</tr>
<tr>
<td>Student Fees</td>
<td>4,000,000</td>
<td>3,883,402</td>
<td>3,883,402</td>
</tr>
<tr>
<td>Fundraising</td>
<td>3,100,000</td>
<td>3,072,800</td>
<td>2,500,000</td>
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<tr>
<td>State General Fund</td>
<td>2,617,300</td>
<td>2,617,300</td>
<td>2,617,300</td>
</tr>
<tr>
<td>Facility Rental/Merchandise/Misc/GIK</td>
<td>2,681,626</td>
<td>2,181,826</td>
<td>2,540,078</td>
</tr>
<tr>
<td>Game Guarantees/Hawaii Travel Subsidy</td>
<td>1,100,000</td>
<td>1,100,000</td>
<td>1,543,624</td>
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<tr>
<td>Concessions</td>
<td>900,000</td>
<td>900,000</td>
<td>994,000</td>
</tr>
<tr>
<td>Parking</td>
<td>625,000</td>
<td>625,000</td>
<td>520,000</td>
</tr>
<tr>
<td>Special Events</td>
<td>685,000</td>
<td>685,000</td>
<td>685,000</td>
</tr>
<tr>
<td>Licensing</td>
<td>525,000</td>
<td>525,000</td>
<td>525,000</td>
</tr>
<tr>
<td>Commissions</td>
<td>450,000</td>
<td>450,000</td>
<td>533,000</td>
</tr>
<tr>
<td>Transfers to/from Campus</td>
<td>(146,043)</td>
<td>1,074,033</td>
<td>1,744,495</td>
</tr>
<tr>
<td>Naming Rights</td>
<td>300,000</td>
<td>300,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Training Room Billing</td>
<td>200,000</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>33,626,861</strong></td>
<td><strong>32,971,894</strong></td>
<td></td>
</tr>
</tbody>
</table>

Reserves

| Deficit Reduction Plan                        | -                    | (350,000)           |                          |
| **Total**                                    | **33,473,383**       | **33,276,861**      | **32,971,894**           |

Expenses

| Personnel                                    | 14,178,956           | 14,178,956          | 14,531,524               |
| Supplies                                     | 1,393,857            | 1,437,182           | 1,875,330                |
| Travel                                       | 2,956,353            | 2,955,745           | 3,540,989                |
| Recruiting                                   | 679,823              | 686,823             | 812,777                  |
| Grant-in-Aid                                 | 5,024,660            | 5,024,660           | 5,800,000                |
| Food Service                                 | 253,577              | 253,577             | 574,892                  |
| Student Cost Other                           | 323,500              | 323,500             | 359,368                  |
| Medical                                      | 58,550               | 53,550              | 169,298                  |
| Services                                     | 3,818,801            | 3,806,361           | 4,436,738                |
| Plant Maintenance                            | 675,050              | 667,650             | 824,127                  |
| Overhead/Bank fees                           | 4,102,923            | 3,881,524           | 2,050,747                |
| Other                                        | 7,333                | 7,333               | 12,930                   |
| **Total**                                    | **33,473,383**       | **33,276,861**      | **34,988,718**           |

Net

| -                                           | -                    | -                    | **(2,016,825)**          |
**Rationale for Reducing Cumulative Deficit**

One of the most critical aspects of our conversation regards a proposal on how to address the cumulative deficit. The deficit has been accumulating since 2006 with numerous factors contributing to it. This includes expenses outpacing revenues, expenses being understated, revenues being overstated, a lack of consistent fiscal oversight within the department and university, and a lower level of institutional support compared to our peer institutions.

We continue to examine all our operations to identify both efficiencies and cost savings. Our approach to budgeting will put a much heavier emphasis on the management of departmental spending and budgetary accountability while accurately projecting revenues.

Per Regent Policy 7.20 and the HED Enhanced Fiscal Oversight Program, the University needs a structured plan to address the deficit.

**Proposal** – With direction from the University Administration, the proposal is to have the Board of Regents buy out a substantial portion of the athletics department deficit using specific funds available to them which to date have not been designated for other purposes. The table below depicts what the deficit would be at the end of Fiscal Year 2018 assuming the anticipated year end numbers in the previous table and use of funding available to the Board of Regents.

<table>
<thead>
<tr>
<th></th>
<th>FY18 Projected Athletics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P21</strong></td>
<td></td>
</tr>
<tr>
<td>Beginning Deficit</td>
<td>$4,713,999</td>
</tr>
<tr>
<td>Anticipated to add to Deficit FY18</td>
<td>$3,316,825</td>
</tr>
<tr>
<td></td>
<td>$7,517,762</td>
</tr>
<tr>
<td>Already Transferred FY18</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>Net Anticipated Deficit</td>
<td>$6,217,762</td>
</tr>
<tr>
<td>Use of Regents Funding</td>
<td>$5,600,000</td>
</tr>
<tr>
<td>Final Anticipated Deficit FY18</td>
<td>$1,130,824</td>
</tr>
</tbody>
</table>
**Cost Mitigation Strategies and Current Assessments**

As part of a multi-year plan to build financial stability, the University must create a realistic and attainable budget for FY 19. As athletics has modified its spending over the last year, another goal will be to continue to be prudent and efficient with spending in general.

Assuming an ending deficit of $1.1M, we propose a 10-year deficit reduction plan of $110,000 per year for nine years and $140,824 in the final year. This amount would need to be incorporated in the FY19 Budget.

As part of the assessment of our department and the directive by the Board of Regents, we are evaluating all our sports and conducting a Title IX Assessment and Review:

- The first focus will be to conduct a comprehensive evaluation of each sports program as well as the athletics department as a whole.
- The second emphasis will be on how to best support our student-athletes.

**Revenue Generation Opportunities**

It is clear that the athletics department must become more creative in exploring and defining sources of revenue. This includes:

- Multimedia Agreement: The current agreement expires in 2020. The new agreement can potentially provide additional revenue as well as reduce costs for the department by providing support staff positions and other resources.
- Ticketing Provider Agreement: Currently, the University operates the ticketing operations through 2019. The plan is to review other external ticket provider with customer service expertise and broader options. This can potentially provide additional revenue generation through increased ticket sales as well as increased support staff.
- Beverage Agreement: The current agreement expires in 2018. The new agreement may bring revenue generation opportunities as well as cost cutting measures through product purchases.
- Outside Events: We are currently examining the revenue generation opportunities associated with hosting additional contracted events at all the athletic venues, including the football stadium.
- Naming Opportunities: We are currently examining the potential for revenue generation associated with entering into naming rights agreements for our athletic venues.
- Endowment of Head Coaching Positions: We are currently examining opportunities for revenue generation associated with endowing certain head coach positions.
Fiscal Year 2019 Budget

Although a majority of the reconciliation work has been accomplished, the projected budget for Fiscal Year 2019 needs additional refinement. The athletics department will continue to work toward that end with a plan to present the FY19 budget at the Finance and Facilities Committee meeting.

Thank you for your consideration and we look forward to hearing your thoughts in an effort to balance competitive expectations with budget realities.
FY 19 Main Campus BLT Recommendation
Thursday March 22, 2018
UNM Budget Summit
Budget Leadership Team (BLT) work began in September 2017

Collaborative Effort
- Provost, Deans, Faculty, Students, Staff, and Administration

This proposal was adopted unanimously by the BLT
What is the value proposition of UNM for students and their families?

• Knowing the value of a student’s experience at UNM exceeds the cost of attending.

BLT’s Budget Proposal focuses on:

• Students’ needs and the academic mission as UNM’s top priorities; and
• Spending that drives improved student outcomes.
This value proposition and our decisions are reflected in this proposal:

- **Investment in our students:** their success, their safety, and the Lobo experience
- **Investment in our best faculty**
- **Investment in our staff**
- **Keep our costs in check and balance the budget**
Funding Priority Requests Overview

- Campus Safety Initiatives, 415,000
- Faculty Promotions, 532,000
- Faculty Retention, 281,000
- Graduate Teaching Fellows Program, 200,000
- UNM Press, 350,000
- Administrative Initiatives, 25,000
## FY19 Campus Safety Initiative (in thousands)

<table>
<thead>
<tr>
<th>Campus Safety Initiatives</th>
<th>Request (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNM Police Chief of Security</td>
<td>116</td>
</tr>
<tr>
<td>Security Cameras and Lighting (recurring FY 19-FY 24) ($350K funded from BR&amp;R, $500K total)</td>
<td>150</td>
</tr>
<tr>
<td>LoboRESPECT Advocacy Center (LRAC)</td>
<td>105</td>
</tr>
<tr>
<td>Therapist Assisted Online</td>
<td>44</td>
</tr>
</tbody>
</table>

**Total Requests**: 415
New Revenues for FY 19 help fund:

- **Investment in our students:** their success, their safety, and the Lobo experience ($1.763M)
- **Investment in our best faculty** ($2.126M)
- **Investment in our staff** ($1.110M)
- **Keep our costs in check and balance the budget** ($2.491M)

**1% Compensation increase:**
- Staff
- Faculty
- Student Employees & GAs/TAs

Funds Promotions and Retention

Keeps Group Health Insurance increase low

Replaces one-time funding
$1.763M Investment in our students:

- 1% comp increase GA/TA/Student: $217K
- Graduate Teaching Fellows Program: $200K
- Campus Safety Initiatives: $765K ($415K + $350K)
- Student Financial Aid: $443K
- GA/TA Tuition Waivers: $138K
Entire proposal driven by the Value Proposition:

For UNM students and their families, assuring that what they pay focuses on:

• Funding *their* needs
• Improving *their* outcomes
• Advancing the *overall academic mission*

UNM is the university that New Mexicans need.
## Budget Leadership Team (BLT) Budget Recommendation

### Main Campus

#### Budget Leadership Team (BLT) Budget Recommendation

**FY 19 Budget (In Thousands)**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Fiscal Year 2018 Original</th>
<th>Change Amount</th>
<th>Fiscal Year 2018 Re-Forecasted</th>
<th>% Change</th>
<th>Change Amount</th>
<th>Fiscal Year 2019 Original</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>175,326</td>
<td>0</td>
<td>175,326</td>
<td>0.0%</td>
<td>6,467</td>
<td>181,793</td>
<td>3.7%</td>
</tr>
<tr>
<td>Projected Tuition Revenue</td>
<td>135,155</td>
<td>-2,400</td>
<td>132,755</td>
<td>-1.8%</td>
<td>1,645</td>
<td>134,400</td>
<td>1.2%</td>
</tr>
<tr>
<td>Mandatory Student Fees</td>
<td>37,737</td>
<td>-1,400</td>
<td>36,337</td>
<td>-3.7%</td>
<td>-80</td>
<td>36,257</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Miscellaneous Revenues and Transfers</td>
<td>-10,630</td>
<td>1,250</td>
<td>-9,380</td>
<td>-11.8%</td>
<td>-693</td>
<td>-10,073</td>
<td>7.4%</td>
</tr>
<tr>
<td>One-Time Use of Reserve</td>
<td>0</td>
<td>881</td>
<td>881</td>
<td>N/A</td>
<td>-881</td>
<td>0</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Subtotal Revenues</strong></td>
<td>337,588</td>
<td>-1,669</td>
<td>335,919</td>
<td>-0.5%</td>
<td>6,458</td>
<td>342,377</td>
<td>1.9%</td>
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<tr>
<td><strong>Health Sciences Center Transfer</strong></td>
<td>-16,594</td>
<td>-164</td>
<td>-16,758</td>
<td>1.0%</td>
<td>-1,197</td>
<td>-17,955</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td>320,994</td>
<td>-1,833</td>
<td>319,161</td>
<td>-0.6%</td>
<td>5,261</td>
<td>324,423</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base-President/Administration</td>
<td>7,215</td>
<td>0</td>
<td>7,215</td>
<td>0.0%</td>
<td>-300</td>
<td>6,915</td>
<td>-4.2%</td>
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<tr>
<td>Base-Academic Affairs</td>
<td>164,409</td>
<td>0</td>
<td>164,409</td>
<td>0.0%</td>
<td>500</td>
<td>164,909</td>
<td>0.3%</td>
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<td>Base-EVP for Administration</td>
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<td>0</td>
<td>41,203</td>
<td>0.0%</td>
</tr>
<tr>
<td>Base-Must Funds (Fringes, Insurance, etc.)</td>
<td>53,246</td>
<td>-433</td>
<td>52,813</td>
<td>-0.8%</td>
<td>0</td>
<td>52,813</td>
<td>0.0%</td>
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<tr>
<td>Utilities</td>
<td>17,185</td>
<td>-433</td>
<td>17,185</td>
<td>0.0%</td>
<td>0</td>
<td>17,185</td>
<td>0.0%</td>
</tr>
<tr>
<td>Mandatory Student Fees</td>
<td>37,737</td>
<td>-1,400</td>
<td>36,337</td>
<td>-3.7%</td>
<td>-80</td>
<td>36,257</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>Total Use of Funds</strong></td>
<td>320,994</td>
<td>-1,833</td>
<td>319,161</td>
<td>-0.6%</td>
<td>5,261</td>
<td>324,423</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

### Balance

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2018 Original</th>
<th>Change Amount</th>
<th>Fiscal Year 2018 Re-Forecasted</th>
<th>% Change</th>
<th>Change Amount</th>
<th>Fiscal Year 2019 Original</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A 2% compensation increase from the legislature actually funds slightly less than a 1% increase across the board.

Due to reductions in funding, UNM has been unable to provide employees with an increase in compensation for the previous 3 years.

Therefore, BLT is recommending a centrally-funded 1% increase for non probationary employees with an additional 1%-2% based on exceptional performance (department-funded).

### FY19 Compensation Recommendation: 1% Salary Increase based on Performance

<table>
<thead>
<tr>
<th>Salaries Plus Fringe Benefits (Rounded to Thousands)</th>
<th>2% Increase</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>$2,626</td>
<td>$1,313</td>
</tr>
<tr>
<td>GA/TA</td>
<td>352</td>
<td>176</td>
</tr>
<tr>
<td>Staff</td>
<td>2,220</td>
<td>1,110</td>
</tr>
<tr>
<td>Student</td>
<td>82</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total Cost of Increase</strong></td>
<td><strong>$5,280</strong></td>
<td><strong>$2,640</strong></td>
</tr>
<tr>
<td>Funding from State</td>
<td><strong>$2,462</strong></td>
<td><strong>$2,462</strong></td>
</tr>
<tr>
<td><strong>Unfunded Amount</strong></td>
<td><strong>$2,818</strong></td>
<td><strong>$178</strong></td>
</tr>
</tbody>
</table>
2.5% Tuition Increase; +$7 UD & Grad Credit Hour Premium; and 2.39% Fee Increase

<table>
<thead>
<tr>
<th>Upper Division Credit Hours</th>
<th># of Students</th>
<th>Tuition, Fee &amp; Premium Increase</th>
<th>T, F &amp; P Increase %</th>
<th>Tuition &amp; Premium Increase</th>
<th>T &amp; P Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>7,412</td>
<td>$88.23</td>
<td>2.5%</td>
<td>$66.00</td>
<td>1.8%</td>
</tr>
<tr>
<td>1 - 6</td>
<td>4,594</td>
<td>$95.30 - $130.31</td>
<td>2.6% - 3.6%</td>
<td>$73.07 - $108.08</td>
<td>1.9% - 2.9%</td>
</tr>
<tr>
<td>7 - 12</td>
<td>4,055</td>
<td>$137.31 - $172.31</td>
<td>3.7% - 4.5%</td>
<td>$115.08 - $150.08</td>
<td>3.1% - 4.0%</td>
</tr>
<tr>
<td>13 - 18</td>
<td>2,457</td>
<td>$179.31 - $214.31</td>
<td>4.7% - 5.5%</td>
<td>$157.08 - $192.08</td>
<td>4.1% - 4.9%</td>
</tr>
<tr>
<td>Grad</td>
<td>Current Tuition, Fees &amp; Premium</td>
<td>2.5% Tuition &amp; 2.39% Fee Increase, +$7 Premium</td>
<td>Difference</td>
<td>% Change</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------</td>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>3 hours</td>
<td>$1,071.72</td>
<td>$1,117.94</td>
<td>$46.22</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>6 hours</td>
<td>$2,143.44</td>
<td>$2,235.88</td>
<td>$92.44</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>9 hours</td>
<td>$3,215.16</td>
<td>$3,353.81</td>
<td>$138.65</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>12 hours</td>
<td>$4,286.88</td>
<td>$4,471.75</td>
<td>$184.87</td>
<td>4.3%</td>
<td></td>
</tr>
</tbody>
</table>
### Additional Tuition & Premium Revenue

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5% Tuition Increase</td>
<td>$2,725,000</td>
</tr>
<tr>
<td>UD Premium +$7 ($25)</td>
<td>$1,457,512</td>
</tr>
<tr>
<td>Grad Premium +$7 ($25)</td>
<td>$250,565</td>
</tr>
<tr>
<td><strong>Total Annual</strong></td>
<td><strong>$4,433,077</strong></td>
</tr>
</tbody>
</table>

### $1.763M Direct Student Investments

- Campus Safety
- Financial Aid
- Tuition Waivers
- Graduate Teaching Fellows Program
- 1% Comp GA/TA/Student
• ASUNM Representatives
• GPSA Representatives
• Pamela Pyle- Faculty Senate President
• Danelle Callan- Staff Council President
Request Approval of the BLT Recommendation
Thank you!

Questions?
Main Campus I&G State Appropriation History
FY 09-FY 19 Overall Decrease of 6.3%

Main Campus I&G State Appropriation History
Rounded to Thousands

Great Recession
18% Decrease
Over 3 Years

Post Great Recession
Recovery and New Funding
Formula
20% Increase
Over 4 Years

Recent Economic
Downturn
5% Overall Decrease
since FY 16

Note: Appropriations shown include Extended University's Direct funding
FY16-FY18 4.8% Overall Decrease in I/G Allocations

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>change</th>
<th>change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE</td>
<td>1,224</td>
<td>1,207</td>
<td>1,204</td>
<td>-20</td>
<td>-1.67%</td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>1,644</td>
<td>1,643</td>
<td>1,552</td>
<td>-92</td>
<td>-5.58%</td>
<td></td>
</tr>
<tr>
<td>GA/TA</td>
<td>487</td>
<td>473</td>
<td>474</td>
<td>-13</td>
<td>-2.71%</td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>188</td>
<td>189</td>
<td>179</td>
<td>-9</td>
<td>-4.96%</td>
<td></td>
</tr>
<tr>
<td>Total Actual I&amp;G FTE</td>
<td>3,544</td>
<td>3,512</td>
<td>3,409</td>
<td>-135</td>
<td>-3.80%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>change</th>
<th>change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base-President/Administration</td>
<td>7,515</td>
<td>7,317</td>
<td>7,215</td>
<td>-300</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Base-Academic Affairs</td>
<td>174,975</td>
<td>171,716</td>
<td>164,409</td>
<td>-10,566</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Base-EVP for Administration</td>
<td>44,026</td>
<td>43,046</td>
<td>41,203</td>
<td>-2,823</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Base-Must Funds (Fringes, Insurance, etc.)</td>
<td>53,906</td>
<td>53,909</td>
<td>53,246</td>
<td>-661</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Base-Utilities</td>
<td>17,077</td>
<td>17,185</td>
<td>17,185</td>
<td>108</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Total I&amp;G Base Budget</strong></td>
<td>297,499</td>
<td>293,173</td>
<td>283,257</td>
<td>-14,242</td>
<td>-4.8%</td>
</tr>
</tbody>
</table>
FY19 Comp Increases – Cost vs Funding

- $2.46M State Funded for 0.94% Raise
- $2.64M Cost of 1% Raise
- $178,000 shortfall
- $5.28M Cost of 2% Raise

$2.8M shortfall
Distribution of Charges & Net Paid

Net Tuition Paid by Income Level Including Proposal

- No Needs Analysis
- Income ≥$100,000
- Income $30,000 - $99,999
- Income < $30,000

Tuition Charged

Net Tuition Paid

- $(500)
- $0
- $500
- $1,000
- $1,500
- $2,000
- $2,500

Numbers:
- 5,657
- 5,911
- 3,022
- 5,502
FY 18-19 SFRB Recommendations
Thursday March 22, 2018
UNM Budget Summit
• Applications opened in July 2017.
• Application workshops held August 3 and 17.
• Multiple site-visits.
• Hearings September 16, 17, and 23.
• Forums October 16 and 18.
• Deliberations October 21, 22, and 28.
1. Alaa Elmaoued, MS, MD - School of Medicine
2. Firas Ayoub, PhD - Electrical Engineering
3. Bryan Mackie Mason, PhD - Electrical Engineering
4. Noah Brooks - Economics
5. Sab Moore - Civil Engineering
6. Nieajua Gonzales - Criminology
7. Jenny Nim - Spanish
8. Anand Macherla - Economics
9. Mason Martinez - Political Science
• Every unit received an across-the-board decrease in funding except SHAC and KUNM.

• SHAC received same funding as in FY17-18.

• KUNM requested approximately $10,000 less than previous year.

• One-time funding for ENLACE, PNMGC, and Student Publications from reserves.

• ASUNM and GPSA agreed to approximately 1% increase in student fees.
FY19 Mandatory Student Fee Proposal

Proposed FY 19 Budget $36,327,970 – 2.39% Rate Increase:

• $36,256,220 Allocation to Units & Debt Service
  o Includes 1% Compensation increase to units
  o $500K restoration of Athletic funding

• $71,750 One-Time Funding
  o $41,750- ENLACE
  o $25,000- Student Publications
  o $5,000- Project of NM GS of Color
## THE UNIVERSITY OF NEW MEXICO
### MAIN CAMPUS
### FY 2018-19 STUDENT FEES - RECOMMENDATION

<table>
<thead>
<tr>
<th>Requestors of Student Fees</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>SFBD Recommendation</th>
<th>% Compensation</th>
<th>Funding Swap</th>
<th>FY18 Projected Revenue Adjust</th>
<th>ELT Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Activity Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American Student Svc AASS</td>
<td>85,961</td>
<td>(3,189)</td>
<td>82,772</td>
<td>1,993</td>
<td>84,755</td>
<td>0</td>
<td>(3,589)</td>
</tr>
<tr>
<td>American Indian Student Services</td>
<td>94,859</td>
<td>(3,519)</td>
<td>91,340</td>
<td>2,191</td>
<td>93,531</td>
<td>191</td>
<td>(3,960)</td>
</tr>
<tr>
<td>Athletics</td>
<td>4,000,000</td>
<td>(148,397)</td>
<td>3,851,603</td>
<td>(502,912)</td>
<td>3,348,691</td>
<td>0</td>
<td>500,000</td>
</tr>
<tr>
<td>Career Services</td>
<td>32,552</td>
<td>(1,208)</td>
<td>31,344</td>
<td>752</td>
<td>32,096</td>
<td>0</td>
<td>(1,359)</td>
</tr>
<tr>
<td>CASAA/COSAP</td>
<td>18,769</td>
<td>(696)</td>
<td>18,073</td>
<td>433</td>
<td>18,506</td>
<td>0</td>
<td>(784)</td>
</tr>
<tr>
<td>Center of Academic Support (CAPS)</td>
<td>349,681</td>
<td>(12,973)</td>
<td>336,708</td>
<td>8,077</td>
<td>344,785</td>
<td>0</td>
<td>(14,598)</td>
</tr>
<tr>
<td>College Assistant Migrant Program</td>
<td>34,674</td>
<td>(1,287)</td>
<td>33,387</td>
<td>801</td>
<td>34,189</td>
<td>0</td>
<td>(1,447)</td>
</tr>
<tr>
<td>College Enrichment Program</td>
<td>24,707</td>
<td>(919)</td>
<td>23,788</td>
<td>572</td>
<td>24,240</td>
<td>0</td>
<td>(1,034)</td>
</tr>
<tr>
<td>Community Learning &amp; Public Service</td>
<td>110,958</td>
<td>(4,116)</td>
<td>106,842</td>
<td>2,563</td>
<td>109,405</td>
<td>0</td>
<td>(4,632)</td>
</tr>
<tr>
<td>El Centro De La Raza</td>
<td>172,747</td>
<td>(6,408)</td>
<td>166,339</td>
<td>3,990</td>
<td>170,329</td>
<td>0</td>
<td>(7,211)</td>
</tr>
<tr>
<td>Global Education Office</td>
<td>48,658</td>
<td>(1,805)</td>
<td>46,853</td>
<td>1,124</td>
<td>47,976</td>
<td>0</td>
<td>(2,031)</td>
</tr>
<tr>
<td>Graduate Resource Center</td>
<td>89,163</td>
<td>(3,368)</td>
<td>85,855</td>
<td>2,060</td>
<td>87,915</td>
<td>0</td>
<td>(3,722)</td>
</tr>
<tr>
<td>IT Initiatives</td>
<td>1,882,323</td>
<td>(69,833)</td>
<td>1,812,490</td>
<td>43,480</td>
<td>1,855,970</td>
<td>6,591</td>
<td>(78,579)</td>
</tr>
<tr>
<td>KUNM</td>
<td>81,643</td>
<td>(2,287)</td>
<td>59,356</td>
<td>(8,115)</td>
<td>51,241</td>
<td>0</td>
<td>(2,573)</td>
</tr>
<tr>
<td>LGBTQ Resource Center</td>
<td>134,744</td>
<td>(4,999)</td>
<td>129,745</td>
<td>(511)</td>
<td>129,234</td>
<td>0</td>
<td>(5,625)</td>
</tr>
<tr>
<td>Music Bands</td>
<td>72,321</td>
<td>(2,683)</td>
<td>69,638</td>
<td>1,671</td>
<td>71,309</td>
<td>0</td>
<td>(3,019)</td>
</tr>
<tr>
<td>New Mexico Union (SUB)</td>
<td>2,337,013</td>
<td>(86,702)</td>
<td>2,250,311</td>
<td>53,984</td>
<td>2,304,295</td>
<td>0</td>
<td>(97,561)</td>
</tr>
<tr>
<td>Parking &amp; Transportation Services</td>
<td>40,535</td>
<td>(1,838)</td>
<td>47,697</td>
<td>1,145</td>
<td>48,842</td>
<td>0</td>
<td>(2,063)</td>
</tr>
<tr>
<td>Project for NM GS of Color</td>
<td>9,907</td>
<td>(368)</td>
<td>9,539</td>
<td>(9,539)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Recreational Services</strong></td>
<td>829,910</td>
<td>(30,789)</td>
<td>799,121</td>
<td>2,703</td>
<td>801,823</td>
<td>0</td>
<td>(34,645)</td>
</tr>
<tr>
<td>Student Activity Center</td>
<td>30,830</td>
<td>(1,144)</td>
<td>29,686</td>
<td>712</td>
<td>30,398</td>
<td>0</td>
<td>(1,287)</td>
</tr>
<tr>
<td>Student Govt. Accounting Office</td>
<td>197,949</td>
<td>(7,344)</td>
<td>190,605</td>
<td>4,573</td>
<td>195,178</td>
<td>0</td>
<td>(8,264)</td>
</tr>
<tr>
<td>Student Health and Counseling</td>
<td>4,635,043</td>
<td>(171,957)</td>
<td>4,463,086</td>
<td>171,957</td>
<td>4,635,043</td>
<td>44,813</td>
<td>(193,493)</td>
</tr>
<tr>
<td>Theatre and Dance</td>
<td>26,866</td>
<td>(997)</td>
<td>25,869</td>
<td>(15,869)</td>
<td>10,000</td>
<td>0</td>
<td>(1,122)</td>
</tr>
<tr>
<td>Univ Library Acquisitions</td>
<td>802,644</td>
<td>(20,770)</td>
<td>772,874</td>
<td>18,536</td>
<td>791,230</td>
<td>0</td>
<td>(500,000)</td>
</tr>
<tr>
<td>UNM Children’s Campus</td>
<td>375,240</td>
<td>(13,921)</td>
<td>361,319</td>
<td>8,068</td>
<td>359,987</td>
<td>2,677</td>
<td>(15,605)</td>
</tr>
<tr>
<td>UNM Public Events (Poypey)</td>
<td>153,465</td>
<td>(6,065)</td>
<td>157,400</td>
<td>(9,500)</td>
<td>147,900</td>
<td>0</td>
<td>(6,824)</td>
</tr>
<tr>
<td>Women’s Resource Center</td>
<td>106,094</td>
<td>(3,933)</td>
<td>102,161</td>
<td>473</td>
<td>102,544</td>
<td>0</td>
<td>(4,425)</td>
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<tr>
<td><strong>Subtotal - Student Activity Fees</strong></td>
<td>16,778,047</td>
<td>(622,455)</td>
<td>16,155,592</td>
<td>(213,989)</td>
<td>15,941,563</td>
<td>54,271</td>
<td>(700,000)</td>
</tr>
</tbody>
</table>
## THE UNIVERSITY OF NEW MEXICO
### MAIN CAMPUS
#### FY 2018-19 STUDENT FEES - RECOMMENDATION

<table>
<thead>
<tr>
<th>Requestors of Student Fees</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>FY 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Increase/</td>
<td>Revised</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Decrease</td>
<td>Budget</td>
</tr>
<tr>
<td>Graduate Allocation Fund (GAF)</td>
<td>46,760</td>
<td>(1,735)</td>
<td>45,025</td>
</tr>
<tr>
<td>GPSC Graduate Scholarship Fund</td>
<td>89,134</td>
<td>(3,307)</td>
<td>85,827</td>
</tr>
<tr>
<td>ASUNM - Accounting office</td>
<td>40,152</td>
<td>(1,490)</td>
<td>38,672</td>
</tr>
<tr>
<td>ASUNM</td>
<td>850,000</td>
<td>(31,534)</td>
<td>818,466</td>
</tr>
<tr>
<td>GPSC</td>
<td>300,950</td>
<td>(11,166)</td>
<td>289,784</td>
</tr>
<tr>
<td>Debt Service/Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service-ERP Project Fee</td>
<td>2,352,180</td>
<td>(87,262)</td>
<td>2,264,918</td>
</tr>
<tr>
<td>Debt Service-Facility Fee</td>
<td>17,279,317</td>
<td>(641,051)</td>
<td>16,638,266</td>
</tr>
<tr>
<td>Subtotal - GAF/Debt/ASUNM/GPSC</td>
<td>20,631,503</td>
<td>(777,545)</td>
<td>20,189,958</td>
</tr>
<tr>
<td>Total - Current Funds</td>
<td>37,736,550</td>
<td>(1,400,000)</td>
<td>36,336,550</td>
</tr>
<tr>
<td>SFRB - One Time Funding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Publications (new)</td>
<td>0</td>
<td>0</td>
<td>25,000</td>
</tr>
<tr>
<td>Project for NM GS of Color</td>
<td>0</td>
<td>0</td>
<td>5,000</td>
</tr>
<tr>
<td>Loborespect</td>
<td>40,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>ENLACE - Division of Equity and Inclusion</td>
<td>95,000</td>
<td>0</td>
<td>41,750</td>
</tr>
<tr>
<td>Libraries</td>
<td>15,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LGBTQ Resource Center</td>
<td>5,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SFRB Website</td>
<td>2,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Green Fund, Office Sustainability</td>
<td>17,788</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total - SFRD One Time Funding</td>
<td>174,788</td>
<td>0</td>
<td>71,750</td>
</tr>
<tr>
<td>Grand Total</td>
<td>37,911,338</td>
<td>(1,400,000)</td>
<td>36,336,550</td>
</tr>
</tbody>
</table>

The 1% number for FY19 is approximately $261,000

To keep the budget flat from FY18 to FY19 would require an 8.06% mandatory student fee increase. This considers the FY18 adjustments and the FY19 projected shortfall.

$563,556 Revenue increase in fees for SFRB Rec plus $55,114 for comp
2.39% Increase in fees including comp

<table>
<thead>
<tr>
<th>Undergraduate Resident</th>
<th>Graduate Resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>$62.00 Current per credit hour</td>
<td>$68.20 Current per credit hour</td>
</tr>
<tr>
<td>$1.48 Proposed $ increase per credit hour</td>
<td>$1.62 Proposed $ increase per credit hour</td>
</tr>
<tr>
<td>$63.48 Proposed per credit hour total</td>
<td>$69.82 Proposed per credit hour total</td>
</tr>
<tr>
<td>$17.76 Proposed $ increase 12 or hours per semester</td>
<td>$17.76 Proposed $ increase 15 or hours per semester</td>
</tr>
</tbody>
</table>