

Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
May 10, 2022
9:00 AM Open Session-Student Union Building (SUB), Ballroom C
8:00 AM Closed Session-Cherry Silver Room, 3rd Level SUB
Livestreamed for public viewing

Members Present

Douglas M. Brown, Chair
Kim Sanchez Rael, Vice Chair
Randy Ko
William H. Payne
Robert L. Schwartz
Jack L. Fortner (virtual)

Members Not Present

Sandra K. Begay, Secretary-Treasurer

Administration Present

Garnett S. Stokes, President; Douglas Ziedonis, EVP of UNM Health Sciences and CEO of the UNM Health System; James Holloway, Provost and EVP for Academic Affairs; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, General Counsel; Ava Lovell, Exec. Officer for Finance & Administration, HSC; Connie Beimer, VP Alumni Relations; Tim Gutierrez, Int. VP Student Affairs; Terry Babbitt, President's Chief of Staff; Norma Allen, University Controller; Eddie Nunez, AD; Dan Garcia, VP Enrollment Management; Nathan Bush, Int. Chief Government Relations Officer; Kevin Stevenson, Asst. VP HR; Kate Becker, CEO UNM Hospitals; deans and others

Advisors Present

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

Presenters

Mitzi Montoya, Dean, Anderson School of management; Aimee Smidt, Chair, Department of Dermatology; Jeremy Hamlin, Director, Office of Planning, Budget & Analysis; Bruce Cherrin, Chief Procurement Officer

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Chairman Doug Brown called the meeting to order at 8:02 AM in the Cherry Silver Room on 3rd level of the SUB and confirmed a quorum of 5 members present, in person. Regent Jack Fortner joined the meeting via Zoom at 8:04 AM, making for a total of 6 members present. Regent Sandra Begay was not able to attend the meeting.

VOTE TO ADOPT THE AGENDA

- **The motion to adopt the agenda passed unanimously (1st Schwartz; 2nd Payne).**

VOTE TO CLOSE THE MEETING A PROCEED IN EXECUTIVE SESSION

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

The meeting closed at 8:03 AM. The doors to the Cherry Silver Room were closed. Regent Fortner joined the meeting, virtually, at 8:04 AM. The Executive Session agenda:

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

2. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1H(5), NMSA (1978)
3. Discussion of personally identifiable information about a student, as permitted by Section 10-15-1.H(4), NMSA (1978), as amended
4. Discussion and determination where appropriate of potential 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 Payne; roll call vote – all members voted yes)

The meeting re-opened at 9:03 AM. The doors to the Cherry Silver Room were opened.

- o *The Regents proceeded to SUB Ballroom C for continuation of the meeting in Open Session [9:16 AM]*

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

Regent Brown certified the closed session and announced that there were two items upon which the Board would take action in open session:

- **The motion to deny the appeal dated March 16, 2022 requesting Regents' discretionary review, passed with a vote of 3-2 (1st Payne; 2nd Schwartz; Regents, Brown, Begay, Payne voted yes; Regents Rael and Ko voted no) [Regent Fortner was not connected via Zoom.]**
- **The motion to deny the appeal dated March 30, 2022 requesting Regents' discretionary review passed with a vote of 5-0 (1st Rael; 2nd Schwartz) [Regent Fortner was not connected via Zoom.]**

LAND ACKNOWLEDGEMENT STATEMENT

Regent Brown read aloud UNM's Land Acknowledgement Statement:

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

APPROVAL OF MINUTES: MARCH 22, 2022 REGULAR MEETING

- **The motion to approve the minutes of the March 22, 2022 regular meeting passed with a vote of 4-0-1 (1st Payne; 2nd Ko; Regents Begay, Brown, Ko, and Payne voted yes; Regent Rael abstained) [Regent Fortner was not connected via Zoom]**

Regent Rael explained that she abstained because she could not attend the March 22 meeting.

REGENTS' RECOGNITIONS AND ACKNOWLEDGEMENTS

The Regents thanked long-time UNM supporters, Jim and Ellen King, for their continued commitment and support to the University and recognized their recent financial support in the creation of the Jim and Ellen King Endowed Professorship in Dermatology. Dr. Aimee Smidt introduced Jim and Ellen King who joined the meeting virtually. Dr. Smidt talked about the King's expressed interest in supporting UNM's Dermatology program. The first gift they made was in 2016, and the endowed Professorship continues their generosity and interest in developing a pipeline for Dermatology education, clinical care and research as pertains to melanoma, a

potentially fatal disease which disproportionately affects younger patients, and in which prognosis/mortality is directly linked to early detection and intervention. The Regents and UNM leadership expressed gratitude to the King's for their generosity and longstanding support of the University and to the Dermatology program.

APPROVAL OF: THE CREATION OF THE JIM AND ELLEN KING ENDOWED PROFESSORSHIP IN DERMATOLOGY, AND THE APPOINTMENT OF DR. JOHN DURKIN, MD, MBA AS THE INAUGURAL HOLDER OF THE PROFESSORSHIP

- **The motion to approve the creation of the, Jim and Ellen King Endowed Professorship in Dermatology passed unanimously with 5 regents voting (1st Schwartz; 2nd Ko). [Regent Fortner was not connected via Zoom.]**
- *Regent Fortner joined the meeting via Zoom at 9:26 AM.*

Dr. Smidt introduced Dr. John Durkin, MD, MBA, who came to UNM in 2018 and is currently a tenure track Assistant Professor in the Department of Dermatology in the School of Medicine. Dr. Durkin is also a member of the Comprehensive Cancer Center team and his clinical interest and research includes cutaneous oncology, healthcare disparities, and melanoma. He is an expert in confocal microscopy and is deeply involved in community outreach in New Mexico. Dr. Durkin started a statewide volunteer free skin cancer screening and educational program in December 2018 with focus on communities without access to dermatologic care.

- **The motion to approve the appointment of Dr. John Durkin as the inaugural holder of the Jim and Ellen King Endowed Professorship passed unanimously with 6 regents voting (1st Rael; 2nd Payne).**

[The above items were approved in Regents' Committees: SSTAR Committee March 3, 2022 meeting and HSC Committee February 8, 2022 meeting]

PUBLIC COMMENT

Mark Bailon, President, UNM Esports Club, and Bernardo Gallegos, Esports Club Advisor, introduced the Regents to the organization and highlighted its accomplishments over the past 3 years along with its educational initiatives with APS and APS esports. was also present.

Elle Herman, graduate student, spoke in support of graduate workers' union efforts.

Katie Despeaux, graduate student, spoke in support of the graduate workers' union efforts and the issue of UNM not wanting to include non-discrimination language in the Graduate Workers Union first contract.

Alisha Berry, MD, Resident affiliated with CIR/SEIU, advocated for improved pay and working conditions for all UNM residents.

Alexander Wood, MD, Resident affiliated with CIR/SEIU, advocated for improved pay and working conditions for all UNM residents.

Christopher Root, MD Resident affiliated with CIR/SEIU, advocated for improved pay and working conditions for all UNM residents.

Emma Mincks, graduate student, spoke in support of rights on campus, Chicana/o Studies, and students.

Frank Baca, retired attorney and UNM Alum, voiced concerns about the Chicana/Chicano Studies 'casita' facility and other Latino serving programs at UNM.

Luis Esparza, adjunct faculty and graduate teaching assistant, talked about the importance of the building called, La Casita, and voiced concerns about rumors to demolish it; spoke in support of Latinx programming at UNM; questioned whether UNM is truly an Hispanic-Serving Institution.

Shalom Soliz, student, spoke in support of Chicana/Chicano Studies and about the importance of La Casita and the feeling of community that the building fosters.

Froilan Orozco, graduate student, spoke in support of Chicana/Chicano Studies and Latina/o services.

Howard Griego, graduate student, spoke in support of the Chicana/Chicano Studies program and talked about its uniqueness, its master's Program being the only one in the country; he requested that the special building, La Casita, not be demolished.

Natalia Toscano, graduate student, spoke in support of Chicana/Chicano Studies and the rising need for support of Latina/o/x programs at UNM, and requested that La Casita not be demolished.

Gustavo Garcia, graduate student, spoke in support of and the graduate worker union efforts and Chicana/Chicano Studies facilities and Latinx programs, and said he was not in support of demolishing La Casita.

Emeterio Rudolfo, attorney, spoke in support of the Chicana/Chicano Studies program.

Rios Fernandez, student, said he opposed the proposed demolition of the CCS Casita; spoke in support for Latinx programs and Hispanic students and faculty.

Theodros Woldeyohannes, graduate student, talked about how robust anti-discriminatory practices are critical to the well-being of graduate workers of UNM.

Lukas Denk, graduate student, spoke in support of the graduate workers union efforts and said the resistance to putting an anti-discrimination clause in the union contract was concerning; he also said that graduate workers are not the only ones who experience discrimination on campus.

Josue Aciego, graduate student, spoke on the issue of racism and discrimination on campus.

Chairman Brown asked Provost Holloway to comment on the Chicana/Chicano Program's La Casita building issue. Provost Holloway responded that a feasibility study was done on the building to determine the extent of renovations that would be necessary to address ADA compliance which is in line with the University's commitment to improve accessibility elements across campus. The feasibility study looked at both existing as well as alternative space options. One alternative space option that came out of the study was Mesa Vista Hall, and Provost Holloway emphasized that it was not a basement space as some students had mentioned, but a first-floor space. The Provost reiterated that a study had been done, but no decisions had been made.

- *Chairman Brown called for a 10-minute break [11:16 AM]*

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes opened her report to the Board addressing the full re-opening of campus. Dr. Stokes reviewed the prior six months noting the University's stepwise re-opening of various parts of the University after Governor Lujan-Grisham's formal lifting of the state mask mandate in February. Dr. Stokes addressed with enthusiasm the Opportunity Scholarship Awards, adding that even though final rules for the program will not be promulgated until July 1, UNM has already distributed an estimated 7000 awards and is looking to do thousands more as prospective student eligibilities are verified. About 30% of the awards are between \$1-1.5K, for part-time course loads or for students who have other scholarships, like Lottery. Nearly 35% of the awards are larger, at \$5-5.5K, supporting students who do not likely have much additional scholarship support. President Stokes reported on the recent launch of UNM 2040, UNM's multi-year roadmap to UNM's future. During the launch, each of the five goals was presented by the respective "goal champions". President Stokes thanked those who served on the executive and steering committees and who devoted many months to discovery, discussion, and thoughtful contemplation of the future envisioned for UNM. Dr. Stokes expressed gratitude to all members of the Lobo community who participated in the process of developing the 2040 framework; "I want our communities to know that your voices and ideas, as well as your advocacy and passion for the mission, vision, and values of UNM are reflected in this living roadmap, which will guide our work together over the next two decades".

President Stokes provided an update on the new Hospital Tower project which is almost halfway through the construction phase and over halfway through the entire project. The new parking garage is scheduled to open in the summer; with the "first patient" at the new hospital on track for Fall 2024. Dr. Stokes reported on the launch of the Integrated Campus Plan which will replace the outdated 2009 University Master Plan and will provide guidance on how to enhance the character of each campus, addressing safety, access, mobility, and sustainability. The timeline for the integrated plan will take 12 to 16 months and will focus on facilities, grounds, and physical assets. The process will involve an RFP for an Architecture and Planning firm along with solicitation of stakeholder input.

The President highlighted recent UNM success stories, including the College of Education and Human Sciences expansion of its teacher residency partnership program for the 2022-2023 academic year; recent student successes (Truman Scholarship Winner; Goldwater Scholar; Fulbright Scholars [5]; a Brooke Owens Fellowship; and a Lobo Olympian competing as a cross-country skier for the Australian Olympic team); award-winning faculty and staff; and the University's national rankings. Among UNM's national rankings are, the UNM School of Laws ranking by prelaw magazine as #1 on "Best School of Native Americans" and #2 on "Best School for Hispanics". Additionally, a number of UNM's graduate programs rank in the Top 20: Photography (#8); Nursing-Midwifery (#11); Nuclear Engineering (#14); Medical School Primary Care (#16), and online Nursing Administration and Nursing Education (#20). UNM ranks #8 as "Military Friendly" among R1 Institutions. UNM has also received designation as a "First-Generation Forward Institution", and UNM's College of Pharmacy ranks #4 in the nation on NIH funding of \$15.5 million, up from a previous ranking of #12.

President Stokes highlighted recent alumni accolades, including the Turing Award for alum Jack Dongarra for his groundbreaking work in high-performance computing and AI. UNM alumna, Cynthia Chavez Lamar, was named director of the Smithsonian's National Museum of the American Indian. Colonel Jim R. Keene, who graduated from UNM in 1988 with a degree in piano performance, won a Grammy for Best Immersive Audio Album for the recording Soundtrack of the *American Soldier*, on which he conducted The United States Army Field Band. Raven Chacon recently won the Pulitzer Prize for Music for his composition "Voiceless Mass", becoming not only the first Lobo to win a Pulitzer, but also the first Native composer.

President Stokes updated the Regents on UNM leadership changes. Dr. Eric Scott has been named UNM's new Vice President for Student Affairs and will be starting August 1. There are ongoing searches for the branch campus chancellors for UNM-Valencia and UNM-Los Alamos and for the Dean of the School of Medicine.

The Regents thanked President Stokes for her report.

APPROVAL OF THE RESOLUTION CONCERNING DISSOLUTION OF THE ANDERSON SCHOOL OF MANAGEMENT (ASM) FOUNDATION

Mitzo Montoya and Provost James Holloway presented the item. The resolution was included in the eBook. The primary reason for this change was to eliminate the functional redundancy in portfolio management services between the UNM Foundation and ASMF, thereby reducing direct costs by at least \$150K per year. The UNM Foundation provides professional portfolio management services for all of UNM, including the ASM. The UNM Foundation will integrate management of Anderson's funds that ASMF was managing into existing endowment and quasi-endowment accounts managed by the UNM Foundation on behalf of Anderson. This realignment of funds will allow for more efficient integrated, all-funds management by Anderson and provide much greater agility to respond to opportunities to advance Anderson. The Regents and UNM leadership thanked the ASM Foundation board members for their longstanding support to UNM. **[Attachment A]**

- **The motion to approve the resolution concerning dissolution of the ASM Foundation passed unanimously with 5 regents voting (1st Payne; 2nd Rael). [Regent Fortner was not connected via Zoom.]**

REGENTS' COMMITTEE REPORTS

APPROVAL OF CONSENT DOCKET

Regent Schwartz inquired if anyone the meeting wanted to speak about the Lobo Welcome Center item. Teresa Costantinidis noted that Lisa Marbury was present and could present the item separately, if requested. There being no comments to raise concerns about the item and no other requests to remove any item from the docket for discussion, Chairman Brown asked for a motion to approve the items listed on the docket.

1. [SSTAR]* Form D: Advanced Graduate Certificate in Counseling (New)

2. [SSTAR] Form C: Certificate in Barbering, UNM-Gallup (New)
3. [SSTAR] Form C: Minor in Maternal Child Health, HSC (New)
4. [SSTAR] Deletion of Graduate Cert. in Law, Environment & Geography
5. [F&F]* NM HED Required 3Q Financial Actions Report and Certification through March 31, 2022
6. [F&F] Athletics' 3Q Enhanced Fiscal Oversight Program Report and Certification through March 31, 2022 (and 3Q information on Athletics' report by sport through 3/31/22)
7. [F&F] Project Approvals:
 - Institutional Support Services:
 - o Demolition of Building #178
 - o Demolition of Building #125
 - o Northrop (NTHP) Research Lab Renovation
 - o Center for the Arts Renovate Basement Restrooms Re-Approval
 - o Student Residence Center Stairs Repair & Mod. Phase 3
 - o Castetter Cage Wash Facility Upgrade
 - o Lobo Welcome Center
 - o ROTC Center Renovation Re-Approval
 - Athletics:
 - o Video Display Graphic Control Equipment at The Pit
 - o Football Practice Field Renovation
 - o Track Resurfacing at UNM Track/Soccer Stadium
 - o Field Lighting Replacement at University Stadium
 - Information Technology Services:
 - o Learning Environments Technology Infrastructure and Network Upgrades
 - o Campus Fiber Renewal
 - o Edge Switch Equipment Refresh
8. [A&C]* Renewal of the Annual Financial Statement Audit Contract
9. [HSCC]* UNMH Board of Trustees Member Re-Appointment:
 - o Adelmo "Del" Archuleta
 - o Tamra Mason
10. [HSCC] Capital Project: "Enhance HSC Clinical Care Simulation Capabilities"
11. [HSCC] Approval of Leases:
 - o Lease of 1011 Las Lomas for the UNMHSC TREE Center
 - o Lease of 205 Nizhoni Blvd. Ste.B, Gallup, NM for UNMH Clinic

** [SSTAR] Student Success, Teaching and Research Committee; [F&F] Finance & Facilities Committee; [HSCC] Health Sciences Center Committee; [A&C] Audit & Compliance Committee*

- **The motion to approve the items on the consent docket passed unanimously with 5 regents voting (1st Payne; 2nd Rael). [Regent Fortner was not connected via Zoom.]**

REGENTS' GOVERNANCE COMMITTEE

Revisions to Regents' Policy 1.5, "Appeals to the Board of Regents" (action item)

Regent Rob Schwartz introduced the item. The Regents' policy about submitting appeals to the Regents has been under review in the first, Ad Hoc Governance Committee, and now standing committee on Governance, for about 2 years. The committee solicited and received input on policy revision proposals from Faculty, Staff and Students. Regent Schwartz outlined some of the changes from the existing policy, including now requiring that all appeals to the Board of Regents first go to the University President; that only final decisions in any appeals process can be appealed to the Board; a reduced the time deadline to appeal from 30 to 10 days from the date the decision being appealed was rendered; and the policy explicitly outlines options for how an appeal, if accepted, may be heard either by the full Board, a committee, or a designee of the Regents. **[Attachment A]**

- **The motion to approve the revisions to Regents' Policy 1.5 passed unanimously with 5 regents voting (1st Payne; 2nd Rael). [Regent Fortner was not connected via Zoom.]**

REGENTS' STUDENT SUCCESS, TEACHING AND RESEARCH COMMITTEE

Approval of the Spring 2022 Degree Candidates – All Degrees

Finnie Coleman presented the item. A total of 3,754 degrees were slated to be awarded to the Spring degree candidates; the list of candidates approved by Faculty Senate and SSTAR Committee represented the comprehensive, all-U list of degree candidates.

Regent Rael motioned approval and congratulated the students and thanked the faculty and staff who have supported those students on their journey at UNM.

- **The motion to approve the Spring 2022 degree candidates passed unanimously (1st Rael; 2nd Schwartz). [Regent Fortner was not connected via Zoom.]**

REGENTS' FINANCE AND FACILITIES COMMITTEE

ASM Student-Run Portfolio and Investment Policy Statement (information only)

This information-only item was not presented; supporting documentation was provided in the eBook.

3Q Consolidated Financial Report through March 31, 2022 (information only)

This information-only item was not presented; supporting documentation was provided in the eBook.

Approval of Budget Items for Central and Branch Campuses - Approval of the FY22 Budget Adjustment Request (BAR):

Jeremy Hamlin presented the item and referred to slides that were provided in the eBook. Norma Allen and others were available to answer questions. The original FY22 budget was submitted to HED last year by May 1, 2021, and all year, budget to actual numbers are monitored. The University is required to submit a revised budget to HED by May 1, 2022, and the HED does allow a post May 1 Board approval. Unrestricted funds saw a 2.5% increase over budget, restricted funds had a 23.4% increase, and plant funds saw a 2.6% decrease, resulting in a 5.9% bottom line increase in total budget (\$912.7 million vs. \$861.7 million budgeted). Mr. Hamlin highlighted the significant changes with details outlined in the slides. Branch Campus changes included, Gallup (4.2% increase); Los Alamos (\$3.4% increase); Taos (1.8% increase); and Valencia (4.5% decrease), and details outlined in the slides presented. **[ATTACHMENT B]**

- **The motion to approve the FY22 BAR for Main and Branch Campuses passed unanimously with 5 regents voting (1st Payne; 2nd Schwartz). [Regent Fortner was not connected via Zoom.]**

Approval of Budget Items for Central and Branch Campuses - Approval of the FY23 Operating Budget

Jeremy Hamlin presented the item and referred to slides provided in the eBook. Norma Allen and others were available to answer questions. The total consolidated FY23 budget is \$3.73 billion, a 9.3% increase over last year's budget. The total UNM budget is comprised of the UNM Health System (50%), Health Sciences Academic Units (24%), Main & Branch Campuses (22%), and Plant Funds (4%). The Main Campus budget of \$898 million is a 4% increase over the 2021-22 budget, the largest sources being, state appropriations-operating at 27%, grants and contracts at 21%, tuition and fees at 21%, and sales and services/other at 17%. The bottom line increase is primarily attributed to the 15% increase in State Appropriations for compensation increases and a 2% increase in the employer contribution to ERB, both passed in the Legislative Session, as well as the tuition and fee increase approved at the March Board meeting. On the expenditure side, Instruction and General (I&G) comprises almost 41% of Main Campus Budget, with Student Aid and Plant Funds comprising 16% and 14%, respectively. The Main Campus budget is broken out into 3 large pieces: 66% unrestricted, 20% restricted, and 14% for Capital expenditures. The unrestricted piece of \$592 million is 61% I&G, 12% student aid, 8% auxiliary services, with the rest going to athletics, research, internal services, public service, and student social and cultural expenses. Branch Campus budgets total \$53 million, which is a 2% increase over this year's budget, also attributed primarily to increased compensation and the ERB employer contribution.

The Gallup branch has the largest budget at \$17.5 million, followed by Valencia at \$15.6 million, Taos at \$12.5 million, and Los Alamos at \$7.4 million. Sixty-three percent of the total Branch Campus budget is funded through state and local appropriations, while 20% is funded by grants and contracts, and 11% by tuition and fees. **[ATTACHMENT C]**

Further budget details were made available in the consolidated 2022-2023 operating and capital budget plans book, https://budgetoffice.unm.edu/assets/documents/budget/fy23_opcapbook.pdf

The floor was opened for questions and discussion.

Student Regent Ko inquired about the use of balance of \$62 million for the Main Campus source of funds, if that referred to use of reserves, and if so he asked for clarification on where the reserves originate. SVP Costantinidis explained that the reserves are categorized annually into 3 categories: dedicated, committed, and discretionary. A report on those categories and balances is provided to the Regents every October. The use of reserves in the budget is related to funding of items that utilize dedicated and committed reserves, and these can sometimes be noted as carry-overs, depending on expenditure timelines.

Regent Rael inquired about Main Campus Plant Fund expenditures and a note on the Plant Fund slide indicating the Hospital Tower Project reserve was included. Mr. Hamlin responded that the Plant Funds reflect all campus, not just Main Campus, clarifying this is the way it is reported to the HED.

Regent Schwartz requested clarification on what qualifies as committed reserves. Ms. Allen explained that the committed category is for legally obligated funds, while dedicated reserves would be those funds that units have identified for a particular use and have a written plan for, but are not legally binding. Regent Schwartz inquired what types of items fall under the \$152 million of sales and services/other reported as sources of funds. Mr. Hamlin explained that sales and services would include auxiliaries like parking and the bookstore which generate funds. Regent Schwartz inquired about student aid in the expenditure category, adding that it is probably paid to the University. He requested the percentage of student aid that is paid back to the University. Dan Garcia responded that it would depend on the makeup of the aid, whether it would go toward housing and other living expenses or toward tuition and fees.

Regent Ko inquired about the negative net margin of \$62 million reported in the budget. SVP Costantinidis responded that the reserves of \$62 million will cover the deficit. She clarified that the bulk of the use is for one-time activities as it should be, because utilizing reserves for recurring expenditures is not sustainable.

Regent Rael inquired what the process would be for funding initiatives that could come out of for example task force recommendations to meet immediate needs. Provost Holloway responded that if long-term recurring needs are identified, those can be addressed in next year's budget cycle and worked into the budget so to be funded by recurring revenue sources. If there are short-term immediate needs that require one-time expenditures, then reserve balances can be tapped to cover the costs. There was discussion about whether the University could fund immediate needs that were not in the budget. Provost clarified that one-time funding can be managed if necessary.

Regent Schwartz asked if the budget can be changed in the middle of the year, recognizing that any BAR would have to be approved before the end of the year. Ms. Allen confirmed that a BAR can be performed anytime during the year and what would normally be done is a temporary budget to work with moving forward, then the administration would seek formal approval for a BAR later in the year.

Regent Ko asked for more clarification on reserve balances, specifically uncommitted reserves. SVP Costantinidis said the uncommitted reserves balance is a relatively small number but those would be looked to for funding on a one-time basis a critical need. She noted that those funds are decentralized.

Regent Brown asked if it was time to address the question - he asked for a motion to approve the 2022-2023 operating budget for Main and Branch Campuses. Regent Payne motioned approval; Regent Brown seconded the motion and then asked for comments from Regents since it was evident there was hesitancy from other Regents to second the motion.

Regent Schwartz thanked administration for the large amount of work that had gone into preparing the budget; however, he said that he felt his involvement as a Regent in preparing the budget had been minimal. He expressed concern about some issues, including the availability of mental health care, and questioned the amount of funds budgeted for those needs, stating that this made it hard for him to be supportive of the budget, even though 99% of it was probably fine. Regent Schwartz clarified that he wasn't necessarily going to vote against the budget, but explained that he hoped the Regents could be involved on at least a higher, value-level in a way that would allow Regents to offer more serious input than what they currently do in preparation of the budget. Regent Schwartz clarified his comments weren't meant to be a criticism of the administration.

Regent Ko asked SVP Costantinidis to address concerns if any about the \$62 million negative net margin. SVP Costantinidis clarified that the overall net margin was not particularly worrisome as each of the units responsible for their budgets had outlined their respective budgets in detail and communicated to their leadership how their funds would be allocated. All of the unit budgets roll up to produce the consolidated budget. As a percent of total budget, the number was not of too much concern, but it is something to monitor.

In response to Regent Schwartz' concerns, SVP Costantinidis explained that a pivotal point in the budget timeline and where Regents' input was critical was at the March meeting, and prior to it, when administration outlined the list of budget priorities and proposed to the Regents the tuition, fee and compensation recommendations in order to meet those priorities. SVP Costantinidis explained that those are budget inputs that have a large influence on the final budget, but the administration does want to listen to Regents throughout the year. Things like I&G and student aid levels are determined during late fall to March.

Regent Brown inquired what the consequences would be if the Regents did not pass the budget. Norma Allen stated that University operations would need to stop on July 1, as UNM would not be able to spend any funds.

Regent Rael echoed Regent Schwartz' comments and said the Governance Committee intends to address the budget process on a conceptual level, adding that she looked forward to the Regents having a more proactive voice in the budget process going forward which would start in August so that when March comes around there is more proactive alignment in the priorities. Regent Rael stated that she was not going to vote against the budget; however, in the budget process the areas of productivity and accountability by unit had not been addressed, or what that would look like going forward to ensure the strength and viability of the institution in the decades ahead. Regent Rael spoke in favor of Regents debating and discerning a budget process that addresses Regents' concerns going forward.

Regent Payne expressed agreement with the concerns and comments made and explained that 99% of the budget is fixed costs, so at this point, there is not a whole lot of policy reflected in the budget, per se; however, with declining enrollments, UNM's large capital infrastructure, payroll burden, and decline in federal funding, there will come a time when the Regents will be asked to take on hard policy discussions and make decisions to keep the institution moving forward. Regent Payne said he was comfortable with the budget, recognizing that most of the line-items in it will be there to stay until those hard decisions have to be made in order to ensure the sustainability of the University for future years.

Regent Ko assured the administration that he was supportive of their work and looked forward to future conversations. He requested that the 'use of balances' line item presented in the budget be labeled differently or communicated more effectively so to better indicate what those expenditures actually refer to.

- **The motion to approve the FY23 operating budget for Main and Branch Campuses passed unanimously with 5 regents voting (1st Payne; 2nd Brown). [Regent Fortner was not connected via Zoom.]**

Approval of the Capital Outlay Request Package for 2022-2023, Projects which must be submitted to the Higher Education Department (HED)

Provost Holloway and Teresa Costantinidis presented the item and referred to slides that were included in the eBook. These projects are submitted to the HED for consideration in the state's next budget cycle and include Health Sciences Center projects as well. Provost Holloway went through the details. The Fiscal Year 2022-2023 request totals \$45 million, and is made up of \$26 million for UNM Albuquerque Campus; \$13 million for HSC; and \$6 million for the Branch Campuses. Many of the projects touch on ADA compliance and essential campus infrastructure. One notable difference from prior years' packages is that all projects have some level of matching funds which strengthen the case for a project. **[ATTACHMENT D]**

- **The motion to approve the capital outlay request package for 2022-2023 passed unanimously with 5 regents voting (1st Rael; 2nd Payne). [Regent Fortner was not connected via Zoom.]**

Approval of the Five-Year Capital Plans, detailing projects which will construct and/or significantly improve and renew numerous facilities on UNM Campuses

Provost Holloway addressed the 5-Year Capital Project Funding table that was included in the eBook. These are projects that UNM puts forward prioritized for the next few years. Modifications may be made in subsequent years as new information comes available. Requests for projects come in through various mechanisms and are reviewed by the Capital Projects Leadership Team.

Regent Rael thanked SVP Costantinidis for her work on the longer-term facilities planning project.

- **The motion to approve the 5-Year Capital Plans passed unanimously with 5 regents voting (1st Payne; 2nd Rael). [Regent Fortner was not connected via Zoom.]**

REGENTS' HEALTH SCIENCES CENTER COMMITTEE

Approval of the HSC FY22 Budget Adjustment Request (BAR):

Ava Lovell presented the item and referred to slides that were included in the eBook. Ms. Lovell clarified that the BAR is required for the academic enterprise and the hospital, but not for the two research park corporations, SRMC and the UNM Medical Group. The purpose of doing a BAR is to ensure actual expenditures will not exceed budget authority. Overall, unrestricted revenue and transfers saw a \$54 million increase, or 7.4% of total \$720 million unrestricted revenues, and this change was driven primarily by two things, 1) the pandemic and the CARES federal relief funding that went into the Medical Group and was transferred to the School of Medicine (SOM), and 2) closing out the large national nursing home project, AHRQ, with completion of the ECHO grant. Ms. Lovell explained that the Medical Group is the faculty practice plan that manages the clinical activity of the SOM; it handles the billing and collections, then funds are transferred back to the SOM to pay the clinical practitioners. Overall, unrestricted expenditures increased \$25 million, or 3.7% of \$689 million total unrestricted expenses, primarily due to patient services expense and compensation increases. UNM Hospital had a \$100 million net increase on revenue primarily due to patient revenues from increased volumes, and this represents 7.3% of the \$1.39 billion original total budgeted revenue. On the expense side, the Hospital had a \$149 million increase due to increased volumes and non-labor patient care costs as well as increases in contract labor. This represents 11.1% of the \$1.34 billion total original budgeted expense. **[ATTACHMENT E]**

- **The motion to approve the FY22 HSC BAR passed unanimously with 5 regents voting (1st Schwartz; 2nd Rael). [Regent Fortner was not connected via Zoom.]**

Approval of the HSC FY23 Operating Budget

Ava Lovell presented the item and referred to slides that were included in the eBook. Total budgeted revenues for all components of the Health Sciences are \$2.78 billion which is an 8.7%

increase over the FY22 original budget. The largest piece is Medicaid at \$722 million, or 26% -- UNM is the largest Medicaid provider in the state. Medicare comprises 15%, or \$411 million of the budget; commercial insurance 16%, or \$444 million, and other patient care revenue 18%, or \$505 million, which includes revenues for resident and for cancer care. Contracts and grants make up 8% of the budget, the mil levy is 5%, state appropriations at around 5%, and tuition and fees 1%. On the HSC all components expenditure side, UNM Hospitals makes up 53.3% of the budget, with the School of Medicine comprising the second biggest piece at 23%.

Ms. Lovell reviewed the Health Sciences Academic budget of \$890 million, which is a 1.9% increase over last year's budget. The primary changes from last year are state appropriations increases for I&G, compensation and the ERB increase, as well as RPSP increases of \$9.7 million and a \$10 million appropriation for the College of Population Health, along with the restoration of the Tobacco Settlement, contributing \$899k. Tuition and fee revenues are a 2.9% increase over last year's budget, due primarily to enrollment increases in Nursing and Population Health, accompanied by the minor increases in tuition and fee rates. The state contributed \$1.6 million specifically to double the number of nurse practitioners over the next three years. Ms. Lovell reviewed the net income for the Academic unit and each of its components, projected net income for the Hospital, the Medical Group and SRMC. The Hospital's revenues will stay relatively flat compared to the last couple of years with the expectation that inpatient volumes will normalize to pre-COVID levels. Surgeries are expected to increase slightly from revised FY22 projections. [ATTACHMENT F]

- **The motion to approve the HSC FY23 operating budget passed unanimously with 5 regents voting (1st Schwartz; 2nd Ko). [Regent Fortner was not connected via Zoom.]**

Approval of HSC FY24 Capital Outlay Requests to the NM HED

This item was approved under the all-university capital outlay request, under the Finance and Facilities Committee. [see Attachment D].

Report to the Regents on Purchases in Excess of \$5 Million, as required by Regents' Policy Manual (RPM) 7.4, "Purchasing" (information item)

The Regents approved a revision to Regents' Policy 7.4 at the October 2021 meeting. The revision included a requirement that a report on newly approved non-construction contracts in excess of \$5 million be presented to the Board as an information item. The report was included in the eBook outlining two contracts in excess of \$5 million that received approval in February.

ADVISORS' COMMENTS

Chad Cooper for Mike Silva, the UNM Alumni Association Board's Immediate Past-President, delivered the report for President Mike Silva who was attending an alumni chapter event in Chicago. Mr. Cooper reported on several recent notables, including highlighting chapter events across the U.S. that keep UNM alumni engaged; a STEM Career Fair; welcoming new alumni – spring 2022 graduates as Lobos for Life; annual Alumni Emeriti events; launch of the online spring issue of *The Mirage*; and highlight of UNM Alumna who also played softball for UNM, Rachel Balkovec, the first woman to work as a full-time manager of a major league-affiliated baseball team, currently with the NY Yankees' Class A minor league team; and plans for October Homecoming events.

David Saavedra, GPSA President, congratulated the spring graduates and gave a special shout out to the over 1,000 post grads. Mr. Saavedra thanked the Regents for their support over the past year and for their dedication to the University. He expressed special thanks Student Regent Ko and to his cabinet members and announced that Shaikh Ahmad will be GPSA's President in the upcoming year. Mr. Saavedra graduates with his MPA and will start employment with the Legislative Finance Committee.

Greg Romero, ASUNM President, thanked the Regents for their support; thanked ASUNM staff; recapped ASUNM highlights over the past year; and encouraged Regents and UNM Leadership to keep student life at the forefront when decision making. Mr. Romero announced that Ian May will be ASUNM President for the upcoming year.

Scott Sanchez, Staff Council President, thanked the Regents for support during the past year and reminded the importance of staff to the University, many of whom kept the University running during the COVID shutdowns. Staff Council has been the voice of Staff since 1991 and it

continues to honor its commitment to share the thoughts and opinions of its constituents. Mr. Sanchez highlighted recent and upcoming events including Staff Appreciation Week, wellness events, and recently graduating staff members. He announced that Amie Ortiz, Senior Business Analyst in Finance System Management, will be the Council's president for the upcoming year. Finnie Coleman, Faculty Senate President, reported on Faculty Senate elections and announced that he will be president for one more year. Dr. Coleman expressed support for graduate student unionization and ethnic studies programs. Dr. Coleman talked about the air of uncertainty, distrust and growing rancor. He thanked Provost Holloway and others for helping to make the Africana Studies Program finally a Department, but he expressed concern as to why it took 50 years to do so. He asked the Regents to consider a quantum shift away from how ethnic studies are supported at UNM, not just in terms of levels of funding, but in ways UNM demonstrates that those units are valued. Dr. Coleman expressed concerns about politicians in other states dictating what can be taught in the classroom and hopes that UNM will lead the nation by example where inclusive excellence is concerned, also expressing confidence in UNM's current leadership.

Dr. Coleman for his leadership the unionization efforts and thanked the other advisors as well whose leadership has been invaluable during the COVID crises.

Tim Backes, Retiree Association President, thanked President Stokes and the Regents for their support over the past year. Mr. Backes reported that the Association's Legislative Committee work continues in its advocacy of the 2% ERB contribution increase that was expected to be funded by the state. He highlighted recent Association events and announced that Alfred Mathewson would be the next President of the Association.

Regent Brown thanked Mr. Backes for his leadership in the Association and service to UNM.

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn the meeting; Regent Rael motioned; Regent Ko seconded; all were in favor; the meeting adjourned at 1:07 PM.

Approved:

Attest:



Douglas M. Brown, Chair



Sandra K. Begay, Secretary/Treasurer



**Board of Regents of the University of New Mexico
Resolution Concerning Dissolution of Anderson School of Management Foundation**

WHEREAS, The Board of Regents is a party to the Memorandum of Agreement entered into on June 21, 2007 (the “MOA”) with the Anderson School of Management Foundation (the “ASMF”) to clarify the scope of the operations and activities of the ASMF;

WHEREAS, the ASMF, a New Mexico non-profit corporation, was established in 1985 to assist the UNM Anderson School of Management (the “ASM”), promote the study of business, management and administrative sciences within the ASM and engage in fundraising on behalf of the ASM;

WHEREAS, the MOA requires that either party provide 180 days advance notice to the other of its intent to terminate the MOA;

WHEREAS, the leadership of the ASM was recently advised that the board of the ASMF voted on April 12, 2022 to redirect the assets it manages on behalf of the ASM to the UNM Foundation for the benefit of the ASM;

WHEREAS, the leadership of the ASM was advised that the board of the ASMF voted on April 12, 2022 to dissolve ASMF effective June 30, 2022;

WHEREAS, the leadership of UNM agrees that dissolution of the ASM Foundation is appropriate under the circumstances and in the best interests of the university as more fully set forth in Exhibit 1 attached hereto; and

THEREFORE, be it resolved that the Board of Regents will terminate the MOU with the ASMF, and consistent with Section 9.0 of the MOA, directs the board of the ASMF to transfer its remaining assets to the UNM Foundation before its dissolution.

ADOPTED BY THE BOARD OF REGENTS on this day, MAY 10th, 2022.

ATTACHMENT B

Attachment to the
Minutes of the May 10,
2022 Board of Regents

Budget Adjustment Request (BAR)

- The FY 2022 Original Operating and Capital Budget was submitted to HED on May 1, 2021.
- Budget to Actuals are monitored through the Monthly Financial Report presented by the UNM Controller.
- The University is required to submit a revised budget to HED by May 1, 2022.
 - Note: HED does allow a post May 1 board approval.
- Primary purpose of the BAR: To ensure actual expenditures will not exceed budget authority by exhibit --- 5.3.4.10 NMAC

Budget Adjustment Request (BAR) Drivers

- Change in revenue and expenditure projections
- Use of reserves for one-time expenditures
- Increase in restricted grant and contract revenues and expenditures
- Other changes in transfers

Note: Included in your ebook materials is the FY 22 BAR booklet that provides more details about the changes.



Main Campus and Plant Fund Budget Adjustments

	FY22 Original Budget	FY22 Revised Budget (BAR)	% Change
Unrestricted	\$540,741,580	\$554,143,096	2.5%
Restricted	\$176,826,226	\$218,115,948	23.4%
Plant Funds	\$144,165,028	\$140,438,187	-2.6%
TOTAL	861,732,834	912,697,231	5.9%

Summary of Changes for Main Campus Current Funds (Unrestricted)

- **\$5.9M Net Increase in Revenues, due primarily to:**
 - Increase in Higher Education Emergency Relief Fund (HEERF) revenues \$5,798,685
 - Increase in State Government Appropriations for FY22 O4 comp increase \$1,554,100
 - Estimated Decrease in Tuition and Fees (\$4,819,616) (student enrollment less than expected)
 - Estimated Increase in Internal Services revenues from University Hospitals \$3,597,185
 - Estimated Decrease in Auxiliary and self-supporting revenues due primarily to COVID-19 (\$2,260,270)
 - Estimated Increase in Gifts revenues and gain on sponsored projects of \$3,866,207
 - Estimated Decrease in other sales, service, and other miscellaneous revenue, due mostly to COVID-19 (\$1,833,555)
- **(\$21.5M) Net Transfers Out, due primarily to:**
 - Transfers to Plant for department capital projects
 - Transfers to Internal Services for IT software (license fees) and Facilities Management projects
- **\$13.4M Net Increase in Expenses, due primarily to:**
 - Estimated Increase in Salaries and Fringe due to FY22 Quarter 4 compensation increase \$5,881,095
 - General Liability Insurance mistakenly left out of original budget due to org change \$3,454,262
 - Estimated Net Increase in Computer Software License Fees \$1,713,883



Summary of Plant Fund Changes

- **\$1.4M Net Increase in Plant Fund Revenues, due primarily to:**
 - Branch Revenue – There were additional revenue booked to Plant as a match for some Branch projects.
- **\$33.9M Net Transfers In, due primarily to:**
 - \$7,739,665 from HSC – College of Nursing and College of Population Health Building project
 - \$1,000,000 from HSC – Network Equipment Project
 - \$2,204,123 from Housing and Main Campus – Student Residence Center Stair Repair project
 - \$2,168,852 from Athletics – Olympic Training Center
 - \$5,660,777 from Auxiliaries – Multiple Projects
 - \$2,655,300 from Gallup – Center for Career Tech
 - \$1,253,379 from Main Campus – ROTC Renovation
 - \$1,423,813 from Office of Real Estate – Integrated Campus Plan
- **(\$3.7M) Net Decrease in Expenses, due primarily to:**
 - Slowdown in expenses related to lead time on materials.

* All projects have or will go through all necessary project approvals



Summary of Changes for Main Campus Current Funds (Restricted)

- **\$41.3M Net Increase in Expenses, due primarily to:**
 - \$27,818,722 Increase in Federal Grants/Contracts – HEERFIII
 - \$9,151,000 Estimated Net Increase in Research due to increase in work and subsequent expenditure activity with lifted restrictions in FY22 (i.e. travel, in person work, etc.) originally implemented due to COVID-19 pandemic
 - \$4,320,000 Estimated Net Increase in Public Service due to increase in work and subsequent expenditure activity with lifted restrictions in FY22 (i.e. travel, in person work, etc.) originally implemented due to COVID-19 pandemic



Branch Campus Budget Adjustments

	FY22 Original Budget	FY22 Revised Budget (BAR)	% Change
Gallup	\$17,137,981	\$17,857,519	4.2%
Los Alamos	\$7,082,371	\$7,323,410	3.4%
Valencia	\$15,761,695	\$15,047,303	-4.5%
Taos	\$11,670,522	\$11,878,164	1.8%
TOTAL	\$1,652,569	\$2,106,396	0.9%



Summary of Branch Campus Changes

- **Gallup \$720K Increase, 4.2%**
 - Primarily due to an increase in I&G due to 3% salary increases and classroom technology improvements and an increase in Public Service for reviving DWI program and increased gifts received.
- **Los Alamos \$241K Increase, 3.4%**
 - Primarily due to UNM-LA Chancellor search and an increase in HEERF III funds
- **Taos \$208K Increase, 1.8%**
 - Primarily due to an increase in expenditure authority in Public Service for childcare service expenses and various scholarships
- **Valencia \$714K Decrease, -4.5%**
 - Primarily due to a decrease in Restricted Contract and Grant Research programs

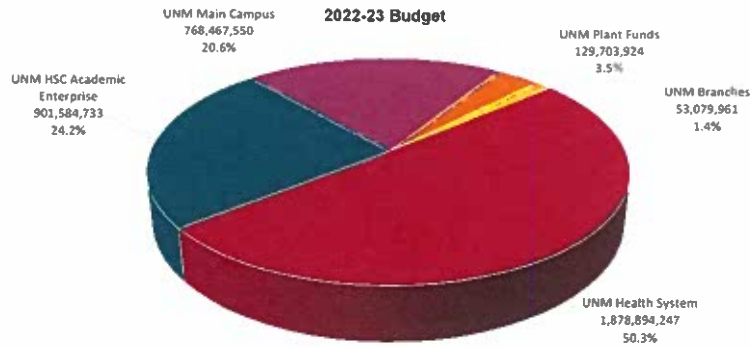
* Changes above are for Unrestricted and Restricted Expenditures



ATTACHMENT C

Attachment to the Minutes of the May 10, 2022 Board of Regents

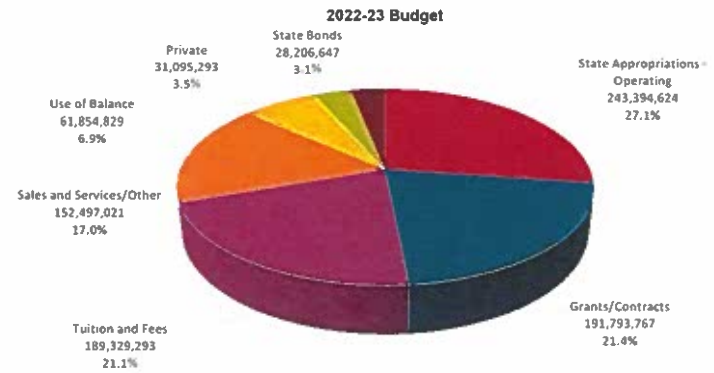
UNM Consolidated Budget



Total Expenditures \$3,731,730,415
An Increase by 9.3% over 2021-22



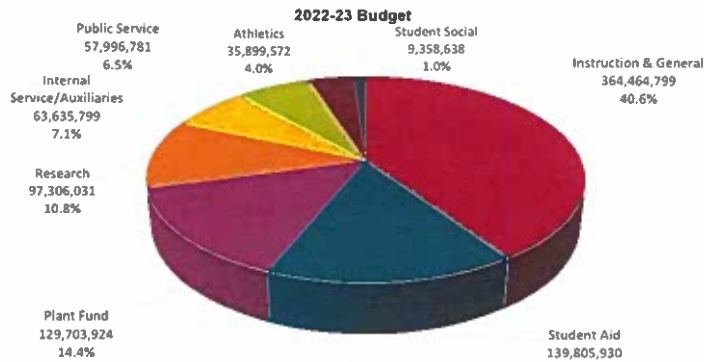
UNM Main Campus Sources



Total Sources \$898,171,474
An Increase by 4.2% over 2021-22



UNM Main Campus Expenditures



Total Expenditures \$898,171,474
An Increase by 4.2% over 2021-22



UNM Main Campus Expenditures

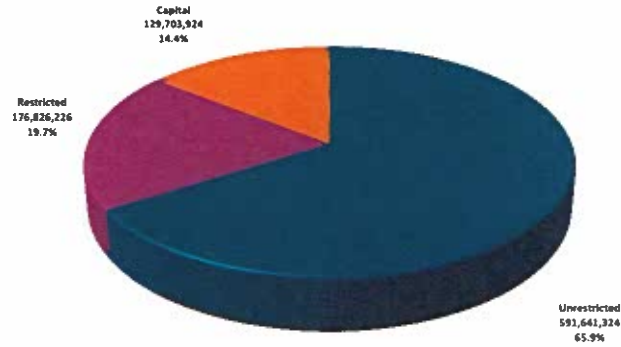
Comparative Analysis: Prior Year - Current Year - Next Year

	FY 2021 Actuals	FY 2022 Revised Budget	FY 2023 Original Budget	% Change 2022-23
Unrestricted	\$457,075,595	\$554,143,096	\$591,641,324	6.8%
Restricted	\$136,146,132	\$218,115,948	\$176,826,225	-18.9%
Plant Funds	\$390,073,735	\$140,438,187	\$129,703,924	-7.6%
TOTAL	\$983,295,462	\$912,697,231	\$898,171,474	-1.6%

- FY23 Unrestricted Expenses increase due primarily to 7.12% compensation increase and 2% Employer ERB expense increase
- FY23 Restricted Expenses back to normal levels (from FY22 Revised Budget). FY22 revised budget increased significantly (\$41.3M) due to HEERF III funding received and increase in Research and Public Service expenditure activity with lifted restrictions in FY22
- FY21 Plant Fund Expenditures increased significantly due to Hospital Tower Project reserve amount invoiced as an expense in FY21.



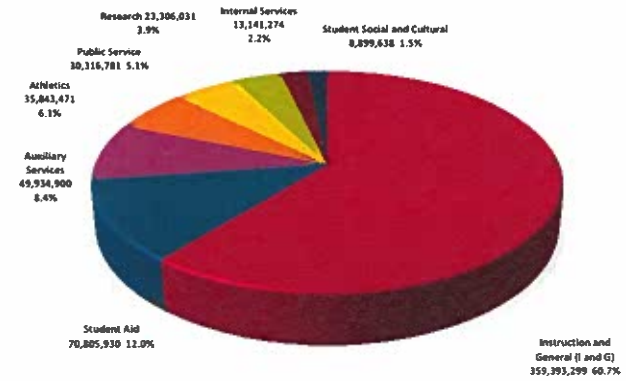
UNM Main Campus Budget



Total Budget: \$898,171,474



UNM Main Campus Unrestricted Budget by Exhibit



Total Budget: \$591,641,324



UNM Main Campus Budget Drivers

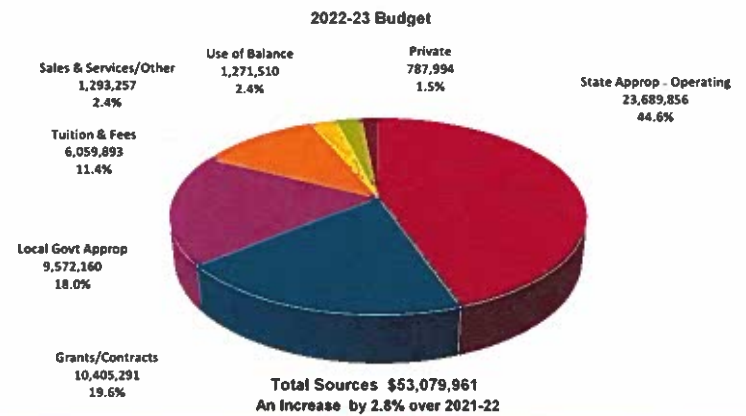
Main Campus Budget - \$898.2M

- 4.2% Increase over FY22 Original Budget
- 1.6% Decrease over FY22 Revised Budget (FY22 BAR for Expenditure Authority)

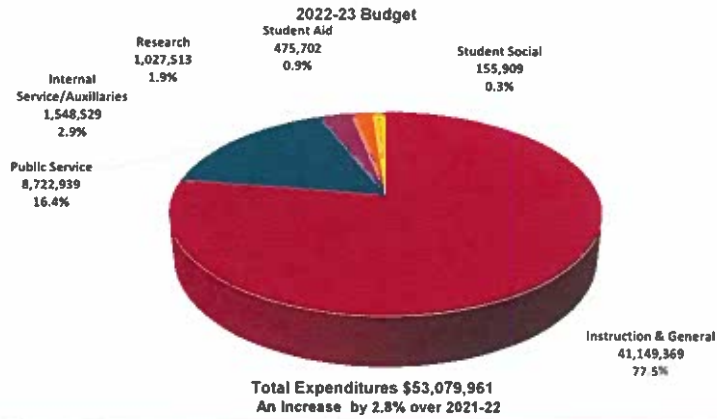
Primary Drivers:

- State appropriations increased 15.5% over FY 22 original budget, due primarily to
 - Increases in compensation (7.12% compensation increase for FY23)
 - 2% increase in Employer ERB contribution
- Tuition and Fee increases approved at March 22nd BOR meeting.
 - 3% increase in resident base tuition (UG/GR)
 - 5% increase in non-resident base tuition (UG/GR)
 - Tuition Simplification
 - Flat rate starting at 15 credit hours for undergraduate residents
 - Flat rate starting at 12 credit hours for graduate residents
 - Flat rate at 12 credit hours for non-residents (UG/GR)

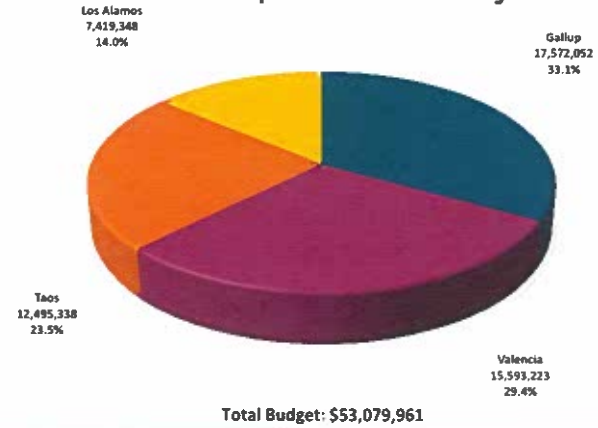
UNM Branch Campus Sources



UNM Branch Campus Expenditures



UNM Branch Expenditures by Campus



UNM Branch Campus Expenditures

Comparative Analysis: Prior Year - Current Year - Next Year

	FY 2021 Actuals	FY 2022 Revised Budget	FY 2023 Original Budget	% Change
Gallup	\$14,443,716	\$17,857,519	\$17,572,052	-1.6%
Los Alamos	\$4,147,913	\$7,323,410	\$7,419,348	1.3%
Valencia	\$13,193,427	\$15,047,303	\$15,593,223	3.6%
Taos	\$10,321,289	\$11,878,164	\$12,495,338	5.2%
TOTAL	\$42,106,345	\$52,106,396	\$53,079,961	1.9%

* FY23 Expense increases due primarily to 7.12% compensation increase and 2% Employer ERB expense increase

FY23 Budget – Branch Campuses

•Branch Campuses Total Budget - \$53.1M

- 2.8% Increase over FY22 Original Budget
- 1.9% Increase over FY 22 Revised Budget

•Primary Drivers:

- State appropriations increased 11.2% over FY 22 original budget, due primarily to
 - Increases in compensation (7.12% compensation increase for FY23)
 - 2% increase in Employer ERB contribution



**UNM CAPITAL PLANNING LEADERSHIP TEAM
DRAFT CAPITAL REQUEST PRIORITIES**

4/19/2022

	ESTIMATED PROJECT COST	2023 APPROPRIATION REQUEST	FUNDING TYPE	2022 APPROPRIATION	FUNDING TYPE	MATCHING FUNDS	FUNDING TYPE
UNM ALBUQUERQUE CAMPUS CAPITAL REQUESTS							
Critical Safety & Security Improvements	\$5,900,000	\$5,300,000	STB	\$0		\$600,000	FIN
Essential Campus Infrastructure	\$9,450,000	\$8,905,000	STB	\$0		\$545,000	FIN
Information Technology Upgrades	\$3,830,000	\$3,680,000	STB	\$0		\$150,000	Match
Central Campus Environmental Water Systems Improvements	\$8,500,000	\$8,000,000	STB	\$0		\$500,000	FIN
UNM ALBUQUERQUE CAMPUS TOTALS	\$27,680,000	\$25,885,000		\$0		\$1,795,000	
UNM HEALTH SCIENCES CENTER CAPITAL PRIORITIES							
Upgrade to Interprofessional Health Simulation Center	\$5,500,000	\$5,000,000	STB	\$0		\$500,000	Match
HSC Research Equipment	\$2,500,000	\$2,400,000	STB	\$0		\$100,000	Match
Health Sciences Library & Informatics Center 2nd Floor Renovation	\$3,050,000	\$2,850,000	STB	\$0		\$200,000	Match
College of Pharmacy Renovation Planning and Design	\$3,300,000	\$3,000,000	STB	\$0		\$300,000	Match
UNM HSC TOTALS	\$14,350,000	\$13,250,000		\$0		\$1,100,000	
UNM BRANCH CAMPUSES							
UNM-GALLUP CAMPUS							
Facility Repair & Renewal	\$2,500,000	\$1,875,000	STB	\$0		\$625,000	Internal
<i>UNM-GALLUP CAMPUS SUBTOTAL</i>	<i>\$2,500,000</i>	<i>\$1,875,000</i>		<i>\$0</i>		<i>\$625,000</i>	
UNM-LOS ALAMOS CAMPUS							
Open Space Design & Upgrade Part 1	\$1,500,000	\$1,125,000	STB	\$0		\$375,000	Internal
<i>UNM-LOS ALAMOS CAMPUS SUBTOTAL</i>	<i>\$1,500,000</i>	<i>\$1,125,000</i>		<i>\$0</i>		<i>\$375,000</i>	
UNM-TAOS CAMPUS							
Campus wide Asset Management & Envelope Repairs	\$3,000,000	\$2,250,000	STB	\$0		\$750,000	Internal
<i>UNM-TAOS CAMPUS</i>	<i>\$3,000,000</i>	<i>\$2,250,000</i>		<i>\$0</i>		<i>\$750,000</i>	
UNM-VALENCIA CAMPUS							
Business & Technology Classroom Renovations	\$1,200,000	\$800,000	STB	\$0		\$400,000	Internal
<i>UNM-VALENCIA CAMPUS SUBTOTAL</i>	<i>\$1,200,000</i>	<i>\$800,000</i>		<i>\$0</i>		<i>\$400,000</i>	
UNM BRANCH TOTALS	\$8,200,000	\$6,050,000		\$0		\$2,150,000	
UNM TOTAL	\$50,230,000	\$45,185,000		\$0		\$5,045,000	

ATTACHMENT E

Attachment to the Minutes of the May 10, 2022 Board of Regents

UNM Health Sciences Budget Adjustment Request (BAR)

- The FY 2022 Original Operating and Capital Budget was submitted to HED on May 1, 2021.
- The University is required to submit a Final Revised Budget to the HED by May 1, 2022.
- Primary purpose of the final BAR: To ensure actual expenditures will not exceed budget authority by exhibit --- 5.3.4.10 NMAC
- Health Science Academic and UNM Hospitals are required by HED to submit a BAR – SRMC and UNM MG are not

Note: Your ebook materials include the detailed FY22 BAR

UNM Health Sciences Academic Year-End Changes

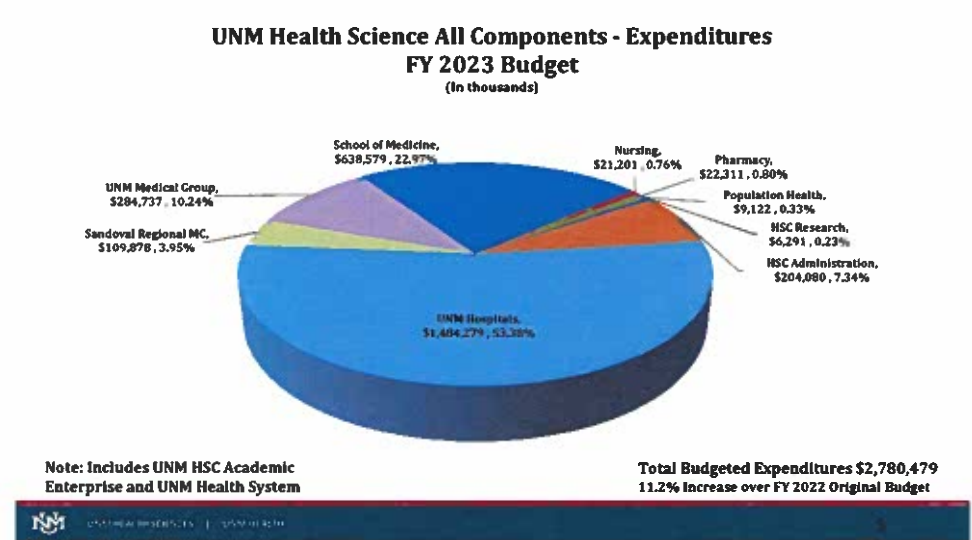
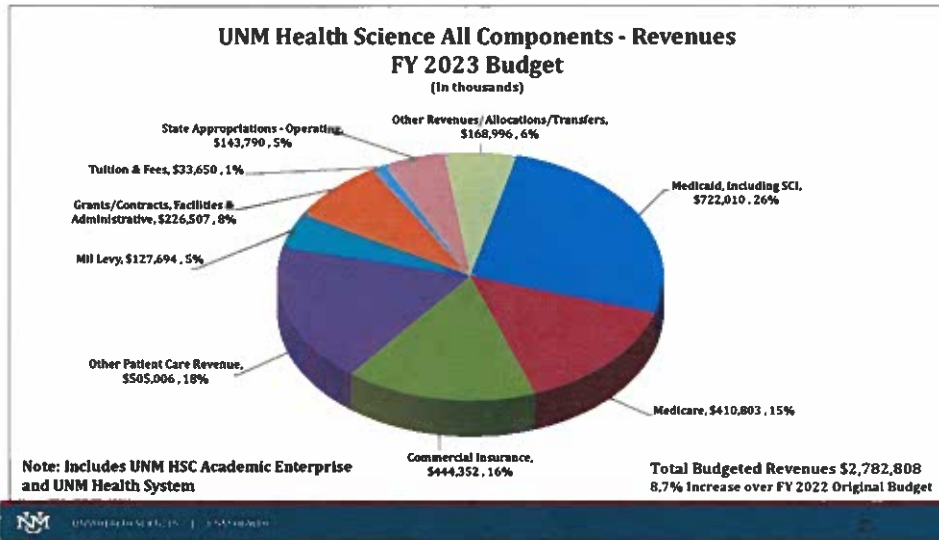
- **\$53.7M Increase** in Unrestricted Revenue and Transfers
 - **Public Service** revenue increased primarily due to CARES federal relief funding, completion of AHRQ grant and increases to Patient Services revenue for increased Compensation.
 - **\$53.7M** represents 7.4% of the \$719.8M Total Unrestricted Revenue
- **\$25.4M Increase** in Unrestricted Expenditure authority for FY22. This increase is primarily due to the following:
 - **Public Service** expense increased primarily due to Patient Services expense and Compensation.
 - **\$25.4M** represents 3.7% of the \$688.8M Total Unrestricted Expense

UNM Hospitals Year-End Changes

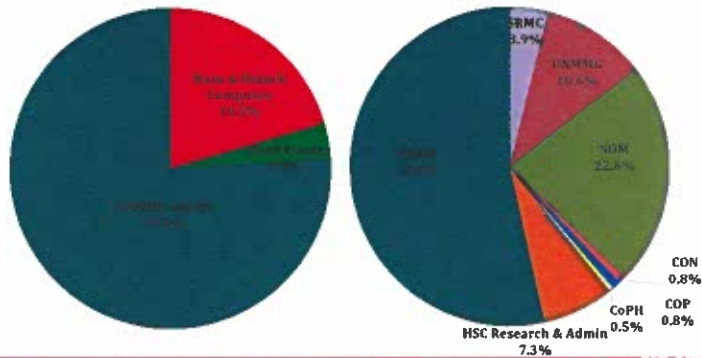
- **\$100M Net increase** in Revenue due to patient revenues from increased volumes.
 - This represents 7.3% of the \$1.39 billion original total budgeted revenue
- **\$149M Net increase** in Expense due to increased volumes and non-labor patient care costs as well as increases in contract labor.
 - This represents 11.1% of the \$1.34 billion original total budgeted expense

ATTACHMENT F

Attachment to the Minutes of the May 10, 2022 Board of Regents



UNM FY 2023 Budgeted Revenue Total UNM Revenue by Campus Total Health Science Revenue by Unit



UNM Health Science Academic

Revenue: Prior Year - Current Year - Next Year

Revenues	2021	2022	2023	% Change
State Appropriations (includes RPSFs)*	91,903,329	100,464,016	127,033,303	26.45%
Tuition and Fees**	31,614,086	32,697,309	33,650,059	2.91%
Federal Appro./Grants/Contracts	176,397,639	171,776,456	178,457,277	3.89%
Private Gifts and Contracts/Grants	44,390,662	46,077,840	42,533,038	-7.69%
Sales, Services and Other Revenues	434,033,513	522,722,250	508,663,810	-2.69%
Total Revenue	\$778,339,229	\$873,737,871	\$890,337,487	1.90%

* State Appropriations increased for I&G Compensation and ERB increase by \$8,354,800; RPSFs increased by \$9,105,100; College of Population Health by \$10,000,000; Tobacco Settlement Restoration by \$898,700; Other Special by \$540,000.

** Enrollment increases in Nursing and Population Health are driving the largest part of the growth in Tuition and fees along with the minor increases in tuition and fee rates.

UNM Health Science Academic

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

Total Health Science Academic	FY 2021 Actual	FY 2022 Revised Budget	FY 2023 Original Budget	% Change 2022-23
Revenues	\$778,339	\$873,738	\$890,337	1.9%
Expenses	\$765,385	\$842,549	\$901,585	7.0%
Net Margin			(\$11,247)	

- *FY22 CARES funding and AHRQ completion driving revenue change
- *FY22 Project ECHO \$25M anonymous Gift received after Budget system close not included
- *FY23 Expenses increase due to 7.12% across the-board compensation increase and 2% Employer ERB expense increase

UNM Health Science Academic

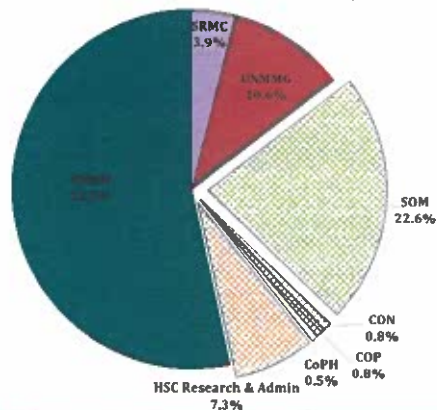
FY 2023 Budget
(In thousands)

	College of Medicine	College of Nursing	College of Pharmacy	College of Population Health	Department of Biomedical Sciences	UNM Health Science Academic Total
Revenues	\$629,393	\$21,201	\$22,154	\$15,149	\$202,440	\$890,337
Expenses	\$638,579	\$21,201	\$22,311	\$9,122	\$210,371	\$901,585
Net Margin	(\$9,186)		(\$157)		(\$7,931)	(\$11,247)

* Includes Project ECHO

- *SOM use of balances to fund 7.12% raise on faculty salaries
- *CoPH \$10M Appropriation received in FY23 to spend over 2 years
- *Project ECHO use of balances to meet deliverables on funding received in previous years

UNM FY 2023 Budgeted Revenue Total Health Science Revenue by Unit



UNM Hospitals

Revenue: Prior Year - Current Year - Next Year

	2020-21 Actual	2021-22 Revised Budget	2022-23 Original Budget	% Change
Net Patient Revenues	\$1,299,902,669	\$1,284,910,797	\$1,285,174,761	0.0%
County Mil Levy	112,132,446	117,739,068	120,005,543	1.9%
Contracts/Grants	5,017,205	5,085,330	5,517,038	0.5%
State Funding	13,396,408	13,961,299	16,184,399	15.9%
Other Revenues	121,529,934	64,848,956	60,481,086	-6.7%
Total Net Revenues	\$1,551,978,654	\$1,486,545,450	\$1,487,362,827	0.1%

- * FY23 Inpatient volumes should normalize to pre-COVID levels, census will continue to be at/ exceed licensed beds pending new tower construction
- * FY23 Surgeries are expected to increase slightly from revised FY22 projections

ATTACHMENT F Cont.

UNM Hospitals

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

	FY 2021 Actuals	FY 2022 Revised Budget	FY 2023 Original Budget	Percent Change 2022-23
Revenues	\$1,551,978	\$1,486,545	\$1,487,363	0.1%
Expenses	1,478,695	1,484,804	1,484,279	0.0%
Net Margin	\$73,283	\$1,742	\$3,084	

- Reductions in Contract Labor in FY23 as volumes align to normal operating levels

UNM Medical Group

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

	FY 2021 Actuals	FY 2022 Revised Budget	FY 2023 Original Budget	Percent Change 2022-23
Revenues	\$257,208	\$299,194	\$295,229	-1.3%
Expenses	249,613	292,732	284,737	-2.7%
Net Margin	\$7,595	\$6,462	\$10,492	

- FY23 Revenue and Expense are driven by return to normal levels of surgeries and procedures
- Net Margin is partially driven by joint venture with Lovelace/UNM Rehab Hospital

UNM Sandoval Regional Medical Center

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

	FY 2021 Actuals	FY 2022 Revised Budget	FY 2023 Original Budget	Percent Change 2022-23
Revenues	\$100,692	\$105,614	\$109,879	4.04%
Expenses	97,266	107,620	109,878	2.10%
Net Margin	\$3,426	(\$2,007)	\$1	

- FY23 will see an increase in surgical and procedure volumes, partially due to opening the new Orthopedic Center for Excellence
- Attempt to maintain a break-even Net Margin through changes

UNM Health System

FY 2023 Budget
(In thousands)

	UNM Hospitals	UNM Medical Group	UNM Sandoval Regional Medical Center	UNM Health System Total
Revenues	\$1,487,363	\$295,229	\$109,879	\$1,892,471
Expenses	1,484,279	284,737	109,878	\$1,878,894
Net Margin	\$3,083	\$10,492	\$1	\$13,576

- Health System units consistently budgeting for cautious recovery from volatile changes during FY21 and FY22

UNM Health Science

FY 2023 Budget
(in thousands)

	Health Science Department	UNM Health System	UNM System Total
Revenues	\$890,337	\$1,892,471	\$2,782,808
Expenses	\$901,585	\$1,878,894	\$2,780,479
Net Margin	(\$11,247)	\$13,577	\$2,300

* The financial focus for 2023 will be margin recovery for all units

Exhibit 1
Dissolution of Anderson School of Management Foundation MOA
Effective date June 30, 2022

The Anderson School of Management Foundation (ASMF) has played a critically important role in the history of the Anderson School of Management. The ASMF board members are engaged and committed members of the community whose volunteer work is deeply appreciated and greatly valued. The Anderson Leadership team is grateful for the dedicated volunteer service of the ASMF board members, especially its leadership in fundraising for scholarships through the Hall of Fame event.

The work of ASMF has evolved over time but the primary purpose of ASMF has remained the same – to support the Anderson School in its endeavors to deliver excellent education, enable student success, build and retain excellent faculty and staff, support local business and advance Anderson’s reputation. In order to continue supporting the advancement of the School, the ASMF board voted on April 12, 2022 to redirect the assets it manages on behalf of Anderson to the UNM Foundation for the benefit of the Anderson School of Management. In addition, the board voted to dissolve ASMF effective June 30, 2022.

The primary reason for this change was to eliminate the functional redundancy in portfolio management services between the UNM Foundation and ASMF, thereby reducing direct costs by at least \$150K per year. The UNM Foundation provides professional portfolio management services for all of UNM, including the Anderson School of Management. The UNM Foundation will integrate management of Anderson’s funds that ASMF was managing into existing endowment and quasi-endowment accounts managed by the UNM Foundation on behalf of Anderson. This realignment of funds will allow for more efficient integrated, all-funds management by Anderson and provide much greater agility to respond to opportunities to advance Anderson.

ASMF board members are invited to transition to strategic advisory roles on one of Anderson’s advisory boards of interest if they desire to do so. This reorientation of ASMF board members’ work will leverage the real value that alumni and community members bring to Anderson as partners in shaping strategic direction, providing counsel and serving as a sounding board. Anderson advisory board members’ rich experiences, diverse ideas and incredible networks are essential inputs to the School’s ongoing work to strengthen student learning, advance career outcomes, and increase the impact and reputation of the School.