



**UNIVERSITY OF NEW MEXICO  
BOARD OF REGENTS**

**Agenda**

**April 8, 2016  
9:00 AM  
SUB Ballroom C**

**The Board of Regents of the University of New Mexico**  
**Meeting in Open Session and Executive Session**  
**April 8, 2016, 9:00 AM**  
**Student Union Building, Ballroom C**  
**Executive Session, Cherry Silver Room/Santa Ana Room**  
**AGENDA**

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- V. Comments from Advisors .....19  
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Texanna Martin, President, GPSA  
Crystal Davis, President, Staff Council  
Stefan Posse, President, Faculty Senate  
Ann Rhoades, President, Alumni Association  
Daniel Perea, President, Parent Association  
Michelle Coons, Chair, UNM Foundation Board of Trustees – next quarterly report will be presented June, 2016
- Public Comment (items not on agenda; limit 3 min. per speaker)
- VI. Vote to Recess Board of Regents regular meeting
- VII. Lobo Development, Corporation – Annual Meeting of the Member .....20  
a. Call to order, *Regent Jack Fortner*  
b. Approval of annual meeting minutes  
c. Approval of External Audit for FY14-15  
d. Adjourn
- VIII. Lobo Energy, Inc. – Annual Meeting of the Member .....21  
a. Call to order, *Regent Brad Hosmer*  
b. Approval of annual meeting minutes  
c. Approval of External Audit for FY14-15  
d. Adjourn
- IX. Reconvene Board of Regents regular meeting
- X. Vote to close the meeting and proceed in Executive Session  
Executive Session/Luncheon-Cherry Silver Room on 3<sup>rd</sup> level of SUB  
1. Discussion and determination where appropriate of threatened or pending litigation pursuant to Section 10-15-1.H(7), NMSA (1978)  
2. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H(8), NMSA (1978)  
Continue Executive Session in Santa Ana Room, next door to Cherry Silver Room on 3<sup>rd</sup> level of the SUB  
3. Discussion and decision, if appropriate, of strategic or long-range plans of public hospitals pursuant to Section 10-15-1.H(9), NMSA (1978)
- XI. Vote to re-open the meeting and certification that only those matters described in Agenda Items X. were discussed in Closed Session and if necessary, final action with regard to those matters will be taken in Open Session.
- XII. Adjourn

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico**  
**March 14, 2016**  
**Student Union Building, Ballroom C, Main Campus**

Members present

Ryan Berryman; Robert M. Doughty; Jack L. Fortner; Bradley C. Hosmer; Marron Lee; Suzanne Quillen

Administration present

Robert G. Frank, President; Chaouki Abdallah, Provost and EVP for Academic Affairs; David Harris, EVP of Administration, COO, CFO; Paul Roth, Chancellor for Health Sciences; Richard Larson, Exec, Vice Chancellor HSC; Josephine De Leon, VP Equity and Inclusion; Amy Wohler, President's Chief of Staff; Elsa Cole, University Counsel; Dana Allen, VP Alumni Relations; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Eliseo Torres, VP Student Affairs; Paul Krebs, VP Athletics; Liz Metzger, University Controller; Helen Gonzales, Chief Compliance Officer; Cinnamon Blair, Chief University Marketing and Communications Officer

Regents' Advisors present

Stefan Posse, Faculty Senate; Crystal Davis, Staff Council; Michelle Coons, UNM Foundation; Jenna Hagenhuber, ASUNM; Texanna Martin, GPSA

Presenters in attendance

Elaine Phelps, Director, University Benefits; Tom Neale, Director Real Estate; Kevin Stevenson, Strategic Planner, Office of the President; Mathew Muñoz, Government Relations Mgr., Government and Community Relations

Others in attendance

Members of the administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM AND ADOPTION OF THE AGENDA

Regent President Fortner called the meeting to order at 9:37 AM and confirmed a quorum of members present at the meeting. Regent Jack Fortner asked for a motion to approve the agenda.

**Regent Rob Doughty motioned adoption of the agenda with the modification to move item number VIII. Election of Officers, directly after approval of the agenda. Regent Marron Lee seconded the motion. The motion passed unanimously.**

ELECTION OF OFFICERS

Regent Fortner opened up nominations for President of the Board of Regents. Regent Fortner nominated Rob Doughty as President of the Board of Regents. Regent Lee seconded the nomination. Regent Fortner asked if there were any other nominations for President. Regent Suzanne Quillen nominated Marron Lee. There was not a second; Regent Fortner said the nomination died for lack of a second.

Regent Fortner asked if there were any other nominations for President; there being no other nominations, Regent Fortner asked for a vote for Rob Doughty as President of the Board of Regents.

**The vote was 4-2 in favor of Rob Doughty as President; Regents Berryman, Doughty, Fortner, and Lee voted in favor; Regents Hosmer and Quillen voted not in favor.**

Regent Fortner opened up nominations for Vice President of the Board of Regents. Regent Doughty nominated Marron Lee as Vice President of the Board of Regents. Student Regent Ryan Berryman seconded the nomination.

Regent Fortner asked if there were any other nominations for Vice President; there being no other nominations, Regent Fortner asked for a vote for Marron Lee as Vice President of the Board of Regents.

**The vote was 5-1 in favor of Marron Lee as Vice President; Regents Berryman, Doughty, Fortner, Lee, and Quillen voted in favor; Regent Hosmer voted not in favor.**



Regent Fortner opened up nominations for Secretary/Treasurer of the Board of Regents. Regent Lee nominated Jack Fortner as Secretary/Treasurer of the Board of Regents. Regent Doughty seconded the nomination.

Regent Fortner asked if there were any other nominations for Secretary Treasurer; there being no other nominations, Regent Fortner asked for a vote for Regent Fortner as Secretary Treasurer of the Board of Regents.

**The vote was 5-1 in favor of Regent Fortner as Secretary Treasurer; Regents Berryman, Doughty, Fortner, Hosmer, and Lee voted in favor; Regent Quillen voted not in favor.**

Regent Fortner transferred the gavel to newly elected Board of Regents President, Rob Doughty, to conduct the rest of the meeting.

#### APPROVAL OF MINUTES

Regent President Doughty asked for a motion to approve the minutes of the February 11, 2016 regular meeting.

**The motion to approve the minutes of the February 11, 2016 regular Board of Regents meeting passed by unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Fortner).**

#### PUBLIC COMMENT

Dr. Paul Roth requested to make comments prior to public comment regarding the HSC governance agenda item VII. Dr. Roth thanked everyone in attendance and spoke about the merits of the current HSC (Health Sciences Center) Board structure and the process that led to this meeting. The current policies that were created for the HSC were enacted after a 2-year process in which the University engaged a national healthcare consulting firm and its final set of recommendations served as a blueprint for the current policies that were unanimously adopted by the Regents in 2010. There is a myth that the HSC and its Board operate separately from the University. Dr. Roth outlined the current structure of the HSC Board and that HSC Board actions always require full Board of Regents' approval. Dr. Roth spoke about the healthcare industry and academic medicine environments and the importance of a governance structure to meet current needs in these rapidly-changing times. Dr. Roth spoke about monetary resources, UNM budget shortfalls, and HSC's responsibility to its students, faculty, staff and to all New Mexicans in delivering state-of-the-art healthcare. The seventy-two hour notice for the HSC governance structure agenda item did not allow time for meaningful sober consideration of a change of this magnitude. President Frank was also unaware of the proposed changes, but has said he would reinstate Dr. Roth's title and responsibilities as CEO of Health Systems. Dr. Roth spoke about the values of shared governance and the expertise of leadership that make UNM a strong institution; he encouraged an inclusive process that may be slow but leads to better outcomes; and strongly urged the Regents to delay taking any actions and allow for a process that is consistent with these values.

Regent Marron Lee requested to add a few words before public comment time to respond also regarding agenda item VII. Regent Lee thanked Dr. Roth for his words and thanked the UNM community and the faculty because it is clear they care deeply about this institution, as do the Regents whose duty is the fiduciary oversight of the entire University. Regent Lee said she was perplexed because there have been numerous conversations with individuals about these changes. In 2013, two Regents at the time brought up the fact there is a constitutional issue with regard to the way the oversight of the Health Sciences System was operating. At Regent Lee's first meeting as a Regent, she spoke with Dr. Roth about her concerns and since then with other Regents, including Regent Hosmer and Regent Quillen, concerning this issue so it should not come as a surprise. These proposed changes do not affect the operations of a health system or the leaders' ability to govern. The inherent conflict became utterly clear at the last HSC meeting when one of the board members spoke of duty to a portion of this institution and not to the institution in its entirety, and that made it clear that a change had to be made. Regent Lee spoke of a meeting that had taken place between Dr. Roth, President Frank and Regent Doughty and after which Dr. Roth communicated his understanding and support for the discussed changes to board size and organizational reporting structure. The changes to streamline reporting, Dr. Roth said he had no issue with that. The Open Meetings Act does not allow this to be debated behind closed doors. It is to be debated during the meeting, in a professional matter, in public which is good governance. Current talk of attempts to destroy

the Health Sciences System and seventy-two hours not enough notice for this shows there is problem and there is a rift in this institution. Constitutionally, the Regents are not allowed to give their authorities to others, especially others who have no oversight through Senate confirmation or otherwise. Regent Lee said she appreciates the passion and all who reached out to the Regents; she mentioned there will be debate and deliberation over this agenda item.

Regent Suzanne Quillen commented and responded. The Open Meetings Act does allow for Regents to meet in closed session to discuss personnel matters and strategic plans of public hospitals. Regent Quillen did not know of these proposals until the Thursday before the meeting. Regent Quillen read the policy changes differently, the reason President Frank had to inform Dr. Roth last night that he would be reinstated as CEO of the Health Sciences Center is because those duties would be taken away from him, personnel, finances, reporting. Decisions cannot be made in a vacuum, proposed by only two Regents. Regents have many opportunities to discuss major issues, personnel, efficiencies and economies of scale, strategic planning, etc. that need addressing. Regent Quillen thanked the UNM community for showing up to have their voices heard.

The following persons gave public comment pertaining to the HSC Governance agenda item VII., urged Regents to postpone the vote, make time for open discussion, get input from stakeholders, constituencies, ensure community input also in the future; Steve McLaughlin, MD, HSC; Coffee Brown, MD, HSC; Lee Brown MD, HSC; Pamela Pyle, Past President and President-Elect of Faculty Senate; Maggie Hart Stebbins, Bernalillo County Commissioner; Rhonda Fought; Judy Zanoliti; Paula Tackett; Aimee Smidt, Ped. Dermatology; Eleana Zamora, HSC; Kyle Leggott, SOM; Harold Bailey; Valerie Romero-Leggott, Vice Chancellor, HSC office for Diversity; Javier Martinez; Zackary Quintero; Michael Yardman-Frank; Kendall Rogers, Faculty at SOM, Vice Chair Physicians Adv. Board; Cristina Galey, PA Student; Rep. Sarah Maestas Barnes; Rep. Conrad James, former UNM Regent; Tom Long, Faculty; Tudor Oprea, Faculty; Kathy Johnson; Richard Curvell, HSC Faculty; Carlotta Abeyta; Mel Eaves, member of HSC Board of Directors; Kurt Riley, Governor Acoma Pueblo, UNM Alumni, opposed to action item; Russ Rhoads; Lori McKiver; Corrie Tillery, SOM; Jenette Mares; Julie Broyles, MD; Molly Whitt, SOM; James Winters, SOM; Cheryl Willman; Hadley Pope; Cristina Beato, SOM Alumni; Celeste Cole, Office for Community Health; Lidia Regino; Rep. Patricia Roybal Caballero.

The following persons gave public comment pertaining to Finance and Facilities Committee agenda item 3, proposed changes to the UNM Benefits Plan, and spoke against changes to the plan that would reduce take-home pay and or increase healthcare costs: Francesca Tobias; Debra-Karnes-Padilla; Amy Neel, UNM Faculty; Joanne Kuestner, of Staff Council grade 8 employees rep, passed out a handout of UNM Benefits Calculator; Carlotta Abeyta; Carol Stephens, Pres. Retiree Assoc.; Leslie Eason, UNM retiree; Joseph Lane, Staff Council Pr. 5 rep.; Scott Alley, founder UNM Retiree Assoc., urged sliding scale and to ask Alumni Assoc. for input; Sarah Nezer; Carol Bernhard, co-chair FSBC; Sandra Bauman, SOM; Judith Binder; Daniel Cimino, UNM Cancer Center; Rachel Levitt; Jodi Perry;

#### THE PRESIDENT'S ADMINISTRATIVE REPORT

President Robert Frank presented an administrative report to the Board and thanked all of the members of the University community including faculty, staff, students, and alumni that care about UNM for providing comments earlier in the meeting.

President Frank discussed the University of New Mexico's budget, which sustained a \$7.9M drop distributed across the enterprise during the 2016 Legislative Session. Legislative outcomes were briefly reviewed and included a \$4.5M reduction to Main Campus I&G for FY17, and a \$600K reduction to other Main Campus areas such as Athletics, KNME, and lined legislation for FY17. Reductions for the Health Science Center included \$1.5M from I&G and \$700K from other areas such as Research and Public Service Projects. The UNM Branch Campuses sustained a reduction of \$600K. These are not all the issues facing the budget. Two years ago the University made a decision to encourage students to take 15 credit hours per semester to graduate faster and would pay less by taking more credit hours. The new policies worked successfully but did impact the budget and led to another drop. More people are going back to work which means that part-time students and non-degree enrollments are down. Regarding health care, next year many states may be required to put 10% back for the Medicaid payment which would have a significant effect on the budget. Unless oil stabilizes above \$50 per barrel, they are not optimistic they will see much state recovery in the

budget. What the University is facing now may be the “new normal” and the University will need to adjust to a much lower state participation level in terms of revenue. The University will need to find sustainable solutions rather than live off one time coverage out of reserves.

There are several things that will be prioritized to preserve student success efforts and advisement on Main Campus as they have contributed to great outcomes for students. At the graduate level they will preserve GA and TA assistantships. They are working on encouraging increased participation in 3+2 and 4+1 undergraduate/graduate programs to retain students. Capital renewal issues are being addressed through the bond that was approved by the Board earlier this year and will help preserve the quality of the Main Campus. Unfortunately a veto halted the UNM West building for Sandoval Regional but they will work on addressing the need for that building in the future with the HSC and Chancellor Roth.

The health plan proposal was briefly discussed and President Frank stated that there have been some misconceptions which led the Human Resources Department to publish a detailed FAQ on their website, [hr.unm.edu](http://hr.unm.edu). The conversation regarding the health plan proposals began in November at the request of Regent Doughty who requested to look at proposals that minimized premium increase to employees and the institution. The proposal presented at the Regents’ Finance and Facilities Committee meeting at February 4 were non-trivial increases but may hit some employees harder than others. If the Regents chose to take no action there would be an average premium increase of 6.4% due to the increasing costs of health care unless they find another place to cover it. By approving the proposed changes presented to the Board of Regents, the overall increase to each employee would only be 4.5%. The Administration is trying to buffest as best they can so they have proposed not moving forward with an increase to the VEBA contribution.

Regent Lee inquired why it is necessary to approve any proposed changes as soon as possible.

President Frank stated that it takes a certain amount of time for our benefits staff to promulgate the materials and open enrollment is approaching so it is important for faculty and staff to understand any changes.

On February 24, a Town Hall was held and information was provided regarding the budget to faculty, staff, and students. At that time the Administration asked for suggestions and ideas on how things could be done differently. Some ideas from the community included: increasing online certificates and degrees, self-publishing text books and learning materials, recycling used phones and reducing UNM-issued phones, restricting travel and use video conferencing, improving heating and cooling efficiency, exploring health exchanges at state level to reduce costs, consolidating IT functions and use open source software, and consolidating higher education statewide. More ideas were briefly discussed and included: retirement incentives, furloughs and no lay-offs, extended holiday break, 4 day 10 hour work week with no Friday classes, redirecting branding money, eliminating temporary positions across University, use student talent for campus jobs, cutting top positions, charging for community privilege cards, selling more naming rights (purchase rights to name a duck in the duck pond). There is no single or simple solution to the many challenges the University faces. UNM has a passionate community and will be counted on to join the discussion as they address the complex issues ahead.

ADOPTION OF ANNUAL RESOLUTION CONCERNING PUBLIC NOTICE OF MEETINGS; CONFIRMATION OF REGENTS’ POLICY 1.3 “PUBLIC NOTICE OF REGENTS’ MEETINGS”; APPROVAL OF 2016 BOR MEETING CALENDAR

The annual resolution, policy 1.3 and 2016 meeting calendar were provided in the agenda eBook.

**The motion to adopt the annual resolution concerning public notice of meetings, confirmation of Regents’ Policy 1.3 and approval of the 2016 Board of Regents Meeting calendar passed by unanimous vote (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee).**

COMMENTS FROM REGENTS (No Comments)

REGENT COMMITTEE REPORTS

ACADEMIC / STUDENT AFFAIRS & RESEARCH COMMITTEE  
Provost’s Update

Provost Chaouki Abdallah provided a report to the Board and stated that there were two items the Academic and Student Affairs Regents' Committee was dealing with, first is the important HLC University Accreditation and second is regarding articulation and transfer agreements for the state. Regent Hosmer stated that, since neither of the items were time sensitive, in the interest of time they would defer the two information items to a later meeting. Only one action item required Regent Approval.

Approval of Posthumous Degree

Regent Hosmer presented Tab 6 to the Board and requested Regents' approval to provide a posthumous degree to Mr. Robert McCoy. The paperwork behind the proposal was included in the meeting materials and the request has been fully vetted with the faculty involved and both Provost Abdallah and the Faculty Senate approve. Regent Hosmer moved approval and Marron Lee seconded. Item passed unanimously.

**The motion to approve the posthumous degree for Robert McCoy passed by a unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Lee).**

AUDIT AND COMPLIANCE COMMITTEE

Approval of Contract for FY16 Annual Financial Statements External Audit

Regent Hosmer introduced the item. The request is for Regents approval of the third year of a three-year contract with external auditors KPMG LLP and Moss Adams LLP. According to the terms of the contract, KPMG will perform the main campus and non-clinical component unit audits, and Moss Adams will perform the clinical area audits (Hospital, SRMC, and UNMMG).

**The motion to approve the contract for FY16 Annual Financial Statements external audit passed by a unanimous vote (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Fortner).**

FINANCE AND FACILITIES COMMITTEE

Approval of Consent Agenda

Regent Lee stated the two items on the Finance and Facilities Committee agenda,

1. Approval of Disposition of Surplus Property for Main Campus for February 2016
2. Approval of Reappointments and Appointments to STC.UNM Board of Directors

**The motion to approve the consent agenda as presented passed by a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Fortner).**

Discussion and Possible Approval of AON Proposed Changes to the UNM Benefit Plan

Elaine Phelps, Director of University Benefits, presented the slides that were available in the agenda eBook. The proposed changes result in a reduced increase to healthcare premiums from the prior estimated increase of 6.4% to a revised increase of 4.5%. Additionally, the scheduled VEBA contribution increase of 0.25% proposed to be delayed until FY18. There was discussion about the medical and Rx plan design changes and responses to Regents' questions. Regent Lee motioned approval of the changes. Regent Fortner seconded the motion and made a friendly amendment, to modify the motion and leave off for approval the change related to Diabetic Rx subject to plan copays. Regent Lee accepted the friendly amendment.

**The motion to approve the proposed changes to the UNM Benefit Plan as presented, excluding the proposed change to Diabetic Rx, passed by a unanimous vote (1<sup>st</sup> Lee; 2<sup>nd</sup> Fortner).**

Approval of Ground Lease to the Children's Cancer Care Fund of New Mexico

Tom Neale introduced, Diana Trujeque, Executive Director of the Children's Cancer Fund of New Mexico, who presented information about the fund. Tom Neale said the agreement is to enter into a 50-year ground lease for \$1 per year. All the improvements on the site will be constructed by the fund. UNM's only commitment is to deliver the site.

**The motion to approve the ground lease to the Children's Cancer Care Fund of New Mexico passed by a unanimous vote (1<sup>st</sup> Berryman; 2<sup>nd</sup> Lee).**

Update on the UNM Main Campus Tuition Share Budget Strategy (Information Item)

Kevin Stevenson presented the item. The slides presented were included in the agenda eBook. About 30% of schools have gone to a tuition share model that was presented. There was discussion.

2016 Legislative Session Outcomes (Information Item)

Matt Muñoz presented the item. The slides presented were included in the agenda eBook. There was discussion. Regents thanked Connie Beimer and Matt Muñoz for their work during the session.

Monthly Financial Report for Main Campus (Information Item)

Controller Liz Metzger gave a summary of the fiscal status as of the end of January 31, 2016.

COMMENTS FROM REGENTS' ADVISORS

Michelle Coons, Chair of the UNM Foundation Board, provided a quarterly report to the Board. Ms. Coons stated that the UNM 2020 campaign continues to do very well and is at 79.3% of the \$1 billion goal and has brought in a combination of \$804.5 million in gifts. At the last UNM Foundation meeting they approved a 4.5 spending distribution to the University which will attribute nearly \$15.9 million; a record amount in the history of the University distributed back from the Foundation. Many university foundations across the country are seeing less than favorable returns for the last year and a half, and it is projected that instead of being in the high 8s or 9s that the "new normal" is high 6s. In recognizing that this is a critical time for the University to have maximum distribution back, the UNM Foundation Board will bring a study with their investment advisor to analyze ways to be responsible from a fiduciary stand point and take a long term view on the change.

Jenna Hagengruber, ASUNM President, provided a report to the Board and stated that the ASUNM received their capital outlay funding from the Legislative Session, which will install 20 new lights in the summer of 2017 in South Lot to benefit the safety of students. Scholarships were discussed and ASUNM will be giving out 4 new scholarships to undergraduate students. The Lottery Scholarship did not see solvency during the 2016 Legislative Session and it is something that is constantly being pushed by ASUNM. They have had a meeting with Regent Berryman and AVP Terry Babbitt on ways to move forward.

Texanna Martin, GPSA President, provided a report to the Board. Ms. Martin congratulated all Fourth Year Medical Students as they will be matched for Residency Programs on March 18. The GPSA Commons Area is now open in Zimmerman Library on Main Campus near Starbucks and is a space for graduate students to study. The GPSA Executive Standing Committees are working hard on many different projects around campus. Graduate Student Appreciation Week, which was signed by Governor Richardson, will take place in April. GPSA is working on budget discussions and are looking at ways to save costs; they support over 400 student groups on campus and also provide prorated benefit funds to each registered group. The GPSA Council met last month and voted on a resolution titled E Pluribus Lobo; the Council Members have voted to ask that everyone to be as one and in support of each other, "One University, One Voice." The HSC graduate students are working on inter-professional endeavors for further cooperation and collaboration for professional programs. The Law Campus has provided materials to facilitate a discussion on how GPSA currently supports and they can improve. Regent Lee thanked the GPSA for putting together E Pluribus Lobo and she appreciates that the graduate students see this is a university of whole, not of parts but of one. Ms. Martin wants to advocate to breaking down silos and advocate for collaboration at the University.

Danelle Callan, Staff Council President-Elect, provided a report to the Board. Ms. Callan is an HSC Employee and also a graduate of UNM and represented UNM Staff on behalf of Crystal Davis. A letter was sent to the Regents from Staff Council outlining staff concerns to the proposed changes including the increases to health benefit costs and the proposed changes to the HSC Governance. Ms. Callan would ask the Regents to have AON look at the percent of the costs as compared to annual salary at other institutions. The University needs to make sure we are comparing properly when making decisions that can impact over 5000 staff members.

Stefan Posse, Faculty Senate President, provided a report to the Board and stated that the Faculty Senate has an advisory role as described in the Regents' Policy Manual and the Faculty Handbook. Faculty Senate represents a large diverse body of faculty at the HSC and Main Campus. They have not been able to fully

engage faculty in this process due to the very short time frame for the notice given for the proposed changes of the HSC Governance Structure. Mr. Posse thanked the faculty members in the Faculty Senate Operations Committee, the Faculty Senate HSC Council, and the Committee on Governance who met on short notice to take on the responsibility bestowed upon them of the voting faculty. They have heard faculty opinions from HSC and Main Campus that express considerable concerns, but they have also expressed a willingness to engage and provide consultation in the process. As the Faculty Senate President, Mr. Posse asked that the Regents' allow them to fulfill their role as advisors to deliberate and weigh in on the proposed changes of the HSC governance structure that are before us. They will, moving forward, promote a discussion that will be collegial, collaborative, and professional that is in the best interest of the institution as a whole.

Action Item: Modifications to Governance and Amendments to Certain Regent Policies Pertaining to the UNM Health Sciences Center

Regent Lee spoke and began by thanking the faculty, staff and students for their passion and comments. The Regents have a constitutional duty under the State of NM Constitution. The Regents are not to delegate their duties to any individual who is not a regent, and because of that these changes are important in order to fully function as one institution. Regent Lee added that she looks forward to future conversations with individuals who have shared concerns privately and publicly.

Regent Lee moved that Regents amend the governance structure of the Health Sciences Center through Regents' Policies 1.2, 2.16, 3.1, 3.3, 3.4, 3.5, 3.6, and 7.8. Regent Fortner seconded the motion.

Regent Fortner said he wanted a modification to RPM 3.3, the part about dismissing, as it applies to the Chancellor, that 'the President has authority to dismiss the Chancellor only with consent and approval of a majority of the Board of Regents.'

Regent Lee clarified that the Policy revision would have the Chancellor in the same line as other EVPs and asked President Frank if he had to get Regents' approval to dismiss other EVPs. President Frank said he has to inform the Regents of removals of the level of VPs or higher. Regent Lee said it is the 'consent and approval part' she has an issue with, because the Chancellor will be organizationally under the President, same structure as currently for other EVPs, and even though he will retain his title as chancellor and his duties as CEO, it needs to be consistent with the other leadership of the University.

Regent Fortner said one reason he does not have heart-burn about the policy changes is it is going back to a process that worked for ten years when Regent Fortner was chair of the HSC Committee. Regent Fortner recalled that at that time, it did require the consent and approval of the Regents, even though that is different from the other EVPs.

Regent Lee did not accept the amendment to Regents' Policy 3.3.

Regent Fortner asked Dr. Roth how many members are on the UNM Hospital (UNMH) Board of Trustees. There are nine. Two are from the County and one from the all Indian Council of Governors. The rest are all Regents' appointees. They are viewed as the governing body for the hospital. They are all community members except for the immediate past chief of staff is the ex-officio and they meet monthly. There is a Regent liaison member who sits on the board and Student Regent Berryman is currently that liaison. Currently, there is an ex-officio, non-voting member on the HSC Board of Directors who is the Chair of the UNM Hospital Board of Trustees. This allows the Hospital Board of Trustees and the interest of the County to have a voice.

Regent Fortner said he wanted continued discussions on how to get someone from that board, who is a public member, interacting with the HSC Committee. Dr. Roth mentioned the County Commission had originally wanted a UNMH Board member as a voting member on the HSC Board and ultimately over the years there was a compromise to what is seen today, the UNMH Board Chair is present as ex-officio, but without vote. Regent Fortner reiterated he would like follow-up on that. That will address some of the

issues about having continued public involvement in Health Sciences even though that whole board is community members, there needs to be a member interacting directly with the Regents.

Regent Fortner commented that he wanted to make it clear that Dr. Roth is excellent and will continue to be the CEO of the Health Sciences System. The proposals are for streamlining reporting to the Board of Regents, but Dr. Roth still runs the Health Sciences System. Regent Fortner said he has great confidence in Paul Roth.

Regent Fortner asked Regent Lee if she would accept as a friendly amendment, "with consent and approval of the majority of the board."

Regent Lee said her concern is there has been miscommunication that this is a radical new idea that is being forced on this campus, when in fact the changes will return to how operations were set up prior to 2010. As has been mentioned, the 2010 change was controversial. If we are to have the chain of command and an organization chart that needs to happen in order to streamline and effectively govern the institution as a whole, but then carving out exception for only one of the leaders under the President who is under the Board of Regents, Regent Lee said she still had an issue with that.

Regent Fortner said that is a deal killer for him.

Regent Lee offered up an amended motion that excluded Regents' Policy 3.3:

**Regent Lee moved that Regents amend the governance structure of the Health Sciences Center through Regents' Policies 1.2, 2.16, 3.1, 3.4, 3.5, 3.6, and 7.8. Regent Fortner accepted the amended motion.**

There was further discussion.

Regent Quillen said when she came on the board three years ago and was chair of the HSC board for two years, it was a rough start due to similar reasons. There was a year of vetting the whole process, the board, community input, and considering a new 96-bed hospital. We studied the Chartis Report and Regents Gallegos and Koch were on board. What we had did represent a national best practice in leadership and oversight for academic health centers. It was an effort to address slowing down processes and impeding patient care but not giving up Regents' ultimate authority. At some point you have to trust the leaders that are hired. Regents came to the decision about a year into it, and going backwards to pre-2010 is really going backwards. This is a revolutionary time in healthcare where every day something is new and something is changing. To restrict input because we are an appointed 7-member board of regents; we have always had the final authority and the final vote. The HSC Board of Directors did not have total autonomous control. Concerned about adopting a practice that takes us backwards. Many health centers have split away from their Universities not because of finances but because of decision making models where they could not be nimble and flexible. We are taking a step backwards to limit our input from the community, and especially the students, faculty and staff.

Regent Hosmer commented that as a general observation it is useful for boards of governance to approach big complex problems with questions, not with solutions. The current proposal has the appearance to of a solution. The Board of Regents over six years ago did in fact approach the HSC problem with questions, as a result of considerable deliberation, consultation with experts, and so on, arrived at the governance structure currently in place. A number of regents who were on board at that time were skeptical about that solution, but after discussion, explanation, refinement of the proposal, they voted for it. And many served on the HSC board with considerable effectiveness and support. This proposal appears to have been in work for a while. Regent Hosmer asked University Counsel, Elsa Cole, how long these proposed Regents Policy changes have been in work.

Ms. Cole responded she could not answer that with precision, but there was a concept that was discussed within the last ten days, and then some work was done on drafts to try to implement the concept.

Regent Hosmer inquired under what authority that work was done, who directed that.

Ms. Cole responded University Counsel was working to assist Regents.

Regent Hosmer inquired if individual Regents have the authority to ask for that kind of work or direct that.

Ms. Cole responded that as Chair and Vice Chair of the Board of Health Sciences, they had authority to ask University Counsel to assist them in revising the policies.

Regent Hosmer inquired if knowledge of that work went past University Counsel's office.

Ms. Cole responded that the time period just described there was a discussion, sometime the beginning of last week, with President Frank and Vice President Harris prior to discussion that same day with Chancellor Roth.

Regent Hosmer asked if there was any reason to restrict the knowledge of the work to that circle.

Ms. Cole responded she was simply providing information to two Regents for them to share with those individuals.

Regent Hosmer continued that as he looked at the proposal, he was still wondering what problem was attempted to be solved. "We have heard attribution of some general statements about the fashion of governance and clean lines of authority. In the work that was done six years ago, it became quite clear that the HSC and UNM are inherently different kinds of organizations. They have different funding streams, different pace of activity, different areas of expertise. And a lot of work has gone in across the country to find ways to reconcile the demands of those two different kinds of organizations into a single entity. The governance structure that we established in 2010 represents a way to try to resolve those tensions between HSC needs and UNM as a whole. And by all appearances did a quite good job of that. I personally have no knowledge of persistent, systemic problems within the current organization. So I still wonder, what is the problem we are trying to solve? Like many here, I wish I had had a chance to engage in some discussions on these matters. I believe the ninth exception to the Open Meetings Act for closed meetings includes strategic discussions about healthcare organizations, which this certainly qualifies or appears to me to qualify to do. We could have had closed Regents' discussions on that if an initiative were taken to do that. I continue to find it an allegation of issues that is worth exploring in detail, and Mr. Chairman I would personally urge that my colleagues who are thinking about how to vote in this decide not to move forward at this time but to take the issues that have been asserted and the reactions we have seen and actually sort through the details. Regent Fortner's questions I think illustrate very nicely that buried within the Regents' Policy changes there are a myriad of specific changes that are worth discussing and resolving concerns about. So I stand down."

Student Regent Berryman asked Regent Lee a question about policy revisions. Is it true that all HSC matters including finance and academics will all be directed to the proposed HSC Committee, is that the intended goal? Regent Lee responded in the affirmative. Student Regent continued that he read the Chartis Report of 2010 and noted a paragraph from the report, "the most important feature in the government schematic is that all entities eventually are accountable to a single entity, the Regents of the University of New Mexico. A single point of governance and accountability is highly desirable and provides the assurance that whenever seemingly intractable conflict arises it can be resolved in a manner consistent with the long-term interests of the entire University of New Mexico." The issue at the time was that the regents were not seeing the information in a streamlined or rationalized fashion, because those different entities were all sent to the Academic Affairs Committee or the Finance and Facilities Committee, so that will at least alleviate the concern with this policy change by sending all of those to one committee. Student Regent Berryman also wanted to echo Regent Fortner's statements. As the Regent, ex-officio, non-voting member on the UNM Hospital Board of Trustees, made up of community members, and the dialogue is always fruitful and agrees that there should be a voice at the HSC Committee meetings, even if as a non-voting member. Regent Berryman added there is a need to hear from the students at Health Sciences and expressed interest in future discussions of an amendment to the HSC



Committee structure to add a student from the Health Sciences Student Council to represent the issues on North Campus.

Regent Fortner agreed and added he would like that included in continued discussions, and with Dr. Roth, including how to continue the community involvement on the HSC Committee.

**The motion to amend the governance structure of the Health Sciences Center through Regents' Policies 1.2, 2.16, 3.1, 3.4, 3.5, 3.6, and 7.8 passed by a vote of 4-2; Regents Doughty, Fortner, Lee and Berryman voted in favor; Regents Quillen and Hosmer voted against.**

**Regent Fortner made a motion to approve Regents' Policy 3.3 with the amendment to the language in it as it applies to the Chancellor, that the President has authority to dismiss him only with consent and approval of a majority of the Board of Regents. Regent Doughty seconded. The motion passed with a vote of 5-1; Regents Doughty, Fortner, Hosmer, Berryman, and Quillen voted in favor; Regent Lee voted against.**

**Regent Hosmer motioned that all specific action implied by that motion be forestalled by six months for due consideration, and then come back to the issues. Regent Quillen seconded the motion. The motion failed due to a tie 3-3 vote; Regents Quillen, Hosmer, and Berryman voted in favor; Regents Lee, Doughty and Fortner voted against.**

PUBLIC COMMENT (No comments)

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION

Regent Fortner moved to go in to executive session; Regent Lee seconded; the motion passed unanimously. The meeting closed at 3:33 pm.

- Regent Quillen left the meeting after open session.

Executive Session/Luncheon-Cherry Silver Room (Regents Present: Rob Doughty, Marron Lee, Brad Hosmer, Jack Fortner; Regent Hosmer left before the end of closed session.)

VOTE TO RE-OPEN THE MEETING

The motion to open the meeting passed unanimously (1<sup>st</sup> Fortner; 2<sup>nd</sup> Lee). There certification that only those matters described in Agenda item IX. were discussed in closed session and no actions were needed. The meeting opened at 4:01 pm.

VOTE TO ADJOURN

The motion to adjourn passed unanimously (1<sup>st</sup> Fortner, 2<sup>nd</sup> Lee). The meeting adjourned at 4:02 pm.

**Approved:**

**Attest:**

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**Robert M. Doughty III, President**

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**Jack L. Fortner, Secretary/Treasurer**

**Minutes of the Annual Budget Summit**  
**Meeting of the Board of Regents of the University of New Mexico**  
**March 22, 2016**  
**Student Union Building, Ballroom C, Main Campus**

Members present

Robert M. Doughty, President; Marron Lee, Vice President; Ryan Berryman; Bradley C. Hosmer; Jack L. Fortner, Sec Treasurer (telephonically); Suzanne Quillen (telephonically)

Administration present

Robert G. Frank, President; Paul Roth, Chancellor for Health Sciences; Chaouki Abdallah, Provost and EVP for Academic Affairs; David Harris, EVP of Administration, COO, CFO; Gabriel Lopez, VP for Research ; Josephine De Leon, VP Equity and Inclusion; Dorothy Anderson, VP HR; Elsa Cole, University Counsel; Dana Allen, VP Alumni Relations; Ava Lovell, Sr. Exec. Officer of Finance and Administration, HSC; Eliseo Torres, VP Student Affairs; Liz Metzger, University Controller; Helen Gonzales, Chief Compliance Officer; Cinnamon Blair, Chief University Marketing and Communications Officer; Amy Wohlert, President's Chief of Staff

Regents' Advisors present

Crystal Davis, Staff Council; Carol Stephens, Retiree Association; Jenna Hagengruber, ASUNM; Stefan Posse, Faculty Senate; Texanna Martin, GPSA

Presenters in attendance

Terry Babbitt, AVP Enrollment Management; Andrew Cullen, AVP Planning, Budget & Analysis

Others in attendance

Members of the administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM AND ADOPTION OF THE AGENDA

Regent President Rob Doughty called the meeting to order at 9:47 AM and confirmed a quorum of members present. Regents Suzanne Quillen and Jack Fortner joined the meeting telephonically. Regent Doughty asked for a motion to approve the agenda. Dr. Roth requested item X.b. Approval of the School of Medicine Tuition and Fee rates be moved up under item III., Health Sciences Budget Overview.

**The motioned to adopt the agenda as modified passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Berryman).**

INTRODUCTION AND LEGISLATIVE UPDATES

President Robert Frank provided an introduction to the annual Budget Summit and an update on the 2016 Legislative Session outcomes. FY17 permanent reductions were reviewed; Main Campus Instruction and General (I&G) received a \$4.5 million reduction and Main Campus RPSPs received a \$600K reduction. The Health Science Center received a \$1.5 million reduction and HSC RPSPs received a \$700K reduction. The Branch Campuses received a \$600K reduction. The total amount of State reductions for UNM was \$7.9 million. Since FY14-15, the University has taken \$10 million of I&G reductions on Main Campus. The volatility in oil and gas revenue and the downward trends in tax revenue are likely to continue for at least two to three more years. They believe that the current budget cycle is the "new normal". The University will need to look past temporary fixes and find more sustainable ways to deal with the volatile budget environment.

President Frank stated that for the FY17 Main Campus budget there was a State reduction of \$4.5 million, a tuition decline of \$1.1 million, fixed costs increases for health care and utilities of \$1.2 million, and \$800K in must funds for Academic Affairs promotions and new hires. The total is a projected \$7.6 million budget shortfall, which would equal a tuition increase of 7% if funded just by tuition. The Regents have made it clear that a 7% tuition increase would not be approved, so Administration did not consider this as an option. Alternatively, they could address the shortfall with administrative cuts; approximately \$5.4 million reduction to Academic Affairs and \$2.2 million to the Administration. Neither of those approaches would support continued progress toward student success goals. They will bring forward a balanced approach which was developed in working with the Budget Leadership Team (BLT), which includes student leadership, faculty, deans, and senior leadership from the University. The BLT has been meeting throughout the year to look at different models on how to handle the budget problems. The model

presented for approval will have a modest tuition increase and significant reductions in each EVP area including Administration, Academic Affairs, and HSC. They believe they must fund and protect the University's student success efforts as these efforts have seen significant success; the areas that will be untouched included Advising, the Math MaLL, and the English program.

In closing, President Frank thanked everyone across campus who has participated in the budget development process this year as it has been difficult. They believe the proposal they are putting forward is the best they can do in the challenging climate. In May the University will celebrate graduations as many students will be moving on to do great things. The three EVP's including EVP Harris, Chancellor Roth and Provost Abdallah are committed to bringing together a group to establish cost efficiencies and effectiveness within the University; the goal is to bring back results over the next quarter to the Regents.

Regent Berryman inquired about the tuition shortfall and if some of that had to do with the University graduating students more effectively in four years. President Frank responded in the affirmative, a couple of significant factors in the tuition shortfall are students taking higher credit loads and lower enrollment of non-traditional students.

Regent Lee commented that incoming freshmen enrollment has remained flat, a percent and a half.

#### HEALTH SCIENCES BUDGET OVERVIEW

Dr. Paul Roth presented the overview and Ava Lovell presented specific details for the Health Sciences Center budget. Dr. Roth referred to slides that were included in the agenda eBook. Strategic initiatives are driving the FY17 UNM HSC Budget. The UNM2020 Goal #4 is Enhance Health and Health Equity, and HSC has four goals that essentially drive the operations of the Health Sciences Center: 1) improve health and health care for those we serve, 2) build the health care workforce of New Mexico by providing a premier education, 3) foster innovation and translate our research and discoveries into clinical and educational practice, and 4) deliver a well-integrated academic health center that provides the safest and highest quality clinical care. Dr. Roth mentioned the issues and challenges that fall under academic programs and the clinical enterprise, also called the health system, including having to do more with less resources, budget constraints, the need to lower costs while improving quality, competition in employment markets, facilities that are aging, inefficient and or structurally deficient, competition for limited research dollars, and rapidly evolving IT needs. Probably the biggest challenge for next fiscal year will be dramatic cuts in Medicaid reimbursements and could be as high as \$30 million cut in revenue. The HSC has received a number of national awards for community engagement, statewide engagement through 579 activities in 246 communities across the State with outreach activities in education, patient care, community research, and telehealth sites. Dr. Roth talked about several areas of achievement in FY16 and notable recent research grants. He gave a brief update on the hospital replacement effort. He thanked the Regents for the approval to move forward with the planning. Fanning Bard Tatum Architects were awarded a contract to provide professional high level programming and planning services; the effort will take about six months. Dr. Roth discussed a number of capital projects planned for the coming year, including the Health Education Building Phase III, the Eubank Women's Care Clinic, and UNM Cancer Center Clinical Buildout. FY2017 funding agreements between HSC and Main Campus come to a net of about \$30 million that goes to Main Campus for the HSC share of overhead costs and there will be future discussions on how to improve efficiencies and share services.

Ava Lovell addressed the details. She showed a slide depicting the differences between the Academic cycle, where revenues are essentially known and expenses match revenues, and a Clinical cycle, where expenses are not incurred until services are delivered and revenues are not known until after service is delivered and billing is completed. Ms. Lovell went over some details to the FY17 budget. Starting with FY16 budget, there is a \$1.24 million decrease to FY17 due primarily to a 2.4% reduction in HSC State appropriations of I&G (Instruction and General) funds. The projected tuition revenue increase is \$1.09 million and will be offset by the proposed 1% reduction in SOM tuition estimated at \$67K. The total tuition revenue projected at \$2.4 million will be transferred to Main Campus. The HSC will utilize a one-time use of reserves of \$1.64 million to offset the \$2.4 million that will be transferred to Main Campus. The Total HSC I&G Budget is balanced to zero with sources of funds of \$121.9 million equaling uses of funds. On the expenditure side, if there is funding, salary increases for those only under the 25<sup>th</sup>

percentile will be adjusted and with funds coming from clinical revenues. Fixed costs will see and increase, group health insurance at 4.5% increase, HSC utilities will have a 1.9% increase. The total UNM HSC Academic Enterprise is estimated to have revenues of \$655 million, expenses of \$642 million and a net margin of \$7.1 million. The primary areas contributing to the margin are the Cancer Center, Neurosurgery, and Project ECHO, in the grants they are receiving. Ms. Lovell presented the details State appropriations cuts to I&G and HSC special projects, with a bottom line cut of 2.3%. She touched on faculty compensation and presented UNM Health System FY17 financial assumptions and preliminary budget for the UNM Hospitals. Revenue projection for UNM Hospitals for FY17 is \$922 million, up from projected \$889.6 million for FY16. UNM Health System net margin for FY17 is projected to be \$7.46 million.

Student Regent Ryan Berryman requested confirmation the \$2.4 million transfer of funds to Main Campus will not in any way effect the reserve for the planned new hospital, since that is tuition revenue. Ms. Lovell confirmed that is true.

Regent Brad Hosmer inquired about private sector research grants and if there is an upward trend in number of private sector awards. Ms. Lovell estimated private grants may be about 5% of total grant funding, and if Project ECHO is included, then private sector funding trend is upward.

Regent Marron Lee inquired if the requested 1% decrease for the School of Medicine (SOM) tuition is the second decrease. Dr. Roth confirmed this is the second decrease and he was hoping to decrease tuition by another 5% next year, but with budget issues, that is uncertain. There was discussion about medical student debt, scholarships, and offering financial planning classes. Regent Lee asked how SOM tuition compares to other schools in the nation. Dr. Roth responded its tuition is in the lowest quartile in the country and the only school with a declining tuition. The financial impact of the 1% tuition decrease will be an estimated \$67K impact.

Regent Hosmer inquired about elasticity of demand with respect to tuition. Dr. Roth said elasticity of demand is not evident; however, a higher tuition and an increased debt load to repay could affect where students will agree to practice, because practicing in rural areas, where they are encouraged to go in New Mexico, their income will be lower. It may also influence the discipline they choose to go into, general pediatrics is the lowest paid area for professional income, and it's an area where physicians are needed, family medicine and general internal medicine. Those are the areas where student debt and high tuition will have an impact.

**The motion to approve a 1% tuition decrease for the School of Medicine passed unanimously (1<sup>st</sup> Hosmer; 2<sup>nd</sup> Berryman).**

#### BRANCH CAMPUS BUDGET PROPOSALS

Provost Chaouki Abdallah presented the Branch Campuses budget proposals for AY2016-2017. The University has four branch campuses; Gallup (UNM-Gallup), Los Alamos (UNM-Los Alamos), Taos (UNM-Taos), and Valencia (UNM-Valencia). Three of the branch campuses are requesting a tuition increase; UNM-Taos is the only branch not requesting a tuition increase. The proposals have gone through their Boards, are forwarded to the Office of Academic Affairs for review, and discussed with President Frank prior to bringing forward to the Regents.

The Gallup Branch Campus is proposing 8% tuition increase, which equals \$5.19 per credit hour for resident and \$13.76 per credit hour for non-resident. That would generate \$198K for the Gallup Branch; their budget is about \$18.4 million. Gallup will be allocating approximately \$100K of the tuition generated from the increase to need-based financial aid. Most of their students are resident.

The Los Alamos Branch Campus proposes a 6.8% tuition increase, which equals \$5 per credit hour for resident and \$14 per credit hour for non-resident. That would generate \$50K for the Los Alamos Branch; their budget is about \$3.7 million. They would allocate 20% of the tuition increase towards need-based financial aid.

The Valencia Branch Campus proposes a 8.7% tuition increase, which equals \$5.75 per credit hour for resident and \$16 per credit hour for non-resident. That would generate \$151K for the Valencia Branch; their budget is about \$11.8 million. They would allocate 20% of the tuition increase towards need-based financial aid.

Provost Abdallah commented that the Gallup Branch has had a recurring budget shortfall that Academic Affairs is working with them on. They have some reserves they are burning through.

Regent Berryman inquired why the Taos Branch was not requesting an increase. Provost Abdallah responded the branches have asked for tuition increases at varied times to meet their needs. This is a year where the Taos Branch can maintain their operation without needing to increase tuition.

Regent Lee inquired with regard to other institutions throughout the state with branch campuses, if they are seeing similar financial situations as UNM. Provost Abdallah responded many other branch campuses of other institutions are requesting large tuition increases. It is fairly typical that they go through periods where they don't ask for any tuition increase and then they ask for 5 or 6 percent. The reason is their credit hours are much cheaper. When they raise tuition, UNM requires a financial plan to take care of those most at risk with need-based financial aid.

Regent Lee inquired, with regard to the Gallup Branch, why they are burning through reserves. Provost Abdallah stated they have put the Gallup Branch on a deficit reduction plan to reduce costs. They built up reserves due to unfilled vacancies which caused their performance to suffer. It is important to invest in the academic mission even though the return on investment may take several years. They are making sure to adjust their budget to make sure it balances each year and use reserves toward the performance metrics being set for them.

Regent Lee inquired when the last time there was a tuition increase at Gallup, Los Alamos, and Valencia. The Gallup Branch had an increase of 7.1% last year. The Los Alamos Branch had an increase of 5% last year. The Valencia Branch had an increase of 7.2% last year. Some years these campuses have asked for no tuition increases.

Regent Lee stated she understands the importance of investing in services but the percent increase being proposed is concerning. Provost Abdallah responded the percentages are high but per credit hour is a small amount. Additionally, funds will be set aside for financial aid for those who need it.

Regent Lee inquired if they are looking at completing any efficiency studies at the Branch Campuses. Provost Abdallah responded the Academic Affairs Office began managing the Branch Campuses a year ago and they do have a plan to look at efficiencies. They renegotiated the services for the branch campuses and are working to implement student success efforts similar to UNM Main Campus. Branch Campuses have a lot of workforces needs and transfer articulations. Jerry Dominguez is responsible for working with all the Branches CEOs and he spends a lot of time working with their Boards and operations.

President Frank stated the tuition at each Branch Campus is different and he would like to see them brought to one common tuition level. It will be difficult as they all have different Boards.

**The motion to approve the proposed tuition increases for Branch Campuses, 8% for UNM-Gallup, 6.8% for UNM-Los Alamos, and 8.7% for UNM-Valencia, passed by a vote of 4-2; Regents Quillen, Fortner, Hosmer, and Berryman voted in favor; Regents Doughty and Lee voted against (1<sup>st</sup> Fortner; 2<sup>nd</sup> Berryman).**

UNM-Taos did not request a tuition increase.

Regent Doughty stated he is adamantly against tuition increases and believes the University should start every discussion on the budget from the standpoint of not increasing tuition. He is not satisfied with increasing tuition and agrees with President Frank about uniformity. There was no evidence presented to the Regents that Branch Campus operations are as efficient as possible which is why he voted against.

- Regent Lee echoed Regent Doughty's concerns and requested President Frank and Provost Abdallah to have a proposal by June on a Branch Campus tuition plan. Provost Abdallah said he will work with the President and the CEO's of the Branch Campuses to provide that.

Regent Berryman agreed the Branch Campuses should be examined further in the future to be more uniform and efficient. He voted for the proposal because he would like students at these campuses to have all the resources they need to succeed and without tuition increases these resources can potentially be cut.

#### FY17 FEE PROPOSALS

##### Student Fee Review Board (SFRB) Recommendations

ASUNM and GPSA presidents, Jenna Hagengruber and Texanna Martin, presented the item and referred to material provided in the agenda eBook. The student leaders outlined the process that arrived to the SFRB preliminary recommendation. The SFRB Student Activity Fee recommendation was \$16.64 million of recurring funds and \$226K of one-time funds for a total of \$16.87 million of Student Activity Fee funding and the recommendation of no expected fee increase. This is a 1.4% overall decrease from the current year due to enrollment declines. The breakdown of funding allocations was presented. Ms. Hagengruber stated that groups that submitted decreases on their own have other fundraising opportunities. There was mention of the already approved debt service fee increase, due to new capital projects, and that this increase played a large role in the boards' decision to not recommend an increase in the Student Activity Fee. The student leaders reported that sustainable one-time funding is an important part of the SFRB discussion and recommended a carryover of \$357K in the one-time account, to be used in FY17 (\$226K) and FY18 (\$131K). Andrew Cullen said these numbers were rolled into the budget scenario presentation he would make later in the meeting.

Regent Quillen, joining the meeting telephonically, disconnected and did not rejoin the meeting.

##### Online Delivery Fee Redistribution

Terry Babbitt presented the item. There has been talk about redistributing the online delivery fee. Right now students pay about \$100 for a 3-hour online course. The learning management system platform utilized for online courses is also used for traditional classes so a redistribution of the fee was being considered. The proposed fee increase would effect a little over 17,600 students. There are 12,000 students who take one or more online courses and they may even see a decrease in fees. There are about 1,100 students who are completely online; this has been a stable number without growth over the past few years. Dr. Babbitt discussed how web enhanced courses add value to the students' experience. The learning management system provides analytics and other useful aides. There was discussion.

- Regent Doughty said he was obviously in favor of this but he didn't want to push this off on students. He said administration had more work to do looking at this issue and charged administration to go back and look at other ways as to how this could be paid for.

#### VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION / LUNCH (CHERRY SILVER ROOM)

**Regent Lee moved to close the meeting to proceed in executive session during lunch. Regent Fortner seconded the motion. All were in favor. The meeting closed at 11:52 AM.**

**Members present during closed session: Rob Doughty, Ryan Berryman, Brad Hosmer, and Marron Lee. Members not present during closed session: Jack Fortner and Suzanne Quillen.**

Executive Session took place in the Cherry Silver Room, on third floor of the SUB. The Regents held closed session under the following OMA exception:

- a. Discussion and determination where appropriate of the purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H(8), NMSA (1978)

#### VOTE TO RE-OPEN THE MEETING

**The motion to open the meeting passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Berryman).**

**The meeting opened at 12:29 PM; the door to the Cherry Silver Room was opened; there certification that only those matters described in the closed session agenda were discussed in closed session and action on one item would be taken; Regent Lee made a motion.**

**The motion to approve moving forward with the occupancy agreement with Signet Development team for Phase I of Innovate ABQ passed by unanimous vote with 4 Regents present and voting (1<sup>st</sup> Lee; 2<sup>nd</sup> Berryman).**

- The Regents moved to Ballroom C on main floor of the SUB to continue open session. Members present: Brad Hosmer, Marron Lee, Rob Doughty, Ryan Berryman. Members not present: Suzanne Quillen and Jack Fortner. Regent President Doughty confirmed a quorum of 4 Regents and proceeded the meeting.

#### MAIN CAMPUS BUDGET OVERVIEW

##### Enrollment Projections

Terry Babbitt, AVP Enrollment Management, presented enrollment projections for Main Campus and referred to material included in the agenda eBook. The enrollment projection process is a critical element of all budget procedures and is taken very seriously. Enrollment Management uses modeling to determine enrollments. Typically the most common is a cohort ratio mortality rate, which means students transitioning from one level to the next. There are some input factors and several different classifications of students. They primarily look at increasing new freshman and have been projecting an increase. They are concerned with continued declines in non-traditional students, non-degree, and some graduate populations. Overall, the University is projecting a nearly flat enrollment level of about a 0.35% decrease. They also are projecting to see shifts in credit loads, as that impacts the budget; students taking 15 credit hours pay less than students taking 12 credit hours.

Dr. Babbitt presented several slides. The first illustrated the 10-year enrollment trend for Main Campus of full time students since 2006. The data incorporated credit hours taken and headcount, a combination of the productivity of students. The 2015 number was slightly down at 0.47%; it is not a large change but even small changes are significant to the budget. The five-year trend was a 1.5% decrease over that period.

Dr. Babbitt discussed enrollment models used by the University and demographics. The areas that feed UNM the most are anticipating a 4% drop in the number of seniors. People leaving or attrition at New Mexico high schools is affecting the University. It is making recruitment for traditional, in-state students more difficult. Dr. Babbitt discussed new students, the beginning freshman admit pool. New students impact the University and have been strong in retention and graduation rates. This week the students admitted to the University is almost a 929 increase in number, approximately 14%, from Fall 2015. The non-resident students saw a 40% increase, up 847 students. Residents are almost exactly flat. These are admitted students, and there are aggressive goals to get these students to decide to attend. Resident students are much easier to yield and their yield rates are higher. Non-resident students have a lower yield rate. They are focusing on pushing various efforts and graduation incentives to boost enrollment such as "Finish in Four", and it has received positive feedback. International admissions have been a very small for freshmen, which is something they are trying to change; this is up approximately 50 students.

Dr. Babbitt discussed load shifts as they impact revenue and enrollment. Load shifts impact what students pay, specifically the 15 credit hour rate, which is cheaper than 12-hour. In 2012, only 59% of the University's full time students took 15 hour loads. That was a concern for the Administration as a student cannot graduate in four years taking smaller credit hour loads. To address that, a tuition policy to incentivize 15 hour credit loads was implemented. The percentage taking 15-hour loads jumped up significantly to 78.8% by 2015. In 2014, the State government got behind the 15 credit-hour idea and passed Lottery Legislation that required cohorts of Lottery Scholarship students to take 15 credit-hours; two cohorts were grandfathered to remain at 12 credit-hour requirements. The load shift does have some impact on the overall tuition revenue to the University.

Dr. Babbitt discussed adult student enrollment. Currently the enrollment numbers of adult students are at pre-recession numbers as many of these students are going back to work rather than enrolling in classes. These students are weighing the value of degrees and return on investment, many are opting to work.

Next, the Lottery Scholarship and student migration. The Lottery Scholarship has meant a lot to New Mexico and means a lot in recruitment of students to stay in New Mexico and eliminate brain drain. The Lottery Scholarship was introduced in 1997 and since then more and more New Mexico high school students are choosing to stay in state. In 1994, approximately 25% of New Mexico's high school students were leaving the state, which is a drastic number. As the Lottery Scholarship kept momentum, that number shifted to 13% of New Mexico high school graduates leaving the state. The concern is if the Lottery Scholarship loses \$19 million in resources, this equals \$10 million in gift aid to UNM. There is value in keeping students in New Mexico and keeping loan debt down. It is a large challenge for higher education next year.

Regent Hosmer commented with regard to prior successes in reducing "brain drain" to the State. Many actions taken at UNM over the past few years are an attempt to further reduce "brain drain". The more talented students we can keep in New Mexico long-term, the better the State will be in the long-term.

#### Discussion of I&G Budget Scenarios

Andrew Cullen, AVP of Planning, Budget & Analysis, presented the Instruction and General (I&G) Budget Scenarios for Main Campus. The materials presented were included in the e-book. Mr. Cullen reviewed the Main Campus I&G budget development summary. For the Main Campus I&G budget it is primarily focused on tuition, enrollment, and State appropriation. For FY2015-2016, the University had to absorb a \$4.5 million reduction in revenue primarily due to enrollment decline, adding that to the decrease in state appropriation is nearly \$10 million in reductions from the start of July 1, 2015 through June 30, 2016.

Mr. Cullen presented the FY2016-2017 I&G budget scenario which proposed a 3% tuition increase to generate net \$2.286 million in additional revenues. The proposal also included a one-year reprieve from funding need-based aid which costs approximately \$250K for every 1% increase in tuition, and given the cuts the academic schools and colleges are facing, a reprieve from that practice is warranted. The student fee increase of 10.4% is due only to bonds sold February 2016 associated with funding the new \$55 million bond issue that will support the Anderson School of Management, Johnson Center, and minor renovations to Smith Plaza. The proposed tuition (3%) and fee (10.4%) increase rate would generate a blended rate of 4.68% increase for a student taking 15 credit hours.

At the beginning of FY16, administration chose to withhold 5% of the I&G budget from departments. Breaking that down, 1.5% covered the revenue reduction due to enrollment declines, and the remaining 4.5%, or \$919K, was banked to off-set this year's State appropriation reduction. Expenditure reductions proposed for FY17 within Academic Affairs, Administration, President's Organization, and the corresponding fringe benefits, all total \$1.467 million expenditure reduction. These reductions are offset by funding priorities with increases totaling \$855 million. With regards to HSC transfers, the FY17 proposal has \$2.433 million that will not be transferred from Main Campus to HSC, resulting in a net positive \$1.743 million at Main Campus. Projected fixed cost increases are: health care (\$583K), utilities (\$364K), and property and liability insurance (\$280K). Taking all of these changes, with the proposed 3% tuition increase and the 10.4% student fee increase to support debt service (\$2.980 million), starts the University off with a balanced budget in FY17. Mr. Cullen presented FY17 budget proposal details included in the e-Book.

There are two concerns with enrollment; the number of New Mexico high school graduates and the cohort shift of students moving from taking 12 credit hours to 15 credit hours. A \$700K tuition revenue decline is projected due to the credit hour shift. A 3% tuition increase actually generates \$3.381 million, but nets to \$2.286 million when factoring in the projected enrollment trends.



Regent Berryman inquired what the cuts to the President's Organization, Academic Affairs, and the Administration entailed. President Frank responded most of the cuts are continuation of a freeze in hiring. The University will continue the hiring freeze in the year ahead. The only exception to the hiring freeze would be in student success areas. There will be very little hiring within the University, and it is the only way to achieve the necessary magnitude of cuts. The cuts have been vetted with the EVP's, and for Academic Affairs will be implemented to have a minimal effect on the schools and colleges.

Regent Hosmer inquired what would be the impact on the Academic enterprise due to those cuts. Provost Abdallah responded the investments made several years ago are bearing fruit and have momentum. However, when the funding for these initiatives, investments, and hires stops, there will come a point in time where areas will suffer. The focus needs to be in areas that will not affect student success. They are reducing the number of faculty by not replacing them when they leave and working with the deans on strategic hires in some areas. Faculty does not follow the trend in enrollment. They will maintain the gains in retention of high risk faculty being poached by other institutions.

Mr. Cullen stated regarding Administrative cuts, the Physical Plant Department, Utility Division, built a North Campus Sub-Station in 2001 and it was a 15-year term those bonds have retired, it is \$315K per year. The expense is off their books and they will be cutting the budget in that area by the same amount. It will be neutral for them but aided in the necessary cuts within the Administration.

#### CONSTITUENT GROUP COMMENTS AND PUBLIC COMMENT

Faculty Senate Stefan Posse, Faculty Senate President, provided comments on behalf of faculty members at UNM. Dr. Posse congratulated everyone for working jointly on the budget build process; it has created a diverse discussion amongst all constituents. In the end they have come together to build a budget that is responsible and in line with the current constraints of the State budget. Everyone has taken a hit and there are no clear winners. Faculty Senate believes the University can carry this, and moving forward they need to carefully consider how, when, and where to invest to bring the institution forward. Faculty Senate has pledged to identify opportunities and synergies between Main Campus and HSC to create centers of excellence and allow students to excel. Decisions to invest in infrastructure are very important. Faculty Senate efforts in support of the budget process are ongoing. A faculty survey of the budget committee is now complete and they will analyze the data to present in the future.

Staff Council Crystal Davis, Staff Council President, provided comments on behalf of staff at UNM. Over the past nine months, Ms. Davis has presented narratives and financial data showing both qualitative and quantitative information on the lack of staff increases and continual rise in the cost of healthcare benefits. Diminished budgets will undo the substantial progress made in the past few years in the areas of increased graduation rates, reduced repeat of remedial courses, and offering better products to students than in the past. To maintain the product, they must also maintain materials, personnel, and programs to lead to student success and systematic excellence. The University has used a short-term model to shore up budget deficits by allowing staff and faculty positions to remain unfilled using those salary lines to plug in the hole in a long-term problem. Many staff would rather retire than continue to take on increased workloads with decreased pay. Ms. Davis stated she would like staff to continue to be included in the discussions, not relegated to making comments after the fact. Keep in mind how much staff contribute to the University through maintaining day to day operations, teaching classes, writing grants, coordinating research and publishing results. Staff takes part in all activities.

ASUNM Jenna Hagengruber provided comments on behalf of the undergraduate students at UNM. Ms. Hagengruber presented a joint statement provided by ASUNM and GPSA regarding a tuition increase. ASUNM and GPSA have tried to be transparent about any increases for students. The increase for the institutional bonds was presented, vetted, and discussed with students beginning in May 2015. They feel confident they have the backing of both student body populations on the increase in fees for institutional bonds. For a tuition increase, Ms. Hagengruber is wary as it is hard to put a financial burden on students when they are paying so much. However, when students are in support of a tuition increase that is when you know it is a sad day for the University and the financial situation. Ms. Hagengruber stated that she is in complete support of a tuition increase; however she would qualify if undergraduates are to support an

increase it is below a 3% increase. The biggest concern she has is the lack of time to vet it through her constituents, which is due to timing and not to blame on anyone. Ms. Hagengruber spoke with the ASUNM Joint Council comprising 11 students of all different areas/backgrounds and they are in support of a tuition increase as they do not want to potentially lose services for students.

GPSA Texanna Martin provided comments on behalf of the graduate and professional students at UNM. Ms. Martin stated the financial hardship the University is facing impacts all members of the community. There are currently 5,701 graduate and professional students enrolled at UNM. Many of these students are teaching classes, assisting departments, and working on research that benefits the University. One of the most fundamental features of a thriving top tier research university is the engagement of the graduate population. Many students choose UNM because of the faculty and scholarship/research opportunities, rather than the price of tuition and fees. Assistantships are one of the most important resources provided to graduate students and play a strong role in recruitment. Without a tuition increase departments will be required to weather another round of financial cuts, which will likely lead to the decrease in amount of funds for assistantships. Martin advocated for graduate students, assistantships, and student employment overall. By advocating for protecting graduate funding resources, such as assistantships, means that graduate students support a tuition increase.

President Frank stated that the University will protect graduate assistantships.

Deans Council Provost Chaouki Abdallah spoke on behalf of the Deans Council and stated that they have not had a chance to meet. A few deans sit on the Budget Leadership Team. While no one is pleased with the cuts and sacrifices, they are all trying to pull together and make sure the budget session ends on a happy note.

Public Comment There were no comments from the public.

#### APPROVAL OF 2016-17 TUITION AND FEE RATES

Regent President Doughty requested Andrew Cullen approach the podium to address this item. Mr. Cullen restated the proposal before the Regents: to increase tuition by 3%, increase fees 10.43%, an amount that would cover the debt service association with the 2016 bonds. Both of those increases would result in a tuition and fee increase for a student taking 15 credit-hours of 4.68%. The necessary cuts, the contribution from the Health Sciences Center, fixed cost increases, academic priorities, and the debt service have been presented. Included are the overall reductions of student activity fees as recommended earlier by the students.

Regent Doughty asked if the 10.43% increase in mandatory student fees is the exact amount the students have agreed upon. Mr. Cullen confirmed that yes, this is the amount to cover the 2016 bonds that were already approved. Mr. Cullen clarified the student activity fee addressed earlier by the student leaders will not be increased and the funding reductions the student leaders presented in their recommendation is response to and in line with what the University is seeing overall in reduced fee revenues.

Regent Lee said she is not comfortable with a 3% tuition increase, or with any tuition increase; however she understands we are in some very difficult times as a university and as an institution. She expressed concerns about inefficiencies, and said she believes other efficiencies can be found and is encouraged there are meetings planned to address this. Three percent is the cap; what would happen if it was a 2.5% tuition increase? Mr. Cullen added that to address a 2.5% increase as opposed to 3%, the cuts in administration and academic affairs would have to go up by \$500K. Mr. Cullen said that for a 0.5% tuition difference, that's about \$26 per year impact to the student.

President Frank said that they can live with 2.5% tuition increase if that is what Regents can live with. Regent Lee said she preferred 2.5% over 3%.

Regent Hosmer said it is fair to look at the cost of higher education in all states as share between the populace as a whole, through taxes and the state budget, and those who benefit directly as students.

When the legislature went forward to reduce the contribution by the State, one could say that is directly an expectation that the students will increase their share. To understand how much the impact really is, Regent Hosmer inquired to Mr. Cullen what portion of undergraduates actually pay the sticker price. Dr. Babbitt responded that about half of the students pay the full price. And for those who do not pay the sticker price, they pay on average about \$1,400. And if tuition were increased 3%, those students who do not pay full sticker price and receive aid would see about a 1% increase.

Regent Doughty commented over the last 15 years UNM has increased tuition over 150% and added that since he became a Regent he made it clear he was adamantly against tuition increases. Last year's tuition plan had an incentive of the eighth semester free if students graduate in 4 years, along with that was a 3% per year cap to tuition increases. Regent Doughty said the Budget Leadership Team has done an outstanding job making cuts and pulling the belt as tight as it would go, and it is not prudent to cut anymore. Regent Doughty said as a result he would change his stance on the tuition and agree to a 2.5% increase to keep it below the cap of 3%. This is a one-time deal and not a systemic problem. Oil prices are going back up and hopefully next year there will not be similar cuts as this year's 2.4% cut from the State.

Regent Lee added that her position would be very different if the students had not expressed they realized the unique situation that the University is facing at this time and be willing to shoulder some of that burden with the rest of the institution.

Student Regent Berryman commented last year there was approximately a \$3.6 million shortfall and a 3% tuition increase to cover that, and this year with an \$8-10 million shortfall and to only be talking about a 2.5% increase is fair and shows everyone has done everything they can to reduce the budget as best they can. It also shows the University working together on a number of different levels. And with a 0% increase, resources that students currently benefit from would be lost. Student Regent said he also supported a 2.5% tuition increase.

Regent Lee moved to approve a tuition increase of 2.5%. Student Regent Berryman seconded and requested to add a friendly amendment that Regents also approve the 10.43% fee increase for the new buildings on campus. Regent Lee accepted the friendly amendment.

During discussion, David Harris commented his concern of a triple-hit impact on the athletics program, including the reduction the legislature imposed on their appropriation, the impact of the tuition they will have to absorb, the \$120K reduction in student activity fee allocation. EVP Harris asked if the Regents would be receptive to considering administration proposal to at least cover the reduction in student fees. Regent Doughty said that was prudent and acceptable. EVP Harris also commented his concern regarding the impacts of health insurance to faculty and staff, and hoped that as the budget is cobbled together, if a one-time compensation could be made to help offset the impacts of the health insurance increases. The amount would depend upon the availability of funds. Regent Doughty agreed it was a good idea and said this has been done in the past and inquired if this would be a one-time payment. EVP Harris confirmed and said it may not be a great deal of money, but at least it would show some compassion.

Regent Hosmer said he would support the 2.5% tuition increase as the least bad solution. The impact of the overall budget situation on the faculty is much to be regretted. The University is exposed to hostile recruiting of the most talented faculty and has stopped the progress that was underway of building a stronger and more prominent faculty, and hopes this will get back on track as soon as possible. Regent Hosmer said he would go so far as to support a 5% tuition increase with intent to share the grief between the students and faculty.

**The motion to approve a 2.5% Tuition increase along with a 10.43% fee increase to cover the debt service passed by unanimous vote with 4 members present and voting (1<sup>st</sup> Lee; 2<sup>nd</sup> Berryman).**

Regent Doughty reiterated instruction that Andrew Cullen would look into funds for athletics and one-time compensation to faculty and staff to off-set cost of health insurance increases.

Andrew Cullen confirmed there are no requests for differential tuition.

VOTE TO ADJOURN

**The motion to adjourn the meeting passed unanimously (1<sup>st</sup> Lee, 2<sup>nd</sup> Berryman). The meeting adjourned at 2:07 PM.**

**Approved:**

**Attest:**

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**Robert M. Doughty III, President**

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**Jack L. Fortner, Secretary/Treasurer**

## President's Administrative Report

*will be presented at the meeting*

## Chancellor's Report

*will be presented at the meeting*

# MEMORANDUM

**To:** Board of Directors

**From:** Mike Richards  
Executive Physician-in-Chief

Steve McKernan  
Chief Operating Officer

**Date:** March 30, 2016

**Subject:** Monthly Health System Activity Update

The System has been involved in a variety of activities. This report is based on February 2016 activity.

**Activities Levels:** In comparison of Fiscal Year 2016 to Fiscal Year 2015, the UNM Health System experienced increases in activity levels in some services and decreases in some services.

Patient days were about 1% less than the prior year due mostly to fewer days in the pediatric units. Obstetric days have increase 6% from the prior year. Discharges have decreased 4% overall with a 3% decrease for adults, a 16% decrease for pediatrics and a 2% decrease in obstetrics. The length of stay is 3% greater this year compared to the prior year without adjustment for the Case Mix Index. The Case Mix Index aggregate Length of Stay stable at 3.4 day because of 4% increase in the case mix index.

Clinic visits show a increase of about 1% compared to the prior year There are still delays in inputting clinic visit charges as of the result of a new billing process and the implementation of ICD 10. The total emergency room and urgent care visits have decreased over the prior, mostly due to some staffing issues in the urgent care center and the billing issues. Surgeries are 5% higher than the prior year and births are 2% greater than the prior year. The obstetrics activity seems to have been increasing in a positive trend.

The Medical Group RVU's are about the same as the prior year. There are still delays in billing at the Medical Group due to the ICD 10 conversion issues.

The revenue cycle group in the Health System has been implementing changes in processes to assure better compliance with billing regulations. It is expected that this process will clear up before the end of the first quarter of the calendar year.

**Finances:** For the first six months of the fiscal year, UNM Health System had a 5% increase in revenue for an increase of \$34 million to \$767 million. The net margin was approximately a \$8 million gain. Total operating expenses increased 5% to \$830 million. UNMH had a \$6 million margin on \$610 million in Total Revenues. The Medical Group ended with at a \$1 million loss on revenues of \$131 million. SRMC ended with a loss of \$400,000 on \$50 million in revenues. The revenue increase was due to a movement of patient onto Medicaid. The Medicare and Commercial insurance revenues have also increased. Uncompensated care dropped by 31% for this year compared to the prior year from \$160 million to \$110 million at charges. We have also been involved in an initiate to lower the billed charge structure to make the system more affordable to patients with high deductible policies. The cost to charge ratio was steady at 52%.

The balance sheet is stable. The comparisons are to year end at June 30, 2015. The cash position increased to \$221 million from \$183. Accounts payable have increased to \$277 million from \$240 million and are the offset to the increase in cash and when the payables are processed the cash will return to a comparable balance from year end. Accounts receivable have are stable. We have made good progress in collecting Medicaid accounts. UNMH met its debt covenant ratios.

**Network Development:** UNM Health System is working with providers in the metro area and around the state on developing a network to coordinate care for patients and to coordinate with insurance companies. The principal focus is on contracts with the post-acute providers to make sure we have better placement

options for our patients. UNM signed a major contract with Genesis Health Care which has 11 nursing homes in Albuquerque and 15 around the state. This contract will allow UNM to access 4 beds at all times. The next stage of the contract is to develop a tight coordination of care between UNM and Genesis. There are other contracts under development that will coordinate care for other levels of post-acute care.

**Community Activities:** We have been involved with Bernalillo County and Sandoval County on plans for care in the County and community. The focus is particularly on behavioral health care access and expansion of community based clinics. The County would like to partner with UNM on future development of the services in the community and on the campuses. We are also now focused on the mil levy and the support that UNM will seek from Bernalillo and Sandoval County. We have had a series of meetings with Bernalillo County to understand the County's requests and how UNM would be able to support the programs. We had our first meeting with Sandoval County and have had discussions with Presbyterian about that Mil Levy.

**Quality and Safety:** UNMH was recently recognized in a cohort of the top 5% safest hospitals in the country. Work continues on improving outcomes for our patients and improving access for our patients.

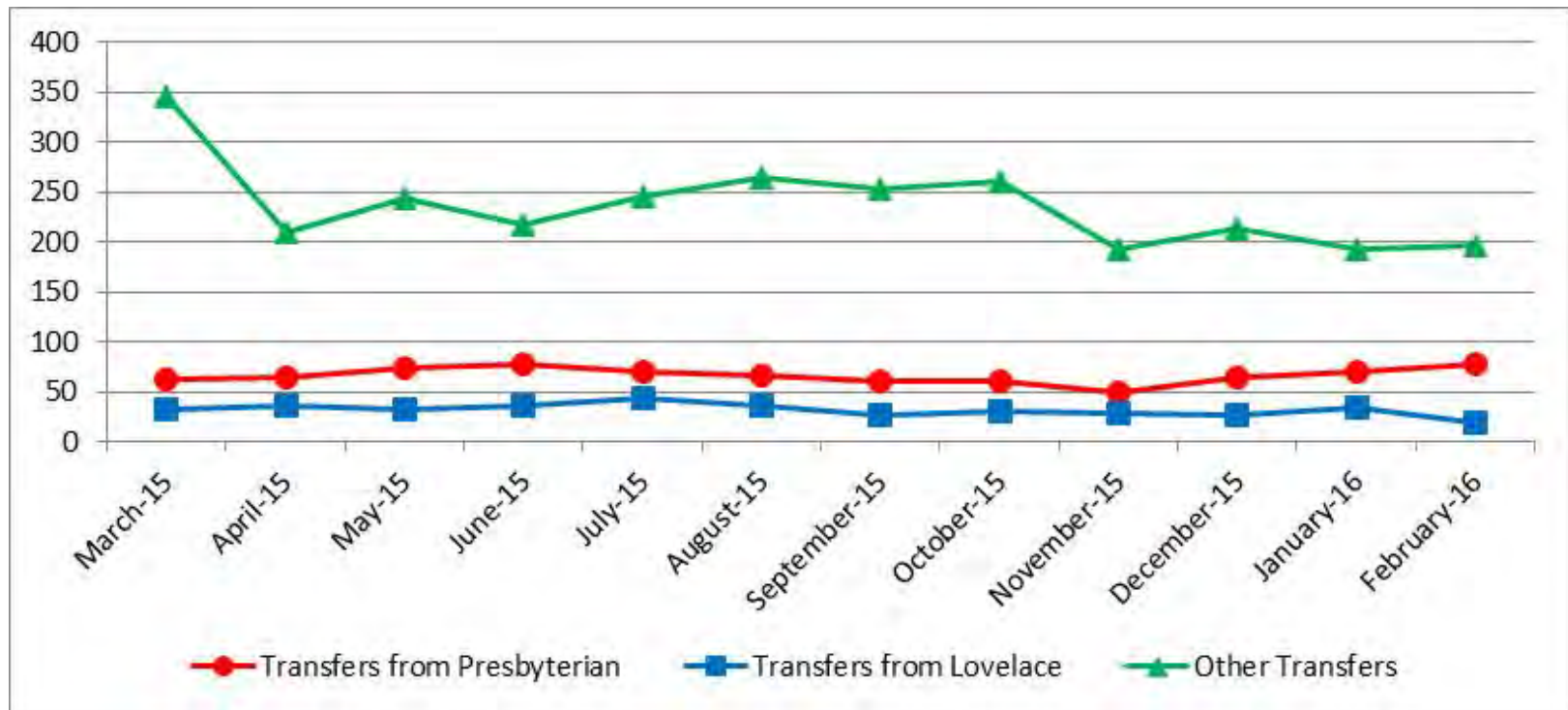
**Operations:** The census remains very high. This has resulted in patient's stays in the Emergency Department and the Recovery Room to be much longer than standards. There is also a project that we are involved with to upgrade the electronic medical record and to improve documentation of the patient experience while trying ease practice for the physicians. There is an initiative that will be presented to the HSC Board today in to engage an experienced firm to assist management and the medical staff in improving throughput in the surgical venues. There is an initiative to work with Cerner to improve the management and experience in the clinics. There is an initiative with a consulting firm to assist in improving throughput in the inpatient units. The Studer group has been engaged to assist in using best practices in engaging the medical and hospital staff and using hard wiring processes

**Strategic Planning:** We are finalizing the strategic plan for UNMH. We are also developing a strategic plan for SRMC. Hospitals, as a part of the accreditation process and as a matter of good practice, need to maintain up to date strategic plans. Part of the strategic plan for each hospital is a master facility plan. Accreditation standards require three year facility plans. The UNMH Board has made a recommendation to engage an architecture firm to develop the plan for a replacement adult hospital. That recommendation will be brought to the HSC Board at this week's meeting. UNMH will has kicked off the initial planning project for the replacement hospital.

If there are any questions on this or other matters, please feel free to contact me.

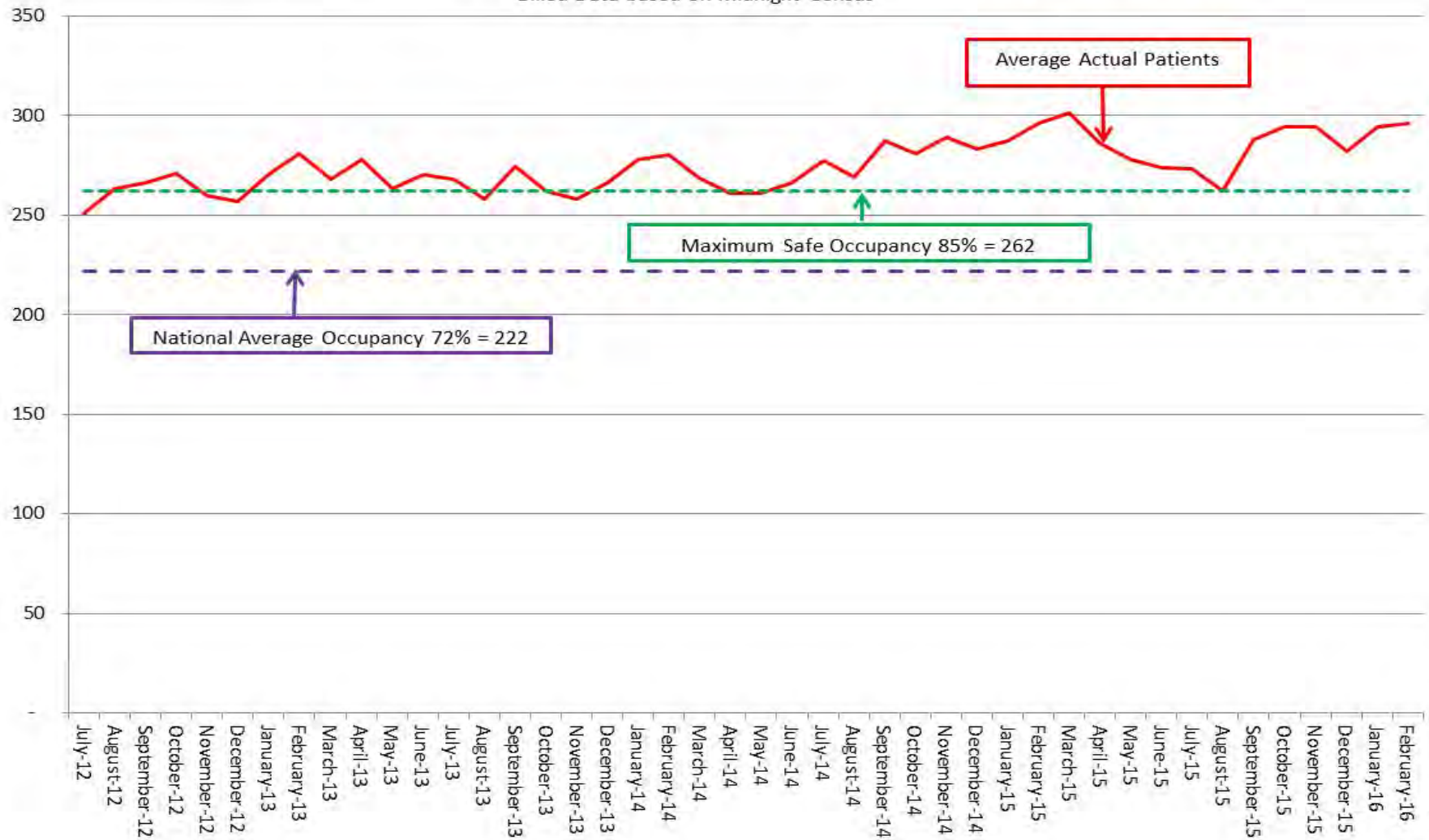


# Transfers to UNMH



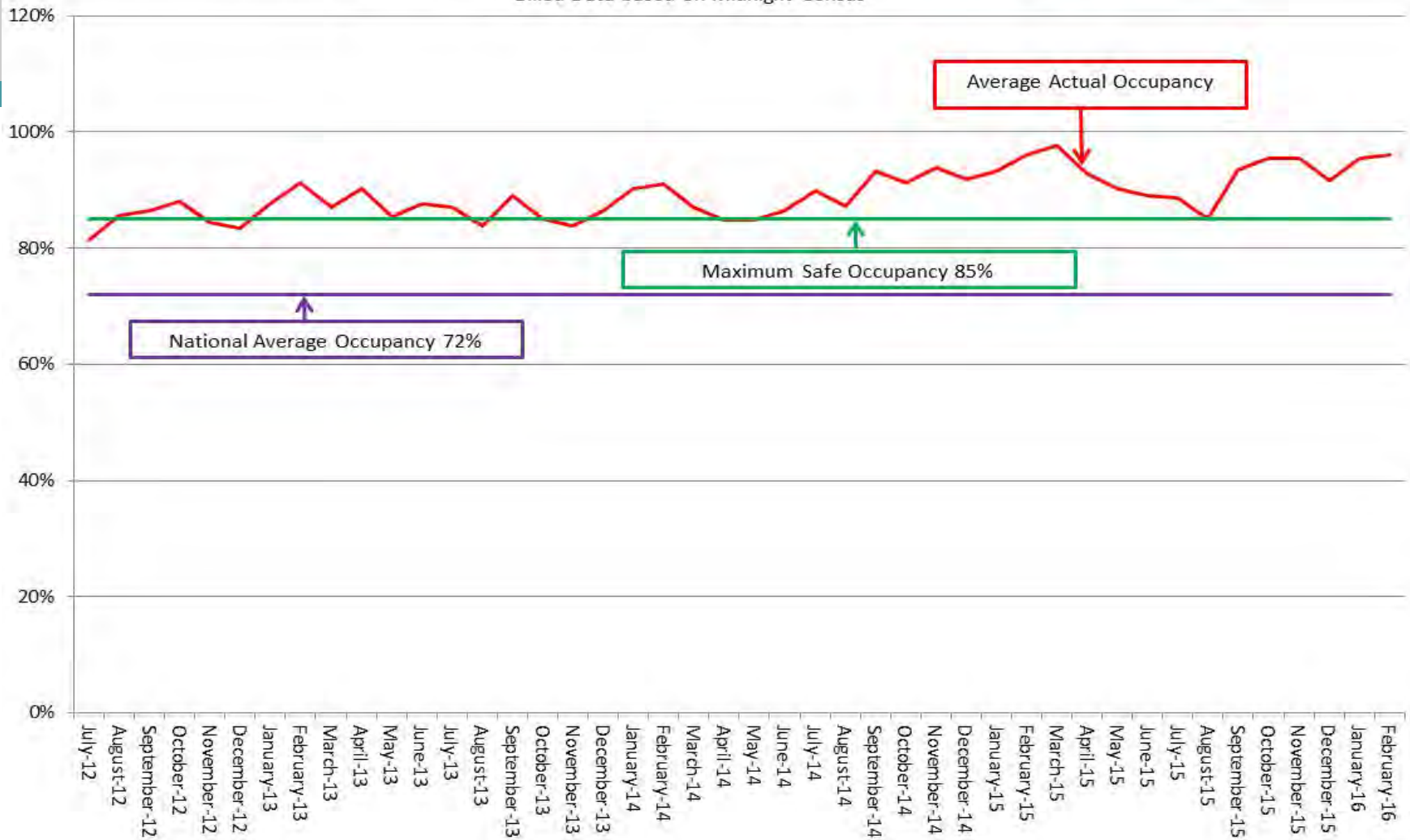
# UNMH - Average Patients in Adult Licensed Beds (by Month)

Billed Data based on Midnight Census



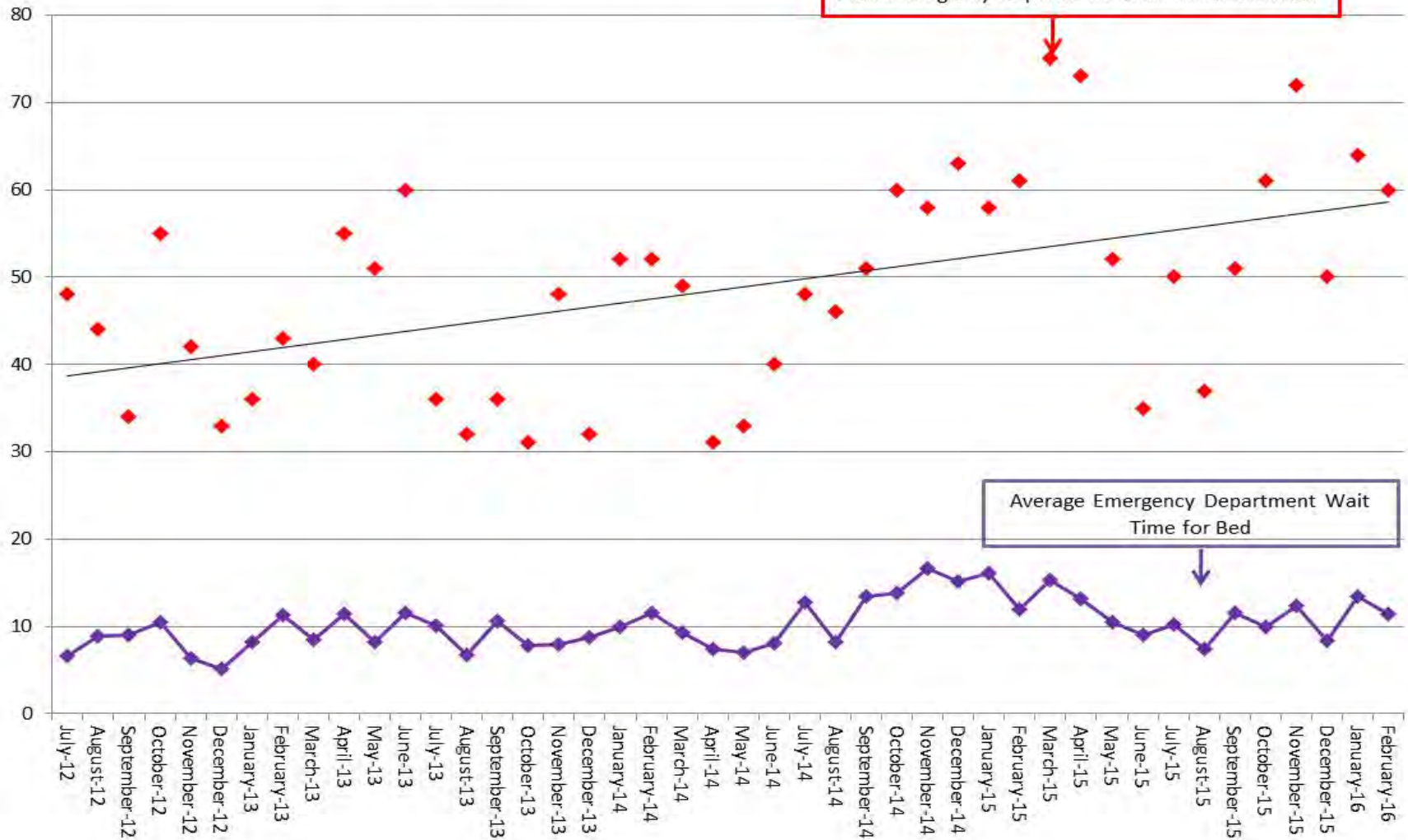
# UNMH - Average Occupancy in Adult Licensed Beds (by Month)

Billed Data based on Midnight Census

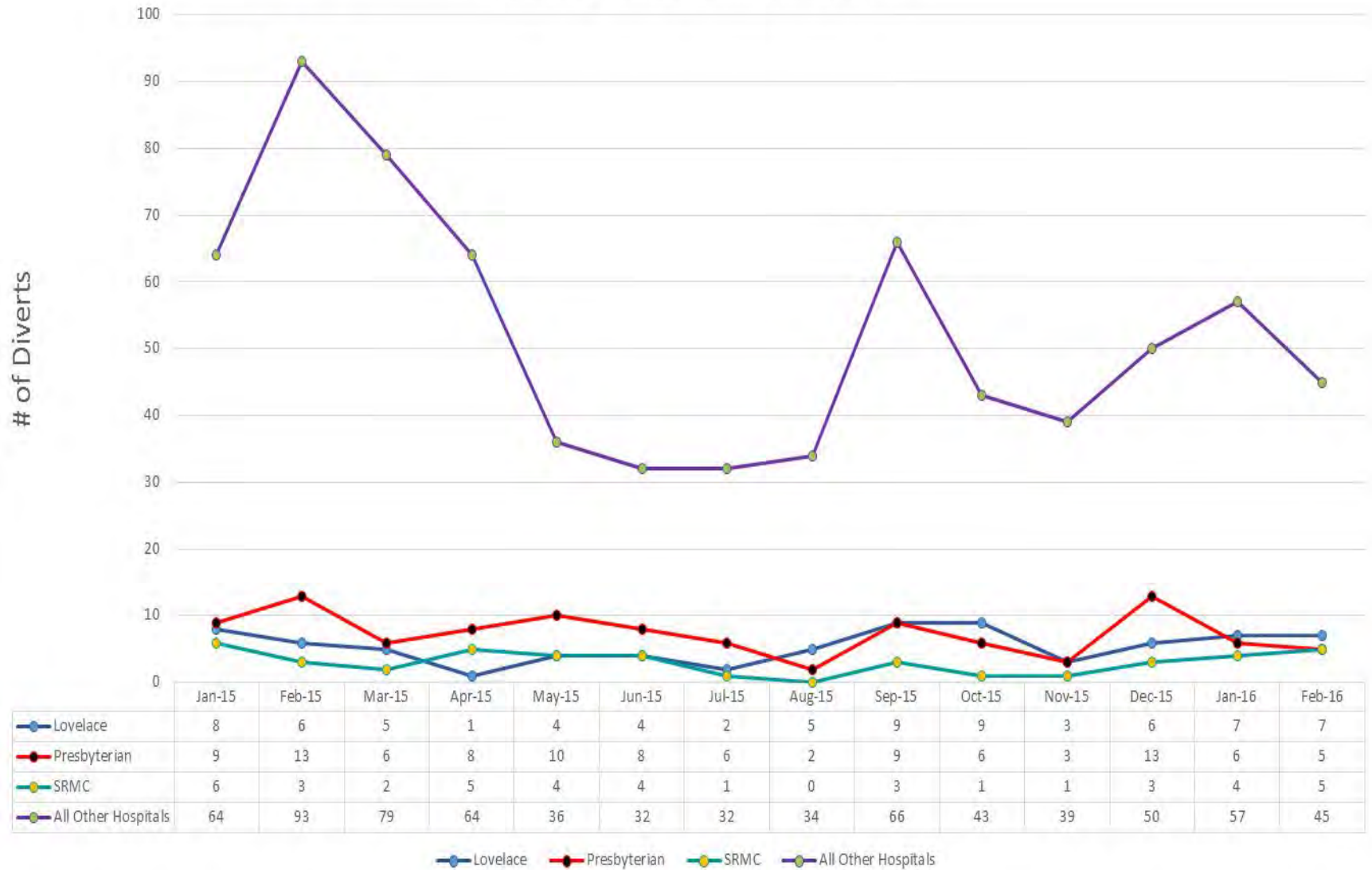


## Emergency Department Wait Times for a Bed

Peak Emergency Department Wait Times for a Bed

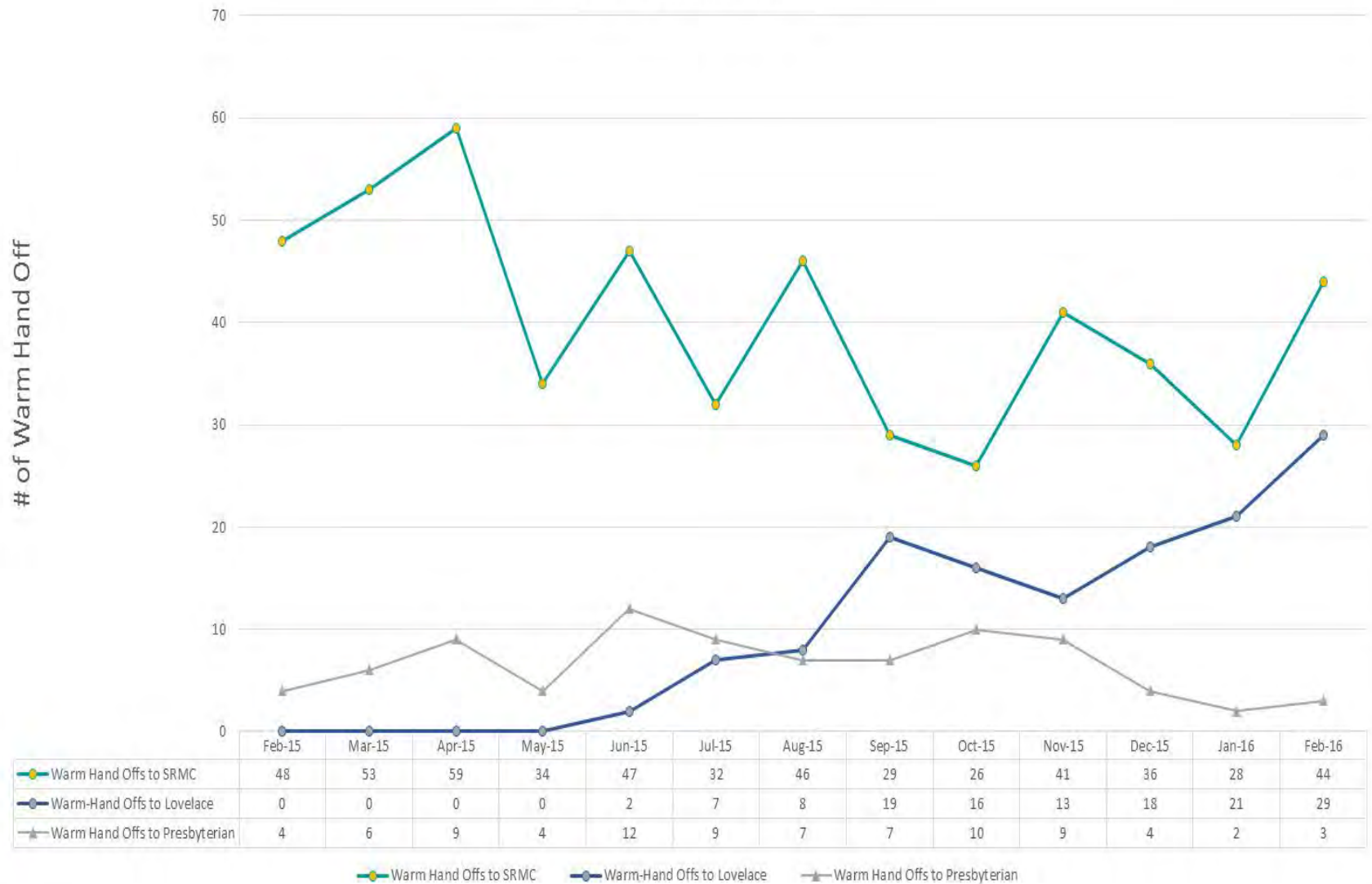


Number of Diverted Patients from UNM





Number of Warm Hand Offs



UNM HS Total Operations - Stats  
YTD February 29, 2016

	Total HS	Total HS Prior Year	FY 15 vs. FY 16		Total HS FY 16 Budget	Budget Variance
			\$ Change	% Change		
<b>TOTAL PATIENT DAYS</b>	<b>113,262</b>	<b>114,275</b>	<b>(1,013)</b>	<b>-1%</b>	<b>118,899</b>	<b>(5,637)</b>
<b>TOTAL DISCHARGES</b>	<b>18,380</b>	<b>19,174</b>	<b>(794)</b>	<b>-4%</b>	<b>20,978</b>	<b>(2,598)</b>
<b>TOTAL LENGTH OF STAY</b>	<b>6.2</b>	<b>6.0</b>	<b>0.2</b>	<b>3%</b>	<b>5.7</b>	<b>0.5</b>
<b>BEHAVIORAL</b>						
Patient Days	17,593	18,081	(488)	-3%	18,579	(986)
Discharges	1,664	1,729	(65)	-4%	1,784	(120)
Length of Stay	10.6	10.5	0.1	1%	10.4	0.2
<hr/>						
<b>OUTPATIENT VISITS</b>						
TOTAL OUTPATIENT CLINICS	513,683	507,110	6,573	1%	550,072	(36,390)
URGENT CARE	8,585	15,709	(7,124)	-45%	15,682	(7,097)
EMERGENCY ROOM	61,278	63,897	(2,619)	-4%	62,722	(1,444)
<b>TOTAL OUTPATIENT VISITS</b>	<b>583,546</b>	<b>586,716</b>	<b>(3,170)</b>	<b>-1%</b>	<b>628,476</b>	<b>(44,930)</b>
<hr/>						
<b>TOTAL SURGERIES</b>	<b>15,840</b>	<b>15,152</b>	<b>688</b>	<b>5%</b>	<b>16,421</b>	<b>(581)</b>
<hr/>						
<b>TOTAL BIRTHS</b>	<b>2,030</b>	<b>1,983</b>	<b>47</b>	<b>2%</b>	<b>1,991</b>	<b>39</b>
<b>ECT Stats</b>	<b>1,356</b>	<b>1,240</b>	<b>116</b>	<b>9%</b>		
<b>Total Work RVU's</b>	<b>1,976,905</b>	<b>1,960,840</b>	<b>16,065</b>	<b>0.8%</b>	<b>2,144,355</b>	<b>(167,450)</b>
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**UNM HS Total Operations - Income Statement**  
**YTD February 29, 2016**  
(In thousands)

	Total HS	Total HS Prior Year	FY 15 vs. FY 16		Total HS FY 16 Budget	Cap Ini
			\$ Change	% Change		
<b>Total NET Patient Revenue</b>	<b>739,912</b>	<b>707,377</b>	<b>32,535</b>	<b>5%</b>	<b>763,529</b>	
State/Local Contracts/Grants	3,068	2,168	899	41%	2,145	
Other Operating Revenues	23,804	22,902	902	4%	21,000	
<b>Total Operating Revenues</b>	<b>766,783</b>	<b>732,447</b>	<b>34,336</b>	<b>5%</b>	<b>786,674</b>	
<b>Total Operating Expenses</b>	<b>829,898</b>	<b>792,081</b>	<b>37,816</b>	<b>5%</b>	<b>851,581</b>	<b>216</b>
<b>Total Operating (Loss) Gain</b>	<b>(63,114)</b>	<b>(59,634)</b>	<b>(3,480)</b>	<b>6%</b>	<b>(64,906)</b>	<b>(216)</b>
<b>Total Net Non-Operating Revenue</b>	<b>71,237</b>	<b>69,044</b>	<b>2,193</b>	<b>3%</b>	<b>70,747</b>	<b>20,538</b>
<b>Total Increase in Net Position</b>	<b>8,123</b>	<b>9,410</b>	<b>(1,287)</b>	<b>-14%</b>	<b>5,841</b>	<b>20,322</b>



**UNM HS Total Operations -Balance Sheet**  
**YTD February 29, 2016**  
(In thousands)

	Total HS	Total HS FY 2015	FY 15 vs. FY 16		Cap Ini
			\$ Change	% Change	
<b>ASSETS</b>					
Cash & Cash Equivalents	256,574	217,528	39,045	18%	232,633
Total Net Patient Receivable	181,421	171,724	9,697	6%	-
Other Assets	125,361	131,376	(6,016)	-5%	-
Total Net PP&E	356,584	364,615	(8,031)	-2%	50,451
<b>Total Assets</b>	<b>920,172</b>	<b>885,243</b>	<b>34,928</b>	<b>4%</b>	<b>283,084</b>
<b>DEFERRED OUTFLOWS</b>	<b>357</b>	<b>357</b>	<b>-</b>	<b>0%</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Total Current Liabilities</b>	<b>277,125</b>	<b>239,542</b>	<b>37,583</b>	<b>16%</b>	<b>-</b>
<b>Total Long-Term Liabilities</b>	<b>240,051</b>	<b>250,829</b>	<b>(10,778)</b>	<b>-4%</b>	<b>-</b>
<b>Total Liabilities</b>	<b>517,176</b>	<b>490,371</b>	<b>26,805</b>	<b>5%</b>	<b>-</b>
<b>DEFERRED INFLOWS</b>	<b>1,310</b>	<b>1,310</b>	<b>-</b>	<b>0%</b>	<b>-</b>
<b>Total Net Position</b>	<b>402,043</b>	<b>393,919</b>	<b>8,123</b>	<b>2%</b>	<b>283,084</b>
<i>Current Ratio</i>	<i>1.77</i>	<i>1.89</i>	<i>(0.12)</i>	<i>-7%</i>	

# Approval for the Bachelor's of Science in Population Health

Deborah Helitzer, Dean  
College of Population Health

# Bachelor of Science in Population Health

121 Student Credit Hours (SCHs)

## UNM Core 37 SCHs

Writing & Speaking (9 SCHs)  
Mathematics (3 SCHs)  
Physical & Natural Sciences (7 SCHs)  
Social & Behavioral Sciences (6 SCHs)  
Humanities (6 SCHs)  
Foreign Language (3 SCHs)  
Fine Arts (3 SCHs)  
Diversity (Courses may double count)

## Pop Health Core 48 SCHs

PH 101 Intro to Population Health  
PH 102 Global Health Challenges & Responses  
PH 201 Population Health Biology  
PH 210 Essentials of Epidemiology  
PH 221 Population Health, Community & Org Theory  
PH 230 Environ & Occupational Health  
PH 240 Health Systems, Services & Policies  
PH 241 Fundamentals of Health Care Finance  
PH 310 Population Health Research Methods  
PH 350 Intro to Health Data Systems  
PH 360 Population Health Management  
PH 420 Population Health Evidence-based Practices  
PH 421 Health Systems Planning I  
PH 422 Health Systems Planning II  
PH 475 Population Health Capstone (6 SCHs)

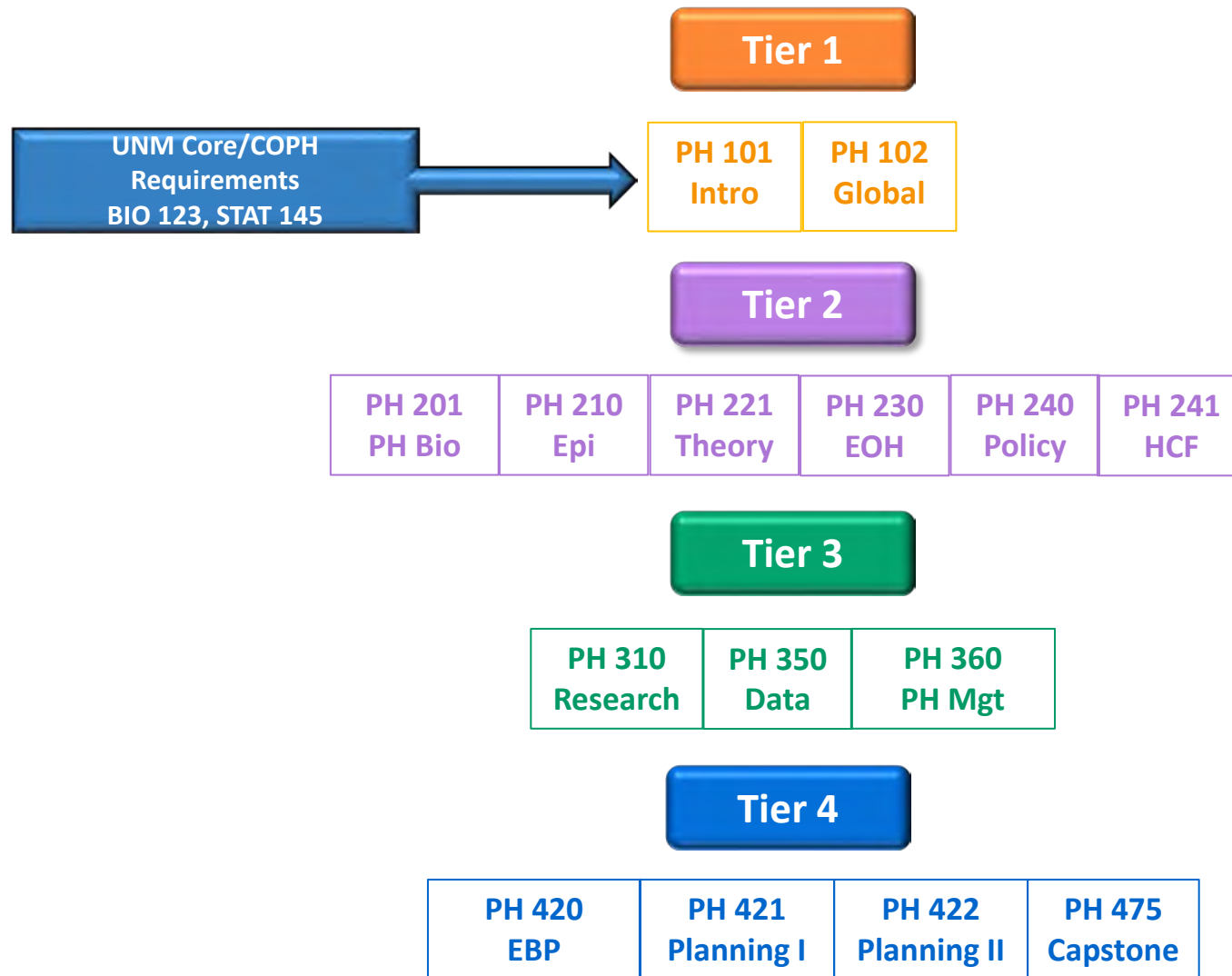
## Areas of Focus 15 SCHs

Examples:  
Biostatistics  
Health Information Systems  
Built Environment  
Health Policy  
Nutrition  
Exercise Science  
Community Health Education  
Health Economics  
Environmental Health  
Disaster Medicine

## Electives 21 SCHs

Provides students with the flexibility to explore courses.

# Bachelor of Science in Population Health Core Courses



**Areas of Focus**

- Biostatistics
- Health Information Systems
- Built Environment
- Health Policy
- Nutrition
- Exercise Science
- Community Health Education
- Health Economics
- Environmental Health
- Disaster Medicine

**DEGREE/PROGRAM CHANGE  
FORM C  
Form Number: C1685**

Fields marked with \* are required

**Name of Initiator:** Robert Olds    **Email:** [rolds@unm.edu](mailto:rolds@unm.edu)    **Phone Number:** 505 272-9363    **Date:** 10-01-2015

Associated Forms exist? Yes ▼    Initiator's Title Visiting Professor: Family Community Medicine FCM  
Faculty Contact Robert Olds    Administrative Contact Deborah Helitzer  
Department Family and Community Medicine    Admin Email [helitzer@salud.unm.edu](mailto:helitzer@salud.unm.edu)  
Branch    Admin Phone 505 272 1887

**Proposed effective term**

Semester Fall ▼ Year 2016 ▼

**Course Information**

Select Appropriate Program Undergraduate Degree Program ▼  
Name of New or Existing Program (NEW) Bachelor Science Population Health  
Select Category Major ▼ Degree Type BS  
Select Action New ▼

Exact Title and Requirements as they should appear in the catalog. If there is a change, upload current and proposed requirements.

See current catalog for format within the respective college (upload a doc/pdf file)

[Catalog Narrative Final.pdf](#)  
[BS PH Four Year Degree Plan.pdf](#)

☐ **Does this change affect other departmental program/branch campuses? If yes, indicate below.**

Reason(s) for Request (enter text below or upload a doc/pdf file)

NA

[BSPH Full Proposal 2-23-16.pdf](#)

Upload a document that includes justification for the program, impact on long-range planning, detailed budget analysis and faculty workload implications. (upload a doc/pdf file)

☒ **Are you proposing a new undergraduate degree or new undergraduate certificate? If yes, upload the following documents.**

Upload a two-page Executive Summary authorized by Associate Provost. (upload a doc/pdf file)

[CPH 2 Page Executive Summary.pdf](#)  
[Full CPH Executive Summary.pdf](#)

Upload memo from Associate Provost authorizing go-ahead to full proposal. (upload a doc/pdf file)

[Memo of Support for BS in Population Health 09-23-15.pdf](#)  
[Dr. Morrison BSPH Preliminary Approval Letter.pdf](#)

## College of Population Health (CPH)

Health reform requires us to adopt a transformational approach to health. The College of Population Health will train a new workforce to help us achieve this purpose.

### **What is Population Health?**

Population health is a systematic approach to **health** that focuses on disease prevention and wellness. It emphasizes:

- Understanding how social, economic and cultural factors (social determinants) contribute to the health of a population (positively and negatively);
- Applying analytic tools in new ways to describe disease patterns, and identify predictors of health outcomes;
- Using large datasets to assess the effectiveness of social and community interventions and evidence-based models of health care delivery;
- Improving health outcomes by creating effective partnerships between health care delivery systems, public health agencies, community organizations and other entities; and
- Advocating for policies that improve the health of the population.

When applied to health care delivery, a population health approach differs from the conventional health care by emphasizing *value* rather than *volume* of services rendered. Population health differs from public health – what society does collectively to assure the conditions in which people can be healthy – by emphasizing the measurement of health outcomes. Population health is a *connector* that joins public health, wellness, chronic disease management, and complex care into a cohesive system of health.

### **Why is Population Health Important for the HSC?**

HSC's Vision 2020 and beyond states that a measure of the institution's success will be to improve New Mexico's population health and health equity. To fulfill this vision, all colleges, schools, departments and programs at UNM HSC incorporate into their annual performance plans how their education, service and research enterprises will measurably contribute to this goal.

Population health management achieves the goals of health reform and value-based purchasing models. The health system will closely monitor groups of our patients to maximize quality outcomes and reduce costs through appropriate use of medical resources and innovations in care delivery. The CPH will train a workforce needed to implement these new approaches.

### **Value Propositions for the HSC, UNM and New Mexico**

If neglected, the growing health disparities in New Mexico will continue to cost the state millions of dollars. The Institute of Medicine estimates that cutting the prevalence of adult obesity by 50 percent—roughly the same reduction that was achieved with smoking in the late 20th century—could cut annual U.S. medical care expenditures by \$58 billion.

Additionally, population health is good for families, good for communities, good for health and good for the economy. In 2012, New Mexico's economy would have been \$24.08 billion larger if there had been no racial gaps in income.

- **For NM** – the CPH will enhance quality of life for New Mexicans by
  - Making wellness and prevention the primary focus
  - Helping to address social determinants
  - Improving patient-centered care

- **For UNM** – the CPH will attract new students to prepare them for highly marketable careers
- **For the HSC** – the CPH will address the transformation required by health reform

### **The CPH Mission, Vision and Values**

Our **vision** is to improve health outcomes and address social determinants through innovations in education, health care, research, and service.

Our **mission** is to provide the opportunity for New Mexicans to receive a highly inter-disciplinary education to enrich the workforce for the benefit of the health of our communities.

#### **We value:**

- Collaborative and diverse partnerships
- A culture of shared expectations of excellence
- The trust of our communities to be a source of emerging knowledge and practice

#### **Our goals:**

- Synergize with the entire University and our community partners, catalyzing research, education and service initiatives that address population health issues.
- Cultivate relationships with local, state and federal agencies; employers; and community agencies around the state to address social determinants of health.
- Prepare students to participate in a highly technological and entrepreneurial business environment that requires critical thinking, teamwork, leadership and communication.
- Offer undergraduate, graduate and health professional training programs that are experiential in approach, leading to the development of novel new disciplines for the purpose of improving health and wellness. Offer continuing education and training for practicing health providers and community members to assist their transition into the practice of population health.
- Implement and disseminate the best ideas for improving the quality and safety of care, reducing costs and improving the health of populations.
- Translate population health research results into policy and practice.

**Assuring that all New Mexicans live healthy lives is the primary goal of the College of Population Health.**

### **Workforce Needs**

Training in population health requires different skill sets and approaches to addressing health outcomes. Health care leaders recognize that having access to a trained workforce will be critical to their success.

There are also entrepreneurial opportunities for graduates of the CPH. A highly visible example is Apple, which most recently entered the health field and would like to capture graduates with degrees in population health. We cannot predict the future, but we can predict that new opportunities in health-related business ventures will emerge.

To determine the current need for population health professionals in New Mexico, we met with business and government stakeholders who view the CPH as a resource to address the *skills gap* in our workforce while providing *education and job opportunities for a New Mexico workforce* to address evolving needs.

- UNM Health System has positions for which population health-trained individuals are eligible.
- Presbyterian Healthcare Services identified a need for trained population health data analytics and technology experts to support their health system.

- HealthInsight New Mexico currently partners with institutions outside NM who provide them with the trained graduates for positions as health care project managers, project coordinators and health data analysts because students with this skillset are not being trained in NM.
- Christus St. Vincent is challenged with finding professionals who understand the complexities of health care delivery and how it relates to population health.
- Los Alamos National Labs needs CPH graduates to replace their retiring population health and environmental health workforce and ongoing training for their current workforce.
- Molina Healthcare stated that population health education in NM is long overdue.
- The New Mexico Department of Health has experienced difficulty in finding qualified candidates at a bachelor's level and spends additional time and resources to train their hires for positions for which a population health graduate would have the skillset walking in the door.

In addition to the employers mentioned above, organizations and state agencies throughout New Mexico have shown overwhelming support for the CPH. They include: Bernalillo County Community Health Council, Albuquerque Area Tribal Epidemiology Center, NM Health Connections, NM Hospital Association, NM Public Health Association, Greater Albuquerque Chamber of Commerce, NM Tech Council, Albuquerque NM State Personnel Office, NM Economic Development and NM Department of Workforce Solutions, NM Community Health Councils, NM Department of Health and NM Higher Education Department.

### **Education**

At the outset, the CPH plans to house three degree programs and one professional certificate.

1. Bachelor of Science in Population Health – degree program is under study by the Faculty Senate Undergraduate Committee. The degree program includes the 37 SCHs of UNM Core, 48 SCHs in Population Health Core, 15 SCHs in an area of focus, and 21 SCHs in electives.
2. Master of Public Health – reaccredited by the Council on Education in Public Health (CEPH) in 2009, this 42-credit degree has three concentrations: Community Health, Epidemiology, and Health Systems, Services and Policy. There have been 239 graduates since the program began in 1994; on average 15 students matriculate each year.
3. Doctorate in Public Health Sciences – this degree program is under development. We plan to submit a proposal to the Faculty Senate during FY16-17.
4. Population Health Certificate (PHC) for Health Professionals. During FY16, a new certificate program will be developed that offers an interprofessional (nursing, medicine, pharmacy, and allied health providers) approach to learning population health competencies.

We are working closely with the branch campuses and CNM to *articulate* which courses will meet our degree program requirements and make sure that their students who receive associates degrees can *transfer* their credits to UNM. This process will bring new students into UNM and provide workforce training for a broader set of students.

### **Training**

To prepare the current workforce for future demands, the CPH will provide training in population management principles to agencies and organizations involved health care delivery. For example, UNM is a partner in the South Central Public Health Training Center, which develops training for public health professionals throughout NM.

### **Population Health and Health Services Research**

The CPH will optimize relationships with UNM centers, institutes, departments and community partners to create research-based learning experiences that focus on improvements in population health. Examples of collaborative opportunities at the HSC include:



- **The UNM Clinical and Translational Science Center (CTSC)** improves health by streamlining science, transforming training environments, and improving the conduct, quality, and dissemination of research from laboratories to clinical practice, and out into communities.
- **The UNM Cancer Center (CC)** Cancer Control Research Program serves as the hub for cancer control and population science research to reduce cancer incidence, morbidity, and mortality, particularly in the unique multiethnic and underserved populations of New Mexico.
- **The UNM Prevention Research Center (PRC)** addresses the health promotion and disease prevention needs of New Mexican communities through participatory, science-based, health promotion and disease prevention research.
- **Center for Injury Prevention Research and Education (CIPRE)** conducts research and advocacy programs that result in fewer injuries and deaths from accidental and intentional causes.

There are similar collaborative opportunities on main campus, including, but not limited to:

- **Center on Alcoholism, Substance Abuse, and Addictions (CASAA)** reduces suffering caused by substance use and other addictive behaviors by generating high quality prevention and treatment research with attention to human diversity and collaboration across disciplines.
- **Southwest Hispanic Research Institute (SHRI)** promotes multidisciplinary research on the Latino/Hispanic populations of New Mexico and the United States.
- **Nepal Study Center** focuses on the socio-economic development and sustainability, health, technology transfer, and environmental issues of the Himalayan region and South Asia.
- **Institute for American Indian Research** serves as a forum for the discussion of issues critical to the continuance of Native peoples by individuals both in and outside of the university community, thus providing a significant link to our area's Native Nations and communities.
- **Center for Water and the Environment** conducts cutting-edge research into technological and engineering-based solutions to problems with water and the environment, in a framework that considers the social, economic, policy, regulatory, and legal implications.

## Bachelor of Science in Population Health Degree Plan

### Year 1

First Semester	Hours
English 110: Accelerated Composition	3
STAT 145: Intro to Statistics	3
PH 101: Intro to Population Health	3
Humanities	3
Social and Behavioral Sciences	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
English 120: Composition 3	3
BIO 123/BIO 124 Lab: Bio for Health-Related Sciences	4
PH 102: Global Health Challenges and Responses	3
Foreign Language	3
Fine Arts	3
<b>Total Hours:</b>	<b>16</b>

### Year 2

First Semester	Hours
Writing and Speaking	3
Physical and Natural Sciences	3
PH 221: Population Health, Community, and Organizational Theory	3
PH 230: Intro to Environmental and Occupational Health	3
PH 241: Fundamentals of Health Care Finance	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
Social and Behavioral Sciences	3
Humanities	3
PH 201: Population Health Biology	3
PH 210: Essentials of Epidemiology	3
PH 240: Health Systems, Services and Policies	3
<b>Total Hours:</b>	<b>15</b>

### Year 3

First Semester	Hours
PH 310: Population Health Research Methods	3
Area of Focus Course	3
Area of Focus Course	3
Free Elective	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
PH 350: Introduction to Health Data Systems	3
PH 360: Population Health Management	3
Area of Focus Course	3
Free Elective	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

### Year 4

First Semester	Hours
PH 420: Population Health Evidence-Based Practices	3
PH 421: Health Systems Planning I	3
Area of Focus Course	3
Area of Focus Course	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
PH 422: Health Systems Planning II	3
PH 475: Capstone	6
Free Elective	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

**UNM Core: 37 SCHs**

**PH Core: 48 SCHs**

**PH Area of Focus: 15 SCHs**

**Free Electives: 21 SCHs**



UNM

OFFICE of the PROVOST/EVP  
for ACADEMIC AFFAIRS

DATE: September 23, 2015

TO: Deborah Helitzer, Associate Vice Chancellor for Research Education

FROM: Gregory L. Heileman, Associate Provost for Curriculum *GH*

RE: Memo of Support for the Proposed BS in Population Health

CC: Chaouki Abdallah, Provost and EVP for Academic Affairs  
Nancy Middlebrook, University Accreditation Director

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Thank you for the opportunity to review the preliminary proposal for a Bachelor of Science in Population Health. The proposal is very well developed. The proposed degree would provide an opportunity meet both educational and workforce needs in the Health Sciences and would provide a credential to those who study and work in the fields of disease prevention and treatment. You have the full support of the UNM Provost's Office for moving forward with the proposed degree program.

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- **For UNM** – the CPH will attract new students to prepare them for highly marketable careers
- **For the HSC** – the CPH will address the transformation required by health reform by achieving value-based purchasing models through population health management, utilizing the health system to closely monitor groups of our patients to maximize quality outcomes and reduce costs through appropriate use of medical resources and innovations in care delivery, and training the workforce needed to implement these new approaches

### The CPH Mission, Vision and Values

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### Our goals:

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- Offer undergraduate, graduate and health professional training programs that are experiential in approach, leading to the development of novel new disciplines for the purpose of improving health and wellness. Offer continuing education and training for practicing health providers and community members to assist their transition into the practice of population health.
- Implement and disseminate the best ideas for improving the quality and safety of care, reducing costs and improving the health of populations.
- Translate population health research results into policy and practice.
- Assure that all New Mexicans live healthy lives.

### **Workforce Needs**

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4. Population Health Certificate for Health Professionals – will be developed and offer an interprofessional (nursing, medicine, pharmacy, and allied health providers) approach to learning population health competencies.



Office of the Chancellor  
MSC09 5300  
1 University of New Mexico  
Albuquerque, NM 87131-5001  
505.272.5849

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## 1. Program Description

UNM has an opportunity to lead the nation by establishing the only Bachelor of Science in Population Health in the country - all eyes are on us – and the expectation is that we will innovate and evolve with the emerging science of population health.

The proposed Bachelor of Science in Population Health degree transcends the traditionally siloed fields of medicine/health professions and public health/community health/health education by creating a new field entitled population health - which is the liaison between the study of health care systems, finance, health policy and health law, with prevention and wellness in communities. Borrowing from the language of the Interdisciplinary Association for Population Health Science, "It is dedicated to advancing an integrative understanding of multiple determinants of health - biological, behavioral and societal - and the ways in which they interact to produce and maintain health." Population Health Science is the essence of trans disciplinary science - not solely the combination of multiple disciplines but rather a new science focused on answering complex questions about the sources of health and the causes of illness and disability. It focuses on the level and distribution of health within populations as well as practical approaches for improvement. It will produce integrated knowledge and action about the societal, behavioral, biological, and organizational system causes of health and disease and the mechanisms through which health is produced, health risks are created and the evidence base for effective policies, health system responses, and public health practices are developed. It requires innovations in upstream and downstream approaches to reduce disparities and improve population health. It requires technological solutions to grass roots problems. The goal of this new discipline is to stimulate practitioners and scientists from different disciplinary backgrounds to come together and *transcend* their distinct expertise to create an entirely new discipline. Graduates will develop skills to promote the health of populations in a variety of domains that comprise the continuum from wellness to health care, from health systems to community systems, from health policy to community policies, and from economic theory to economic practices. Graduates will find homes in business, informatics, engineering, architecture and planning, law, medicine, community advocacy, political organizations, to name a few.

New Mexico has great health needs and related social determinants. The leading causes of death among New Mexico residents in 2013 were: 1) Malignant Neoplasm (Cancer), 2) Heart Disease, 3) Accidents (Unintentional Injuries), 4) Chronic Lower Respiratory Diseases, 5) Cerebrovascular Diseases (Stroke), 6) Diabetes Mellitus, 7) Chronic Liver Disease and Cirrhosis, 8) Intentional Self-harm (Suicide), 9) Alzheimer's Disease, and 10) Influenza and Pneumonia. Cancer and heart disease account for 41% of deaths in New Mexico; this is largely determined by health-related behavior such as tobacco use, diet-related behaviors, sedentary behavior, and social determinants such as poverty, low

education attainment and under-employment. Though many health-related behaviors may be responsive to prevention initiatives, the need for subsequent treatment services will be required. Population health graduates will be needed at every stage of this prevention – treatment continuum. In addition, there are new and increased workforce demands for graduates with skills such as informatics, health systems management, health policy, and economics - that are not met in their entirety by any of our currently existing educational programs. A workforce comprised of undergraduates with population health degrees can help address the health problems of New Mexico communities, by filling gaps and strengthening the existing health workforce.

The goal of this new undergraduate program is to address workforce development needs by preparing entry-level population health professionals in New Mexico; promote health and reduce disease and disability in New Mexico through community-based prevention efforts in collaboration with the health care system and community partners. We are exposing and educating UNM undergraduate students about population health science through our already approved introductory courses (PH 101 Introduction to Population Health and PH 102 Global Health Challenges and Responses); these two courses will be prerequisites for admission into the Bachelor of Science in Population Health.

The University of New Mexico (UNM) is the state's flagship university with a Health Sciences Center (HSC) dedicated to expanding professional training opportunities to include prevention and population emphases. The proposed program fits well within the future plans of the UNM Health Sciences Center. The HSC is committed to population health and recognizes an expanded approach to the current health care system through prevention, wellness and community-focused teaching, research, and service increases the odds of improving the state's health. Further, the Patient Protection and Affordable Care Act introduces emphases on keeping populations healthy and offers incentives to do so. The proposed Bachelor of Science in Population Health degree is responsive to these dynamics.

Vision 2020 of the HSC creates the first academic health center strategic plan that focuses on improving New Mexico's population health and health equity as a measure of the institution's success. To fulfill this vision, all colleges, schools, departments and programs at UNM HSC have incorporated into their annual performance plans how their education, service and research enterprises will measurably improve the health of New Mexico. The proposed Bachelor of Science in Population Health program is an excellent fit with the HSC mission. Specifically, among other pledges, "delivering health care of the highest quality to all who depend on us to keep them healthy or restore them to wellness" is a commitment that the proposed Bachelor of Science in Population Health embraces, enables and expands. Further, the HSC has identified that becoming a 'national model for Public Health & Care of Diverse Populations is central to the University 2020 vision'.

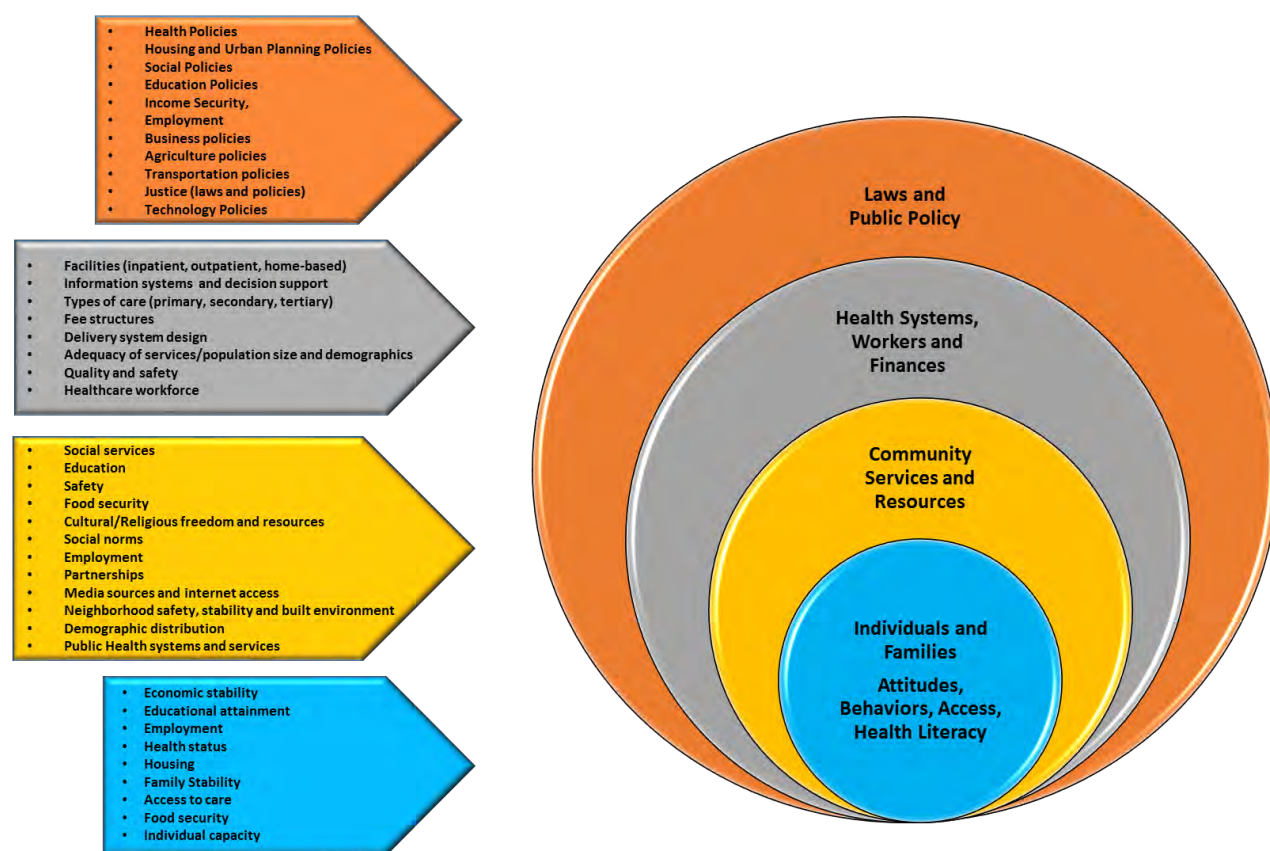
The proposed program complements the other UNM HSC professional training programs and could also serve as a feeder to the School of Medicine (SOM), College of Pharmacy (COP) and College of Nursing (CON) programs. Similarly, the Bachelor of Science in Population Health could offer some of the core courses required for entry into these professional degree programs. The proposed Bachelor of Science in Population Health degree will serve as an excellent academic home for students interested in population health and/or health care careers in government and non-government organizations. The proposed degree will be administratively housed in the College of Population Health (CPH).



Program development started June 2014 and will continue, contingent on approval of the full degree proposal, through October 5, 2015. We expect to launch the degree in August 2016 with recruitment starting immediately upon degree approval.

The United States falls far short of other countries in population health indicators, including infant mortality and life expectancy at birth, and its health care spending exceeds that of other industrialized nations by almost three times. Healthcare and public health have increasingly joined forces to create new approaches based in population health to address these national issues and improve community health in new ways. This requires innovations in the way we approach health and engage partners in reducing social determinants, improving wellness and prevention, and in managing chronic disease and complex care. New perspectives such as quality and safety of health care, regulations imposed by the Affordable Care Act for health systems, state governments and insurers make the pursuit of population health more complex. A population health approach requires us to improve upon policies in multiple sectors, improve our information systems and accelerate our ability to use data to predict and measure health outcomes, and consider the influences on economic stability of the businesses that support health and wellness, such as insurance, health care delivery institutions, and employers. A conceptual framework for population health to improve health outcomes depicts nested interwoven and systemic engagement at four levels: 1) individual/family system; 2) community services and resources; 3) health systems, workers and finances; and 4) laws and public policy (See Figure 1).

Figure 1. Conceptual Framework for Population Health





## 2. Evidence of Need

Employer surveys and interviews across New Mexico have demonstrated enthusiasm and encouraged development of the Bachelor of Science in Population Health (See Appendix A). Approximately 25-30% of NM population health employees are projected to retire in the next five years that will require filling a variety of positions (See Appendices B and C).

“Health care systems in the U.S. are experiencing major changes and these shifts are creating new opportunities and employment prospects for students with population health knowledge and skills,” says Dr. Sue Curry, UI College of Public Health dean. “We also know that many in the health workforce are nearing retirement age, so we need to train the next generation of professionals.”

The emphasis on prevention and wellness in the Patient Protection and Affordable Care Act matches seamlessly with this proposal. Moreover, in 2004 the Institute of Medicine (IOM) recommended “...all undergraduates should have access to education in public [population] health.” An understanding of population health is a critical component of good citizenship and a prerequisite for taking responsibility for building healthy societies. At its best, the study of population health builds on the social sciences, sciences, mathematics, humanities, and the arts. At the same time, it serves as a vehicle for the development of written and oral communication skills, critical and creative thinking, quantitative and information literacy, leadership, and teamwork and problem solving. It incorporates civic knowledge and engagement—both local and global—intercultural competence, and ethical reasoning and action, while forming the foundation for lifelong learning. The study of public [population] health, in other words, models a capacious vision of liberal education.”

We believe there is strong evidence of demand for Bachelor of Science in Population Health program graduates. We have conducted extensive interviews with prospective non-government and government employers across the state (See Appendix A). They have overwhelmingly supported our Bachelor of Science in Population Health proposal. Prospective employers of our graduates include: Local health departments; State health agencies; National health agencies; Global health agencies; Hospital systems; Health insurance companies; technology industry executives (locally and nationally) and Non-government agencies. As two examples, the Centers for Disease Control and Prevention is considering UNM CPH as a pilot site for novel curriculum in population health science; the Center for Medicaid and Medicare Innovation has provided New Mexico with a State Innovation grant that calls for workforce development in an entirely new field.

Student recruitment will launch a multi-pronged approach that includes:

- Collaborating with New Student Orientation on Main Campus;
- Developing promotional materials and distributing them at high traffic areas on Main Campus;
- Developing a web site;
- Capitalizing on the relationship we have established with University Advising on Main Campus to promote the degree;
- Working closely with University College that houses some 6,000 undeclared students;

- Making presentations at high school guidance counselors' meetings;
- Partnering with Admissions to be part of their programming to offer visibility and interest for the Bachelor of Science in Population Health degree;
- Collaborating with the HSC Office of Diversity to include population health as a career offering in their Dream Makers programs; and
- Offering PH 101 and PH 102 [Potential UNM core-eligible classes] as a recruiting tool and college revenue stream.

### 3. Program Content and Quality

There have been exceptional contributions to the thinking and planning of this degree program from faculty and staff in many of the individual disciplines that fill a niche in population health. The Bachelor of Science in Population Health Committee members acknowledge that courses in other programs may appear to meet the needs of this program but each of those courses is designed to provide a perspective that is consistent with their own discipline. None of these courses have the underlying foundation and perspective of the new ***trans disciplinary*** science called population health. The goal of this program is not to be a patchwork quilt but rather a completely new fabric; with the threads of different disciplines woven together in a way unlike one we have ever known. We are pleased that different departments and units have proposed to develop and offer “areas of focus” for the Bachelor of Science in Population Health - ensuring that we can meet our commitment to collaborate with existing programs.

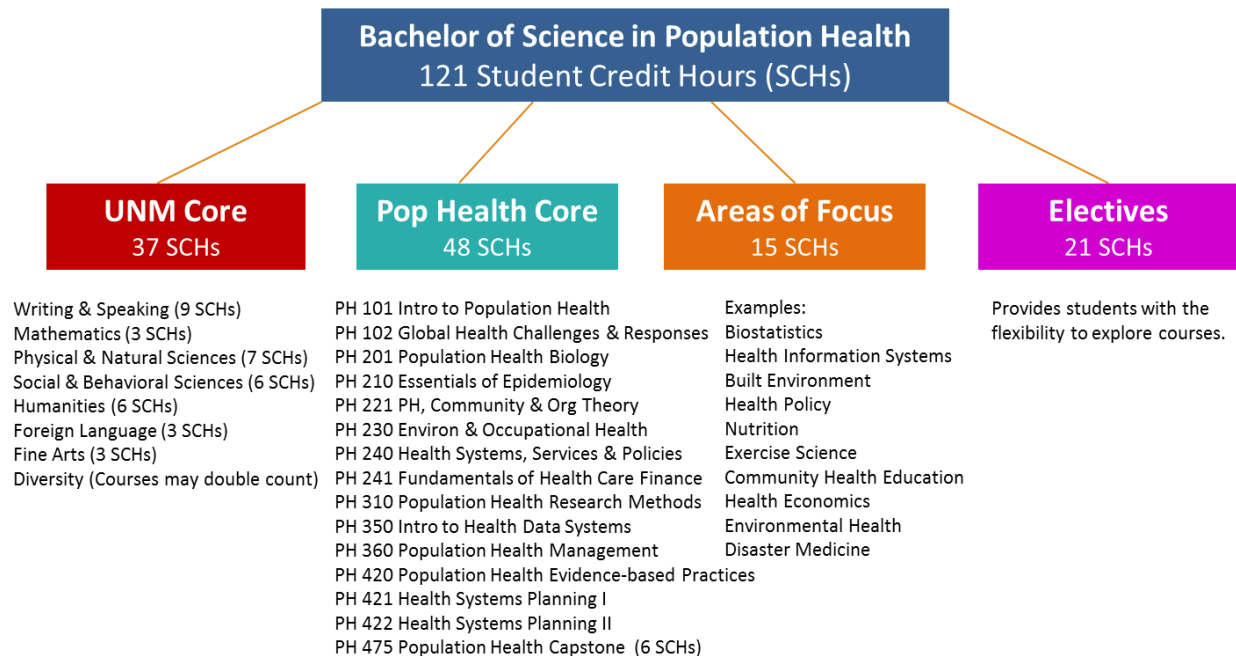
As required, we solicited duplication reviews from colleges, schools and departments across campus. The feedback from units with duplication concerns demonstrated that the unique skills, knowledge and foundations of population health science were not evident in our proposed syllabi. Thus, we have made substantial syllabus modifications to PH 221, PH 240, PH 420, PH 421 and PH 422 that address these duplication concerns. Of course, there are areas of competency that overlap throughout the university such as statistics, and in some of those areas we have chosen to rely on existing courses e.g., STATS 145. Other competencies such as research methods are found throughout the university, leading us to conclude that the minimal overlap is not unusual. Furthermore, our approach to encourage collaboration through the development of “areas of focus” creates opportunities to enhance existing programs, such as Architecture and Planning, with population health principles. This opportunity has been recognized and welcomed by the units proposing to create “areas of focus” mentioned above.

The Bachelor of Science in Population Health program curriculum will emphasize critical thinking, decision-making, technical knowledge, cross-cultural practice, and information analysis and synthesis, to ensure students acquire practical skills to address population health issues and trends in New Mexico, the nation, and globally. Our mission is to improve population health through an innovative, multidisciplinary approach to learning, research and service that fosters collective engagement to address health disparities. We will work closely and collaborate with partners to empower our state to be a leader in advancing population health solutions.

We will develop sixteen (48 SCHs; of the 48, the Capstone is 6 SCHs) new courses with the PH prefix and identify “areas of focus” that will be developed and offered by other campus academic units. We have met with many of these departments to seek their support to develop these “areas of focus” for the Bachelor of Science in Population Health degree. “Areas of focus” include: biostatistics, healthcare analytics/information systems, the built environment, health policy, nutrition, exercise science, community health education, health economics, environmental health, and disaster medicine. Population health students may be interested in

the Health, Medicine and Human Values minor, for example. Pre-health students will use their elective credits to fulfill the prerequisites of the graduate programs. As with all new programs, the initial conception will develop into a program as we gain more experience with student demand and the evolution of the field. (Figure 2 shows the broad configuration of the proposed program.)

**Figure 2. Proposed Bachelor of Science in Population Health Program Configuration**



Our goal is to ensure that Bachelor of Science in Population Health students will complete their degrees in 4 years. To achieve this goal, the faculty and staff will work closely with each student to make sure that they make consistent progress toward graduation. The new tools developed by the Provost's office will facilitate this advising responsibility.

In order to accomplish our goal, the Bachelor of Science in Population Health administration will coordinate the scheduling of the courses, including when they are held and how frequently they are offered. We will synchronize course offerings among the courses offered at each Tier (see Figure 3 below). This approach is aligned with all other majors in UNM, in which core courses are taught within the program. Additional courses, for example required minors, electives, and UNM Core are taught by other units.

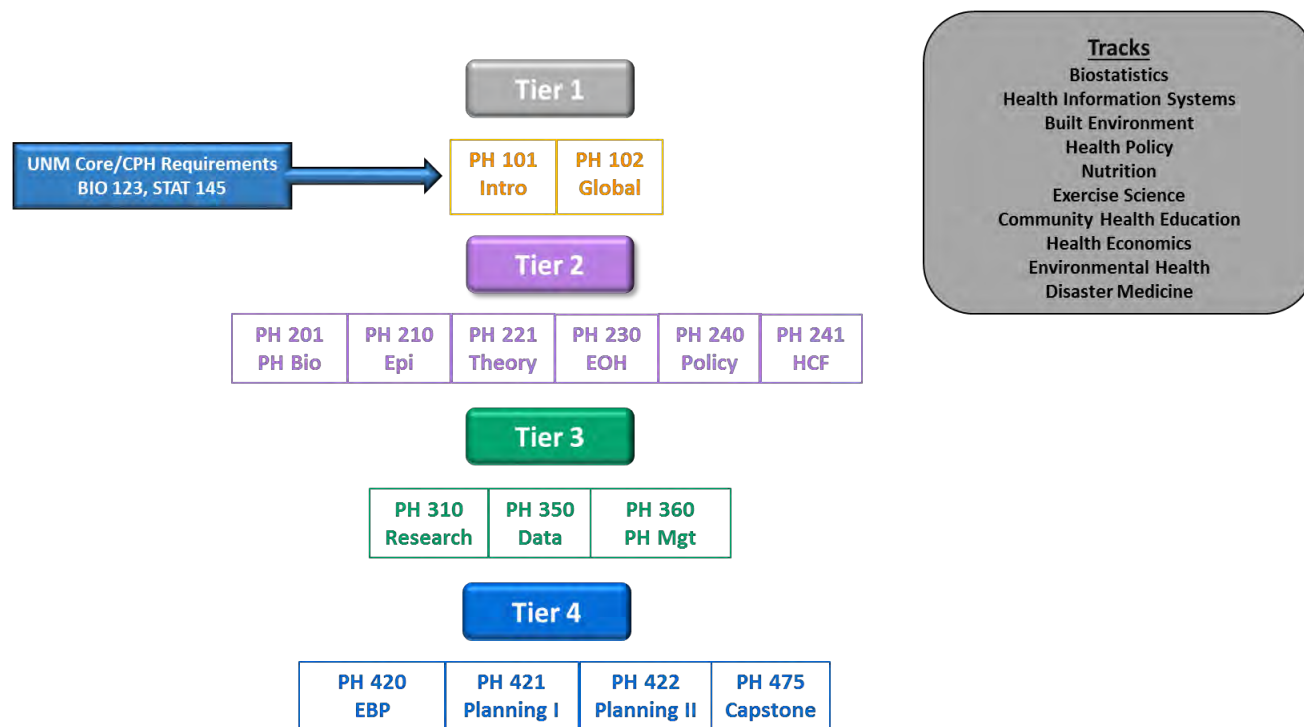
Table 1 shows comparable UNM degrees, credits in core programs, and the unit in which the required courses for the degree are offered.

**Table 1**

UNM Major	Credits in Major	UNM Department Offering Courses
Psychology	35 SCH +electives	All PSY courses
Economics	33 SCH +electives	All ECON courses
Political Science	36 SCH +electives	All POL courses
Health Education	47 SCHs + electives	All HED courses
Community and Regional Planning	55 (33 SCHs +32 SCHs concentration)	All CRP courses

The design of the curriculum is tiered. Students must take the courses in sequence, as outlined below.

Figure 3. Proposed Bachelor of Science in Population Health Tiered Core Curriculum



The expected student learning outcomes for the program reflect what students will know and be able to do when they complete the Bachelor of Science in Population Health include the following:

1. Analytic Skills
  - Develop and apply critical thinking and analytical skills to population health issues
2. Financial Planning and Management Skills
  - Identify, describe and apply basic financial planning and management skills relevant to population health
3. Community Dimensions of Practice Skills
  - Describe the importance of engaging partners (community organizations, community leaders and members) as equals and apply collaborative principles that solicit and apply community input to improve population health
4. Cultural Humility Skills
  - Describe, demonstrate and analyze concepts of cultural competence, cultural humility and cultural relevance as they apply to population health
5. Policy Development Skills
  - Describe the role of policy and apply its introductory development, implementation and evaluation principles as they apply to population health
6. Program Planning and Management Skills
  - Describe and apply the assessment, planning, implementation/management and evaluation processes to determine priorities for population health interventions
7. Disease Biology Skills

- Describe the biological principles of disease
- 8. Biostatistics/Data/Epidemiology Skills
  - Describe and apply basic epidemiology and statistical principles relevant for introductory population health professionals
- 9. Health Behavior Skills
  - Describe the effect behaviors have on health status and apply interventions to promote healthy behaviors
- 10. Environmental Health Sciences Skills
  - Describe the effects of environmental and occupational exposures on population health and strategies for protection and prevention
- 11. Research Skills
  - Describe the cyclical value of research to inform population health practice and the value of population health practice to inform research
- 12. Population Health Management
  - Understand the health systems innovations required to manage population health
  - Describe ways in which to assess and address systems barriers to value-based care
- 13. Leadership and Systems Integration Skills
  - Describe and apply leadership and systems skills to population health interventions
- 14. Cross Cutting Skills (Those that are taught across the curriculum)
  - Describe and identify ethical principles that apply in all population health sciences
  - Define relevant population health terms
  - Describe the fundamental role that primary prevention serves to advance population health
  - Demonstrate effective communication and information retrieval skills through a variety of essential media to advance population health
  - Describe the principles of preparedness and response to population health emergencies and disasters

The program will be delivered using problem-based, skills-driven, and experiential learning modalities designed to engage students directly with health issues in New Mexico communities and health systems. The faculty will be trained to use state-of-the-art teaching approaches using the Office for Medical Educator Development (OMED) resources. Eventually, much of the course content and delivery could be offered online, should it be financially feasible to do so.

#### **4. Evaluation and Assessment**

The proposed governance structure of the program is that a Director of Educational Programs will sustain the Bachelor of Science in Population Health degree implementation and evaluation. The Director will report to the Dean of the College of Population Health.

Learning outcomes will be measured by mapping each course to competencies (student learner outcomes – see above); these will be assessed in each class and at timely intervals over the course of the curriculum. We propose to use “TK 20 at UNM” to conduct learner outcome assessment and will consider *DesignYourCourse.com* software to build syllabi from a degree competencies database. We will utilize regular Bachelor of Science in Population Health internal advisory committee meetings to monitor degree implementation along with internship and employer surveys to assess students’ competence.

## 5. Required Resources

During the first several years, no new resources will be required to implement the educational offerings. Full time faculty in the Public Health Program and experts in the community will deliver the core Bachelor of Science in Population Health courses. We will use existing campus resources until such time capacity is established in the College to warrant the purchase of our own technology and supplies. There is no need for additional or renovated space at this time. Further, current library resources are sufficient.

## 6. Projected Enrollment

Because this is a new discipline and a new degree, we have no way to project enrollments. However, based on the experience of other similar state institutions across the US who developed innovative new bachelor's degree programs in public health, we project that the Bachelor of Science in Population Health program is likely to see increases in enrollment within a short period of time. Similarly, UNM's new multi-disciplinary degree in the Arts and Sciences International Studies BA has seen nearly geometric growth (William Stanley, personal communication). The message is that students want programs that provide new perspectives on old problems and give them a solid foundation for employment upon graduation. We anticipate that many of the students in the Bachelor of Science in Population Health will be new students to UNM.

We conservatively project five-year (FY 17- FY 21) Bachelor of Science in Population Health majors as follows:

- Year 1 (FY17): 15 students
- Year 2 (FY18): 30 students
- Year 3 (FY19): 45 students
- Year 4 (FY20): 60 students
- Year 5 (FY21): 120 students

## 7. Costs and Revenue

### a. Revenue

Revenue is calculated using a \$180 Student Credit Hour (SCH) return to CPH and estimated number of students (FYS#) in each class. Table 2 shows revenue projections for FY17-FY21.

**Table 2**

Course #	Course Name	SCH	Tuition Return	FY 17 Students	Fiscal Year								
					FY 17	FY 18 Students	FY 18	FY 19 Students	FY 19	FY 20 Students	FY 20	FY 21 Students	FY21
PH 101	Intro to PH	3	\$180	15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400	120	\$64,800
PH 102	Global Health	3	\$180	15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400	120	\$64,800
PH 201	PH Biology	3	\$180	15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400	120	\$64,800
PH 210	Essentials of Epi	3	\$180	15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400	120	\$64,800
PH 221	PH, Community & Org Theory	3	\$180	15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400	120	\$64,800
PH 230	Environ and Occu Health	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 240	Systems & Policies	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400

PH 241	Health Care Finance	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 310	PH Research	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 350	Health Data Systems	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 360	PH Mgt	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 420	Evid-based Prac	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 421	Health Systems Planning I	3	\$180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 422	Health Systems Planning II	3	180			15	\$8,100	30	\$16,200	45	\$24,300	60	\$32,400
PH 475	Capstone	6	\$180			15	\$16,200	30	\$32,400	45	\$48,600	60	\$64,800
Total Revenue					\$40,500		\$170,100		\$299,700		\$429,300		\$680,400

## b. Costs

Costs are calculated using salary and workload assumptions of .05 FTE per SCH at an average salary of \$100,000 per 1.0 FTE (w/o fringe). Table 3 below shows instructional salary expenses for FY17 - FY21. Most of this salary expense is currently budgeted for existing faculty whose available educational effort is underutilized.

**Table 3**

			Fiscal Year				
Course #	Course Name	SCH	FY17	FY18	FY19	FY20	FY21
PH 101	Intro to Pop Health	3	\$15,000	\$15,000	\$30,000	\$30,000	\$60,000
PH 102	Global Health	3	\$15,000	\$15,000	\$30,000	\$30,000	\$60,000
PH 201	PH Biology	3	\$15,000	\$15,000	\$30,000	\$30,000	\$60,000
PH 210	Essentials of Epi	3	\$15,000	\$15,000	\$30,000	\$30,000	\$60,000
PH 221	PH, Community and Organizational Theory	3	\$15,000	\$15,000	\$30,000	\$30,000	\$60,000
PH 230	Environmental and Occupational Health	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 240	Health Systems, Services and Policies	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 241	Health Care Finance	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 310	Population Health Research	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 350	Health Data Systems	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 360	Population Health Management	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 420	Evidence-based Practice	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 421	Health Systems Planning I	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 422	Health Systems Planning II	3		\$15,000	\$15,000	\$30,000	\$30,000
PH 475	Capstone	6		\$30,000	\$30,000	\$60,000	\$60,000
Total Costs			\$75,000	\$240,000	\$315,000	\$480,000	\$630,000

## **Appendix A**

### **List of employers interviewed regarding the Bachelor of Science in Population Health:**

- HealthInsight New Mexico, Margy Weinbar, Executive Director
- New Mexico Department of Workforce Solutions, Celina Bussey, Secretary
- New Mexico Economic Development, Barbara Brazil, Deputy Secretary
- Molina Healthcare, Kim Hedrick, Vice President Network Management and Operations
- Presbyterian Healthcare Services, Jim Hinton, President and Chief Executive Officer
- Presbyterian Healthcare Services, Kathy Davis, SVP CNO
- UNM Hospitals, Steve McKernan, CEO
- Albuquerque Area Tribal Epidemiology Center, Kevin English, Director
- Christus St. Vincent Hospital, Kathy Armijo Etre, VP of Mission & Community Health
- Greater Albuquerque Chamber of Commerce, Terri Cole, CEO
- LANL, Michael Brandt, Associate Director, Environmental, Safety & Health Directorate
- New Mexico Health Connections, Martin Hickey, CEO
- New Mexico Hospital Association, Jeff Dye, CEO
- New Mexico Department of Health, various departments



## Appendix B ASPPH Undergraduate Job Titles

Adolescent Health	Chief, Trauma Systems and Research
ACA Marketplace Navigator	Child and Family Services Specialist
Account Executive	Childbirth and Lactation Health Educator/
Accreditation and Quality Improvement	Counselor
Coordinator	Chronic Disease Staff
Accreditation and Disease Surveillance	Public Health Clerk
Coordinator	Climate Justice Fellow
Accreditation Coordinator	Clinic Nutritionist
Administrative Assistant	Clinic or Hospital Staff
Administrative Branch Manager	Clinical Administrative Lead, Bone Marrow
Administrative Program Director	Transplant Program
Administrative Specialist	Clinical Associate
Administrator	Clinical Information Manager
Admissions Coordinator	Clinical Research Associate
Advertising and Labeling Project Specialist	Clinical Research Coordinator
Agency Director	Clinical Research Specialist
Air Quality Surveyor	Clinical Service Representative II
Analyst	Clinical Trials Financial Analyst
Assessment Specialist	Clinical Trials Intern
Assistant Administrative Analyst	Coalition Coordinator
Assistant Health Department Director	Coalition Specialist
Assistant Office Manager	Communicable Disease Staff
Assistant Preparedness Coordinator	Communications and Administrative Assistant
Assistant Program Coordinator	Communications Intern
Assistant Program Developer	Communications Manager
Assistant Program Evaluators	Community Health Consultant
Assistant Specialist II	Community Health Corps Member
Associate Director for Policy	Community Health Initiatives Specialist
Associate Director, Viral Hepatitis	Community Health Outreach Worker
Associate Health Policy Analyst	Community Health Planning
Associate Scientist	Community Health Promotion and
Associate Vice Dean	Improvement
Assistant Biosafety Officer	Community Health Supervisor
Behavioral EAP Account Manager	Community Health Worker
Benefit Analyst	Community Needs Assessment Assistant
Bilingual Patient Navigator	Community Outreach Worker
Bioterrorism Coordinator	Community Program Specialist
BSN, Transitional Care	Community Program Specialist Supervisor
Business Applications Support Technician	Community Promotions Specialist
Business Development and Planning Intern	Community Service Aid
Cancer Program Specialist	Constituent Outreach Coordinator
Care Coordination Supervisor	Consultant
Care Coordinator (Levels 1-3)	Content Manager
Care Coordinator Chronic Disease	Coordinator
Care Guide	Corporate Affairs
Case Management Coordinator	Corporate Communication
Chair, Arizona Collaborative for Adolescent	Customer Service Representative
Health	Data Analyst
Chief Sanitarian	Data Collection

Data Intern  
 Data Manager  
 Data Quality Systems Analyst  
 Demonstrator  
 Dental Administrator  
 Dental Care Coordinator  
 Dental Practice Administrator  
 Dental Program Coordinator  
 Department Specialist 3  
 Deputy Project Manager  
 Dietitian  
 Director  
 Director and State Registrar  
 Director of Administrative Services  
 Director of Admissions  
 Director of Division of Community Health  
 Promotion  
 Director of Employee Wellness  
 Director of Lactation Services  
 Director of Recruitment  
 Director of Student Health Services  
 Director, Projects and Reports  
 Disease Intervention Specialist  
 Disease Intervention Technician  
 Disease Prevention Consultant  
 Disease Prevention and Control Program  
 Coordinator  
 Division Manager  
 Editorial Intern  
 Education Development Supervisor  
 Emergency Planner  
 Emergency Preparedness Training Drill and  
 Exercise Coordinator  
 Emergency Response Coordinator  
 Emergency Room Technician  
 Empowerment Evaluator  
 Emergency Medical Technician Basic  
 English Teacher  
 Enumerator in Demographic and Health  
 Survey  
 Environmental Analyst  
 Environmental Consultant  
 Environmental Health  
 Environmental Health and Housing Specialist  
 Environmental Health and Safety Compliance  
 Specialist  
 Environmental Health Director and Sanitarian  
 Environmental Health Officer  
 Environmental Health Specialist  
 Environmental Health Supervisor  
 Environmental Health Technician  
 Environmental Inspector (Air Quality)

Environmental Protection Officer  
 Epidemiology Investigator 2  
 Evaluation and Support Program Director  
 Evaluation Consultant  
 Executive Administrative Assistant  
 Executive Director  
 Faculty Research Assistant  
 Field Specialist  
 Field Unit Manager  
 Fitness Attendant  
 Food Safety Instructor  
 Food Safety Research Intern  
 Founder/ CEO  
 Government Operations Consultant II  
 Government Program  
 Graduate Advocacy Fellow  
 Graduate Assistant  
 HazMat Team Lead  
 Head Instructor and Office Assistant  
 Health and Wellness Coach  
 Health and Wellness Specialist  
 Health Behavior/Behavioral Science  
 Health Benefit Assister  
 Health Care Administration  
 Health Care Systems Research Consultant  
 Health Coach  
 Health Commissioner  
 Health Communications  
 Health Department Director  
 Health Director  
 Health Disparities  
 Health Equity Communications Specialist  
 Health Exchange Navigator  
 Health Fellow  
 Health Inspector  
 Health Marketing  
 Health Officer  
 Health Outreach Fellow  
 Health Planner  
 Health Policy Analyst Assistant  
 Health Policy Communications Manager  
 Health Program Rep. - Disease Intervention  
 Specialist  
 Health Services Analyst  
 Health Services Consultant 3  
 Health Systems Specialist Intern  
 Health Workforce Coordinator  
 Healthcare Access Coordinator  
 Healthcare Environmental Hygiene and  
 Infection Prevention specialist  
 Healthcare Surge Coordinator  
 HIV & AIDS Consultant

HIV Grants Manager  
 HIV Prevention Regional Coordinator  
 HIV Surveillance Program Manager  
 HIV/STI Surveillance Manager  
 Homestead Food Production Intern  
 HR Administrator  
 HR Director  
 HR Manager  
 HR Officer  
 HR Specialist  
 Human Services Planner  
 Human Services Specialist  
 IEC Activities Manager  
 Immunization  
 Immunization Program Specialist  
 Immunization Registry Coordinator  
 Improvement Associate  
 Industrial Health & Wellness Specialist  
 Infection Prevention Practitioner  
 Infectious Disease Epidemiologist Intern  
 Information and Communications Specialist  
 Information Coordinator  
 Injury Prevention  
 Injury Prevention Intern  
 Intake Specialist  
 Intern  
 International/Global Health  
 IRB Project Coordinator  
 IT Director  
 IT Manager  
 Junior Scientist  
 Lab Assistant  
 Laboratory Program Advisor  
 Laboratory Quality Manager  
 Laboratory Scientist 3  
 Lactation Consultant & Regional Breastfeeding  
 Liaison  
 Lead Associate, Infectious Disease  
 Lead Community Health Worker  
 Lead Substance Abuse Prevention Counselor  
 Legal Intern  
 Library Operations Supervisor  
 Local Emergency Response Coordinator  
 Management Services Officer  
 Management/Communications Intern  
 Manager Environmental Health  
 Manager of Patient Support Services  
 Manager, Employee Care Operations  
 Manager, Epidemiology and Preparedness  
 Manager, Scientific and Regulatory Affairs  
 Marketing Sales Rep  
 Maternal and Child Health

Meal Analyst  
 Medicaid Project Manager  
 Medical Assistant  
 Medical Officer  
 Medical Reserve Corps Branch Chair  
 Medical Reserve Corps Coordinator  
 Medical Scientific Affairs Intern  
 Medical Scribe  
 Medical Technologist  
 MIS Consultant  
 Molecular Microbiologist-ORISE Fellow  
 Monitoring and Evaluation Officer  
 Neuromedical Intern  
 New Patient Coordinator/Practice Assistant  
 Nonprofit staff  
 Nutrition Staff  
 Nutritionist  
 Occupational Health and Safety Inspector  
 Occupational Medicine Program Specialist  
 Office Manager  
 Oncology Reimbursement Counselor  
 Onsite Health and Wellness Specialist  
 ORISE Fellow  
 Outreach and Training Coordinator  
 Outreach Worker  
 Patient Accounts  
 Patient Financial Services Representative  
 Patient Navigator  
 Patient Service Representative  
 Patient Service Supervisor  
 Patient Support Technician  
 Peace Corps Community Health Volunteer  
 Peer Educator  
 Pharmacy Consultant  
 Pharmacy Warehouse Assistant  
 Planning Specialist  
 Policy and Research Coordinator  
 Practice Management Consultant  
 Preparedness Specialist  
 Prevention Specialist  
 Professional Research Assistant  
 Program Analyst  
 Program Assistant  
 Program Associate  
 Program Consultant  
 Program Coordinator  
 Program Developer  
 Program Manager  
 Program Services Coordinator  
 Program Specialist  
 Programmer/Analyst  
 Project Assistant

Project Associate  
 Project Coordinator  
 Project Director  
 Project Lead, Maintenance of Certification  
 Project Manager  
 Public Health Administration  
 Public Health Advisor  
 Public Health Analyst  
 Public Health Associate  
 Public Health Consultant  
 Public Health Coordinator/Director  
 Public Health Dental Hygienist  
 Public Health Inspector  
 Public Health Intern  
 Public Health Manager  
 Public Health Manager  
 Public Health Microbiologist II  
 Public Health Office Manager  
 Public Health Practitioner  
 Public Health Preparedness  
 Public Health Program Consultant  
 Public Health Representative 3  
 Public Health Research Technician II  
 Public Health Risk Coordinator  
 Public Health Specialist  
 Public Health Technician  
 Public Health WIC Nutritionist  
 Publicity/Marketing Manager  
 Quality Assurance Supervisor  
 Quality Assurance Analyst  
 Quality Assurance Manager  
 Quality Assurance Officer  
 Quality Improvement and Evaluation  
 Coordinator  
 Quality Improvement Coordinator  
 Quality Improvement Specialist  
 Quality Management Advisor  
 Records Clerk  
 Recruitment Assistant  
 Refugee Case Manager  
 Registered Dietitian  
 Registered Sanitarian  
 Registration Coordinator  
 Registration Supervisor  
 Regulatory Coordinator  
 Reproductive Health  
 Research Assistant  
 Research Associate  
 Research Coordinator  
 Research Intern  
 Research Project Manager  
 Research Regulatory Specialist

Research Specialist  
 Research Technician  
 Researcher, Environmental Health Sciences  
 Researcher/Writer  
 Resident Assistant  
 Resident Medical Officer  
 Safety Director  
 Safety Officer  
 Sanitarian  
 Scientist  
 Self-Management Support Consultant  
 Senior Associate  
 Senior Center Project Recreation Specialist  
 Senior Clerk  
 Senior Communications Specialist  
 Senior Developer  
 Senior Director, Public Health Preparedness  
 Senior Disease Investigation and Intervention  
 Specialist  
 Senior EHS Specialist  
 Senior Environmental Health Officer  
 Senior Epidemiology Specialist  
 Senior HS&E Manager  
 Senior Instructor / Specialist, LEAN  
 Senior Manager of Policy and Programs  
 Senior Market Facilitator  
 Senior Program Analyst  
 Senior Program Coordinator  
 Senior Program Manager  
 Senior Public Health Nutritionist Supervisor  
 Senior Research Analyst  
 Senior Research Associate  
 Senior Research Worker  
 Senior Sanitarian  
 Shelter Case Worker  
 Shelter Worker  
 Special Needs Oral Health Coordinator  
 Speech and Language Therapist  
 Senior Mental Health Practitioner  
 Senior Administrative Policy  
 Senior Clinical Trial Associate  
 Senior Coordinator  
 Senior Medical Laboratory Technician  
 Senior Section Administrator  
 Senior Technician, Newborn Screening and  
 Genetics  
 Staffing Specialist  
 State Registrar, Vital Records  
 Statistical Analyst 2  
 Statistical Programmer Analyst  
 Supervisory Public Health Microbiologist  
 Support Specialist

Surveillance Coordinator  
TB Elimination Division Manager  
Teaching Assistant  
Team Lead  
Technical Officer Health Information  
Technical Services  
TRACE CORE Research Assistant  
Training Consultant  
Training Coordinator  
Training Development Manager  
Trauma Administrator  
Trauma and Injury Prevention Coordinator  
Travel Biometric Screener  
Unit Clerk  
Veterinary Technician 2  
Viral Hepatitis Prevention Coordinator

Vision Services Coordinator  
Vital Statistics Clerk  
VP, Group Account Supervisor  
Warehouse Specialist  
West Nile Control  
WIC Coordinator  
WIC Director  
WIC IT Project Coordinator  
WIC Nutritionist  
WIC Program Delivery Manager  
WIC Vendor Management Coordinator  
WIC Warehouse Clerk, Chief  
Workforce Development Manager  
Youth Suicide Prevention Specialist

## Appendix C

The following is a list and short description of job positions at Los Alamos National Laboratory that a candidate with a B.S. in Population Health would be minimally qualified to fill. Jobs at higher levels (2-5) require more years of relevant work experience, in addition to the B.S. degree.

Please note that for many of the positions listed, a person with a Bachelor of Science in Population Health degree, who took courses and laboratory courses in Biology, Chemistry, and/or Physics, may be considered a stronger candidate than one who fulfilled the UNM core requirements for Scientific Methods in the Physical and Natural sciences (two courses, one of which must include a laboratory) with courses such as Anthropology, Geography or Natural Sciences.

<b>LANL Job Family</b>	<b>LANL Job Title</b>	<b>Brief Position Description</b>
Env. Safety Health	Emergency Mgmt./ Response Specialist level $\geq 2$	Prepare and respond to events including but not limited to fires, floods, chemical spills or releases, radiation/ contamination, severe weather, and illness/ injury. As level increases, there are increased responsibilities associated with data analysis, policy development, and resolution of complex issues.
Env. Safety Health	Emergency Operations Manager level $\geq 2$	Plan and manage emergency response programs, including drills and training activities in conjunction with DOE/NNSA/ DHS and other external customers. As level increases, there are increased responsibilities associated with leading the Emergency Operations Center, policy development, and resolution of complex issues.
Env. Safety Health	Emergency Planning and Preparation Specialist level $\geq 2$	Provide outreach assistance to federal, state, local and tribal organizations with emergency planning and preparedness activities. As level increases, there are increased responsibilities associated with providing consultant/ subject matter expert services, developing and delivering training, readiness assurance including conduct and continuity of operations.
Env. Safety Health	Environmental Data Steward level $\geq 2$	Prepare environmental sample analysis plans. Collect, prepare and organize environmental data, reports, etc. Recommend and perform data conversion, migration/ manipulation, quality control, quality assurance, etc. As level increases, there are increased responsibilities associated with developing concepts, techniques, and standards based on professional principles and theories.
Env. Safety Health	Environmental Field Professional level $\geq 2$	Serve as technical advisor for environmental remediation and hazardous waste projects. Conduct engineering studies to evaluate contaminated sites, analyze and recommend technical solutions. As level increases, there are increased responsibilities associated with planning and conducting environmental studies related to contaminated sites and monitoring performance of subcontractors performing remediation projects.
Env. Safety Health	Environmental Management	Perform waste management activities and support for Laboratory facility operations and/or processing,

	Professional level $\geq 2$	loading, and shipping activities. Inspect waste storage containers and facilities, characterizing waste, and ensure compliant handling and documentation of solid, liquid, hazardous, radioactive, and/or mixed wastes. As level increases, there are increased responsibilities associated with work on complex issues.
Env. Safety Health	Environmental Manager level $\geq 1$	Plan and direct work and personnel for work that may include environmental protection, compliance, pollution prevention, surveillance, remediation, D&D, or waste management functions. As level increases, there are increased responsibilities associated with policy development, negotiating with customers or management, and method/ technique/ evaluation development.
Env. Safety Health	Environmental Outreach & Public Involvement Professional level 2-3	Consult and provide advice, services, process improvements and assessments for environmental outreach and public involvement. Coordinate and perform work tasks associated with processes necessary for ensuring compliance with state and federal laws and legal agreements regarding environmental outreach and public involvement. Serve as occasional liaison between the Laboratory and the public, citizen organizations, and regulatory agencies on community outreach and involvement requirements in environmental compliance and operational areas. As level increases, there are increased responsibilities associated with providing senior- level advice and process improvements.
Env. Safety Health	Environmental Project Manager level 2	Plan, organize, coordinate and manage activities of environmental projects. As level increases, there are increased responsibilities associated with using professional concepts and Laboratory objectives to resolve complex issues.
Env. Safety Health	ESH Manager level $\geq 2$	Provide support for individual and combined/directorate programs within environmental, health, and safety functions, to achieve compliance with the Laboratory's environmental, safety and health (ESH) standards and with federal and state regulatory requirements. As level increases, there are increased responsibilities associated with determining organizational objectives, interpretation of Laboratory policies, and development of Laboratory policies.
Env. Safety Health	ESH Professional level 2	Perform work in wide range of environmental, health and safety disciplines to achieve compliance with the Laboratory's ESH standards and with federal and state regulatory requirements. Use full understanding of specialized area plus working knowledge of other related fields. As level increases, there are increased responsibilities associated with developing advanced concepts, techniques, and standards based on professional principles and theories. Viewed as an expert in the field within the Laboratory.

Security	Forensic Drug and Alcohol Technician level 5	Perform qualitative and quantitative analyses of drug and alcohol specimens to determine compliance of donors with relevant Human Reliability Program (HRP), Department of Transportation (DOT), and testing designated position (TDP) federal mandates, and Laboratory substance abuse policies. Interpret, organize, and present data to relational databases for archival and reporting requirements and management of a blind sample and proficiency program to verify equipment and laboratory accuracy.
Env. Safety Health	Health Information Management Specialist level $\geq 2$	Perform health information management duties in support of the Occupational Medicine division. Specific duties may include: medical chart preparation and filing, interacting with customers requesting records, providing records as needed to the medical staff, transcribing provider dictation, coding diagnosis and procedures in accordance with standardized coding protocols, managing the health information aspects of the special programs, tracking and managing health information as needed. As level increases, there are increased responsibilities associated with leading development of policies for the health information management team, compiling data for DOE, Bureau of Vital Statistics, and other requesting agencies.
Env. Safety Health	Industrial Hygiene and Safety Professional level 1-2	Develop, recommend, and implement programs, policies, and procedures associated with the recognition, measurement, evaluation, and control of potential health and safety hazards. As level increases, there are increased responsibilities associated with resolution of a diverse range of complex problems where analysis of data requires evaluation of identifiable factors.
Operations Support	Nuclear Materials Specialist $\geq 2$	Perform nuclear materials inventory analysis, reporting, forecasting and distribution to meet Laboratory and Department of Energy- (DOE)-level customer needs and requirements. Collect nuclear material inventory data to assist managers in optimizing processing, shipping, storage and disposition of nuclear material. As level increases, there are increased responsibilities associated with the application of sound and expert knowledge of Laboratory special nuclear materials processing, storage, control, disposition and distribution.
Research	Research Technologist level 1-3	Perform work requiring advanced knowledge, customarily acquired by a prolonged course of specialized intellectual instruction in science or engineering, to creatively and independently address research needs. Perform work requiring consistent exercise of discretion and judgment, as distinguished from performance of routine mental, manual, mechanical or physical work. As level increases, there are increased responsibilities associated with communicating results through internal reports, progress



		reports to sponsors, or technical publications in peer-reviewed journals.
Science & Engineering	Scientist 1-2	Apply scientific principles under the scientific method to address technical problems; or to develop novel techniques or principles; or to analyze data or outcomes from experiments (in the real world or in the computational domain) or from observational procedures in the context of the underlying scientific principles or models. Solid experience in a relevant technical discipline is required.
Operations Support	TRU waste sciences manager level 1-2	Support DOE National TRU Program including waste operations, processing, characterization, DOE weapons complex waste inventory and shipping activities. Apply repository relevant policies and procedures to resolve a variety of issues. Use and applies scientific principles, theories, concepts and techniques. As level increases, there are increased responsibilities associated with resolution of problems of diverse scope where analysis of situations or data requires a review of a variety of factors.
Information Services	Writer/ Editor level 1- 4	Plan, write, and edit technical and administrative communication products targeted to both technical and non-technical audiences; may entail original writing based on interviews and background research. As level increases, there are increased responsibilities associated with interpreting more complex information so that it can be understood by non-technical and by non-expert as well as technical audiences.

**APPENDIX D**  
**Bachelor of Science in Population Health Degree Plan**

**Year 1**

First Semester	Hours
English 110: Accelerated Composition	3
STAT 145: Intro to Statistics	3
PH 101: Intro to Population Health	3
Humanities	3
Social and Behavioral Sciences	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
English 120: Composition 3	3
BIO 123/BIO 124 Lab: Bio for Health-Related Sciences	4
PH 102: Global Health Challenges and Responses	3
Foreign Language	3
Fine Arts	3
<b>Total Hours:</b>	<b>16</b>

**Year 2**

First Semester	Hours
Writing and Speaking	3
Physical and Natural Sciences	3
PH 221: Population Health, Community, and Organizational Theory	3
PH 230: Intro to Environmental and Occupational Health	3
PH 241: Fundamentals of Health Care Finance	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
Social and Behavioral Sciences	3
Humanities	3
PH 201: Population Health Biology	3
PH 210: Essentials of Epidemiology	3
PH 240: Health Systems, Services and Policies	3
<b>Total Hours:</b>	<b>15</b>

**Year 3**

First Semester	Hours
PH 310: Population Health Research Methods	3
Area of Focus Course	3
Area of Focus Course	3
Free Elective	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
PH 350: Introduction to Health Data Systems	3
PH 360: Population Health Management	3
Area of Focus Course	3
Free Elective	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

**Year 4**

First Semester	Hours
PH 420: Population Health Evidence-Based Practices	3
PH 421: Health Systems Planning I	3
Area of Focus Course	3
Area of Focus Course	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

Second Semester	Hours
PH 422: Health Systems Planning II	3
PH 475: Capstone	6
Free Elective	3
Free Elective	3
<b>Total Hours:</b>	<b>15</b>

UNM Core: 37 SCHs


PH Core: 48 SCHs

PH Area of Focus:  
15 SCHs

Free Electives:  
21 SCHs

*Office of the Vice Chancellor for Health Sciences Academic Affairs*

**TO:** Dr. Deborah Helitzer, Associate Vice Chancellor for Research Education

**FR:** Dr. Leslie Morrison, Vice Chancellor for Academic Affairs 

**DATE:** September 14, 2015

**RE:** Bachelor of Science in Population Health Preliminary Outline

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Thank you for submitting the proposed Bachelor of Science in Population Health (BSPH) preliminary outline. After a thorough review and careful consideration of the information you have provided, I see value in the proposed BSPH and its role in the Health Sciences Center's Vision 2020 and beyond to improve New Mexico's population health and health equity.

By meeting with internal partners, employers, community stakeholders, and state agencies in New Mexico you have shown that there is a workforce demand for these graduates. I feel the BSPH will attract new students and prepare them for highly marketable careers while empowering our students with the knowledge to positively impact the population health needs of New Mexico, its communities, and its citizens.

With the BSPH taking an interdisciplinary approach to its curriculum, it will engage partners who can ensure students acquire the practical skills needed to address population health issues and trends happening in New Mexico, nationally, and globally. In particular, how the BSPH advances the ACA can be further clarified, as can how the BSPH will interact with the Health Professions, MD, COP and CON programs. As we discussed, the new program will need to consider budgetary concerns for HSC student services including advisement along with other expenses, in conjunction with University budgetary leaders, and financial services.

I approve the BSPH to move forward with a full proposal in the Curriculum Workflow process and to create the Form C.

Please keep me apprised of the BSPH as it moves through the approval process and if I can be of further assistance.



THE UNIVERSITY OF NEW MEXICO • HEALTH SCIENCES CENTER

# UNM HOSPITAL

## MEMORANDUM

March 17, 2016

**TO:** HSC Committee

**FROM:** Stephen McKernan *sm*  
CEO, UNM Hospital

**SUBJECT:** Board Re-appointment, UNM Hospital Board of Trustees

The UNM Hospital Board of Trustees requests the approval of the nomination for reappointment of Jerry McDowell, by the HSC Board of Directors, with final approval and appointment by the Board of Regents. Mr. McDowell has served one term on the UNM Board of Trustees (August 2013 – July 2016). The request for re-appointment will be for a second term; UNM Hospitals Board of Trustees members may serve two, three year terms. Mr. McDowell's bio is attached for review.

UNIVERSITY OF NEW MEXICO  
PURCHASING DEPARTMENT

**MEMORANDUM**

.....

**Date:** March 23, 2016

**To:** Ava Lovell, Exec Officer Fin & Admin/HSC, Sr: Sr Exec Officer - Finance & Admin

**From:** Bruce Cherrin, Chief Procurement Officer

**Re:** Item Information for Regents

.....

Proposals were solicited on March 9, 2016 on behalf of the University Comprehensive Cancer Center for the "Architectural and Special Systems Repair and Replacement Project" to facilitate conducting inspections, tests, repairs, replacement, and preventive maintenance. The University of New Mexico Comprehensive Cancer Center received 1 respondent for their request for proposal.

The proposal and evaluation criteria was distributed to the evaluation committee on March 21, 2016 to begin evaluation and scoring.

The University of New Mexico Comprehensive Cancer Center will pay the Contractor for the actual and permissible time-and-materials costs incurred up to, but not to exceed \$1,920,000.00 for the occupied clinical area only, in accordance with the rates set forth in the respondent's proposal submittal for this project.

Upon completion of the inspection for the Educational and Administration wings, the contractor will be compensated for the actual and permissible time-and-materials costs incurred in accordance with rates set forth in the respondent's proposal submittal for this project.

The funding source for this service will come from the clinical operating revenues.

The committee recommends awarding the contract to Jaynes Corporation.

## Provost's Update

*will be presented at the meeting*

March 26, 2015

Dr. Laura Musselwhite, Dean of Instruction and Chief Academic Officer  
University of New Mexico–Valencia Campus

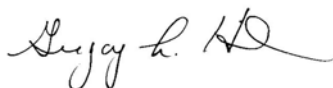
Dr. Musselwhite,

Thank you for providing a well-thought-out proposal for the creation of the Associate Degree in Mathematics at the UNM-Valencia campus, and for collaborating with the Department of Mathematics and Statistics on main campus to ensure program graduates will have a clear articulation pathway to the bachelor's degree.

The proposed degree addresses state workforce needs related to the production of STEM graduates, and the development of a STEM Center that will provide support services is commendable and should improve student success.

In summary, you have the full support of the Academic Affairs Office on main campus in pursuing the creation of this degree program. Please let me know if you need any assistance in this regard.

Thanks,



Greg Heileman  
Associate Provost for Curriculum



THE UNIVERSITY of NEW MEXICO

*New Mexico's Flagship University*

Office of the Provost and Executive Vice President for Academic Affairs  
MSC05 3400  
1 University of New Mexico  
Albuquerque, NM 87131-0001  
505.277.2611

**NEW ASSOCIATE DEGREE/UNDERGRADUATE CERTIFICATE PROGRAM  
PRELIMINARY REVIEW AND PROPOSAL OUTLINE  
UNM-Valencia, Associate Degree in Mathematics**

**Executive Summary**

Please see below for a brief summary of the first seven elements listed for the full proposal, namely: program description, evidence of need, program content, evaluation and assessment, required resources, projected enrollment and costs, and additional information (as appropriate).

**1. Program Description**

The Associate of Science in Mathematics degree will provide the first two years of study for a student who plans to transfer to a four-year institution and pursue a bachelor's degree in mathematics. An Associate of Science in Mathematics degree would benefit the students at UNM-Valencia because they could seamlessly transfer to UNM-Main Campus or to another four-year university with the potential of completing a bachelor of science in mathematics or a bachelor of science in a related field in reduced time.

The major program learning goals are to provide students with quality instruction that includes high expectations to facilitate the mastery of broad-based knowledge in mathematics, as well as mastery in core courses in the other disciplines to promote success with their continued studies in the pursuit of a bachelor's degree in mathematics.

This program fits into the mission of UNM-Valencia which is: "*A quality education – a lifetime of success.*" This program will provide students with a high quality education offered in a supportive environment in which active learning is an integral component. The UNM-Valencia strategic plan includes goals to increase pass rates in algebra courses, increase participation in STEM related courses, and increase transfer rates. In addition, UNM-Valencia, through the support of Title III STEM Grant, has established a STEM Center that provides students with tutoring and additional support. These services help provide what is needed to be successful in mathematics courses. As a result, we have seen our calculus program grow and have seen more



students with an interest in pursuing a degree in mathematics. Therefore, this program aligns with the mission of UNM-Valencia.

This degree will articulate to UNM-Main Campus's Bachelor of Science in Mathematics. In the development of the associate degree course requirements, Dr. Julie DePree, the department chair at UNM-Valencia, has collaborated with the department chair at UNM main, Dr. Terry Loring. In addition, she has worked with the advisors at both institutions. This program has the support of the Mathematics Department at UNM-Main campus. In addition, Dr. DePree serves on the New Mexico Mathematics Articulation Task Force. This task force meets on a yearly basis to ensure and decide how courses articulate to the various colleges in the state of New Mexico. The Task Force then creates a math articulation matrix which is recognized by the State. All of the mathematics courses in this degree plan should articulate not only to UNM, but to all the four-year colleges in New Mexico with the exception of the "Exploring Topics and Careers in Mathematics" course. It is expected that this course will transfer as an elective.

We would like to offer this program by fall 2015.

## **2. Evidence of Need**

More students declare the Associate of Science in General Science as their degree than any other degree program at UNM-Valencia. Many of these students have an interest in mathematics, and advisors have noted that several students have wanted to declare mathematics as their major, but it is not currently an option at UNM-Valencia. We will recruit students by advertising in the STEM Center and at new student orientations. In addition, we will use our dual credit contacts in the high schools to recruit new students. We will also have a scholarship that is specifically designated for mathematics majors.

According to the Mathematical Association of America (MAA) ([www.maa.org/careers](http://www.maa.org/careers)), "One of the benefits of studying mathematics is the variety of career paths it provides. Mathematics provides careers as diverse as teaching, actuarial work, and finance. *CareerCast* ranked mathematician as best job for 2014 based on four factors: environment, income, outlook, and stress. Statistician was ranked third and actuary was ranked fourth. A study by *PayScale* shows that the top fifteen highest-earning college degrees have one common element: mathematics."

## **3. Program Content and Quality**

The curriculum will require the full thirty-five credit-hour general education common core and an additional seventeen to twenty-six credit hours in mathematics and statistics. One new course will be created. The title of the course is "Exploring Topics and Careers in Mathematics." This course will help students determine an area of interest so that when they transfer to main campus or another four-year college they will have established their area of concentration, i.e. pure mathematics, applied mathematics, statistics, mathematics education, etc.

The student learning outcomes for this program are listed below. Upon successful completion of the required courses for the Associate of Science in Mathematics degree, students will demonstrate that they have developed the ability to:

- 1) demonstrate and apply a broad-based knowledge of concepts in algebra, statistics and calculus.
- 2) determine an area of concentration in mathematics and then take the courses that are needed to continue with a mathematics or related degree at a four-year institution.

The faculty members of the mathematics department have high expectations for their students. They also have access to the highest levels of technology, and this is integrated in all courses. Most courses include supplemental computer assignments and class capture. In addition, student engagement and active learning are highly valued and implemented in all courses.

#### **4. Evaluation and Assessment**

Currently, the student learning outcomes for the majority of the mathematics courses offered at UNM-Valencia are assessed and reported annually. This new program's learning outcomes will also be measured and reported annually. Data from final examinations and projects in the statistics, algebra and calculus courses will be collected and analyzed to determine if students have developed a broad-based knowledge of statistics, algebra and calculus and if they are applying critical thinking skills. In addition, students will have a capstone project that will be submitted in the "Exploring Topics and Careers in Mathematics" course which will address their future goals and plans for success at a four-year institution. Additionally, the program itself will go through a periodic program review process, as do all programs at UNM-Valencia.

#### **5. Required Resources**

We are currently offering all of the required courses at UNM-Valencia other than the new two-credit "Exploring Topics and Careers in Mathematics" course with existing, qualified faculty. We expect little to no impact on the workload of current faculty and staff. No additional faculty or staff will be required. Since all of these courses are currently being offered, with one exception, no additional resources will be needed and no additional costs will be incurred.

#### **6. Projected Enrollment and Costs**

We project approximately ten students to declare the Associate of Science in Mathematics as a major and hope to increase this each year. No additional costs will be incurred as a result.

# **Mathematics**

## **Associate of Science in Mathematics description**

The associate of science in mathematics provides the first two years of study for a student who plans to transfer to a four-year institution and pursue a bachelor's degree in mathematics.

## **Career and educational advancement opportunities**

The associate of science in mathematics degree program provides students with quality instruction in mathematics, statistics and other core courses to facilitate the mastery of knowledge and the attainment of the skills necessary to complete a bachelor's degree in mathematics or a related field. A student who completes this degree would also be prepared to enter jobs that require one or two years of college.

## **Program requirements**

Total credit hours required: 60 (see checklist for specific requirements). Please refer to The University of New Mexico Core Curriculum for a list of allowable core curriculum elective courses.

## **Program learning goals**

The associate of science in mathematics degree program provides students with quality instruction in mathematics, statistics and other core courses to facilitate the mastery of knowledge and the attainment of the skills necessary to complete a bachelor's degree in mathematics or a related field. Course syllabi describe the student learning outcomes that contribute to the program learning goals and explain how students' learning is evaluated.

Upon successful completion of the required courses for the associate of science in mathematics degree, our students will demonstrate that they have developed the ability to:

- 1) Demonstrate and apply a broad-based knowledge of concepts in algebra, statistics and calculus.
- 2) Determine an area of concentration in mathematics and take the courses that are needed to continue with a mathematics or related degree at a four-year institution.

## **Contact and Advising Information**

Information about the associate of science in mathematics degree program is available from Advisement Center at 505-925-8560 or [vcadvise@unm.edu](mailto:vcadvise@unm.edu), or the Mathematics Department Chair, Dr. Julie DePree at 505-925-8607 or [jdepree@unm.edu](mailto:jdepree@unm.edu).

## **Course prerequisites**

Students must meet the prerequisites by achievement of minimum placement scores on the COMPASS or ACT or through completion of course work.

**Course:** ENGL 100 & UNIV 101 or equivalent – or place into ENGL 111/112, 113 or 110

**Credit hours:** variable (3-6) depending on course track; **COMPASS/ACT Minimum Scores:** 78/59

**Course:** MATH 120 or MATH 101/102/103 – or place into MATH 121

**Credit hours:** 3; **COMPASS/ACT Minimum Scores:** 55/22

## **Associate of Science in Mathematics Degree Requirements**

*The following are the course requirements for completion of an Associate of Science in Mathematics degree. Students should see an advisor to customize their educational plans.*

### **Writing and Speaking: (9 credits)**

ENGL 110 or ENGL 112 or ENGL 113 (3 credits)\*

\*Completion of both ENGL 111 and ENGL 112 (6 credits) is an option to completing the first level of Writing and Speaking core. ENGL 111 counts as an elective, ENGL 112 is applied to the core requirement. ENGL 113 is a 4-credit course; three credits are Writing and Speaking core and one is an elective towards graduation.

ENGL 120: Composition III (3 credits)

CJ 130 or PHIL 156 or ENGL 219 or ENGL 220 (3 credits)

### **Mathematics and Statistics: (17 - 26 credits)**

Math 121: College Algebra (3 credits)

Math 123: Trigonometry (3 credits)

Math 150: Pre-Calculus (3 credits)

Math 130: Exploring Topics and Careers in Mathematics (2 credits)

Math 162: Calculus I (4 credits)

Math 163: Calculus II (4 credits)

Math 264: Calculus III (4 credits)

Stat 145: An Introduction to Statistics (3 credits)

### **Physical and Natural Sciences: (7 credits)**

Select two courses from the UNM Core Curriculum, one of which must include a lab.

**Social and Behavioral Sciences: (6 credits)**

Select two courses from the UNM Core Curriculum in Social and Behavioral Sciences

**Humanities: (6 credits)**

Select two courses from the UNM Core Curriculum in Humanities.

**Foreign Language: (3 credits)**

Select one course from the UNM Core Curriculum in Foreign Languages

**Fine Arts: (3 credits)**

Select one course from the UNM Core Curriculum in Fine Arts

**General Electives: (0 - 9 credits)**

**Total Required: (60 credits)** Students transferring to UNM-Main and other four-year institutions should be aware that core curriculum requirements are not necessarily met upon completion of this degree.

Form C

Associate of Science in Mathematics

Justification

This program will have little, to no impact, on the budget or faculty workload. All of the courses with the exception of the new two-credit course (Exploring Topics and Careers in Mathematics) are currently being taught with the existing faculty members and the existing budget.



## *Faculty Senate*

March 22<sup>nd</sup>, 2016

TO: Board of Regents Academic Student Affairs and Research Committee

FROM: Chaz Clark, Interim Administrative Coordinator

SUBJECT: Posthumous Degree Request for Markel Byrd

The Faculty Senate approved the posthumous degree for Markel Byrd at the March 22, 2016 Faculty Senate meeting.

Included is the request from for a Posthumous Degree Request for Markel Byrd, from Dean of University College Kate Krause, Faculty Athletic Representative Amy Neel, Athletic Director for Student Development Quinton Freedman, and approval form the Faculty Senate Graduate and Professional Committee.

Thank you.

*Office of the Dean*

## MEMO

TO: Stefan Posse, President, Faculty Senate of the University of New Mexico  
FROM: Kate Krause, Dean, University College; Amy Neel, Associate Professor and Faculty Athletic Representative; Quinton Freeman, Assistant Athletic Director for Student Development  
RE: Posthumous Bachelors of Liberal Arts Degree, Markel Byrd  
Date: January 21, 2016

Markel Stefon Byrd of Tulare, California was the son of William Byrd Jr. and Stephanie Threadgill. After graduating from Horizon Christian Academy in San Diego, California, Markel accepted a full scholarship from the University of New Mexico where he played two seasons as a safety on the football team after redshirting his freshman season. He became one of the top defensive players on the team, finishing the 2015 season with three interceptions and the game-winning tackle on the UNM 4 yard line against Boise State in November. Markel died in a car accident on December 22, 2015 while on his way home to visit his family in Arizona and California for the holidays. He was 20 years old. He is survived by his grandparents, parents, six brothers and four sisters along with many aunts, uncles, cousins, and many friends and fans.

Markel's impact at UNM was evident at the memorial service held for him at the SUB Ballroom in January, 2016. Head football coach Bob Davie called him "absolutely fearless," "incredibly mature," and "unique" and marveled at his drive to obtain the number 1 on his jersey through performance in the classroom and on the field. His teammates described him as "passionate, positive, dynamic, fearless, outgoing, welcoming, full of energy, and fun-loving." Several teammates commented that they looked to him for inspiration and confidence.


At the time of his death, Markel was pursuing a Bachelor's of Liberal Arts degree in University College. He was in academic good standing and had earned more than half of the required 120 credit hours. Therefore, he met the requirements for the awarding of the posthumous degree. We hope that this degree will bring some comfort to his grieving family, teammates, and friends and that it will inspire student athletes to succeed in their quest to graduate from the university.



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Tracy J. Skipp

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Kate Krause

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Amy T. Neel

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Quinton Freeman



## Accreditation Update

UNM Board of Regents

April 8, 2016

# Previous Visit

**Visit date:** April, 2009

**Two items required additional action on the part of UNM:**

**1. Criterion One: Mission and Integrity**

- Issues were cited related to Governance and Administrative Structures.
- **Monitoring Report on Governance**, submitted Jan. 2011, and accepted by the commission.

**1. Criterion Three: Student Learning and Effective Teaching**

- Issues were cited related to advising ratios in University College.
- **Progress Report on Undergraduate Advising**, submitted Jan. 2011, and accepted by the commission.

# Open Pathways Cycle

## Transition Map H: For institutions with the next PEAQ reaffirmation visit in 2018-19

This chart assumes the outcome of the last PEAQ visit is to place the institution on a ten-year cycle. Other outcomes could place the institution on the Standard Pathway.

Year	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22	2021–22
Pathway Cycle	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 1	Year 2	Year 3	Year 4
Assurance Process	ASSURANCE REVIEW WAIVED¹	Institution may contribute documents to the Evidence File					Assurance Filing (Assurance Argument and Evidence File); Federal Compliance Requirements²	Institution may contribute documents to the Evidence File			Assurance Filing (Assurance Argument and Evidence File)
							Assurance Review and Comprehensive Evaluation (with visit)				Assurance Review (no visit) ³
Improvement: The Quality Initiative		Quality Initiative Proposal Filed (window of opportunity to submit)									
		Quality Initiative Proposal Reviewed									
				Quality Initiative Report Filed							
				Quality Initiative Report Reviewed							
Commission Decision-Making	ASSURANCE REVIEW WAIVED¹						Action on Comprehensive Evaluation and Reaffirmation of Accreditation⁴				Action to Accept Assurance Review
New Criteria	Effective 1/1/13⁵										
Other Monitoring	The Commission will continue to review data submitted by affiliated institutions through the Institutional Update, will apply change processes as appropriate to planned institutional developments, and will monitor institutions through reports, visits, and other means as it deems appropriate.										

# Open Pathways: Activities

We are here:

Cycle Year	Institutional Activities			Peer Review		HLC Decision-Making¹
2012-13 Year 4	Assurance Review Waived					
2013-14 Year 5	Institution may contribute documents to Evidence File	Period to submit Quality Initiative Proposal		Review Quality Initiative Proposal		
2014-15 Year 6						
2015-16 Year 7		Period to submit Quality Initiative Report		Review Quality Initiative Report		
2016-17 Year 8						
2017-18 Year 9						
2018-19 Year 10	Submit Comprehensive Evaluation Materials⁵			Conduct Comprehensive Evaluation (with visit)	Action on Comprehensive Evaluation and Reaffirmation of Accreditation⁶	
2019-20 Year 1	Institution may contribute documents to Evidence File					
2020-21 Year 2						
2021-22 Year 3						
2022-23 Year 4	Submit Assurance Filing (Assurance Argument and Evidence File)²			Conduct Assurance Review (no visit)³	Acceptance of Assurance Review⁴	

# UNM Timeline

Date	Assurance Process	Quality Initiative Process
2012-2013		Begin planning for Quality Initiative Proposal ✓
June 2014	Appoint director and coordinator ✓	Submit Quality Initiative Proposal for review by HLC ✓
Feb. 2015	Form Steering Committee and Resource Team ✓	
March 2015	HLC Meeting (Chicago) ✓	
April 2015	Form Criterion Committees ✓	
June 2015	Establish Evidence Library ✓	
Sept 2015	Environmental Scan ✓	
AY 2015-16 and 2016-17	Criterion Committees gathering evidence, creating assurance argument ✓	Submit Quality Initiative Report for HLC Review
May 2017	Steering Committee reviews Criterion Committees' Report Drafts	
Sept 2017	Self-Study Draft Created by Steering Committee	
Oct.-Dec 2017	Self-Study Draft Report Available to Community	
Jan.-May 2018	Focus Groups Feedback & Integration	
Aug. 2018	Final Report Finished	
AY 2018-19	HLC Site Visit	

# The Criteria

1. **Mission:** The institution's mission is clear and articulated publicly; it guides the institution's operations.
2. **Integrity – Ethical and Responsible Conduct:** The institution acts with integrity; its conduct is ethical and responsible.
3. **Teaching and Learning – Quality, Resources, and Support:** The institution provides high quality education, wherever and however its offerings are delivered.

# The Criteria

- 4. Teaching and Learning – Evaluation and Improvement:**  
The institution demonstrates responsibility for the quality of its educational programs, learning environments, and support services, and it evaluates their effectiveness for student learning through processes designed to promote continuous improvement.
  
- 5. Resources, Planning, and Institutional Effectiveness:**  
The institution's resources, structures and processes are sufficient to fulfill its mission, improve the quality of its educational offerings, and respond to future challenges and opportunities. The institution plans for the future.

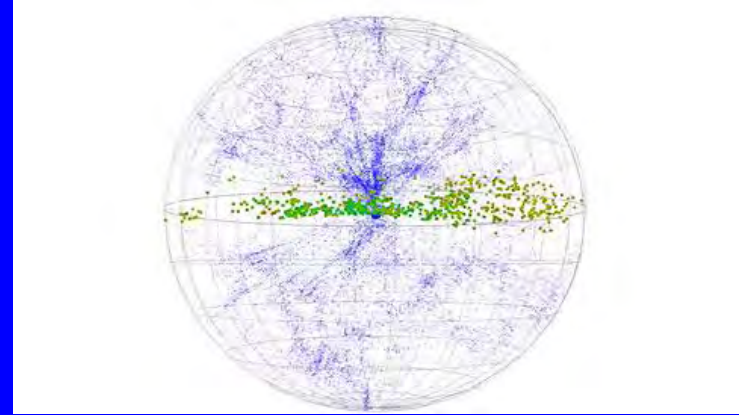
# Progress

- **Winter Accreditation Event:** February 16, 2016.
- We've completed the environmental scan.
- Next steps: collection of evidence, initial crafting of the committees' assurance arguments.
- Criterion Committees are working to create committee reports (assurance arguments) by May 2017.



# Next Steps

- Steering Committee will create a rough draft of the Assurance Argument by Sept. 2017.
- An extensive one-year feedback and review process involving all constituents will follow, leading to a final report by Aug. 2018.
- Resources, guides, progress tracking and other information is available at: [HLC2019.unm.edu](https://HLC2019.unm.edu)

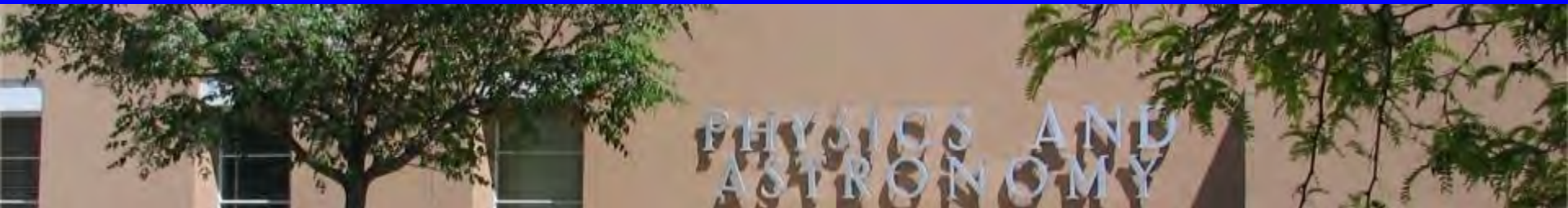


# Hidden Galaxies

Prof. Patricia (Trish) Henning

Department of Physics and Astronomy

University of New Mexico



# A nifty way to measure mass

- Expansion of the Universe causes galaxies to recede from one another
- Gravity retards, or even stops, expansion in high-density regions



IRAS  
R = 4000

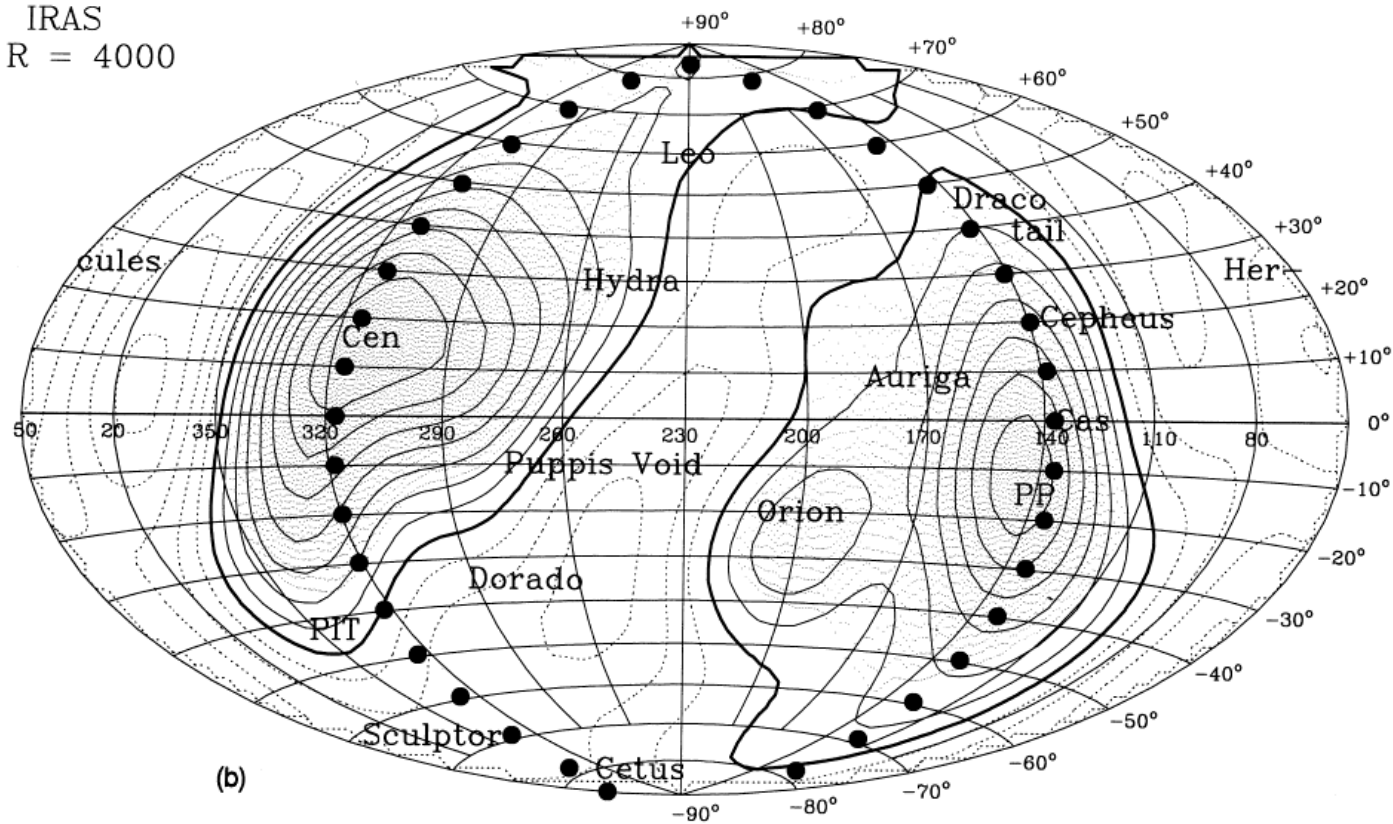


Figure 4 - continued

# “The Great Attractor”

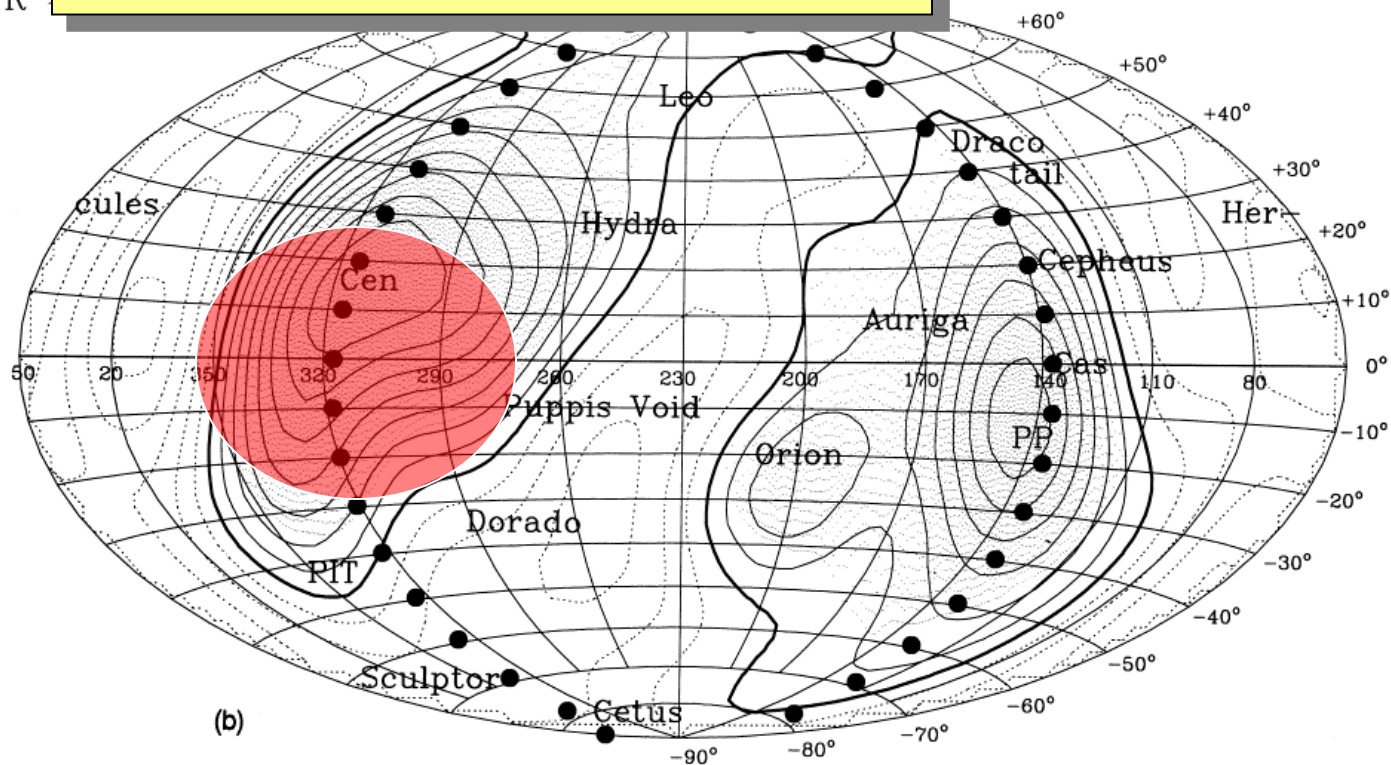
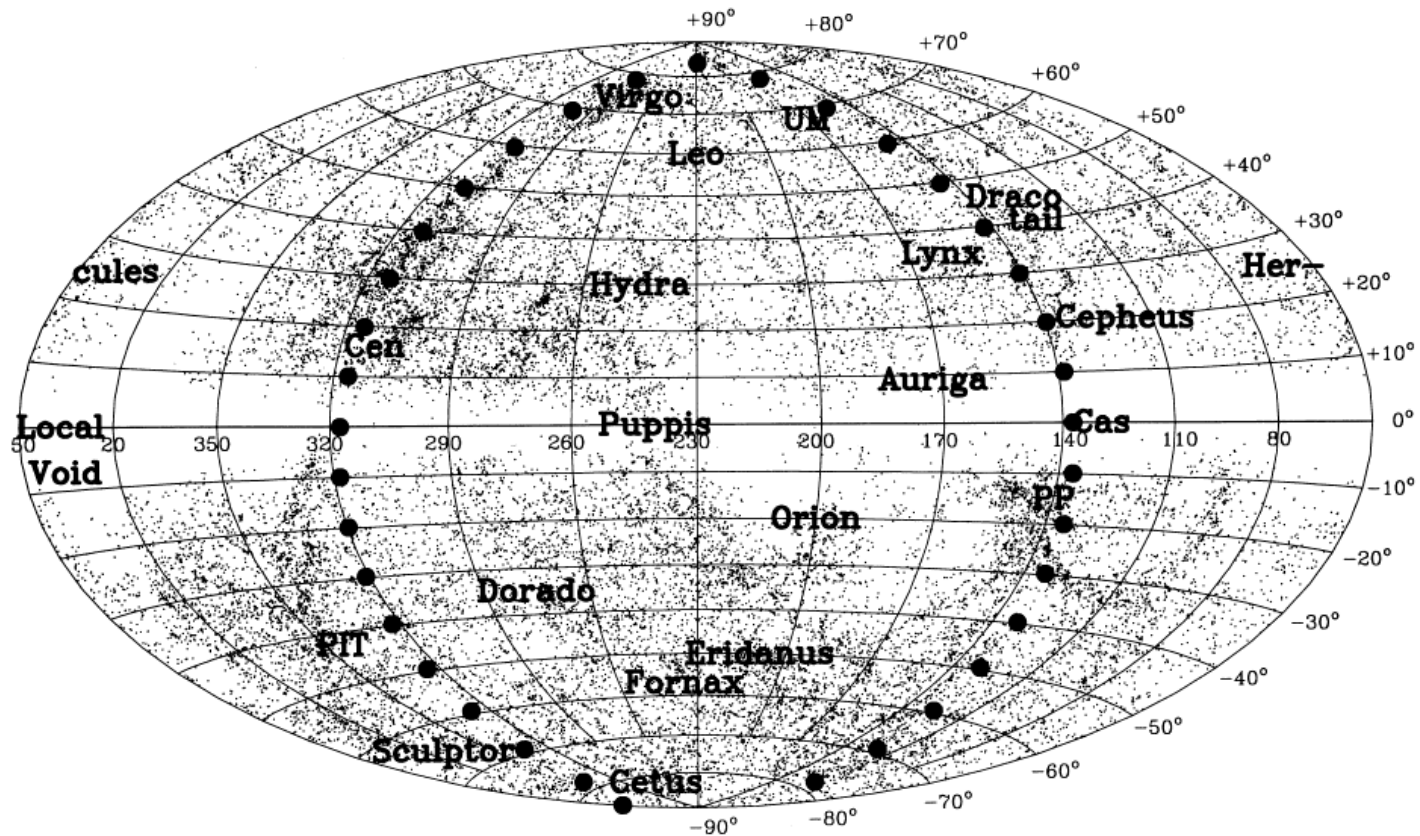


Figure 4 - continued





UGC + ESO + MCG , OPTICAL CATALOGS

Figure 5. The optical galaxies from the UGC, ESO and MCG catalogues projected on the sky in the same coordinate system as in Fig. 1.

# Where is the Great Attractor?

# Whirlpool Galaxy • M51



Hubble  
Heritage

NASA and The Hubble Heritage Team (STScI/AURA)  
Hubble Space Telescope WFPC2 • STScI-PRC01-07

# Edge-On Galaxy NGC 4013



Hubble  
Heritage

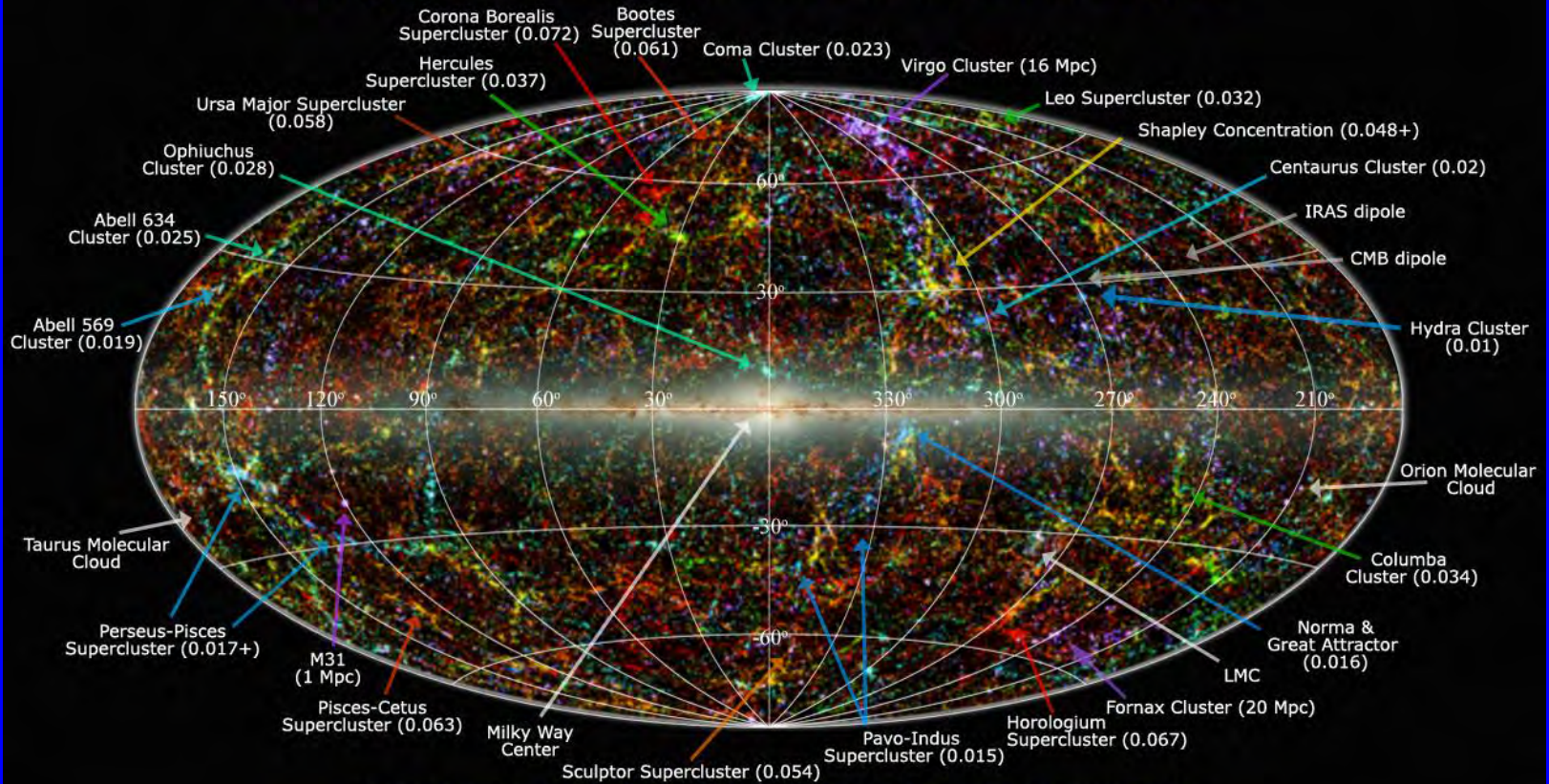
NASA and The Hubble Heritage Team (STScI/AURA)  
Hubble Space Telescope WFC2 • STScI-PRC01-07



# ***The Deep Sky***



# Large Scale Structure in the Local Universe



**Legend:** image shows 2MASS galaxies color coded by redshift (Jarrett 2004); familiar galaxy clusters/superclusters are labeled (numbers in parenthesis represent redshift).  
Graphic created by T. Jarrett (IPAC/Caltech)



# How to “see” invisible galaxies



Not like this...  
Signature of  
Hydrogen,  
and computers

# Radio telescope at Parkes, Australia

Diameter = 64 m

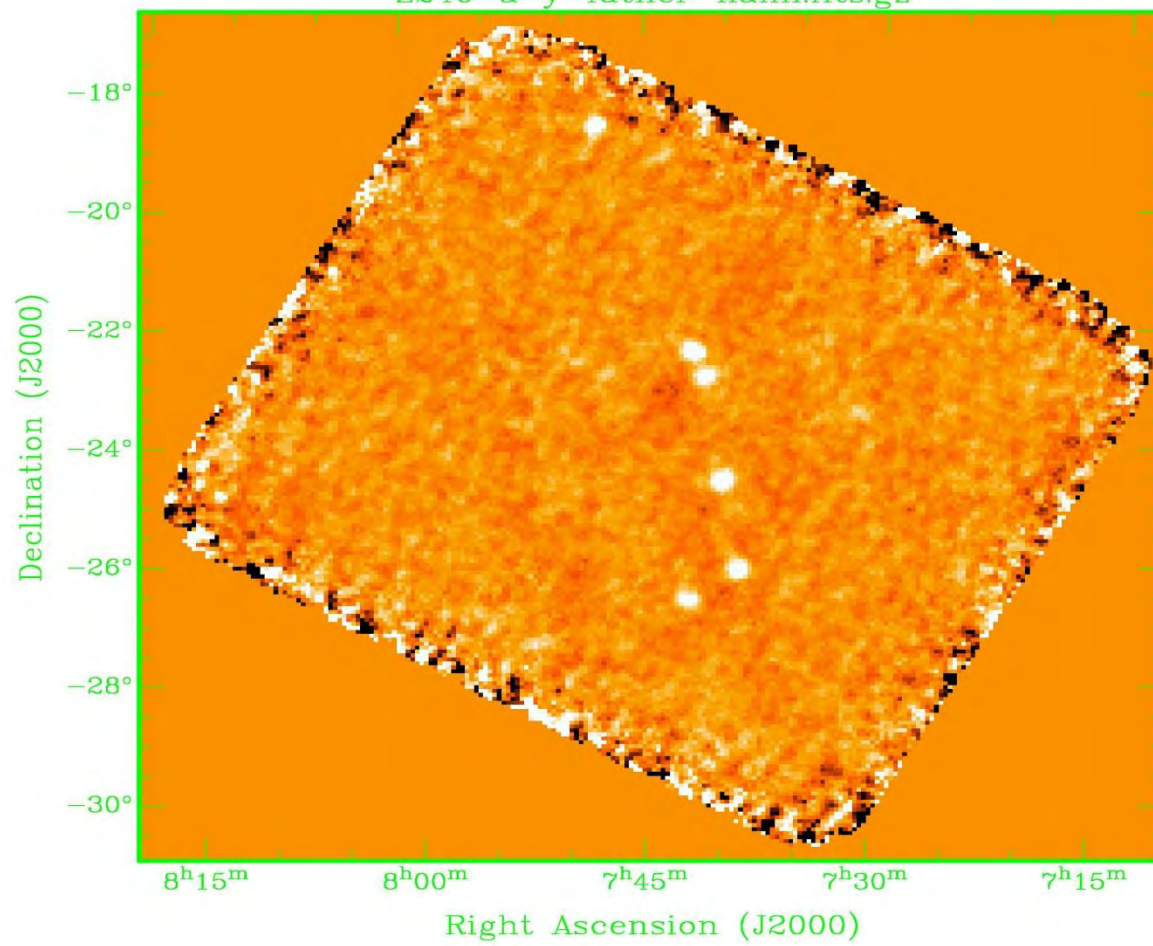




- Southern sky searched with Parkes telescope for 21-cm signals from hidden galaxies behind Milky Way
- Data organized into “cubes”, 2 position coordinates, 1 velocity. UNM students were involved in searching.

Velocity: 2974.54 km/s

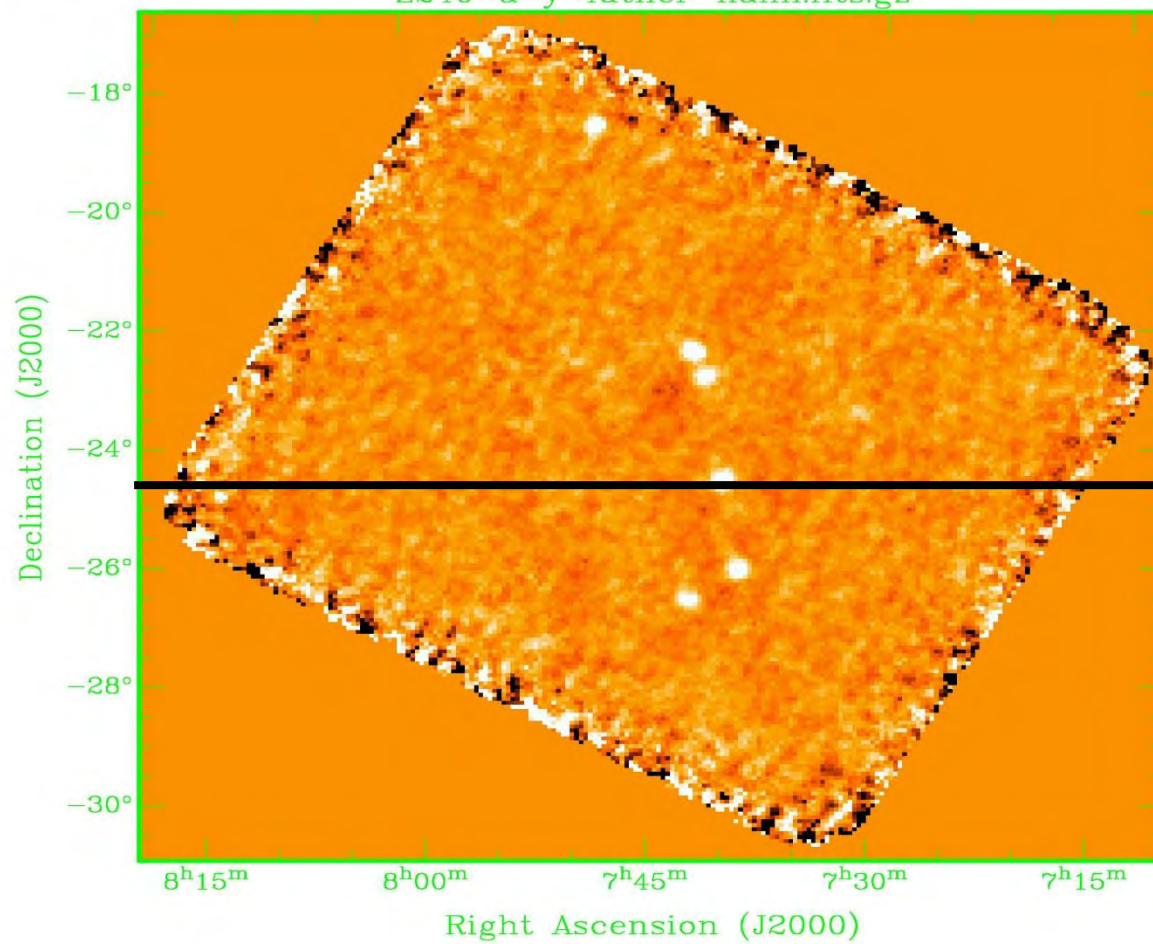
Z240→a→y→luther-hann.fits.gz





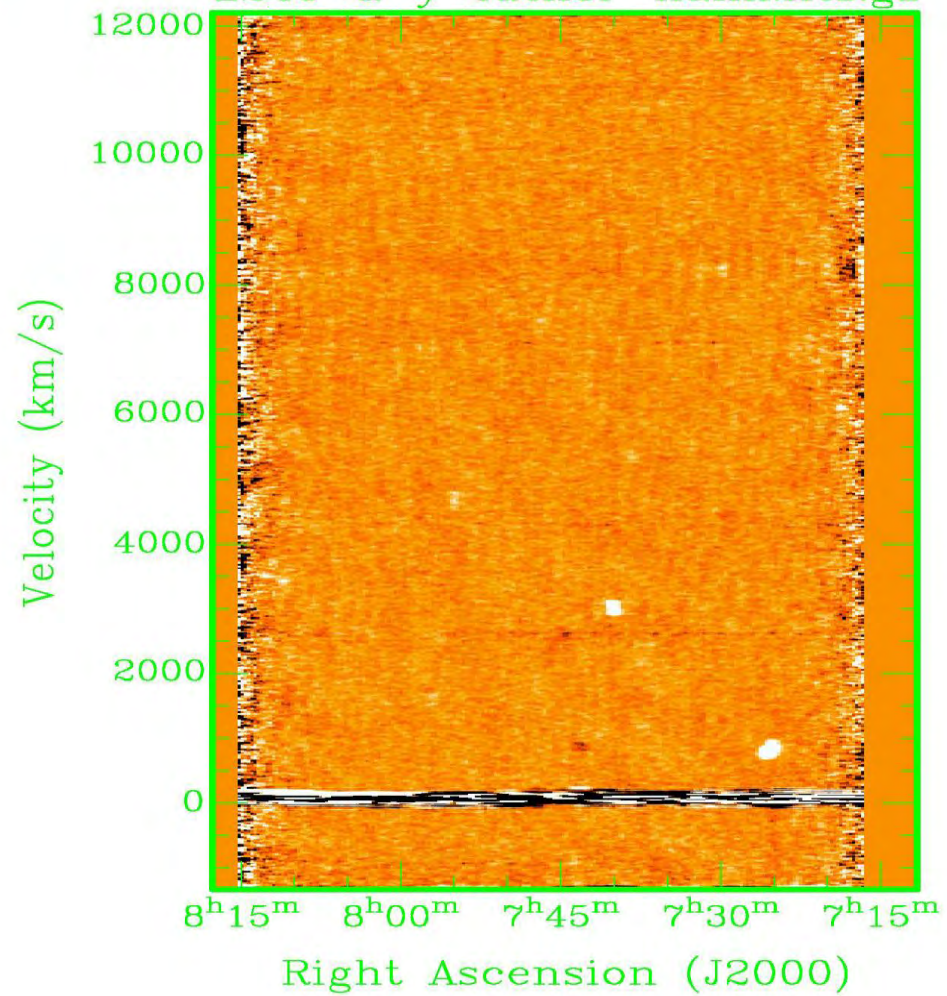
Velocity: 2974.54 km/s

Z240→a→y→luther-hann.fits.gz



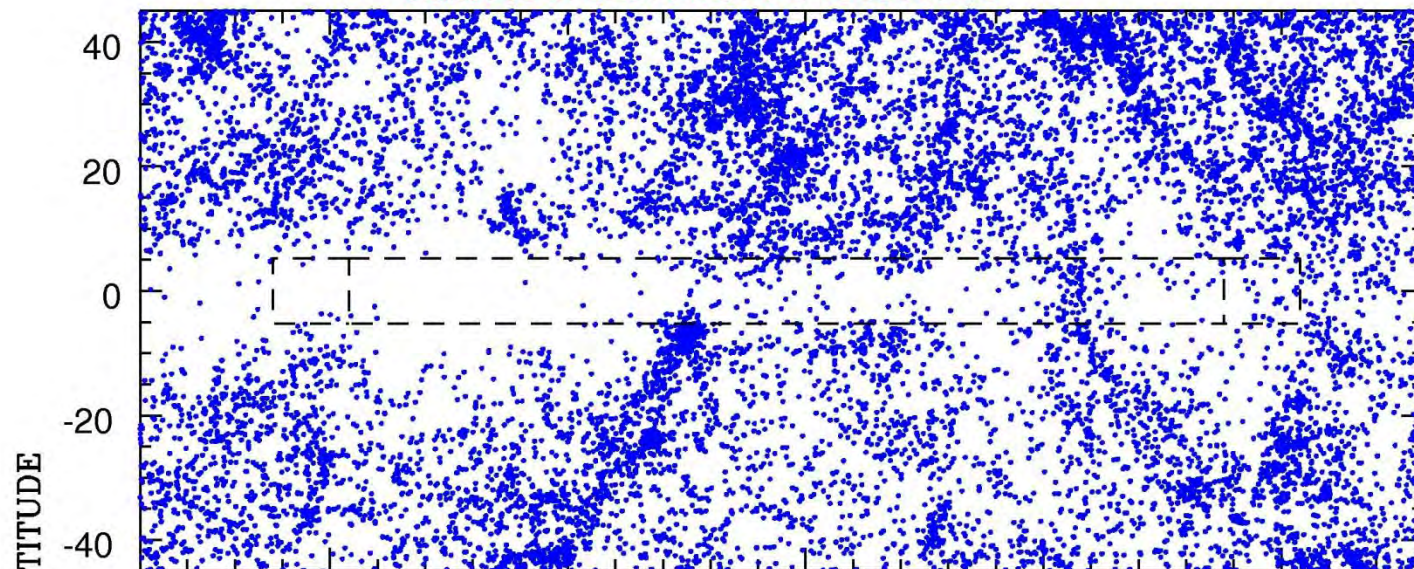
Dec:  $-24^{\circ} 40' 33.23''$  (J2000)

[Z240→a→y→luther-hann.fits.gz](#)

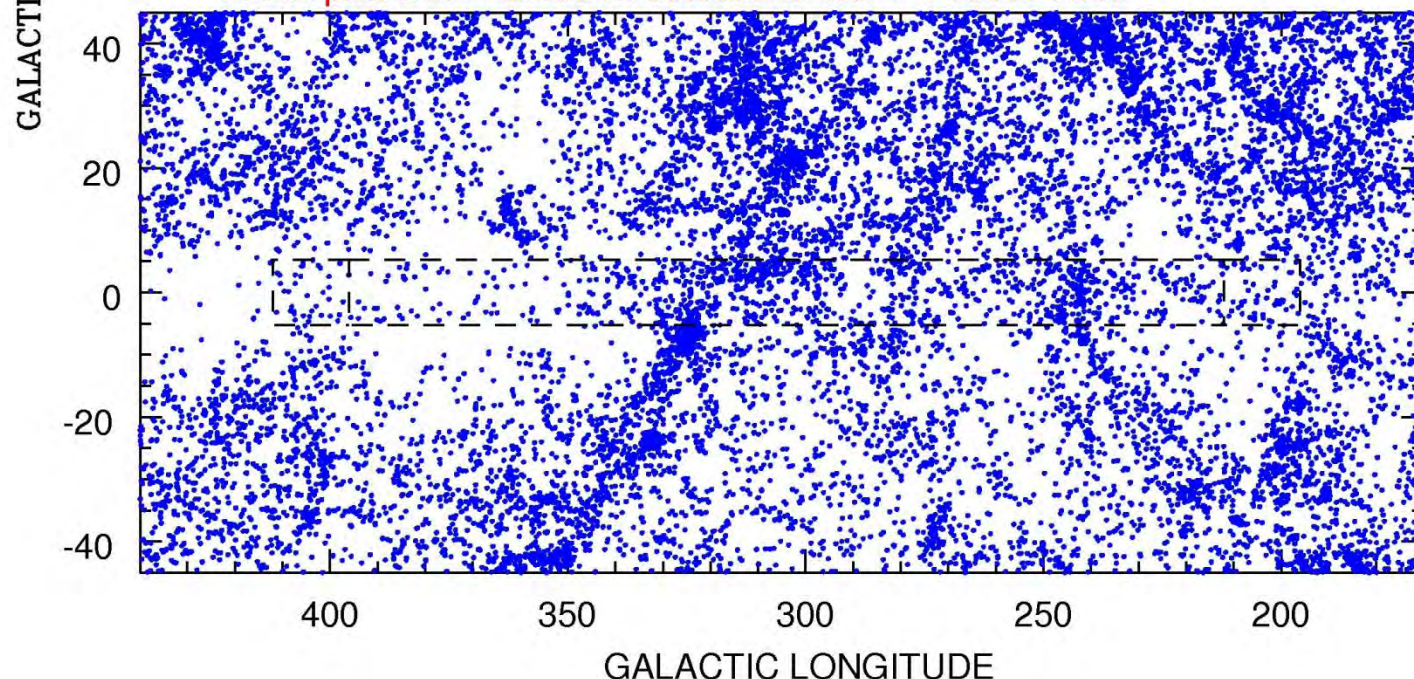




Galaxies in LEDA with  $v < 10000$  km/s

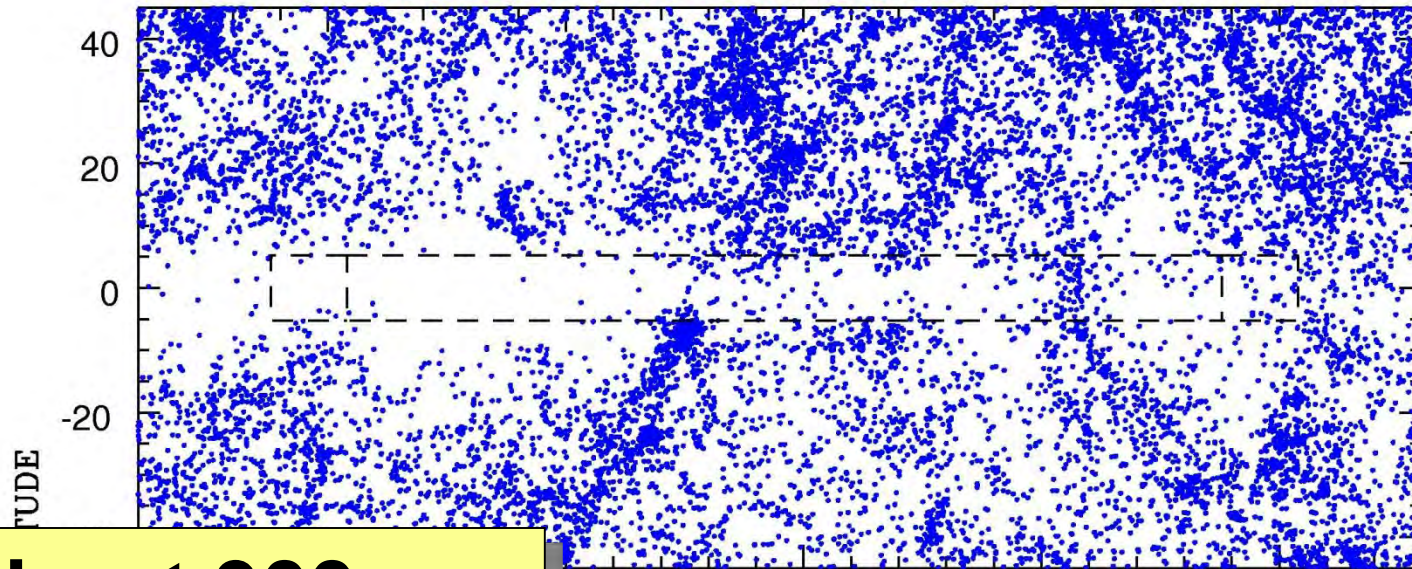


LEDA plus ZOA Parkes HI detections with  $v < 10000$  km/s



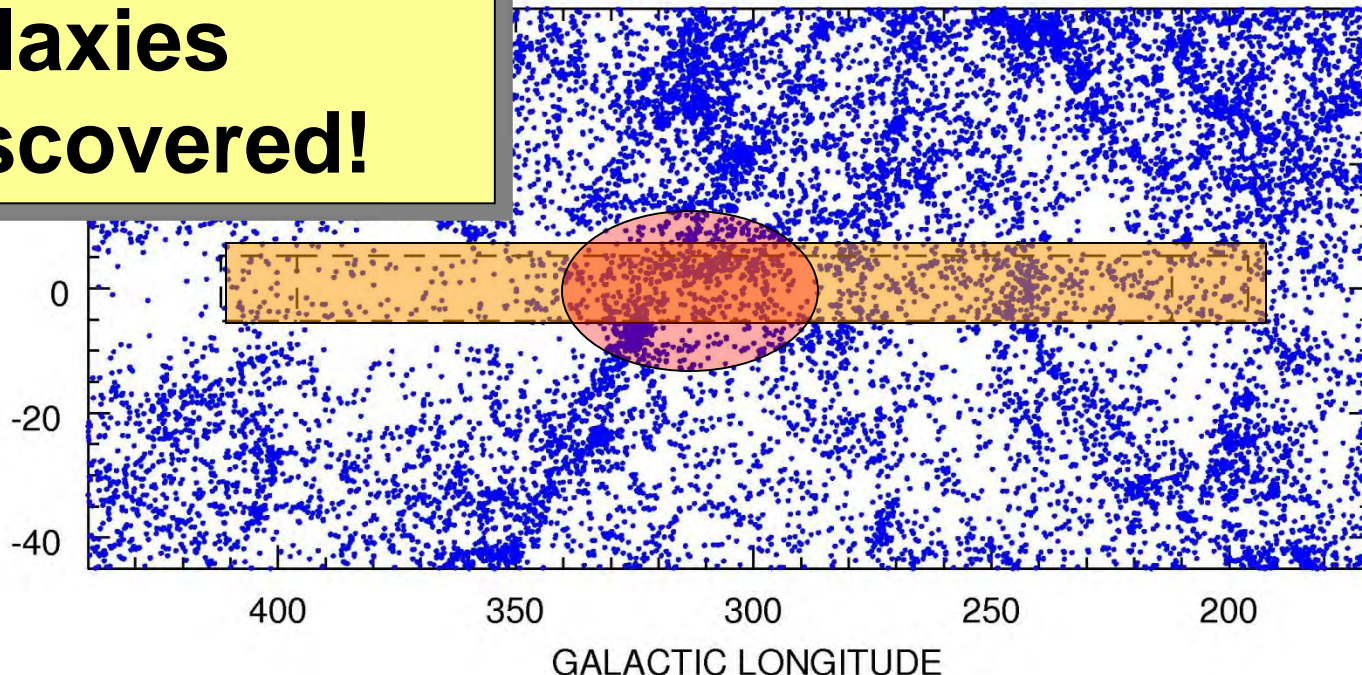


Galaxies in LEDA with  $v < 10000$  km/s

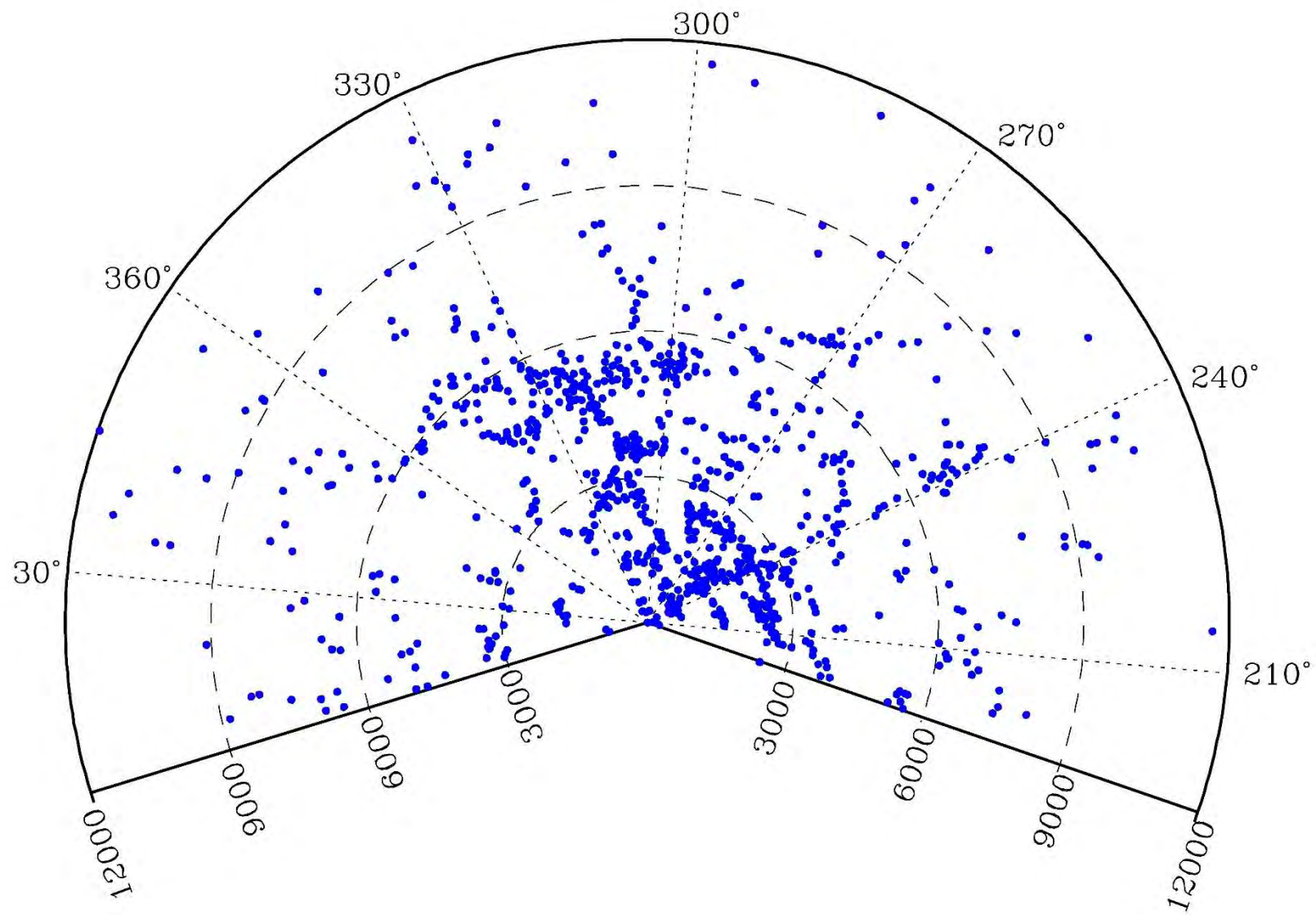


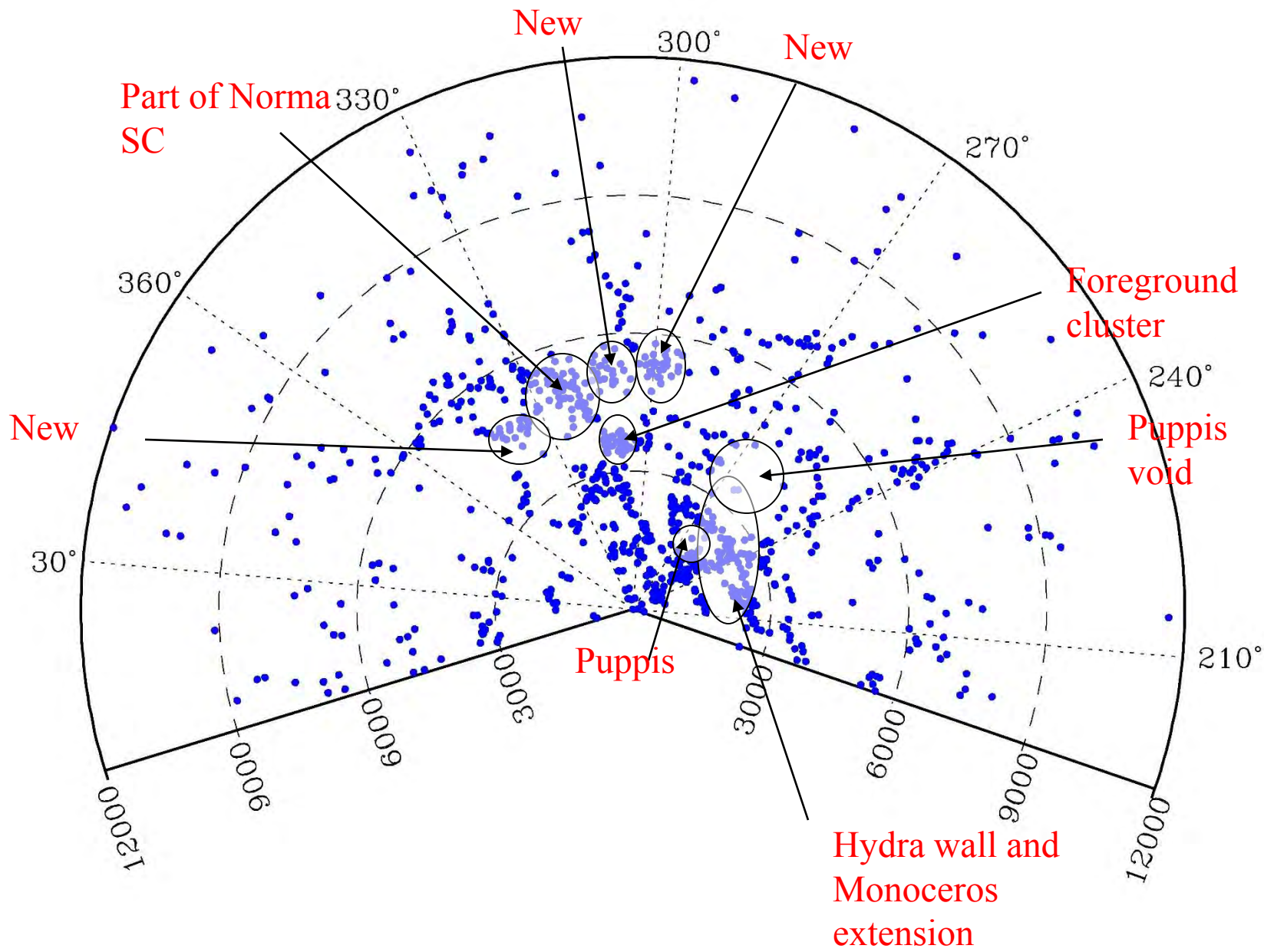
**About 900  
galaxies  
discovered!**

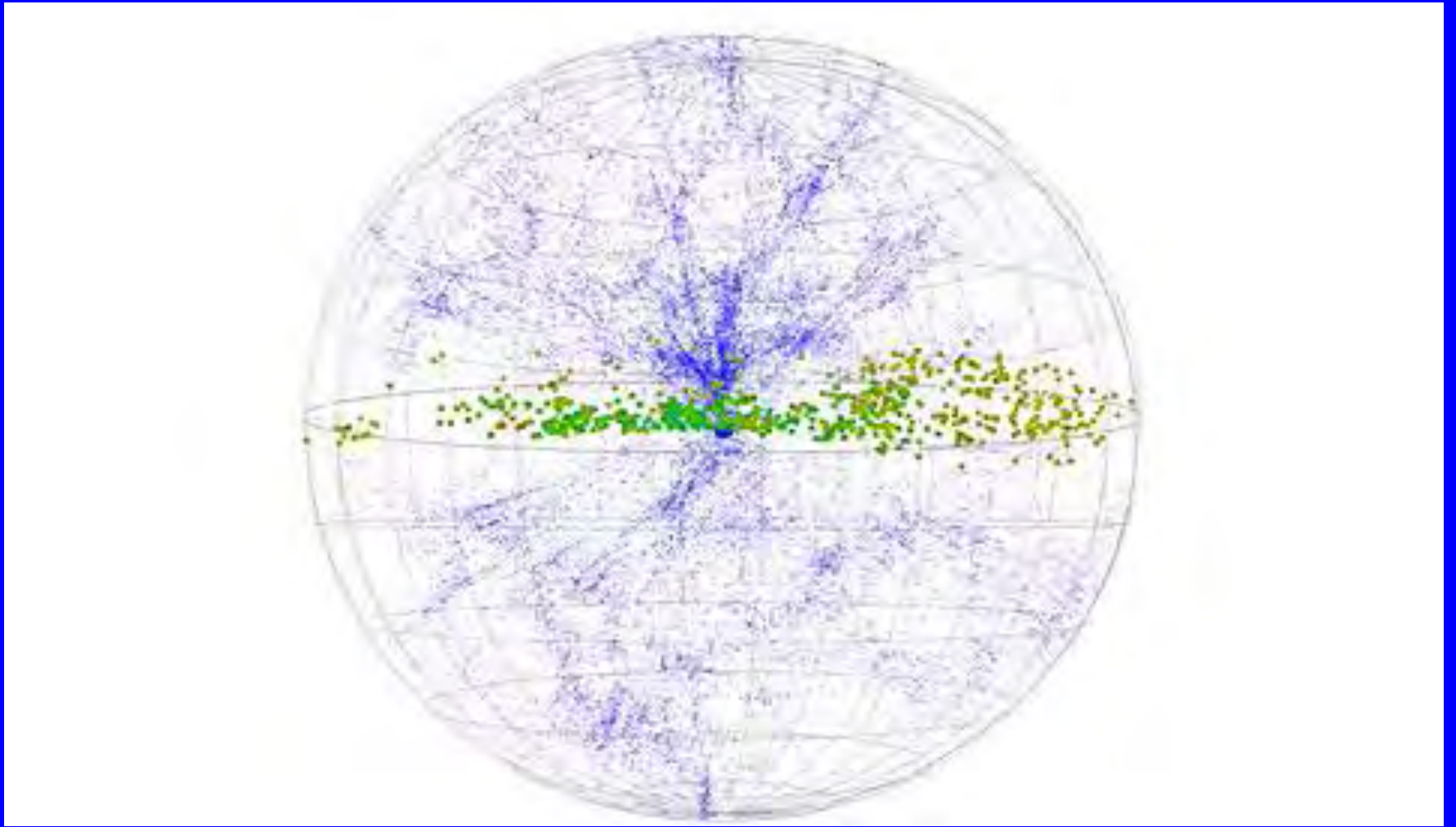
Galaxies with HI detections with  $v < 10000$  km/s







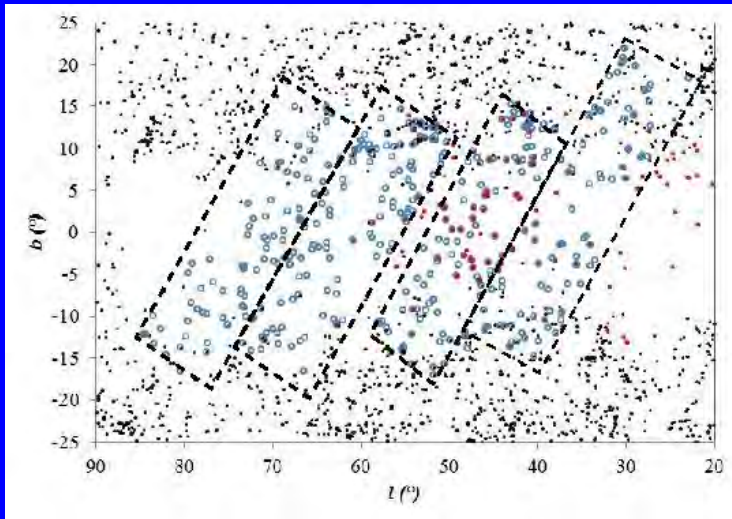




We have filled in the map of galaxies behind the southern Milky Way



The next step: extend maps of hidden galaxies and large-scale structures to the north, using the 305-m Arecibo radio telescope. UNM students are key!



Diameter = 305 m

For the hidden region too far north for Arecibo: Nançay Radio Telescope, France, and WSRT, the Netherlands.




**University Services**

University Services Business Operations  
UNM Surplus Property  
UnivServ Shipping and Receiving  
UNM Mailing Systems  
UNM Records Management  
<http://www.unm.edu/~univserv/>

Date: March 22, 2016

To: Bruce Cherrin, Chief Procurement Officer  
Purchasing Department

From: Marcos Roybal   
Manager, Administrative Operations, University Services

Subject: Surplus Property – Equipment Disposition – March 2016

Attached for your review and submission to the Board of Regents are the Surplus Property Disposition Detail lists for the month of March, 2016.

Consistent with UNM Board of Regents Policy 7.9 and the NM Disposition of Surplus Property Act, 13-6-1, NMSA 1978, and based upon documentation submitted by the UNM departments responsible for the equipment, I certify that the equipment identified on the monthly list is worn-out, unusable or obsolete to the extent that the items are no longer economical or safe for continued use by the University. I recommend that the items be deleted from UNM's inventory and disposed of in accordance with the above noted Regents Policy and NM Surplus Property Act.

**University Services - Surplus Property (March)**

Memo	Tag Number	Org Description	Asset Description	Manufacturer	Model	Serial Number	Capitalization Date	Total Cost	NBV	Disposal Method	Disposal Date
3	219909	Center for High Tech Materials CHTM	LASER ARGON ION	Coherent	SABRE	M925S8R	7/2/1996	\$89,184.00	\$0.00	Cannibalized	3/18/2016
1	N00015826	IT Networks	Network Server	Arbor	PKF-SP-CP5000		4/7/2008	\$76,150.00	\$0.00	Obsolete	2/29/2016
1	N00002884	IT Computing Platforms	Computer Server	Sun	V890 Servers	0451AM0254	3/24/2005	\$59,610.00	\$0.00	Obsolete	2/29/2016
1	N00002885	IT Computing Platforms	Computer Server	Sun	V890 Servers	0506AM000A	3/24/2005	\$59,610.00	\$0.00	Obsolete	2/29/2016
1	263167	Health Exercise & Sports Science	MONITOR CARDIAC	PolarElect	TriFit 600		9/26/2003	\$29,024.00	\$0.00	Obsolete	2/19/2016
1	N00002889	IT Computing Platforms	Computer Server	Sun	V490 Server	S0508AM0217	3/24/2005	\$24,313.00	\$0.00	Obsolete	2/29/2016
3	N00040460	CHTM PI #4	New Fiber Laser		New Fiber Laser		4/18/2013	\$22,161.99	\$13,369.23	Cannibalized	3/18/2016
3	251831	Center for High Tech Materials CHTM	BARS UNEVEN PARALLEL	UNKNOWN/OTHER	BREWSTER	984617	8/8/2001	\$18,356.00	\$0.00	Cannibalized	3/18/2016
1	263879	IT Computing Platforms	COMPUTER FILE SERVER	Dell	PowerEdge 6650	HKGYN31	10/31/2003	\$18,307.00	\$0.00	Obsolete	2/29/2016
2	N00012136	Computer Science PI #10	Computer cluster	Verari	IU System	684880	6/12/2007	\$16,652.00	\$0.00	Obsolete	3/18/2016
1	263498	IT Computing Platforms	COMPUTER FILE SERVER	Dell	POWEREDGE 2650	JYNSM31	10/16/2003	\$13,562.00	\$0.00	Obsolete	2/29/2016
1	263496	IT Computing Platforms	COMPUTER FILE SERVER	Dell	POWEREDGE 2650	ZZNSM31	10/16/2003	\$13,561.00	\$0.00	Obsolete	2/29/2016
1	N00020680	IT Computing Platforms	Computer/QuadCoreXeonE5440	Dell	Quad Core Xeon E5440	7211MJ1	4/16/2009	\$12,272.46	\$0.00	Obsolete	2/29/2016
1	N00020681	IT Computing Platforms	Computer/QuadCoreXeonE5440	Dell	Quad Core Xeon E5440	6211MJ1	4/16/2009	\$12,272.46	\$0.00	Obsolete	2/29/2016
1	264422	IT Computing Platforms	Server/POWEREDGE 2650	Dell	POWEREDGE 2650	9MV4W31	12/19/2003	\$10,768.00	\$0.00	Obsolete	2/29/2016
1	261970	IT Computing Platforms	COMPUTER FILE SERVER	MainlinInfo	X345 Xeon 2.2 G	78X1230	7/2/2003	\$10,519.00	\$0.00	Obsolete	2/29/2016
	265703	University Press UP	Computer Server	Dell	PowerEdge 2650	G2N7M41	4/2/2004	\$9,104.00	\$0.00	Obsolete	3/18/2016
	N00004087	IT Computing Platforms	FrontSideBusProcessor/3.4GHZ21	Dell	3.4 GHZ/2MG CACHE/XI F8RFJ71		5/24/2005	\$8,606.70	\$0.00	Obsolete	2/29/2016
	N00004166	IT Computing Platforms	Server/PowerEdge 4210	Dell	PowerEdge 4210	4MQH771	4/20/2005	\$8,602.50	\$0.00	Obsolete	2/29/2016
	N00005006	IT Computing Platforms	Server	Dell	2850 for PowerEdge 3.0 JXJPV71		8/1/2005	\$8,132.28	\$0.00	Obsolete	2/29/2016
	N00017195	IT Computing Platforms	Computer	Dell	PE2900	11LVQG1	7/21/2008	\$7,815.29	\$0.00	Obsolete	2/29/2016
	N00017196	IT Computing Platforms	Computer/PE2900	Dell	PE2900	HDLVQG1	7/21/2008	\$7,815.29	\$0.00	Obsolete	2/29/2016
	264426	IT Computing Platforms	Server/POWEREDGE 2650	Dell	POWEREDGE 2650	380YV31	12/19/2003	\$7,143.00	\$0.00	Obsolete	2/29/2016
	264887	IT Computing Platforms	Server/POWEREDGE 2650	Dell	POWEREDGE 2650	B7WVX31	1/27/2004	\$7,143.00	\$0.00	Obsolete	2/29/2016
	263341	IT Computing Platforms	COMPUTER FILE SERVER	Dell	Power Edge 2650	9VCVK31	10/2/2003	\$6,119.00	\$0.00	Obsolete	2/29/2016
	201021	Center for High Tech Materials CHTM	ISOLATOR SYSTEM	OpticsRes	10T-5-NIR-	8401	10/12/1993	\$5,799.00	\$0.00	Obsolete	3/18/2016
	N00011774	IT Networks	Network Switch	Cisco	3750E-48TD-S		5/17/2007	\$5,557.77	\$0.00	Obsolete	3/4/2016
	N00005003	IT Computing Platforms	Server	Dell	2850 for PowerEdge 3.0 3SCR71		8/1/2005	\$5,312.30	\$0.00	Obsolete	2/29/2016
	N00005004	IT Computing Platforms	Server	Dell	2850 for PowerEdge 3.0 5SCR71		8/1/2005	\$5,312.30	\$0.00	Obsolete	2/29/2016
	N00010927	IT Computing Platforms	Server	Dell	Dual Core Xeon	FVHNHC1	3/1/2007	\$5,233.63	\$0.00	Obsolete	2/29/2016
	N00010928	IT Computing Platforms	Server	Dell	Dual Core Xeon	GVHNHC1	3/1/2007	\$5,233.63	\$0.00	Obsolete	2/29/2016
	262333	Gallup Student Svcs Gen Admin	TREADMILL	Advlnstr	HTK 39-182	HTK-39-282	8/4/2003	\$5,099.00	\$821.15	Obsolete	2/19/2016
	N00006523	Computer Science	24 port switch	Inficon	9024 Silverstorm	9024-CU24-ST2	1/18/2006	\$5,022.00	\$0.00	Obsolete	2/29/2016
	265048	IT Computing Platforms	COMPUTER FILE SERVER	Dell	PowerEdge 2650	FTKD941	2/13/2004	\$5,011.00	\$0.00	Obsolete	2/29/2016
										Disposition Value	\$604,384.60
										Disposition Net Book Value	\$14,190.38
										Total Dispositon Items:	34



# Memo

Memo # 1

**To: University Services**  
**From: Tony Waldron, IT- Workstation Management.**  
**Date: 2/17/2016**  
**Re: Asset Disposal**

---

**These assets have exceeded their useful lifespan and are now obsolete. Components that can be cannibalized have been removed for further use, and the servers are no longer functional.**

**These two machines were used for our VMWare hosting infrastructure and were phase out and replaced with CISCO ESXi servers. They continued on as VMWare controllers till the became EOL and were replaced. UNM Tag# N00020681 (acquisition cost of \$12,272.46) Rack Mount Server (pg. 12) UNM Tag# N00020680 (acquisition cost of \$12,272.46) Rack Mount Server (pg. 12)**

**These two were VERY old computer servers that were EOL but were repurposed to provide DNS services until the DNS service was upgraded and they were replaced by DNS appliances making them obsolete. UNM Tag# 263498 (acquisition cost of \$13,562.00) Server (pg. 13)  
UNM TAG #265048**

**This server was part of or Network Monitoring Infrastructure which was replaced by a new product SolarWinds making it obsolete. UNM Tag# N00015826 (acquisition cost of \$76,150.00) Server (pg. 20)**

**This server was a very old load balancer which we outgrew and was replaced with new hardware with higher throughput.**

**UNM Tag# 264537 (acquisition cost of \$21,375.00) Network Switch (pg. 20)**

Tony Waldron

IT WSM

	Asset#	Description	Acq. Cost	NBV	Date
1	N00020681	Computer/QuadCore	\$12,272.46	0.00	2009
	N00020680	Computer/QuadCore	\$12,272.46	0.00	2009
	263498	Computer File Server	\$13,562.00	0.00	2003
	N00015826	Network Server	\$76,150.00	0.00	2008
	264537	Computer Network Hardware	\$21,375.00	0.00	2004

# Memo

**To:** University Services  
**From:** Tony Waldron, IT- Workstation Management.  
**Date:** 2/17/2016  
**Re:** Asset Disposal

---

These assets have exceeded their useful lifespan and are now obsolete. Components that can be cannibalized have been removed for further use, and the servers are no longer functional.

UNM Tag# 263879 (acquisition cost of \$18,307.00)  
UNM Tag# 263496 (acquisition cost of \$13,561.00)  
UNM Tag# 264422 (acquisition cost of \$10,768.00)  
UNM Tag# 261970 (acquisition cost of \$10,519.00) IBM Server SN 78-X1230  
UNM Tag# N0002885 (acquisition cost of \$59,610.00) Sun Micro Sys 890 Server  
UNM Tag# N0002884 (acquisition cost of \$59,610.00) Sun Micro Sys 890 Server  
UNM Tag# N0002889 (acquisition cost of \$24,313.00) Sun Micro Sys 460 Server

Tony Waldron

IT WSM

Asset#	Description	Acq. Cost	NBV	Date
263879	Computer File Server	\$18,307.00	0.00	2003
263496	Computer File Server	\$13,561.00	0.00	2003
264422	Server/POWEREDGE 2650	\$10,768.00	0.00	2003
261970	Computer File Server	\$10,519.00	0.00	2003
N00002885	Computer Server	\$59,610.00	0.00	2005
N00002884	Computer Server	\$59,610.00	0.00	2005
N00002889	Computer Server	\$24,313.00	0.00	2005



*Department of Computer Science*

## Memorandum

TO: Dora Dominguez, University Services  
FROM: Darko Stefanovic, Interim Chair, Computer Science Department  
DATE: March 9, 2016  
RE: Surplus of item tagged N00012136

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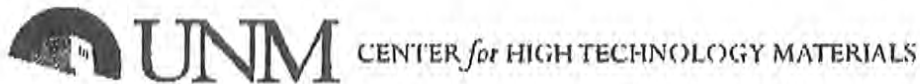
We would like to surplus this item. It had an original cost of over \$16,000 in 2007 when it was acquired but it is now completely obsolete and has no value to the Computer Science Department. Its function has been replaced by newer and less expensive systems.

---

Darko Stefanovic, Professor and Interim Chair, Computer Science Dept.

Asset#	Description	Acq. Cost	NBV	Date
N00012136	Computer Cluster	\$16,652.00	0.00	2007





## EXPLANATORY MEMO

February 10, 2016

To: Inventory Control

From: Shane Kelly, CHTM

CHTM is requesting the following item to be deleted from our assets.

UNM Tag 219909 (Laser Argon Ion)

This asset has been out of operation for many years. It is burned out from operation and has been cannibalized for parts to put in other assets.

UNM Tag 251831 (Bars Uneven Parallel)

This asset has been out of operation for many years. It has been completely cannibalized for parts to be used in other assets and is no longer operational.

UNM Tag N00040460 (New Fiber Laser)

This asset was used in a research project. It has since then been cannibalized and used in other research projects.

For these reasons we ask that it be removed from our inventory.

If you have any additional questions, please contact me at: 505-239-5381

Thanks,  
Shane Kelly

A handwritten signature in black ink, appearing to read 'Sanjay Krishna'.

Signature (Director of CHTM)

Sanjay Krishna

Asset#	Description	Acq. Cost	NBV	Date
219909	Laser Argon ION	\$89,184.00	0.00	1996
251831	Bars Uneven Parallel	\$18,356.00	0.00	2001
N00040460	New Fiber Laser	\$22,161.99	\$13,369.23	2013

## Dora Dominguez

---

**From:** Shane Kelly <shanetk7@gmail.com>  
**Sent:** Wednesday, February 17, 2016 10:58 AM  
**To:** Dora Dominguez  
**Subject:** Re: Surplus Request

Hi Dora,

Unfortunately, what I outlined in the memo is all the information we have. The professor that fabricated that asset (and he does this often with his research projects) has completely cannibalized it and is using most of the components in a new research project.

-Shane

On Feb 17, 2016 10:54 AM, "Dora Dominguez" <[doradominguez@unm.edu](mailto:doradominguez@unm.edu)> wrote:

Hi Shane,

I am working on your surplus request form and I need more details on Asset#N00040460 because it was purchased with in the last three years and has a Net book value of \$13,653.68

Please include as much detail as possible about the reason for disposal in the memo. As soon as we receive the information requested we will be able to schedule a pickup of all items listed on your request sheets.

Please let me know if you have any questions.

Thank you,

*Dora Dominguez*

Accountant III | University Services

University of New Mexico

(505) 277-2366 | [DoraDominguez@unm.edu](mailto:DoraDominguez@unm.edu)

## Laser Transfer Protocol and Forms

### I. Operable or Repairable Lasers

UNM departments with surplus operable or repairable lasers are encouraged to contact UNM's Surplus Property Reapplication Program. A Surplus Property Coordinator will advertise lasers to other UNM departments. The Surplus Coordinator will also send the owner a Laser Information Sheet (Attachment A). The laser owner is responsible for completing the information sheet and transmitting the sheet to the new owner with the laser and any other associated documentation.

Interested departments should contact the department for more information on the laser. All arrangements for transport and hazardous materials and health physics surveys are made between the department and the interested party.

Any laser that is not claimed by another department will be considered irreparable and designated as surplus.

### II. Irreparable Lasers

Departments with irreparable lasers are encouraged to contact Surplus Property. Irreparable lasers are designated as surplus. A Surplus Coordinator will send the owner a Laser Preparation Checklist for surplus (Attachment B) and schedule pickup of the laser. The laser owner is responsible for preparing the laser for pickup, completing the checklist, and attaching the checklist to the Surplus Property form.

When the department requests that an irreparable laser be accepted as surplus via Surplus Property, the Hazardous Materials Surveyor will only accept the laser if it (1) has been properly prepared for transport, (2) does not contain hazardous material, (3) the property checklist is attached. The Hazardous Materials Surveyor should not accept a laser until capacitors have been shorted. If the laser contains hazardous materials, contact UNM's Safety & Risk Services.

Attachment Form B

Laser Preparation Checklist for Surplus Property

Thank you for contacting Surplus Property for assistance with disposing of irreparable lasers as surplus. This checklist indicates the steps that must be taken to ensure that a laser is safe to transport to Surplus Property. It is the owner's responsibility to ensure that the laser is properly prepared for transport and does not contain hazardous materials prior to the arrival of the Surplus Property team. Upon completion, this checklist should be attached to the Surplus Property form.

☒ Discharge capacitors.

☒ Install grounding straps.

☒ Drain all cooling fluids from laser, per manufacturer's instructions. If the cooling fluid is not water, list fluid: \_\_\_\_\_

☒ Remove for separate packaging any usable devices.

N/A Dye lasers: Purge dye lines of residual dye using protocol for change of dye up to but not including refill with dye. Remove residual cleaning solvent using a clean gas purge.

N/A Excimer lasers: Follow usual protocol for gas flush, up to but not including refill to remove residual toxic gases.



# New Mexico Compilation Commission

## 13-6-1 . Disposition of obsolete, worn-out or unusable tangible personal property.

A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

- (1) of a current resale value of five thousand dollars (\$5,000) or less; and
- (2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

- (1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and
- (2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

C. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act [Chapter 14, Article 2 NMSA 1978].

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.



G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

J. This section shall not apply to any property acquired by a museum through abandonment procedures pursuant to the Abandoned Cultural Properties Act [18-10-1 to 18-10-5 NMSA 1978].

K. Notwithstanding the provisions of Subsection A of this section, the department of transportation may sell through public auction or dispose of surplus tangible personal property used to manage, maintain or build roads that exceeds five thousand dollars (\$5,000) in value. Proceeds from sales shall be credited to the state road fund. The department of transportation shall notify the department of finance and administration regarding the disposition of all property.

L. If the secretary of public safety finds that the K-9 dog presents no threat to public safety, the K-9 dog shall be released from public ownership as provided in this subsection. The K-9 dog shall first be offered to its trainer or handler free of charge. If the trainer or handler does not want to accept ownership of the K-9 dog, then the K-9 dog shall be offered to an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 free of charge. If both of the above fail, the K-9 dog shall only be sold to a qualified individual found capable of providing a good home to the animal.

History: 1953 Comp., § 6-1-7.1, enacted by Laws 1961, ch. 100, § 1; 1979, ch. 195, § 2; 1984, ch. 47, § 1; 1987, ch. 15, § 1; 1989, ch. 211, § 6; 1995, ch. 181, § 1; 1998, ch. 16, § 1; 2001, ch. 317, § 1; 2007, ch. 57, § 4; 2012, ch. 10, § 1; 2013, ch. 9, § 1.



March 23, 2016

TO: UNM Board of Regents Finance and Facilities Committee  
FROM: Rick Holmes, Office of the University Secretary  
SUBJECT: Approval of naming request from the Office of the Vice President for Research

Upon recommendation of Associate Vice President of Research and Compliance Carlos Rey Romero, the University Naming Committee approved the naming of the item listed below:

**Request to name a non-academic program**

Approval request for the naming of the "Centro David Korenfeld in Water Governance Studies"

UNM Policy 1020 Section 3.2.6 Programmatic Entity

Please place this item on the next Finance and Facilities Committee meeting agenda for consideration.

Thank you.

Attachment



**MEMORANDUM**

TO Amy Wholert; Chair, UNM Naming Committee  
THRU Gabriel López, Vice President for Research  
FROM Carlos Rey Romero, Associate Vice President for Research & Compliance  
DATE February 23, 2016  
SUBJECT Naming of Non-Academic Program

---

Pursuant to UNM Administrative Policies and Procedures Manual 1020, I am requesting the approval of the non-academic program titled, **“Centro David Korenfeld in Water Governance Studies,”** also know as, **“David Korenfeld Center in Water Governance Studies,”** located in the Institute for Policy, Evaluation and Applied Research. The UNM Foundation executed a grant agreement with Asociación Nacional de Empresas de Agua y Saneamiento de México, A.C. (“ANEAS de Mexico, A.C.”) As part of the Gift Agreement, ANEAS de México, A.C. has agreed to fund this Center for 3 years for a total of \$450,000. This Center will be under the oversight and control of the University of New Mexico with the goal to support the design, implementation, operation and administration of professional residencies, conferences, international seminars and other research activities in the subject area. The naming of this center shall last for three years, or until all funding has been exhausted, whichever is longer.

The person ANEAS de México, A.C. has requested this Center be named after is Dr. David Korenfeld. Dr. Korenfeld holds a PhD in Public Administration from Anáhuac University in Mexico, Doctor Honoris Causa by the University of Tel Aviv in Israel and has attended several certificate programs in national and international universities. Dr. Korenfeld holds extensive experience in the public sector, where he has held positions at the municipal, state and federal level, all related to water. He has published 4 books on this important subject and is recognized as one of the leading experts in water in Mexico and around the world.

Dr. Korenfeld is currently Governor of the World Water Council and Chairman of the Intergovernmental Council of the International Hydrological Programme of UNESCO, the highest intergovernmental body dedicated to water within the United Nations (UN). He has received important national and international awards, among them the “World Award for Excellence in Water Resources Management”, assigned by the International Water Resources Association (IWRA) in 2015, the “IWA Fellow”, granted by the International Water Association in 2014 with an appointment as “Water Ambassador”, and the “George Warren Fuller Award”, presented by the American Water Works Association (AWWA) in the year 2010.

Please let me know if there is any information you need. Thank you for your consideration.





## GIFT AGREEMENT

Between

UNIVERSITY OF NEW MEXICO FOUNDATION, INC.

And

ASOCIACION NACIONAL DE EMPRESAS DE AGUA Y SANEAMIENTO DE MEXICO,  
A.C. (ANEAS DE MEXICO, A.C.)

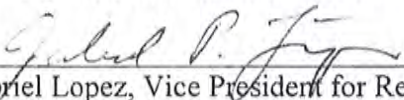
### CENTRO DAVID KORENFELD IN WATER GOVERNANCE STUDIES

This gift agreement sets forth the understanding between ANEAS DE MEXICO, A.C. (the "Donor") and The University of New Mexico Foundation, a New Mexico nonprofit corporation organized and operated exclusively for educational, scientific, literary, and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Foundation"), with respect to the Donor's creation and the Foundation's administration of the **Centro David Korenfeld in Water Governance Studies** [*David Korenfeld Center in Water Governance Studies*] (the "Fund").

1. Donor hereby donates transfers and assigns to the Foundation an irrevocable gift for purposes of creating the **Centro David Korenfeld in Water Governance Studies** to support the design, implementation, operation and administration of professional and academics residencies, conferences, international seminars or other research activities. This Centro will be housed at the Latin American Institute for Public Policy and Leadership (LAL) at the Institute for Policy, Evaluation and Applied Research at the University of New Mexico. The permanent beneficiary of the Fund will be the Director of the LAL.

The Fund shall be administered by the UNM Foundation in accordance with its Articles of Incorporation and Bylaws and the laws of the State of New Mexico. The Fund shall be identified as the **Centro David Korenfeld in Water Governance Studies** and all expenditures from the Fund shall carry the name of the Fund.

The University of New Mexico has appointed the following named University official and his or her successors to be responsible for the University ensuring that all expenditures made from the Fund are consistent with Donor's intention as expressed in this Agreement.

  
Gabriel Lopez, Vice President for Research

Date: Jan 27, 2016

The establishment of this Fund is also subject to the approval of the Board of Regents under Regents' Policy 2.11, "Naming University Facilities, Spaces, Endowments and Programs" and University Business Policy 1020, "Naming Facilities, Spaces, Endowments and Programs" and will be administered in accordance with these policies.

2. **Source of the Fund:** The Fund will be established with an initial gift of US \$150,000. The Donor has pledged an additional \$300,000 over the next 2 years. The Donor or any interested individual, corporation, foundation, or organization may make additional gifts to the Fund at any time. Information about Donor and/or Honoree is included in Attachment A to this Agreement.





3. **Announcement of the Fund:** The Foundation or the University of New Mexico may announce the fund, including amount, descriptions of contributions, and pertinent details in any of their publications.
4. **Information on Use of Funds:** The Foundation will respond to requests for information made by the Donor, the Donor's immediate family or other individuals identified by the Donor about the activities and programs funded by the Fund.
5. **Duration of the Fund:** If the purpose for which the Fund has been instituted becomes impossible to perform or impractical to the extent that the University is unable to use the support generated by the Fund under the existing terms of the Agreement or if the University President concludes that carrying out the purpose exposes the University to an unacceptable risk of legal exposure, the Foundation shall consult with the Donor to modify the Fund. If the Donor is not available, the Foundation's President, in consultation with the University Official and the University President, may recommend to the Foundation's Board of Trustees for approval an alternative purpose for the Fund as close to and consistent with the Donor's original intent as it can at that time devise.
6. **Representatives and Successors Bound:** This Agreement shall be binding on and inure to the benefit of the parties hereto. If Donor Corporation ceases to exist, the Fund shall continue to bear the Donor-designated name unless Donor informs the Foundation of its intent to rename the Fund in the name of its successor corporation.
7. **Governing Law:** This Agreement shall be governed by and interpreted in accordance with the laws of the State of New Mexico, excluding that body of law concerning choice of law. This means that all aspects of your gift are subject to New Mexico law, even if the choice of law rules might otherwise mean that another state's laws might otherwise be applicable.
8. **Modification of Agreement:** The terms and conditions of this Agreement may not be orally amended, modified, or altered but may be amended, modified, or altered only in writing signed by the Donor and the Foundation.

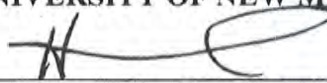
**This Agreement will be effective when executed by the Donor and the Foundation.**

**DONOR**

Date: \_\_\_\_\_

**Roberto Olivares, Asociacion Nacional de Empresas de Agua y Saneamiento de Mexico, A.C.**

**UNIVERSITY OF NEW MEXICO FOUNDATION, INC.**

  
\_\_\_\_\_  
**Henry Nemcik, President & CEO**

Date: 1-20-16



MEMORANDUM

Date: March 23, 2016

To: Dr. Robert Frank, President, The University of New Mexico

From: Dr. Amy Wohlert, Chair, UNM Naming Committee

Re: UNM Naming Committee Approval from March 16, 2016

*approved 3.23.16  
Robert G Frank*

The Naming Committee has reviewed and voted on the following naming requests and recommends your approval. A copy of the departmental request along with UNM Policy 1020 is attached for your reference.

1. Naming Request from the Office of the Vice President for Research:

- Approval to name a non-academic program, "**Centro David Korenfeld in Water Governance Studies**"  
UNM Policy 1020 Section 3.2.6 (Programmatic Entity)

2. Naming Request from Popejoy Hall:

- Approval to name the Popejoy Hall corporate lounge, the "**Southwest Capital Bank Corporate Lounge**"  
UNM Policy 1020 Section 3.2.2 (Class II Interior Space)

Please let me know if you have any questions or wish to discuss in further detail.





# THE UNIVERSITY of NEW MEXICO

## MEMORANDUM

Date: March 31, 2016

To: Dr. Robert Frank, President, The University of New Mexico

From: Dr. Amy Wohlert, Chair, UNM Naming Committee

Re: UNM Naming Committee Approval from March 30, 2016

*approved*  
*Robert G. Frank*  
*3.31.16*

The Naming Committee has reviewed and voted on the following naming request and recommends your approval. A copy of the departmental request along with UNM Policy 1020 is attached for your reference.

### Naming Request from School of Engineering:

- **Approval to name an endowed deanship, "Jim and Ellen King Dean of Engineering and Computing"**  
UNM Policy 1020 Section 3.2.5 Endowed Chairs and Professorships (Private Financial Support)

Please let me know if you have any questions or wish to discuss in further detail.



SCHOOL of ENGINEERING

*Office of the Dean*

## Memorandum

TO: Amy Wohlert, Chair, UNM Naming Committee

FROM: Joseph L. Cecchi, Dean, School of Engineering *JLC*  
Larry Ryan, Vice President of University Development, UNM Foundation *Larry Ryan*  
Bill Uher, Vice President of Development, UNM Foundation *Bill Uher*

DATE: March 30, 2016

RE: **Request for Approval of the Naming of an Endowed Deanship in the School of Engineering & Subsequent Approval by UNM Board of Regents**

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As prescribed by Board of Regents Policy 2.11 "Naming University Facilities, Spaces, Endowments and Programs" and University Business Policy 1020, "Naming Facilities Spaces, endowments and Programs" the School of Engineering seeks approval to name an endowed deanship described as follows.

Pursuant to Laws 2015, Chapter 7 of the 52<sup>nd</sup> Legislative Session, the New Mexico Higher Education Department (NMHED) requested applications for funding activities supported by the Higher Education Endowment Fund. The School of Engineering, with the support of the UNM Foundation, responded with a proposal for funding an endowment to attract and support the next Dean. In an October 2015 letter from NMHED Cabinet Secretary, Dr. Barbara Damron to UNM President Robert Frank, the School of Engineering was given a FY 2016 award from the New Mexico Higher Education Endowment Fund of \$500,000 for an "ENDOWMENT TO SUPPORT THE HIRING OF A NEW DEAN OF THE SCHOOL OF ENGINEERING," contingent upon the School receiving required matching funds of \$500,000 by 3/31/2016.

On March 28, 2016, Jim and Ellen King, long-time supporters of the School of Engineering and other units within UNM, presented a gift to the UNM Foundation in the amount of \$500,000 to provide the required match for the School to receive the \$500,000 funding from the New Mexico Higher Education Endowment Fund, thus establishing a combined \$1,000,000 endowment to fund the deanship.



The endowed deanship is a type of endowed professorship that is reserved for the professor who holds the dean position. As is the case with all professorships, the endowment for the deanship provides honorific recognition of the dean through the naming of the endowment, along with a source of funds from the endowment income. Consistent with the stipulated purposes of the Higher Education Endowment Fund, the gift agreement between the UNM Foundation and James and Ellen King provides that income from the endowed deanship "will support the Dean's own activities, as well as initiatives for the School, in areas including: research and development; technology transfer; science, technology, engineering, and mathematics; and work force development."

#### Action Requested

In recognition of Jim and Ellen King's generosity in funding the match for the funds from the State, as well as their generous support over many years to the School and other units of UNM, we ask the UNM Naming Committee for approval to name the endowed deanship, the **Jim and Ellen King Dean of Engineering and Computing**. If approved by the Committee, we further ask that President Frank or his appropriate designee also approve this request and forward this request and coincident approvals to the UNM Board of Regents for their consideration and approval.



**1020**

**NAMING FACILITIES, SPACES, ENDOWMENTS, AND PROGRAMS**

Effective Date: December 1, 2001

Revised: 9/6/05, 11/01/06

Subject to Change Without Notice

*Authorized by UNM Regents' Policy 2.11 "Naming Facilities, Spaces, Endowments and Programs"*

**1. General**

The University of New Mexico Board of Regents adopted RPM 2.11 "Naming Facilities, Spaces, Endowments and Programs" on November 13, 2001, and instructed the President to develop this policy to describe the process for obtaining approval to name a facility, space, endowment, or program in honor of an individual, corporation, or other organization. The University welcomes the opportunity to honor those who have rendered extraordinary service or support to UNM. The criteria listed in this policy may change with economic conditions and University priorities. Their purpose is to set reasonable guidelines which may need to be adapted to each specific situation. The guidelines in this policy on naming in honor of benefactors applies to all prospective donors to any University college, program, campus, or organization and to the UNM Foundation.

**2. Criteria for Selection of Honorees**

Naming a facility, space, endowment, or program for an individual, organization, or corporation is one of the highest honors that the University can bestow. This recognition is a lasting and powerful affirmation of the honoree's connection to the University's mission. As such, honorees shall have exemplary character, an unqualified reputation for honesty, personal integrity and the highest standards of personal and professional ethics.

**2.1. Extraordinary University Service**

Honorees who have been employed by the University shall have given extraordinary service to the institution in a teaching, research, service, or administrative field with such exceptional distinction that their contributions are widely recognized by their peers, both at the University and elsewhere. The recognition afforded the honoree may also include private financial contributions related to the naming opportunity. Honorees may not be current employees, individuals in active service at the University, or those holding elected office at the time of the naming, unless the circumstances are exceptional and approved by the Board of Regents.

**2.2. Private Financial Support**

Individuals who have not been University employees, corporations, and other organizations may be considered for such recognition if they have made significant financial contributions to the University. A bequest or legacy gift from a donor who is still alive will not normally be considered for a naming opportunity. Determination of what constitutes a significant financial contribution is made on a case-by-case basis taking into consideration the total cost of the project, the availability of other funds, and the following guidelines:

- New facilities -- fifty percent (50%) of new construction costs or three million dollars whichever is greater.
- Renovated facilities -- seventy-five percent (75%) of the cost of renovating a facility.
- Existing facilities without renovation -- seventy-five percent (75%) of the fair market value of the facility.
- Portable items -- donation of the collection or at least fifty percent (50%) of the value of the collection.
- Tribute markers -- fifty percent (50%) of the cost or value of associated items (e.g. trees, gardens).
- Endowed chairs and professorships -- full funding of the endowment.
- Programmatic Entities -- determined on a case-by-case basis.

Costs for the determination are defined by the University Office for Capital Projects for physical facilities and by the UNM Foundation for endowed positions.

### **3. Approval Process**

Approval requirements for naming UNM facilities, spaces, endowments, and programs are based on the impact of such action on the University of New Mexico. Whenever there is a fundraising effort for a major facility, a plan must be developed which lists naming criteria and funding amounts for various components of the facility (e.g., rooms, laboratories, offices). This plan must be submitted to the Regents' Finance and Facilities Committee as an information item before specific individuals or organizations are approached for specific naming recognition. Whenever possible for other types of naming opportunities, a plan should be developed before specific donors are approached. Plans must include realistic goals, objective analysis of fund raising potential, lists of prospective donors, timelines specifying when the campaigns will begin and end, budgets for all fundraising activities, and contingency plans if the fundraising goals are not met.

All plans and specific requests for naming must be submitted by the appropriate dean/director or Branch Campus Advisory Committee through the dean's/director's vice president to the Committee on Naming Facilities, Spaces, Endowments, and Programs. If the request involves private funds, the vice president will submit the request to the Associate Vice President for Development who will forward it to the Committee. The Committee Chair will forward the Committee's recommendation and obtain the necessary approvals. Gift commitments must be signed by the donor and the Associate Vice President for Development and submitted in writing to the Committee. Every attempt will be made to make a named gift opportunity decision within sixty (60) days from submission of the plan to the Committee. In the best interest of the University and prospective honorees, information relating to any naming request or plan should remain confidential until appropriate approvals have been obtained.

#### **3.1. Committee on Naming Facilities, Spaces, Endowments, and Programs**

The Committee shall have the following members: Provost/Executive Vice President for Academic Affairs, Executive Vice President for Administration, Vice President for Advancement, Vice President for Student Affairs, Executive Vice President for the Health Sciences Center, Associate Vice President for Development, University Secretary (official record-keeper), the Senior Advisor to the President, and a faculty member appointed by the President. The President will name the Chair. The Committee is responsible for:

- reviewing naming opportunities and associated plans to ensure adequacy/appropriateness of funding proposal;
- reviewing specific naming requests to ensure they comply with Regents' policy and



- are in the best interests of the University;
- ensuring adequacy of funding proposals; and
- making recommendations to the President or the vice president with approval authority for the specific classification.

### **3.2. Request for Approval**

The level of approval for naming UNM facilities, spaces, endowments, and programs depends on the classification of the item. The plan and each specific naming opportunity must be approved according to the following criteria.

#### **3.2.1. Class I**

Class I includes facilities and spaces that are part of the outside environment of the University; for example, buildings, complexes of buildings, roads, walkways, playing fields, parks, gardens, and agricultural or forestry plots. Names in this class must be approved by the Board of Regents upon recommendation of the President following consultation with the Committee on Naming Facilities, Spaces, Endowments, and Programs.

#### **3.2.2. Class II**

Class II includes facilities and spaces that are part of interior space of the University; for example, library/reading rooms, laboratories, seminar rooms, galleries, recreational courts, and lounges. Names in this class must be approved by the President following consultation with the Committee on Naming Facilities, Spaces, Endowments, and Programs. Depending on the specific Class II facility (for example, large public spaces) the President may decide to submit the request to the Board of Regents for approval.

#### **3.2.3. Class III**

Class III includes collections or groups of portable items, which are identifiable because of a specific focus or purpose; for example, collections of art and/or artifacts. Names in this class must be approved by the Provost/Executive Vice President of Academic Affairs or the Executive Vice President for Health Sciences, depending on the location of the Class III material, following consultation with the Committee on Naming Facilities, Spaces, Endowments, and Programs.

#### **3.2.4. Class IV**

Class IV addresses tribute markers, which include plaques, medallions or other markers usually in association with such features as trees, benches, or small monuments. The display of tribute markers must be approved by the Executive Vice President for Administration following consultation with the Committee on Naming Facilities, Spaces, Endowments, and Programs.

#### **3.2.5. Endowed Chairs and Professorships**

The Board of Regents, following consultation with the President and the Committee on Naming Facilities, Spaces, Endowments, and Programs shall approve the establishment of endowed chairs and professorships based on:

- the endowment levels established by the UNM Foundation;
- the appropriateness of the specific naming consistent with UNM policy;
- a plan for raising the full amount required to fund the endowment including the length of time for raising the funds and alternate arrangements if the funds are not raised within the specified time;
- guidelines for spending prior to full funding of the endowment; and
- a process for monitoring spending to assure conformance with intent.

### **3.2.6. Programmatic Entities**

Naming of programmatic entities (academic and non-academic programs ) whether separate organizational units or not (departments, schools, colleges, institutes, centers, conferences, symposia, activities, organizational units, etc.) will only take place in exceptional circumstances. The naming of programmatic entities is a sensitive matter and must include acceptance and agreement from many different constituencies on campus with final approval required from the Board of Regents upon recommendation of the President following consultation with the Committee on Naming Facilities, Spaces, Endowments, and Programs. Before recommending any such naming, the President must ensure:

- the proposed name is consistent with the University policy regarding honorees;
- the autonomy of the programmatic entity and the academic freedoms to which UNM is committed will be safeguarded; and
- the level of private financial support has been taken into consideration.

The Board of Regents reserves the right to review for approval, on a case-by-case basis, any naming request not specifically addressed above and not otherwise delegated by the Board of Regents to the President of the University.

## **4. Formal Recognition**

When name recognition has been extended for a gift received, it must be honored in accordance with a written gift agreement signed by University officials and the donor(s). In the event of significant changes in circumstances, the University reserves the right to determine the form of name recognition, in consultation with the donor when possible. The University Secretary is responsible for recording the official decisions on all naming requests and reporting those decisions to the appropriate UNM officials with a copy to University Archives.

## **5. Duration of Name**

Naming of facilities, spaces, endowments, and programs in honor of individuals is generally expected to last the lifetime of the facility, space, endowment, or program. Naming of facilities, spaces, endowments, and programs in honor of corporations or other organizations will have a set number of years attached to the naming which will be determined on a case-by-case basis and listed in the signed gift agreement; typically the duration of such naming shall not exceed twenty-five (25) years. Naming

associated with a particular facility, space, endowment, or program does not preclude further naming within the facility, space, endowment, or program.

## **6. Implementation**

This policy does not apply to any arrangements that are in existence at the date this policy was adopted, nor to arrangements that may be made pursuant to discussions with donors that had commenced at the date the policy was adopted, even though the arrangements do not conform to this policy.

Comments may be sent to [UBPPM@UNM.edu](mailto:UBPPM@UNM.edu)  
<http://www.unm.edu/~ubppm>

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# EVERYONE'S A LOBO!



Helping Disney College Program students earn  
credit through The University of New Mexico



# LIVING. LEARNING. EARNING. AND EARNING SOME MORE!

## Current UNM Students:

- Two Disney Collegiate Courses = 6 credit hours
- Take DCP Capstone Course = 3 hours
- Total of 9 hours for completing the program at a cost of approx. = \$858

(students are only paying tuition for the one course on campus, Disney courses transfer back at zero cost)

## All Other Students:

- Two Disney Collegiate Courses = 6 credit hours
- Complete DCP internship requirements = 3 hours
- Total of 9 hours for completing the program at a cost of approx. = \$900

(students will pay reduced tuition rate of \$100 per credit hour for 9 hours – to ensure successful transfer credits, all credit will be awarded via UNM, not DCP)





- How it works:
- During the check-in process (or at some other point early in the students' programs), we would help students apply to UNM as non-degree students and waive the application fee. Once a student is admitted to the university, they should register for two of the DCP offerings (collegiate level) and send their enrollment report to us.
- The students would then register for a specific (variable credit) course (UNIV 391) via the UNM student portal.
- In addition, the students would be required to attend two events offered by Disney that focus on future employment (networking, resume, interview, CPASS, etc.). Students should also plan to attend a one-time meeting with a UNM representative at a designated time during their program (either in-person or via Skype).

## **1:1 CREDIT**

### **HOW DOES THE TRANSFER PROCESS WORK?**

Previously, a student would take a DCP course and UNM would give credit upon receipt of the ACE transcript. At that point the student could send the UNM transcript to their home institution to transfer. Problem? Most colleges and universities want the ORIGINAL transcript from the ORIGINAL crediting institution- so in this case, ACE. If the student's school does not offer credit for the Disney courses, the student wasted time and money having it transferred to UNM (or any other institution).

As a research university with the highest Carnegie classification, The University of New Mexico is a smart choice for any student. With domestic and international exchange agreements with hundreds of institutions worldwide, the likelihood of credit hours transferring back to a student's home institution is high. Since the credits are not listed as transfer credits from Disney, but rather as a UNM course, UNM is the original institution and transfer issues are avoided.





- Potential Financial Impact
- Over 25,000 students participate in DCP each Academic Year
- Disney has already given innovationAcademy students priority access to “Creativity & Innovation”-related opportunities
- Dollars & SENSE
  - If just 1.33% of all DCP students took only 1 3-credit course at a reduced tuition rate of \$100/credit hour:
  - 1.33% of 25,000 students = 1,000 SCH
  - 1,000 SCH @ \$100 each = \$100,000
  - innovationAcademy would manage these students and their needs in exchange for the lion’s share of these revenues

## **ADDITIONAL IMPACT**

Marketing UNM Programs

Transfer Students

International Students

Future Graduate Students





THE UNIVERSITY of  
NEW MEXICO

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University Controller  
Financial Services, Main Campus  
Phone: (505) 277-5111  
FAX: (505) 277-7662

**MEMORANDUM**

**DATE:** March 21, 2016

**TO:** David W. Harris  
Executive Vice President

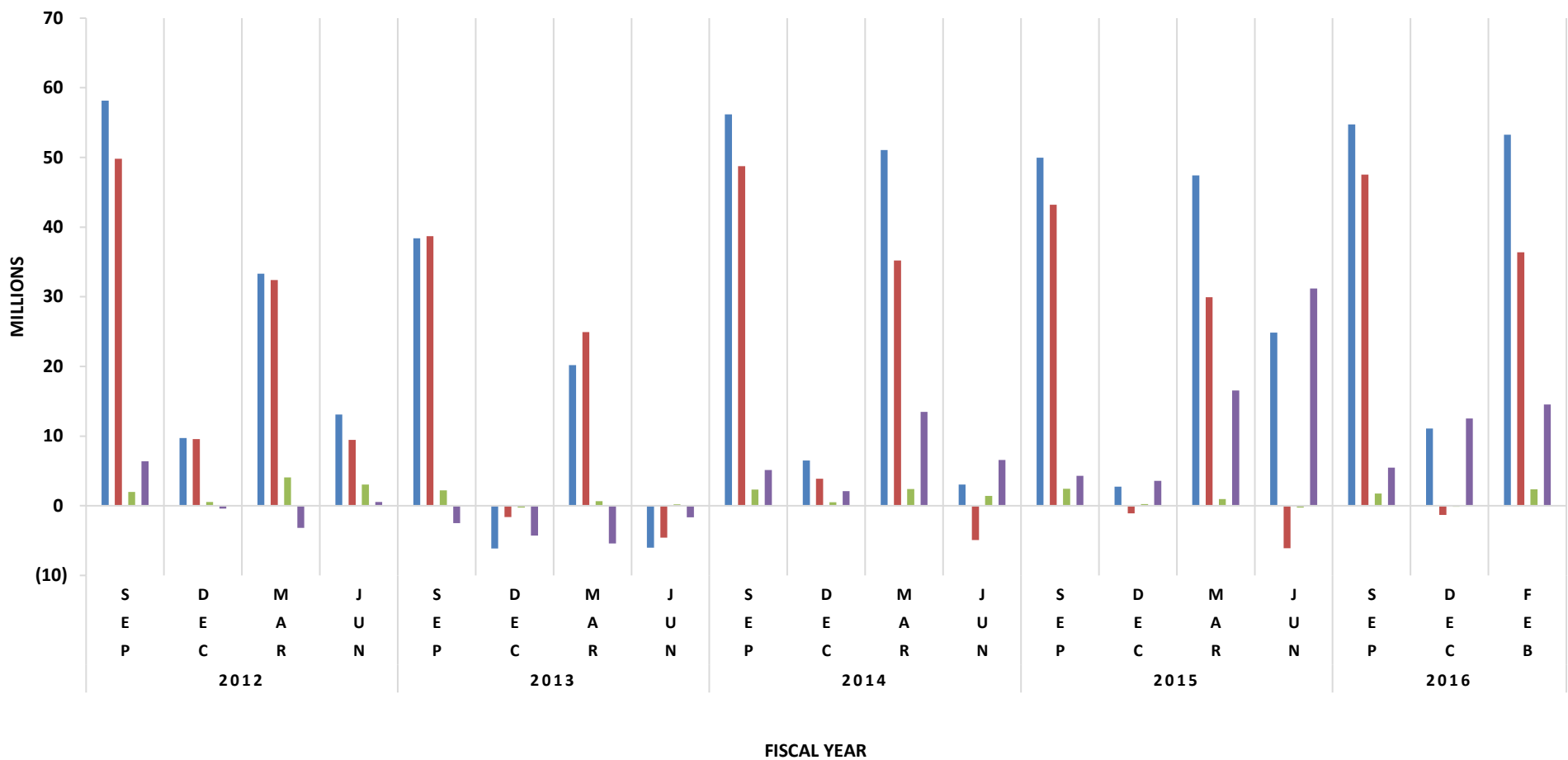
**FROM:** Elizabeth Metzger, CPA *EM*  
University Controller

**RE:** Information Item for Board of Regents' Finance & Facilities Committee Meeting

The Monthly Consolidated Financial Report for the month ended February 29, 2016 will be presented at the *April 5, 2016* Finance and Facilities meeting. In order to present the most-timely financial information at this meeting, Financial Reports will be emailed to the committee members no less than 48 hours in advance of the meeting. Handouts will be available the day of the meeting.

## CONSOLIDATED TOTAL OPERATIONS - 5 YEAR NET REVENUE / (EXPENSE) FISCAL YEAR TO DATE AS OF FEBRUARY 29, 2016

■ CONSOLIDATED ■ MAIN ■ BRANCHES ■ HSC

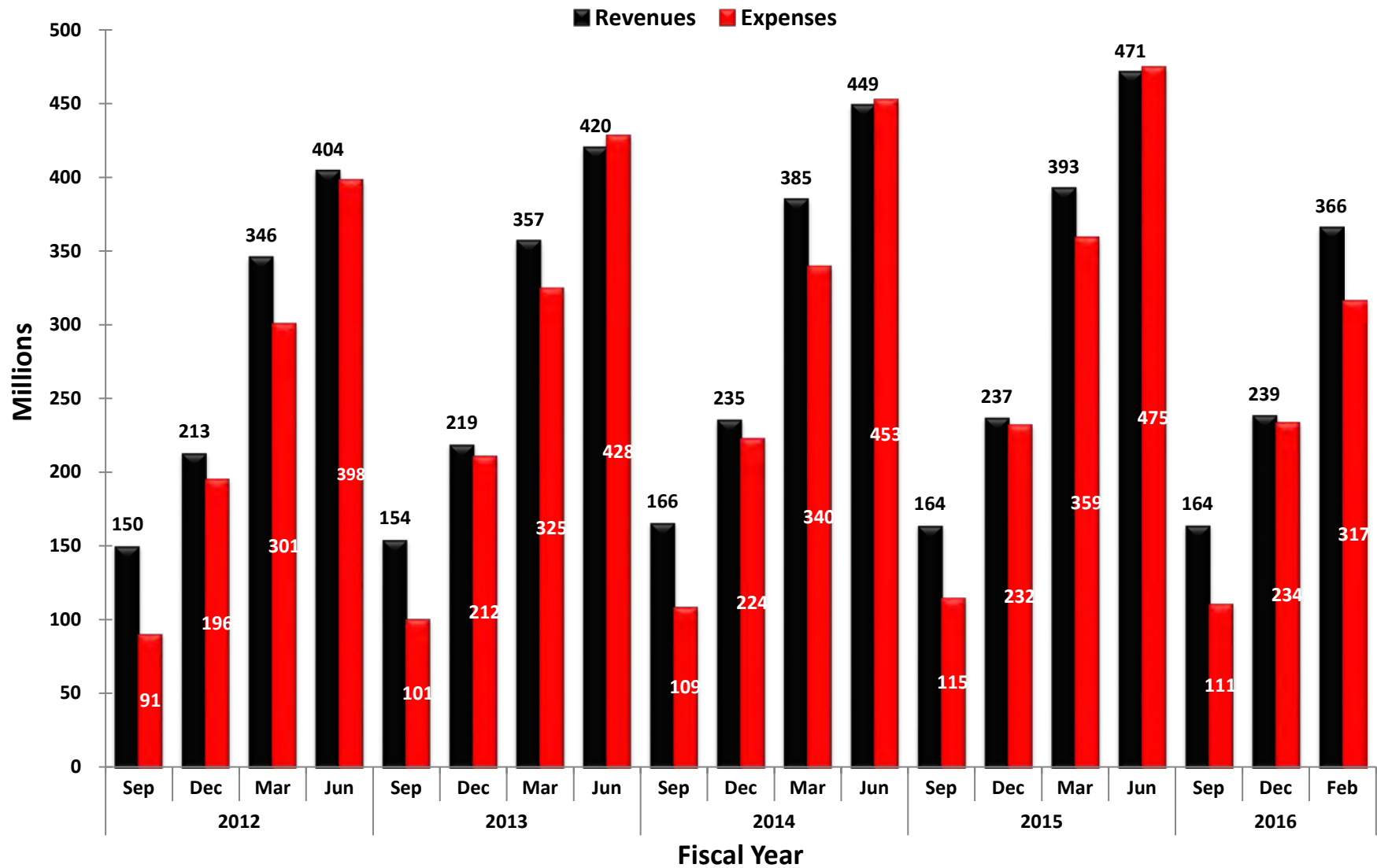






## YTD I&G Consolidated Revenues / Expenses (5 Year)

### Fiscal Year to Date as of February 29, 2016



**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the eight month ended February 29, 2016**  
**Preliminary and Unaudited**

**University of New Mexico - Consolidated Total Operations Current Funds**

	<b>FY 2016 Full Year Operating Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>	<b>FY 2015 Year-to-Date Actual</b>	<b>FY 2016 YTD Actual Change From FY 2015 YTD Actual</b>
<b>Instruction and General</b>						
Tuition and Fees Revenues						
Main Campus	157,063,135	147,952,690	(9,110,445)	94%	144,087,855	3,864,835
Branch Campuses	7,553,002	7,543,713	(9,289)	100%	7,039,285	504,428
HSC Campus	15,632,866	14,500,044	(1,132,822)	93%	14,736,409	(236,365)
Total Tuition and Fees Revenues	180,249,003	169,996,447	(10,252,556)	94%	165,863,549	4,132,898
State/Local Appropriations	285,219,700	190,399,379	(94,820,321)	67%	188,788,994	1,610,385
F & A Revenues	45,000,000	28,322,387	(16,677,613)	63%	27,944,886	377,501
Transfers	(58,871,393)	(44,657,766)	14,213,627	76%	(35,792,602)	(8,865,164)
Other Revenues	27,604,621	21,917,725	(5,686,896)	79%	22,521,911	(604,186)
Total Instruction and General Revenues	479,201,931	365,978,172	(113,223,759)	76%	369,326,738	(3,348,566)
Salaries	296,148,456	198,423,971	97,724,485	67%	193,431,021	(4,992,950)
Benefits	95,513,193	62,398,146	33,115,047	65%	63,029,343	631,197
Other Expenses	97,562,670	55,734,824	41,827,846	57%	60,084,779	4,349,955
Total Instruction and General Expenses	489,224,319	316,556,941	172,667,378	65%	316,545,143	(11,798)
Net Instruction and General Revenue/(Expense)	(10,022,388)	49,421,231	59,443,619		52,781,595	(3,360,364)
<b>Research</b>						
State/Local Appropriations	11,695,371	7,937,955	(3,757,416)	68%	7,975,440	(37,485)
Transfers	29,778,863	15,354,133	(14,424,730)	52%	13,150,095	2,204,038
Other Revenues	3,691,637	2,881,461	(810,176)	78%	2,215,048	666,413
Total Research Revenues	45,165,871	26,173,549	(18,992,322)	58%	23,340,583	2,832,966
Salaries and Benefits	27,689,670	15,991,688	11,697,982	58%	15,611,723	(379,965)
Other Expenses	21,249,865	11,570,049	9,679,816	54%	11,008,338	(561,711)
Total Research Expenses	48,939,535	27,561,737	21,377,798	56%	26,620,061	(941,676)
Net Research Revenue/(Expense)	(3,773,664)	(1,388,188)	2,385,476		(3,279,478)	1,891,290
<b>Public Service</b>						
State/Local Appropriations	4,081,650	2,722,169	(1,359,481)	67%	3,060,567	(338,398)
Sales and Services Revenues	13,935,652	9,267,689	(4,667,963)	67%	11,412,361	(2,144,672)
Gifts	9,263,134	7,897,623	(1,365,511)	85%	7,440,907	456,716
Transfers	4,943,830	2,016,070	(2,927,760)	41%	857,705	1,158,365
Other Revenues	5,148,256	4,411,489	(736,767)	86%	4,849,868	(438,379)
Total Public Service Revenues	37,372,522	26,315,040	(11,057,482)	70%	27,621,408	(1,306,368)
Salaries and Benefits	17,850,905	11,222,294	6,628,611	63%	14,879,572	3,657,278
Other Expenses	24,102,720	14,291,557	9,811,163	59%	13,130,463	(1,161,094)
Total Public Service Expenses	41,953,625	25,513,851	16,439,774	61%	28,010,035	2,496,184
Net Public Service Revenue/(Expense)	(4,581,103)	801,189	5,382,292		(388,627)	1,189,816

**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the eight month ended February 29, 2016**  
**Preliminary and Unaudited**

**University of New Mexico - Consolidated Total Operations Current Funds**

	<b>FY 2016 Full Year Operating Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>	<b>FY 2015 Year-to-Date Actual</b>	<b>FY 2016 YTD Actual Change From FY 2015 YTD Actual</b>
<b>Student Aid</b>						
Gifts	5,703,096	3,722,953	(1,980,143)	65%	3,778,221	(55,268)
State Lottery Scholarship	35,000,000	33,347,285	(1,652,715)	95%	37,485,948	(4,138,663)
Transfers	18,648,424	11,570,954	(7,077,470)	62%	12,480,072	(909,118)
Other Revenues	987,341	772,879	(214,462)	78%	885,235	(112,356)
Total Student Aid Revenues	60,338,861	49,414,071	(10,924,790)	82%	54,629,476	(5,215,405)
Salaries and Benefits	4,533,369	3,117,419	1,415,950	69%	3,151,205	33,786
Other Expenses	64,298,255	55,932,020	8,366,235	87%	53,776,240	(2,155,780)
Total Student Aid Expenses	68,831,624	59,049,439	9,782,185	86%	56,927,445	(2,121,994)
Net Student Aid Revenue/(Expense)	(8,492,763)	(9,635,368)	(1,142,605)		(2,297,969)	(7,337,399)
<b>Student Social &amp; Cultural Programs</b>						
Fee Revenues	8,373,771	7,263,412	(1,110,359)	87%	7,241,780	21,632
Sales and Services Revenues	1,541,900	1,190,873	(351,027)	77%	1,182,996	7,877
Transfers	596,907	394,202	(202,705)	66%	426,304	(32,102)
Other Revenues	171,164	128,635	(42,529)	75%	129,664	(1,029)
Total Student Social & Cultural Programs Revenues	10,683,742	8,977,122	(1,706,620)	84%	8,980,744	(3,622)
Salaries and Benefits	6,181,002	3,875,496	2,305,506	63%	3,015,055	(860,441)
Other Expenses	4,768,178	3,000,656	1,767,522	63%	3,114,942	114,286
Total Student Social & Cultural Programs Expenses	10,949,180	6,876,152	4,073,028	63%	6,129,997	(746,155)
Net Student Social & Cultural Programs Revenue/(Expense)	(265,438)	2,100,970	2,366,408		2,850,747	(749,777)
<b>Auxiliaries and Athletics</b>						
Branch Campuses Auxiliary Revenues	2,635,955	1,657,758	(978,197)	63%	1,655,622	2,136
Main Campus Auxiliaries Revenues	52,022,638	42,061,434	(9,961,204)	81%	45,488,415	(3,426,981)
Athletics Revenues	35,042,424	24,792,496	(10,249,928)	71%	24,113,604	678,892
Total Auxiliaries and Athletics Revenues	89,701,017	68,511,688	(21,189,329)	76%	71,257,641	(2,745,953)
Branch Campuses Auxiliary Expenses	2,758,149	2,024,680	733,469	73%	1,869,555	(155,125)
Main Campus Auxiliaries Expenses	52,574,144	35,190,957	17,383,187	67%	37,812,140	2,621,183
Athletics Expenses	35,071,674	26,127,476	8,944,198	74%	24,956,545	(1,170,931)
Total Auxiliaries and Athletics Expenses	90,403,967	63,343,113	27,060,854	70%	64,638,240	1,295,127
Net Auxiliaries and Athletics Revenue/(Expense)	(702,950)	5,168,575	5,871,525		6,619,401	(1,450,826)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

University of New Mexico - Consolidated Total Operations Current Funds

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	248,435,860	176,718,242	(71,717,618)	71%	173,891,343	2,826,899
State and Local Grants and Contracts Revenues	31,171,793	22,566,451	(8,605,342)	72%	19,160,614	3,405,837
Non-Governmental Grants and Contracts Revenues	33,595,771	21,155,707	(12,440,064)	63%	24,588,020	(3,432,313)
Gifts	-	-	-	N/A	67,183	(67,183)
Transfers	4,845,780	3,048,548	(1,797,232)	63%	1,630,352	1,418,196
Other Revenues	-	429	429	N/A	-	429
Total Sponsored Programs Revenues	318,049,204	223,489,377	(94,559,827)	70%	219,337,512	4,151,865
Salaries and Benefits	144,030,709	93,031,885	50,998,824	65%	88,961,871	(4,070,014)
Other Expenses	174,018,495	130,457,492	43,561,003	75%	130,375,641	(81,851)
Total Sponsored Programs Expenses	318,049,204	223,489,377	94,559,827	70%	219,337,512	(4,151,865)
Net Sponsored Programs Revenue/(Expense)	-	-	-		-	-
Clinical Operations						
State/Local Appropriations	27,401,800	18,403,727	(8,998,073)	67%	17,469,601	934,126
Physician Professional Fee Revenues	127,864,787	80,204,854	(47,659,933)	63%	81,587,652	(1,382,798)
Hospital Facility Revenues	870,849,401	567,910,792	(302,938,609)	65%	538,465,401	29,445,391
Other Patient Revenues, net of Allowance	151,228,309	97,510,107	(53,718,202)	64%	82,386,977	15,123,130
Mil Levy	93,616,857	62,411,238	(31,205,619)	67%	61,853,362	557,876
Investment Income	(5,744)	200,708	206,452	-3494%	8,849,686	(8,648,978)
Gifts	3,311,735	1,664,688	(1,647,047)	50%	2,582,025	(917,337)
Housestaff Revenues	37,301,878	25,057,463	(12,244,415)	67%	22,306,249	2,751,214
Other Revenues	19,282,945	10,616,442	(8,666,503)	55%	13,743,560	(3,127,118)
Total Clinical Operations Revenues	1,330,851,968	863,980,019	(466,871,949)	65%	829,244,513	34,735,506
Salaries and Benefits	712,983,314	467,302,534	245,680,780	66%	441,666,851	(25,635,683)
Interest Expense	3,834,245	2,562,091	1,272,154	67%	5,365,424	2,803,333
Housestaff Expenses	37,301,878	24,705,797	12,596,081	66%	22,709,425	(1,996,372)
Other Expenses	563,527,331	362,594,097	200,933,234	64%	350,713,047	(11,881,050)
Total Clinical Operations Expenses	1,317,646,768	857,164,519	460,482,249	65%	820,454,747	(36,709,772)
Net Clinical Operations Revenue/(Expense)	13,205,200	6,815,500	(6,389,700)		8,789,766	(1,974,266)
Contingencies						
Total Contingency Revenues	(4,406,748)	-	4,406,748	0%	-	-
Total Contingency Expenses	(4,484,985)	-	4,484,985	0%	-	-
Net Contingencies Revenue/(Expense)	78,237	-	(78,237)		-	-
Net Current Revenue/(Expense)	(14,554,869)	53,283,909	67,838,778		65,075,435	(11,791,526)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
<b>Results of Athletics Operations:</b>						
Athletics Revenues	38,443,436	27,255,040	(11,188,396)	71%	26,597,767	657,273
Athletics Transfers	(3,401,012)	(2,462,544)	938,468	72%	(2,484,163)	21,619
Total Athletics Revenues	35,042,424	24,792,496	(10,249,928)	71%	24,113,604	678,892
Athletics Expenses						
Salaries and Benefits	14,271,253	9,986,297	4,284,956	70%	10,085,080	98,783
Grant-in-Aid	4,283,719	4,193,982	89,737	98%	3,770,514	(423,468)
Other Expenses	16,516,702	11,947,197	4,569,505	72%	11,100,951	(846,246)
Total Athletics Expenses	35,071,674	26,127,476	8,944,198	74%	24,956,545	(1,170,931)
Total Net Athletics Revenue/(Expense)	(29,250)	(1,334,980)	(1,305,730)		(842,941)	(492,039)
<b>Results of Auxiliary Operations:</b>						
<b>VP for Institutional Support Services</b>						
Bookstore Revenues	14,654,739	12,367,496	(2,287,243)	84%	12,641,753	(274,257)
Bookstore Transfers	(398,500)	(233,333)	165,167	59%	(233,333)	-
Total Bookstore Revenues	14,256,239	12,134,163	(2,122,076)	85%	12,408,420	(274,257)
Total Bookstore Expenses	14,256,239	11,035,479	3,220,760	77%	11,454,106	418,627
Net Bookstore Revenue/(Expense)	-	1,098,684	1,098,684		954,314	144,370
Faculty & Staff Club Revenues	83,000	67,682	(15,318)	82%	66,847	835
Faculty & Staff Club Expenses	83,000	41,236	41,764	50%	38,333	(2,903)
Net Faculty & Staff Club Revenue/(Expense)	-	26,446	26,446		28,514	(2,068)
Food Service/Dining Revenues	2,705,776	1,610,699	(1,095,077)	60%	1,930,525	(319,826)
Food Service/Dining Transfers	(297,287)	(38,333)	258,954	13%	(533,357)	495,024
Total Food Service/Dining Revenues	2,408,489	1,572,366	(836,123)	65%	1,397,168	175,198
Total Food Service/Dining Expenses	2,408,489	1,037,516	1,370,973	43%	1,158,259	120,743
Net Food Service/Dining Revenue/(Expense)	-	534,850	534,850		238,909	295,941
Golf Courses Revenues	2,457,250	1,272,085	(1,185,165)	52%	1,320,773	(48,688)
Golf Courses Transfers	(39,252)	(26,167)	13,085	67%	(26,168)	1
Total Golf Courses Revenues	2,417,998	1,245,918	(1,172,080)	52%	1,294,605	(48,687)
Total Golf Courses Expenses	2,417,998	1,456,221	961,777	60%	1,472,538	16,317
Net Golf Courses Revenue/(Expense)	-	(210,303)	(210,303)		(177,933)	(32,370)
Housing	10,468,800	10,751,630	282,830	103%	10,893,412	(141,782)
Housing Transfers	(2,508,937)	(2,973,721)	(464,784)	119%	(2,263,191)	(710,530)
Total Housing Revenues	7,959,863	7,777,909	(181,954)	98%	8,630,221	(852,312)
Total Housing Expense	7,959,863	5,373,809	2,586,054	68%	5,426,955	53,146
Net Housing Revenue/(Expense)	-	2,404,100	2,404,100		3,203,266	(799,166)
Other Transfers	1,093,164	707,931	(385,233)	65%	1,015,000	(307,069)
Total Other Revenues	(1,578,520)	(1,480,000)	98,520	94%	(1,375,000)	(105,000)
Total Other Expense	(485,356)	(772,069)	(286,713)	159%	(360,000)	(412,069)
Net Other Revenue/(Expense)	66,150	-	66,150	0%	-	-
	(551,506)	(772,069)	(220,563)		(360,000)	(412,069)



Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Parking and Transportation Revenues	8,655,293	6,622,020	(2,033,273)	77%	6,611,866	10,154
Parking and Trans Transfers	(2,246,289)	(1,286,903)	959,386	57%	(1,302,683)	15,780
Total Parking and Trans Revenues	6,409,004	5,335,117	(1,073,887)	83%	5,309,183	25,934
Total Parking and Trans Expenses	6,409,004	3,958,746	2,450,258	62%	3,941,244	(17,502)
Net Parking and Trans Revenue/(Expense)	-	1,376,371	1,376,371		1,367,939	8,432
Popejoy Events Revenues	6,321,392	3,959,720	(2,361,672)	63%	6,143,334	(2,183,614)
Popejoy Events Transfers	-	-	-	N/A	143,233	(143,233)
Total Popejoy Events Revenues	6,321,392	3,959,720	(2,361,672)	63%	6,286,567	(2,326,847)
Total Popejoy Events Expenses	6,321,392	4,035,017	2,286,375	64%	6,070,264	2,035,247
Net Popejoy Events Revenue/(Expense)	-	(75,297)	(75,297)		216,303	(291,600)
Taos & Lawrence Ranch Revenues	49,404	38,267	(11,137)	77%	74,049	(35,782)
Taos & Lawrence Ranch Expenses	49,404	46,870	2,534	95%	28,595	(18,275)
Net Taos & Lawrence Ranch Revenue/(Expense)	-	(8,603)	(8,603)		45,454	(54,057)
Ticketing Services Revenues	1,077,131	797,361	(279,770)	74%	743,742	53,619
Ticketing Services Transfers	-	-	-	N/A	74,595	(74,595)
Total Ticketing Services Revenues	1,077,131	797,361	(279,770)	74%	818,337	(20,976)
Total Ticketing Services Expenses	1,077,131	696,565	380,566	65%	671,949	(24,616)
Net Ticketing Services Revenue/(Expense)	-	100,796	100,796		146,388	(45,592)
Total VP for Institutional Support Services Revenues	40,497,164	32,156,434	(8,340,730)	79%	35,925,397	(3,768,963)
Total VP for Institutional Support Services Expenses	41,048,670	27,681,459	13,367,211	67%	30,262,243	2,580,784
Net VP for Institutional Support Services Revenue/(Expense)	(551,506)	4,474,975	5,026,481		5,663,154	(1,188,179)
<b>VP for Student Affairs</b>						
Lobo Cash Revenues	91,540	67,513	(24,027)	74%	71,592	(4,079)
Lobo Cash Expenses	91,540	38,440	(53,100)	42%	110,097	71,657
Net Lobo Cash Revenue/(Expense)	-	29,073	29,073		(38,505)	67,578
Student Health Center Revenues	7,833,295	6,769,957	(1,063,338)	86%	6,563,460	206,497
Student Health Center Expenses	7,833,295	5,128,688	2,704,607	65%	5,180,972	52,284
Net Student Health Center Revenue/(Expense)	-	1,641,269	1,641,269		1,382,488	258,781
Student Union Revenues	3,270,139	2,887,940	(382,199)	88%	2,726,304	161,636
Student Union Expenses	3,270,139	2,128,018	1,142,121	65%	2,061,295	(66,723)
Net Student Union Revenue/(Expense)	-	759,922	759,922		665,009	94,913
Total VP for Student Affairs Revenues	11,194,974	9,725,410	(1,469,564)	87%	9,361,356	364,054
Total VP for Student Affairs Expenses	11,194,974	7,295,146	3,793,628	65%	7,352,364	57,218
Net VP for Student Affairs Revenue/(Expense)	-	2,430,264	2,430,264		2,008,992	421,272

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

University of New Mexico - Main Campus Athletics & Auxiliary Operations

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
<b>Provost and Other Units</b>						
Art Museum Revenues	5,500	3,598	(1,902)	65%	2,828	770
Art Museum Expenses	5,500	725	4,775	13%	188	(537)
Net Art Museum Revenue/(Expense)	-	2,873	2,873		2,640	233
CE Conference Ctr Revenues	225,000	169,329	(55,671)	75%	167,730	1,599
CE Conference Ctr Transfers	-	(33,100)	(33,100)	N/A	(39,900)	6,800
Total CE Conference Ctr Revenues	225,000	136,229	(88,771)	61%	127,830	8,399
Total CE Conference Ctr Expenses	225,000	160,457	64,543	71%	122,090	(38,367)
Net CE Conference Ctr Revenue/(Expense)	-	(24,228)	(24,228)		5,740	(29,968)
Maxwell Museum Revenues	40,000	34,541	(5,459)	86%	37,168	(2,627)
Maxwell Museum Expenses	40,000	9,268	30,732	23%	11,051	1,783
Net Maxwell Museum Revenue/(Expense)	-	25,273	25,273		26,117	(844)
Other Revenues	60,000	5,222	(54,778)	9%	33,836	(28,614)
Other Expenses	60,000	43,902	16,098	73%	64,204	20,302
Net Other Revenue/(Expense)	-	(38,680)	(38,680)		(30,368)	(8,312)
Total Provost and Other Units Revenues	330,500	179,590	(150,910)	54%	201,662	(22,072)
Total Provost and Other Units Expenses	330,500	214,352	116,148	65%	197,533	(16,819)
Net Provost and Other Units Revenue/(Expense)	-	(34,762)	(34,762)		4,129	(38,891)
<b>Auxiliary Totals</b>						
Total Auxiliary Revenues	52,022,638	42,061,434	(9,961,204)	81%	45,488,415	(3,426,981)
Total Auxiliary Expenses	52,574,144	35,190,957	17,383,187	67%	37,812,140	2,621,183
Net Auxiliary Revenue/(Expense)	(551,506)	6,870,477	7,421,983		7,676,275	(805,798)
Net Athletics Revenue/(Expense)	(29,250)	(1,334,980)	(1,305,730)		(842,941)	(492,039)
Net Auxiliary and Athletics Revenue/(Expense)	(580,756)	5,535,497	6,116,253		6,833,334	(1,297,837)
Net Branch Campuses Aux Revenue/(Expense)	(122,194)	(366,922)	(244,728)		(213,933)	(152,989)
Net All Auxiliary and Athletics Revenue/(Expense)	(702,950)	5,168,575	5,871,525		6,619,401	(1,450,826)

## **Executive Budget Summary**

### **University of New Mexico Consolidated Financial Report**

### **FY 2016 UNM Operating Budget**

This report covers current fund operations for the University, including Main Campus, Branch Campuses and HSC Campus.

**Instruction and General** operations projects a use of reserves of \$10.0M for the FY 2016 UNM Operating Budget. The use of reserves of \$10.0M is comprised of \$8.4M use of reserves at the Main Campus, a \$2.4M use of reserves at the Branch Campuses, and a favorable net margin of \$756K at the HSC Campus. The \$8.4M use of reserves at Main Campus is primarily due to Provost Academic Affairs budgeting \$6.7M of reserves, and Executive VP for Administration budgeting \$1.4M use of reserves. Within Provost Academic Affairs, Provost Administrative Units, College of Arts and Sciences, and Extended University budgeted the largest use of reserves.

The next block of information shows our **Unrestricted Research** operations. The FY 2016 UNM Operating Budget shows a use of reserves of \$3.7M, of which \$4.5M use of reserves is related to Main Campus and a \$727K favorable net margin is related to HSC Campus. The \$4.5M use of reserves at Main Campus is primarily due to Provost Academic Affairs' departments budgeting reserves. The departments that budgeted the largest use of reserves are, College of Arts and Sciences, College of Education, School of Engineering, and VP Research & Economic Development. At the HSC Campus, the \$727K use of reserves includes faculty start-up for the SOM and CTSC promotion and equipment & maintenance contracts for the VP for Research.

The third business category shown on the first page of this report is **Unrestricted Public Service**. The operations in this category include special projects funded by State Appropriations, for example Project ECHO, and non-endowed gifts flowing from the UNM Foundation to departments and many small events funded by user fees. The FY 2016 UNM Operating Budget shows a use of reserves of \$4.6M. These reserves are comprised of \$4.5M use of reserves at the Main and Branch Campuses and a use of reserves of \$86K at the HSC Campus. The \$4.5M use of reserves at the Main and Branch Campuses is primarily due to Provost Academic Affairs' departments budgeting reserves. The departments budgeting the largest use of reserves are: Provost Administrative Units, College of Fine Arts, College of Arts and Sciences, School of Engineering, University Libraries, and VP Research & Economic Development. The primary use of reserves at the HSC campus includes faculty salaries for the College of Nursing to compensate for Extended Learning and non-endowed (gifts) for UNM Cancer Center building & facilities.

Page 2 of this report begins with the **Student Aid** function. The FY 2016 UNM Operating Budget projects a use of reserves of \$8.5M. These reserves are comprised of \$8.2M use of reserves at the Main and Branch Campuses and a use of reserves of \$290K at the HSC Campus. The budgeted use of reserves at Main Campus is primarily due to Provost Academic Affairs' departments budgeting reserves in endowed spending indices for the payout of major and departmental scholarships in the new fiscal year. Those departments include: VP Division of Enrollment Management, College of Fine Arts, College of Arts and Sciences, College of Education, and School of Law. The primary use of reserves at the HSC Campus includes student scholarships for the SOM and visiting faculty salaries for the College of Nursing.

**Student Activities** are the operations of Student Government and Student organizations. The FY 2016 UNM Operating Budget shows a use of reserves of \$265K.

#### **Auxiliaries and Athletics**

The FY 2016 UNM Operating Budget for Auxiliaries and Athletics projected a use of reserves of \$703K. These reserves are primarily due to a combination of Athletics budgeting a \$29K use of reserves, VP for Institutional Support Services budgeting a \$552K use of reserves, and the branch campuses budgeting a use of reserves of \$122K.

**Sponsored programs** operations are our contract and grant research and public service projects funded by outside agencies and companies. These operations will always record a zero net revenue over expense by the nature of their funding. The agency pays for a service or research project, and normally any unspent funds must be returned to the agency.

The next block of numbers on the third page is a summary of our **Clinical Operations**. These operations are essentially all the patient care activities of the HSC Campus, including the UNM Hospitals, SOM physician professional services, Cancer Center operations and Housestaff/Medical Residents who are being trained in the UNM and VA hospitals. The FY 2016 UNM Re-Forecasted Budget projected a favorable net margin of \$13.2M. UNM Hospitals budgeted a favorable net margin of \$7.4M. The School of Medicine budgeted a favorable net margin of \$5.8M which is primarily due to increased clinical volumes at the UNM Cancer Center and Neurosurgery and a positive net margin at Project ECHO.

## FY16 UNM Debt Service Schedule

As of February 29, 2016

\*Includes Hospital Debt

UNM Bond Issue	Fixed or Variable Rate Issue	Original Issue Amount	Outstanding Principal Balance on June 30, 2015	Principal Payment due on June 1, 2016	Interest Payment paid on December 1, 2015	Interest Payment due on June 1, 2016	FY 2016 Principal & Interest
<sup>(1)</sup> GNMA Collateralized Taxable Hospital Revenue Bonds* <b>Series 2015:</b> Interest Range .484% to 3.532% Final Maturity Year 2032	Fixed Rate	\$115,000,000	\$115,000,000	\$6,035,000 (due 6/20/2016)	\$1,920,713 (due 12/20/2015)	\$1,600,594 (due 6/20/2016)	\$9,556,307
Sub Lien System Imp Revenue Bonds <sup>(4)</sup> <b>Series 2014 A: Interest Range 3.0% to 5.0%</b> Final Maturity Year 2033	Fixed Rate	\$10,980,000	\$9,715,000	\$1,240,000	\$204,125	\$204,125	\$1,648,250
Sub Lien System Rfdg Revenue Bonds <sup>(5)</sup> <b>Series 2014 B:</b> Interest Range 0.496% to 3.280% Final Maturity Year 2024	Fixed Rate	\$3,710,000	\$3,365,000	\$360,000	\$39,216	\$39,216	\$438,432
Sub Lien System Rfdg Revenue Bonds <sup>(6)</sup> <b>Series 2014 C:</b> Interest Range 1.5% to 5.0% Final Maturity Year 2035	Fixed Rate	\$100,085,000	\$97,615,000	\$2,140,000	\$2,440,375	\$2,440,375	\$7,020,750
Sub Lien System Imp Revenue Bonds <sup>(3)</sup> <b>Series 2012:</b> Interest Range 2.0% to 5.0% Final Maturity Year 2032	Fixed Rate	\$35,215,000	\$30,545,000	\$1,380,000	\$729,525	\$729,525	\$2,839,050
Sub Lien System Imp Revenue Bonds <b>Series 2007 A&amp;B:</b> Interest Range 4.096% to 5.302% Final Maturity Year 2036	Fixed Rate	\$136,710,000	\$127,865,000	\$2,000,000	\$3,200,997	\$3,200,997	\$8,401,994
Sub Lien Sys Rfdg Revenue Bonds <sup>(2)</sup> <b>Series 2002 B:</b> Variable Rate Demand Bonds - rates reset weekly Weekly rate as of June 30, 2014 was 0.05% Final Maturity Year 2026	Variable Rate	\$25,475,000	\$19,060,000	\$1,610,000	\$364,999	\$364,999	\$2,339,998
Sub Lien System Rfdg Revenue Bonds <sup>(2)</sup> <b>Series 2002 C:</b> Variable Rate Demand Bonds - rates reset weekly Weekly rate as of June 30, 2014 was 0.05% Final Maturity Year 2030	Variable Rate	\$37,840,000	\$33,405,000	\$945,000	\$658,079	\$658,079	\$2,261,158
Sub Lien System Imp Revenue Bonds <sup>(2)</sup> <b>Series 2001:</b> Variable Rate Demand Bonds - rates reset weekly Weekly rate as of June 30, 2014 was 0.07% Ceiling of 12% Final Maturity Year 2026	Variable Rate	\$52,625,000	\$31,020,000	\$2,265,000	\$620,400	\$620,400	\$3,505,800
System Revenue Bonds <b>Series 2000 B:</b> Interest Range 5.50% to 6.35% Final Maturity Year 2019	Fixed Rate	\$6,621,671	\$1,332,234	\$410,532	\$0	\$704,468	\$1,115,000
System Revenue Rfdg Bonds <b>Series 1992 A:</b> Interest Range 6.0% to 6.25% Final Maturity Year 2021	Fixed Rate	\$36,790,000	\$13,670,000	\$2,070,000	\$410,000	\$410,000	\$2,890,000
<b>Grand Total</b>		<b>\$561,051,671</b>	<b>\$482,592,234</b>	<b>\$20,455,532</b>	<b>\$10,588,429</b>	<b>\$10,972,778</b>	<b>\$42,016,739</b>

Note: See attached matrix for funding sources.

(1) Source: UNM Hospital - UNM Hospital Principal payment is due on June 20; interest payments are due on December 20 and June 20.

(2) Variable Rate bonds reflect the actual synthetically fixed interest rate that UNM pays. It is noted that all ranges of interest rates and final maturity dates are reflective of Serial bonds.

(3) Series 2012 bonds refunded 2002A bonds,

(4) Series 2014A bonds refunded 2003A, 2003B bonds,

(5) Series 2014B bonds refunded 2003C bonds,

(6) Series 2014C bonds refunded 2005A bonds,



# FY16 UNM Debt Service - Source of Funds

As of February 29, 2016

	Series 2015 (UNMH Bond)	Series 2014A	Series 2014B	Series 2014C	Series 2012	Series 2007A&B	Series 2002B	Series 2002C	Series 2001	Series 2000B	Series 1992
Student Fees- Facility	X		X	X	X	X	X		X	X	
Student Fees - IT			X	X							
Parking Services			X	X	X						X
UNM Hospital	X	X				X					X
Bookstore		X									X
Housing & Dining Services		X		X			X		X		
Building R&R		X				X					X
Real Estate Department		X	X		X	X					
Physical Plant Department			X	X	X	X		X			
Information Technologies			X	X							
Athletics					X						
KNME											X
Opto Bldg (CHTM Res Park)						X					
CRTC						X					
Continuing Education						X					
Golf Course - North & South							X		X		
HSC				X	X						
Interest on Reserve Funds	X					X	X		X		

Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format  
For the eight month period ended February 29, 2016  
Preliminary and Unaudited

Detail of State/Local Appropriations  
Consolidated - Total Operations Current Funds

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%
Instruction and General				
Instruction & General Appropriations	275,181,700	183,707,400	(91,474,300)	67%
State Special Project Appropriations	1,236,200	824,134	(412,066)	67%
Tobacco Settlement Appropriations	1,130,600	753,712	(376,888)	67%
Mill Levy	7,671,200	5,114,133	(2,557,067)	67%
Total Instruction and General Appropriations	<u>285,219,700</u>	<u>190,399,379</u>	<u>(94,820,321)</u>	<u>67%</u>
Research				
State Special Project Appropriations	6,816,350	4,563,569	(2,252,781)	67%
Tobacco Settlement Appropriations	979,800	653,200	(326,600)	67%
Cigarette Tax Appropriations	3,899,221	2,721,186	(1,178,035)	70%
Total Research Appropriations	<u>11,695,371</u>	<u>7,937,955</u>	<u>(3,757,416)</u>	<u>68%</u>
Public Service				
State Special Project Appropriations	4,081,650	2,722,169	(1,359,481)	67%
Total Public Service Appropriations	<u>4,081,650</u>	<u>2,722,169</u>	<u>(1,359,481)</u>	<u>67%</u>
Clinical Operations				
State Special Project Appropriations	26,550,100	17,835,927	(8,714,173)	67%
Tobacco Settlement Appropriations	851,700	567,800	(283,900)	67%
Total Clinical Operations Appropriations	<u>27,401,800</u>	<u>18,403,727</u>	<u>(8,998,073)</u>	<u>67%</u>

**Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format**  
**For the eight month period ended February 29, 2016**  
**Preliminary and Unaudited**

**Detail of State/Local Appropriations**  
**Main Campus - Total Operations Current Funds**

	<b>FY 2016 Full Year Operating Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>
<b>Instruction and General</b>				
Instruction & General Appropriations	191,264,000	127,509,333	(63,754,667)	67%
State Special Project Appropriations				
African American Student Services	72,700	48,467	(24,233)	67%
Degree Mapping	75,000	50,000	(25,000)	67%
Disabled Student Services	191,900	127,933	(63,967)	67%
ENLACE	64,100	42,733	(21,367)	67%
Hispanic Student Center	158,100	105,400	(52,700)	67%
Minority Graduate Recruitment	118,600	79,067	(39,533)	67%
Native American Studies Intervention	356,400	237,600	(118,800)	67%
Pre-College Minority Student Math & Science	199,400	132,934	(66,466)	67%
Total State Special Project Appropriations	1,236,200	824,134	(412,066)	67%
Total Instruction and General Appropriations	192,500,200	128,333,467	(64,166,733)	67%
<b>Research</b>				
State Special Project Appropriations				
Center for Regional Studies (SW Research Ctr)	988,250	658,833	(329,417)	67%
Manufacturing Engineering	561,900	374,600	(187,300)	67%
Morrisey Hall	47,600	31,733	(15,867)	67%
Resource Geographic Information System	66,300	44,200	(22,100)	67%
Utton Transboundary Resource Center	346,300	230,867	(115,433)	67%
Total State Special Project Appropriations	2,010,350	1,340,233	(670,117)	67%
Total Research Appropriations	2,010,350	1,340,233	(670,117)	67%
<b>Public Service</b>				
State Special Project Appropriations				
Athlete Brain Safe Program	175,000	116,667	(58,333)	67%
Bureau of Business Research (Census)	384,700	256,467	(128,233)	67%
College Prep Mentoring/School of Law	120,800	80,533	(40,267)	67%
College Preparatory Mentoring	171,500	114,333	(57,167)	67%
Corrine Wolfe Law Center/Child Abuse Training	171,900	114,600	(57,300)	67%
Family Development Program	568,600	379,066	(189,534)	67%
FinAid Pell Administration	70,000	46,667	(23,333)	67%
ISTEC	48,800	32,533	(16,267)	67%
Judicial Selection	23,000	15,333	(7,667)	67%
KNME-TV	1,177,300	784,866	(392,434)	67%
Land Grant Studies Program	131,800	87,867	(43,933)	67%
N. M. Historical Review	48,000	32,000	(16,000)	67%
Small Business Innovation & Research Outreach	84,400	56,267	(28,133)	67%
Southwest Indian Law Clinic	207,600	138,400	(69,200)	67%
Spanish Colonial Research Center (SW Research Ctr)	148,750	99,167	(49,583)	67%
Spanish Resource Center	41,800	27,867	(13,933)	67%
Substance Abuse Program	138,200	92,133	(46,067)	67%
Wildlife Law Education	96,400	64,267	(32,133)	67%
Total State Special Project Appropriations	3,808,550	2,539,033	(1,269,517)	67%
Total Public Service Appropriations	3,808,550	2,539,033	(1,269,517)	67%

Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format  
For the eight month period ended February 29, 2016  
Preliminary and Unaudited

Detail of State/Local Appropriations

Branch Campuses - Total Operations Current Funds

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%
Instruction and General				
Instruction & General Appropriations				
Gallup	9,531,500	6,354,334	(3,177,166)	67%
Los Alamos	1,886,000	1,257,333	(628,667)	67%
Valencia	5,765,700	3,843,800	(1,921,900)	67%
Taos	3,788,800	2,525,867	(1,262,933)	67%
Total Instruction & General Appropriations	20,972,000	13,981,334	(6,990,666)	67%
Mill Levy				
McKinley County	2,600,000	1,733,333	(866,667)	67%
Los Alamos County	667,000	444,667	(222,333)	67%
Valencia County	2,624,000	1,749,333	(874,667)	67%
Taos County	1,780,200	1,186,800	(593,400)	67%
Total Mill Levy	7,671,200	5,114,133	(2,557,067)	67%
Total Branch Appropriations	28,643,200	19,095,467	(9,547,733)	67%

**Statements of Revenues, Expenses and Changes in Net Assets - UNM Regents Format**  
**For the eight month period ended February 29, 2016**  
**Preliminary and Unaudited**

**Detail of State/Local Appropriations**  
**Health Sciences Center - Total Operations Current Funds**

	<b>FY 2016 Full Year Re-Forecasted Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>
<b>Instruction and General</b>				
Instruction & General Appropriations	62,945,700	42,216,733	(20,728,967)	67%
Tobacco Settlement Appropriations				
Instruction & General	607,800	407,004	(200,796)	67%
Pediatric Specialty Education	261,400	173,354	(88,046)	66%
Trauma Specialty Education	261,400	173,354	(88,046)	66%
Total Tobacco Settlement Appropriations	1,130,600	753,712	(376,888)	67%
Total Instruction and General Appropriations	64,076,300	42,970,445	(21,105,855)	67%
<b>Research</b>				
State Special Project Appropriations				
Cancer Center	2,675,100	1,794,136	(880,964)	67%
Hepatitis C, Project ECHO	2,130,900	1,429,200	(701,700)	67%
Total State Special Project Appropriations	4,806,000	3,223,336	(1,582,664)	67%
Tobacco Settlement Appropriations				
Genomics, Biocomputing, Environmental Health	979,800	653,200	(326,600)	67%
Total Tobacco Settlement Appropriations	979,800	653,200	(326,600)	67%
Cigarette Tax Appropriations	3,899,221	2,721,186	(1,178,035)	70%
Total Research Appropriations	9,685,021	6,597,722	(3,087,299)	68%
<b>Public Service</b>				
State Special Project Appropriations				
Center for Native American Health	273,100	183,136	(89,964)	67%
Out of County Indigent	-	-	-	N/A
Total State Special Project Appropriations	273,100	183,136	(89,964)	67%
Total Public Service Appropriations	273,100	183,136	(89,964)	67%
<b>Clinical Operations</b>				
State Special Project Appropriations				
Newborn Intensive Care Unit	3,330,100	2,233,464	(1,096,636)	67%
Office of the Medical Investigator	4,995,100	3,350,200	(1,644,900)	67%
Pediatric Oncology	1,295,700	869,000	(426,700)	67%
Poison and Drug Info Center	1,545,400	1,036,464	(508,936)	67%
Native American Suicide Prevention	99,100	66,464	(32,636)	67%
Native American Suicide Prevention (from IEF Balances)	200,000	133,333	(66,667)	67%
3D Mammography	250,000	250,000	-	100%
GME Residencies	1,796,600	1,204,936	(591,664)	67%
UNM Hospitals	13,038,100	8,692,066	(4,346,034)	67%
Total State Special Project Appropriations	26,550,100	17,835,927	(8,714,173)	67%
Tobacco Settlement Appropriations				
Pediatric Oncology	261,400	174,264	(87,136)	67%
Poison and Drug Info Center	590,300	393,536	(196,764)	67%
Total Tobacco Settlement Appropriations	851,700	567,800	(283,900)	67%
Total Clinical Operations Appropriations	27,401,800	18,403,727	(8,998,073)	67%



**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the eight month ended February 29, 2016**  
**Preliminary and Unaudited**

**Main Campus - Total Operations Current Funds**

	<b>FY 2016 Full Year Operating Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>	<b>FY 2015 Year-to-Date Actual</b>	<b>FY 2016 YTD Actual Change From FY 2015 YTD Actual</b>
Instruction and General						
Tuition and Fees Revenues	157,063,135	147,952,690	(9,110,445)	94%	144,087,855	3,864,835
State/Local Appropriations	192,500,200	128,333,467	(64,166,733)	67%	126,919,400	1,414,067
F & A Revenues	20,500,000	12,424,046	(8,075,954)	61%	12,667,935	(243,889)
Transfers	(54,284,161)	(39,741,854)	14,542,307	73%	(37,800,076)	(1,941,778)
Other Revenues	15,612,079	10,883,217	(4,728,862)	70%	12,594,872	(1,711,655)
Total Instruction and General Revenues	331,391,253	259,851,566	(71,539,687)	78%	258,469,986	1,381,580
Salaries	200,571,473	134,652,103	65,919,370	67%	133,662,164	(989,939)
Benefits	66,766,292	42,733,479	24,032,813	64%	44,465,701	1,732,222
Other Expenses	72,440,919	39,740,174	32,700,745	55%	40,858,638	1,118,464
Total Instruction and General Expenses	339,778,684	217,125,756	122,652,928	64%	218,986,503	1,860,747
Net Instruction and General Revenue/(Expense)	(8,387,431)	42,725,810	51,113,241		39,483,483	3,242,327
Research						
State/Local Appropriations	2,010,350	1,340,233	(670,117)	67%	1,406,700	(66,467)
Transfers	17,200,071	8,106,021	(9,094,050)	47%	8,619,415	(513,394)
Other Revenues	738,644	1,151,513	412,869	156%	726,994	424,519
Total Research Revenues	19,949,065	10,597,767	(9,351,298)	53%	10,753,109	(155,342)
Salaries and Benefits	12,832,630	7,461,615	5,371,015	58%	6,829,215	(632,400)
Other Expenses	11,617,086	5,908,416	5,708,670	51%	5,703,702	(204,714)
Total Research Expenses	24,449,716	13,370,031	11,079,685	55%	12,532,917	(837,114)
Net Research Revenue/(Expense)	(4,500,651)	(2,772,264)	1,728,387		(1,779,808)	(992,456)
Public Service						
State/Local Appropriations	3,808,550	2,539,033	(1,269,517)	67%	2,435,700	103,333
Sales and Services Revenues	8,277,563	5,256,087	(3,021,476)	63%	5,379,528	(123,441)
Gifts	7,070,395	5,429,429	(1,640,966)	77%	5,951,189	(521,760)
Transfers	36,165	(381,715)	(417,880)	-1055%	(1,177,744)	796,029
Other Revenues	3,868,591	3,110,567	(758,024)	80%	3,759,672	(649,105)
Total Public Service Revenues	23,061,264	15,953,401	(7,107,863)	69%	16,348,345	(394,944)
Salaries and Benefits	12,725,005	8,700,785	4,024,220	68%	9,029,910	329,125
Other Expenses	14,684,393	8,796,895	5,887,498	60%	7,033,198	(1,763,697)
Total Public Service Expenses	27,409,398	17,497,680	9,911,718	64%	16,063,108	(1,434,572)
Net Public Service Revenue/(Expense)	(4,348,134)	(1,544,279)	2,803,855		285,237	(1,829,516)

**Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format**  
**For the eight month ended February 29, 2016**  
**Preliminary and Unaudited**

**Main Campus - Total Operations Current Funds**

	<b>FY 2016 Full Year Operating Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>	<b>FY 2015 Year-to-Date Actual</b>	<b>FY 2016 YTD Actual Change From FY 2015 YTD Actual</b>
Student Aid						
Private Grants/Gifts	3,934,944	2,775,311	(1,159,633)	71%	2,882,077	(106,766)
State Lottery Scholarships	35,000,000	33,347,285	(1,652,715)	95%	37,485,948	(4,138,663)
Transfers	15,990,247	9,851,319	(6,138,928)	62%	10,780,126	(928,807)
Other Revenues	967,341	755,932	(211,409)	78%	864,477	(108,545)
Total Student Aid Revenues	55,892,532	46,729,847	(9,162,685)	84%	52,012,628	(5,282,781)
Salaries and Benefits	2,099,249	1,934,602	164,647	92%	1,714,344	(220,258)
Other Expenses	61,772,036	54,371,930	7,400,106	88%	52,582,023	(1,789,907)
Total Student Aid Expenses	63,871,285	56,306,532	7,564,753	88%	54,296,367	(2,010,165)
Net Student Aid Revenue/(Expense)	(7,978,753)	(9,576,685)	(1,597,932)		(2,283,739)	(7,292,946)
Student Social & Cultural Programs						
Fee Revenues	8,143,771	7,029,226	(1,114,545)	86%	7,005,089	24,137
Sales and Services Revenues	1,502,317	1,131,603	(370,714)	75%	1,140,756	(9,153)
Transfers	627,995	418,840	(209,155)	67%	438,725	(19,885)
Other Revenues	166,998	127,735	(39,263)	76%	127,092	643
Total Student Social & Cultural Programs Revenues	10,441,081	8,707,404	(1,733,677)	83%	8,711,662	(4,258)
Salaries and Benefits	6,169,162	3,851,549	2,317,613	62%	2,996,087	(855,462)
Other Expenses	4,519,274	2,840,553	1,678,721	63%	3,002,542	161,989
Total Student Social & Cultural Programs Expenses	10,688,436	6,692,102	3,996,334	63%	5,998,629	(693,473)
Net Student Social & Cultural Programs Revenue/(Expense)	(247,355)	2,015,302	2,262,657		2,713,033	(697,731)
Auxiliaries						
Auxiliaries Revenues	52,022,638	42,061,434	(9,961,204)	81%	45,488,415	(3,426,981)
Athletics Revenues	35,042,424	24,792,496	(10,249,928)	71%	24,113,604	678,892
Total Auxiliaries Revenues	87,065,062	66,853,930	(20,211,132)	77%	69,602,019	(2,748,089)
Auxiliaries Expenses	52,574,144	35,190,957	17,383,187	67%	37,812,140	2,621,183
Athletics Expenses	35,071,674	26,127,476	8,944,198	74%	24,956,545	(1,170,931)
Total Auxiliaries Expenses	87,645,818	61,318,433	26,327,385	70%	62,768,685	1,450,252
Net Auxiliaries and Athletics Revenue/(Expense)	(580,756)	5,535,497	6,116,253		6,833,334	(1,297,837)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

**Main Campus - Total Operations Current Funds**

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Sponsored Programs						
Federal Grants and Contracts Revenues	143,073,888	104,801,942	(38,271,946)	73%	108,541,082	(3,739,140)
State and Local Grants and Contracts Revenues	15,187,338	10,829,300	(4,358,038)	71%	9,724,794	1,104,506
Non-Governmental Grants and Contracts Revenues	12,397,000	9,491,441	(2,905,559)	77%	9,678,178	(186,737)
Gifts	-	-	-	N/A	67,183	(67,183)
Transfers	2,888,000	961,756	(1,926,244)	33%	-	961,756
Other Revenues	-	-	-	N/A	-	-
Total Sponsored Programs Revenues	173,546,226	126,084,439	(47,461,787)	73%	128,011,237	(1,926,798)
Salaries and Benefits	64,460,226	37,050,578	27,409,648	57%	36,715,286	(335,292)
Other Expenses	109,086,000	89,033,861	20,052,139	82%	91,295,951	2,262,090
Total Sponsored Programs Expenses	173,546,226	126,084,439	47,461,787	73%	128,011,237	1,926,798
Net Sponsored Programs Revenue/(Expense)	-	-	-		-	-
Contingencies						
Total Contingency Revenues	(6,994,011)	-	6,994,011	0%	-	-
Total Contingency Expenses	(7,072,248)	-	7,072,248	0%	-	-
Net Contingencies Revenue/(Expense)	78,237	-	(78,237)		-	-
<b>Net Current Revenue/(Expense)</b>	<b>(25,964,843)</b>	<b>36,383,381</b>	<b>62,348,224</b>		<b>45,251,540</b>	<b>(8,868,159)</b>

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

**Branch Campuses - Total Operations Current Funds**

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Instruction and General						
Tuition and Fees Revenues	7,553,002	7,543,713	(9,289)	100%	7,039,285	504,428
State/Local Appropriations	28,643,200	19,095,467	(9,547,733)	67%	18,598,393	497,074
Transfers	(1,158,551)	(1,735,534)	(576,983)	150%	(1,510,656)	(224,878)
Other Revenues	591,236	703,620	112,384	119%	594,397	109,223
Total Instruction and General Revenues	35,628,887	25,607,266	(10,021,621)	72%	24,721,419	885,847
Salaries	22,023,294	13,724,131	8,299,163	62%	13,566,301	(157,830)
Benefits	7,065,579	4,210,007	2,855,572	60%	4,193,443	(16,564)
Other Expenses	8,931,142	4,933,408	3,997,734	55%	4,816,201	(117,207)
Total Instruction and General Expenses	38,020,015	22,867,546	15,152,469	60%	22,575,945	(291,601)
Net Instruction and General Revenue/(Expense)	(2,391,128)	2,739,720	5,130,848		2,145,474	594,246
Public Service						
State/Local Appropriations	-	-	-	N/A	-	
Sales and Services Revenues	362,657	336,412	(26,245)	93%	381,616	(45,204)
Gifts	75,750	138,870	63,120	183%	204,910	(66,040)
Transfers	28,000	45,453	17,453	162%	(112,644)	158,097
Other Revenues	10,000	191	(9,809)	2%	3,509	(3,318)
Total Public Service Revenues	476,407	520,926	44,519	109%	477,391	43,535
Salaries and Benefits	344,644	283,046	61,598	82%	256,082	(26,964)
Other Expenses	278,268	152,217	126,051	55%	142,627	(9,590)
Total Public Service Expenses	622,912	435,263	187,649	70%	398,709	(36,554)
Net Public Service Revenue/(Expense)	(146,505)	85,663	232,168		78,682	6,981
Student Aid						
Private Grants/Gifts	142,450	49,024	(93,426)	34%	94,759	(45,735)
Transfers	380,860	186,322	(194,538)	49%	272,348	(86,026)
Other Revenues	20,000	16,947	(3,053)	85%	17,624	(677)
Total Student Aid Revenues	543,310	252,293	(291,017)	46%	384,731	(132,438)
Salaries and Benefits	-	10,073	(10,073)	N/A	7,557	(2,516)
Other Expenses	767,660	399,992	367,668	52%	274,109	(125,883)
Total Student Aid Expenses	767,660	410,065	357,595	53%	281,666	(128,399)
Net Student Aid Revenue/(Expense)	(224,350)	(157,772)	66,578		103,065	(260,837)

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

**Branch Campuses - Total Operations Current Funds**

	FY 2016 Full Year Operating Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Student Social & Cultural Programs						
Fee Revenues	230,000	234,186	4,186	102%	236,691	(2,505)
Sales and Services Revenues	6,550	11,328	4,778	173%	11,533	(205)
Transfers	(40,000)	(38,000)	2,000	95%	(39,850)	1,850
Other Revenues	-	-	-	N/A	150	(150)
Total Student Social & Cultural Programs Revenues	196,550	207,514	10,964	106%	208,524	(1,010)
Salaries and Benefits	7,840	23,775	(15,935)	303%	18,968	(4,807)
Other Expenses	195,958	122,440	73,518	62%	81,038	(41,402)
Total Student Social & Cultural Programs Expenses	203,798	146,215	57,583	72%	100,006	(46,209)
Net Student Social & Cultural Programs Revenue/(Expense)	(7,248)	61,299	68,547		108,518	(47,219)
Auxiliaries						
Bookstore Revenues	2,038,258	1,463,827	(574,431)	72%	1,669,585	(205,758)
Housing and Food Service Revenues	147,175	111,065	(36,110)	75%	(30,254)	141,319
Transfers	-	(10,000)	(10,000)	N/A	-	(10,000)
Other Auxiliaries Revenues	450,522	92,866	(357,656)	21%	16,291	76,575
Total Auxiliaries Revenues	2,635,955	1,657,758	(978,197)	63%	1,655,622	2,136
Bookstore Expenses	2,038,258	1,618,340	419,918	79%	1,725,734	107,394
Housing and Food Service Expenses	147,175	89,811	57,364	61%	93,305	3,494
Other Auxiliaries Expenses	572,716	316,529	256,187	55%	50,516	(266,013)
Total Auxiliaries Expenses	2,758,149	2,024,680	733,469	73%	1,869,555	(155,125)
Net Auxiliaries Revenue/(Expense)	(122,194)	(366,922)	(244,728)		(213,933)	(152,989)
Sponsored Programs						
Federal Grants and Contracts Revenues	6,909,647	4,894,561	(2,015,086)	71%	4,018,336	876,225
State and Local Grants and Contracts Revenues	2,286,045	1,151,928	(1,134,117)	50%	699,725	452,203
Non-Governmental Grants and Contracts Revenues	-	20,372	20,372	N/A	447,531	(427,159)
Gifts	-	-	-	N/A	-	-
Transfers	-	377,375	377,375	N/A	-	377,375
Other Revenues	-	429	429	N/A	-	429
Total Sponsored Programs Revenues	9,195,692	6,444,665	(2,751,027)	70%	5,165,592	1,279,073
Salaries and Benefits	5,611,967	4,013,097	1,598,870	72%	3,679,110	(333,987)
Other Expenses	3,583,725	2,431,568	1,152,157	68%	1,486,482	(945,086)
Total Sponsored Programs Expenses	9,195,692	6,444,665	2,751,027	70%	5,165,592	(1,279,073)
Net Sponsored Programs Revenue/(Expense)	-	-	-		-	-
<b>Net Current Revenue/(Expense)</b>	<b>(2,891,425)</b>	<b>2,361,988</b>	<b>5,253,413</b>		<b>2,221,806</b>	<b>140,182</b>

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

**Health Sciences Center - Total Operations Current Funds**

	FY 2016 Full Year Re-Forecasted Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Instruction and General						
Tuition and Fees Revenues	15,632,866	14,500,044	(1,132,822)	93%	14,736,409	(236,365)
State/Local Appropriations	64,076,300	42,970,445	(21,105,855)	67%	43,271,201	(300,756)
F & A Revenues	24,500,000	15,898,341	(8,601,659)	65%	15,276,951	621,390
Transfers	(3,428,681)	(3,180,378)	248,303	93%	3,518,130	(6,698,508)
Other Revenues	11,401,306	10,330,888	(1,070,418)	91%	9,332,642	998,246
Total Instruction and General Revenues	112,181,791	80,519,340	(31,662,451)	72%	86,135,333	(5,615,993)
Salaries	73,553,689	50,047,737	23,505,952	68%	46,202,556	(3,845,181)
Benefits	21,681,322	15,454,660	6,226,662	71%	14,370,199	(1,084,461)
Other Expenses	16,190,609	11,061,242	5,129,367	68%	14,409,940	3,348,698
Total Instruction and General Expenses	111,425,620	76,563,639	34,861,981	69%	74,982,695	(1,580,944)
Net Instruction and General Revenue/(Expense)	756,171	3,955,701	3,199,530		11,152,638	(7,196,937)
Research						
State/Local Appropriations	9,685,021	6,597,722	(3,087,299)	68%	6,568,740	28,982
Generated Revenues	168,200	243,667	75,467	145%	263,490	(19,823)
Transfers	12,578,792	7,248,112	(5,330,680)	58%	4,530,680	2,717,432
Other Revenues	2,784,793	1,486,281	(1,298,512)	53%	1,224,564	261,717
Total Research Revenues	25,216,806	15,575,782	(9,641,024)	62%	12,587,474	2,988,308
Salaries and Benefits	14,857,040	8,530,073	6,326,967	57%	8,782,508	252,435
Other Expenses	9,632,779	5,661,633	3,971,146	59%	5,304,636	(356,997)
Total Research Expenses	24,489,819	14,191,706	10,298,113	58%	14,087,144	(104,562)
Net Research Revenue/(Expense)	726,987	1,384,076	657,089		(1,499,670)	2,883,746
Public Service						
State/Local Appropriations	273,100	183,136	(89,964)	67%	624,867	(441,731)
Sales and Services Revenues	5,295,432	3,675,190	(1,620,242)	69%	5,651,217	(1,976,027)
Gifts	2,116,989	2,329,324	212,335	110%	1,284,808	1,044,516
Transfers	4,879,665	2,352,332	(2,527,333)	48%	2,148,093	204,239
Other Revenues	1,269,665	1,300,731	31,066	102%	1,086,687	214,044
Total Public Service Revenues	13,834,851	9,840,713	(3,994,138)	71%	10,795,672	(954,959)
Salaries and Benefits	4,781,256	2,238,463	2,542,793	47%	5,593,580	3,355,117
Other Expenses	9,140,059	5,342,445	3,797,614	58%	5,954,638	612,193
Total Public Service Expenses	13,921,315	7,580,908	6,340,407	54%	11,548,218	3,967,310
Net Public Service Revenue/(Expense)	(86,464)	2,259,805	2,346,269		(752,546)	3,012,351



Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

**Health Sciences Center - Total Operations Current Funds**

	FY 2016 Full Year Re-Forecasted Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Student Aid						
Gifts	1,625,702	898,618	(727,084)	55%	801,385	97,233
Investment Income	-	-	-	N/A	-	-
Transfers	2,277,317	1,533,313	(744,004)	67%	1,427,598	105,715
Other Revenues	-	-	-	N/A	3,134	(3,134)
Total Student Aid Revenues	3,903,019	2,431,931	(1,471,088)	62%	2,232,117	199,814
Salaries and Benefits	2,434,120	1,172,744	1,261,376	48%	1,429,304	256,560
Other Expenses	1,758,559	1,160,098	598,461	66%	920,108	(239,990)
Total Student Aid Expenses	4,192,679	2,332,842	1,859,837	56%	2,349,412	16,570
Net Student Aid Revenue/(Expense)	(289,660)	99,089	388,749		(117,295)	216,384
Student Social & Cultural Programs						
Fee Revenues	-	-	-	N/A	-	-
Sales and Services Revenues	33,033	47,942	14,909	145%	30,707	17,235
Transfers	8,912	13,362	4,450	150%	27,429	(14,067)
Other Revenues	4,166	900	(3,266)	22%	2,422	(1,522)
Total Student Social & Cultural Programs Revenues	46,111	62,204	16,093	135%	60,558	1,646
Salaries and Benefits	4,000	172	3,828	4%	-	(172)
Other Expenses	52,946	37,663	15,283	71%	31,362	(6,301)
Total Student Social & Cultural Programs Expenses	56,946	37,835	19,111	66%	31,362	(6,473)
Net Student Social & Cultural Programs Revenue/(Expense)	(10,835)	24,369	35,204		29,196	(4,827)
Sponsored Programs						
Federal Grants and Contracts Revenues	98,452,325	67,021,739	(31,430,586)	68%	61,331,925	5,689,814
State and Local Grants and Contracts Revenues	13,698,410	10,585,223	(3,113,187)	77%	8,736,095	1,849,128
Non-Governmental Grants and Contracts Revenues	21,198,771	11,643,894	(9,554,877)	55%	14,462,311	(2,818,417)
Gifts	-	-	-	N/A	-	-
Other Revenues	-	-	-	N/A	-	-
Transfers	1,957,780	1,709,417	(248,363)	87%	1,630,352	79,065
Total Sponsored Programs Revenues	135,307,286	90,960,273	(44,347,013)	67%	86,160,683	4,799,590
Salaries and Benefits	73,958,516	51,968,210	21,990,306	70%	48,567,475	(3,400,735)
Other Expenses	61,348,770	38,992,063	22,356,707	64%	37,593,208	(1,398,855)
Total Sponsored Programs Expenses	135,307,286	90,960,273	44,347,013	67%	86,160,683	(4,799,590)
Net Sponsored Programs Revenue/(Expense)	-	-	-		-	-

Statements of Revenues, Expenses and Changes in Net Position - UNM Regents Format  
For the eight month ended February 29, 2016  
Preliminary and Unaudited

**Health Sciences Center - Total Operations Current Funds**

	FY 2016 Full Year Re-Forecasted Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual	FY 2016 YTD Actual Change From FY 2015 YTD Actual
Clinical Operations						
State/Local Appropriations	27,401,800	18,403,727	(8,998,073)	67%	17,469,601	934,126
Physician Professional Fee Revenues	127,864,787	80,204,854	(47,659,933)	63%	81,587,652	(1,382,798)
Hospital Facility Revenues	870,849,401	567,910,792	(302,938,609)	65%	538,465,401	29,445,391
Other Patient Revenues, net of Allowance	151,228,309	97,510,107	(53,718,202)	64%	82,386,977	15,123,130
Mil Levy	93,616,857	62,411,238	(31,205,619)	67%	61,853,362	557,876
Investment Income	(5,744)	200,708	206,452	-3494%	8,849,686	(8,648,978)
Gifts	3,311,735	1,664,688	(1,647,047)	50%	2,582,025	(917,337)
Housestaff Revenues	37,301,878	25,057,463	(12,244,415)	67%	22,306,249	2,751,214
Other Revenues	19,282,945	10,616,442	(8,666,503)	55%	13,743,560	(3,127,118)
Total Clinical Operations Revenues	1,330,851,968	863,980,019	(466,871,949)	65%	829,244,513	34,735,506
Salaries and Benefits	712,983,314	467,302,534	245,680,780	66%	441,666,851	(25,635,683)
Interest Expense	3,834,245	2,562,091	1,272,154	67%	5,365,424	2,803,333
Housestaff Expenses	37,301,878	24,705,797	12,596,081	66%	22,709,425	(1,996,372)
Other Expenses	563,527,331	362,594,097	200,933,234	64%	350,713,047	(11,881,050)
Total Clinical Operations Expenses	1,317,646,768	857,164,519	460,482,249	65%	820,454,747	(36,709,772)
Net Clinical Operations Revenue/(Expense)	13,205,200	6,815,500	(6,389,700)		8,789,766	(1,974,266)
Contingencies						
Total Contingency Revenues	2,587,263	-	(2,587,263)	0%	-	-
Total Contingency Expenses	2,587,263	-	2,587,263	0%	-	-
Net Contingencies Revenue/(Expense)	-	-	-		-	-
<b>Net Current Revenue/(Expense)</b>	<b>14,301,399</b>	<b>14,538,540</b>	<b>237,141</b>		<b>17,602,089</b>	<b>(3,063,549)</b>

**Statements of Revenues, Expenses and Changes in Net Position Format for Regents**  
**For the eight month period ended February 29, 2016**  
**Preliminary and Unaudited**

**Health Sciences Center - Total Operations Current Funds**

	<b>FY 2016 Full Year Re-Forecasted Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrbll/(Unfavrbll) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>	<b>FY 2015 Year-to-Date Actual</b>
Instruction and General					
Tuition and Fees Revenues	15,632,866	14,500,044	(1,132,822)	93%	14,736,409
State/Local Appropriations	64,076,300	42,970,445	(21,105,855)	67%	43,271,201
F & A Revenues	24,500,000	15,898,341	(8,601,659)	65%	15,276,951
Transfers	(3,428,681)	(3,180,378)	248,303	93%	3,518,130
Other Revenues	11,401,306	10,330,888	(1,070,418)	91%	9,332,642
Total Instruction and General Revenues	112,181,791	80,519,340	(31,662,451)	72%	86,135,333
Salaries	73,553,689	50,047,737	(23,505,952)	68%	46,202,556
Benefits	21,681,322	15,454,660	(6,226,662)	71%	14,370,199
Other Expenses	16,190,609	11,061,242	(5,129,367)	68%	14,409,940
Total Instruction and General Expenses	111,425,620	76,563,639	(34,861,981)	69%	74,982,695
Net Instruction and General Revenue/(Expense)	756,171	3,955,701	3,199,530		11,152,638
Research					
State/Local Appropriations	9,685,021	6,597,722	(3,087,299)	68%	6,568,740
Generated Revenues	168,200	243,667	75,467	145%	263,490
Transfers	12,578,792	7,248,112	(5,330,680)	58%	4,530,680
Other Revenues	2,784,793	1,486,281	(1,298,512)	53%	1,224,564
Total Research Revenues	25,216,806	15,575,782	(9,641,024)	62%	12,587,474
Salaries and Benefits	14,857,040	8,530,073	(6,326,967)	57%	8,782,508
Other Expenses	9,632,779	5,661,633	(3,971,146)	59%	5,304,636
Total Research Expenses	24,489,819	14,191,706	(10,298,113)	58%	14,087,144
Net Research Revenue/(Expense)	726,987	1,384,076	657,089		(1,499,670)
Public Service					
State/Local Appropriations	273,100	183,136	(89,964)	67%	624,867
Sales and Services Revenues	5,295,432	3,675,190	(1,620,242)	69%	5,651,217
Gifts	2,116,989	2,329,324	212,335	110%	1,284,808
Transfers	4,879,665	2,352,332	(2,527,333)	48%	2,148,093
Other Revenues	1,269,665	1,300,731	31,066	102%	1,086,687
Total Public Service Revenues	13,834,851	9,840,713	(3,994,138)	71%	10,795,672
Salaries and Benefits	4,781,256	2,238,463	(2,542,793)	47%	5,593,580
Other Expenses	9,140,059	5,342,445	(3,797,614)	58%	5,954,638
Total Public Service Expenses	13,921,315	7,580,908	(6,340,407)	54%	11,548,218
Net Public Service Revenue/(Expense)	(86,464)	2,259,805	2,346,269		(752,546)

Statements of Revenues, Expenses and Changes in Net Position Format for Regents  
For the eight month period ended February 29, 2016  
Preliminary and Unaudited

**Health Sciences Center - Total Operations Current Funds**

	FY 2016 Full Year Re-Forecasted Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual
Student Aid					
Gifts	1,625,702	898,618	(727,084)	55%	801,385
Investment Income	-	-	-	N/A	-
Transfers	2,277,317	1,533,313	(744,004)	67%	1,427,598
Other Revenues	-	-	-	N/A	3,134
Total Student Aid Revenues	3,903,019	2,431,931	(1,471,088)	62%	2,232,117
Salaries and Benefits	2,434,120	1,172,744	(1,261,376)	48%	1,429,304
Other Expenses	1,758,559	1,160,098	(598,461)	66%	920,108
Total Student Aid Expenses	4,192,679	2,332,842	(1,859,837)	56%	2,349,412
Net Student Aid Revenue/(Expense)	(289,660)	99,089	388,749		(117,295)
Student Activities					
Fee Revenues	-	-	-	N/A	-
Sales and Services Revenues	33,033	47,942	14,909	145%	30,707
Transfers	8,912	13,362	4,450	150%	27,429
Other Revenues	4,166	900	(3,266)	22%	2,422
Total Student Activities Revenues	46,111	62,204	16,093	135%	60,558
Salaries and Benefits	4,000	172	(3,828)	4%	-
Other Expenses	52,946	37,663	(15,283)	71%	31,362
Total Student Activities Expenses	56,946	37,835	(19,111)	66%	31,362
Net Student Activities Revenue/(Expense)	(10,835)	24,369	35,204		29,196
Sponsored Programs					
Federal Grants and Contracts Revenues	98,452,325	67,021,739	(31,430,586)	68%	61,331,925
State and Local Grants and Contracts Revenues	13,698,410	10,585,223	(3,113,187)	77%	8,736,095
Non-Governmental Grants and Contracts Revenues	21,198,771	11,643,894	(9,554,877)	55%	14,462,311
Gifts	-	-	-	N/A	-
Other Revenues	-	-	-	N/A	-
Transfers	1,957,780	1,709,417	(248,363)	87%	1,630,352
Total Sponsored Programs Revenues	135,307,286	90,960,273	(44,347,013)	67%	86,160,683
Salaries and Benefits	73,958,516	51,968,210	(21,990,306)	70%	48,567,475
Other Expenses	61,348,770	38,992,063	(22,356,707)	64%	37,593,208
Total Sponsored Programs Expenses	135,307,286	90,960,273	(44,347,013)	67%	86,160,683
Net Sponsored Programs Revenue/(Expense)	-	-	-		-

Statements of Revenues, Expenses and Changes in Net Position Format for Regents  
For the eight month period ended February 29, 2016  
Preliminary and Unaudited

**Health Sciences Center - Total Operations Current Funds**

	FY 2016 Full Year Re-Forecasted Budget	FY 2016 Year-to-Date Actual	Fiscal YTD Favrb/(Unfavrb) Budget	Actual to Budget Benchmark Rate 67%	FY 2015 Year-to-Date Actual
Clinical Operations					
State/Local Appropriations	27,401,800	18,403,727	(8,998,073)	67%	17,469,601
Physician Professional Fee Revenues	127,864,787	80,204,854	(47,659,933)	63%	81,587,652
Hospital Facility Revenues	870,849,401	567,910,792	(302,938,609)	65%	538,465,401
Other Patient Revenues, net of Allowance	151,228,309	97,510,107	(53,718,202)	64%	82,386,977
Mil Levy	93,616,857	62,411,238	(31,205,619)	67%	61,853,362
Investment Income	(5,744)	200,708	206,452	-3494%	8,849,686
Gifts	3,311,735	1,664,688	(1,647,047)	50%	2,582,025
Housestaff Revenues	37,301,878	25,057,463	(12,244,415)	67%	22,306,249
Other Revenues	19,282,945	10,616,442	(8,666,503)	55%	13,743,560
Total Clinical Operations Revenues	1,330,851,968	863,980,019	(466,871,949)	65%	829,244,513
Salaries and Benefits	712,983,314	467,302,534	(245,680,780)	66%	441,666,851
Interest Expense	3,834,245	2,562,091	(1,272,154)	67%	5,365,424
Housestaff Expenses	37,301,878	24,705,797	(12,596,081)	66%	22,709,425
Other Expenses	563,527,331	362,594,097	(200,933,234)	64%	350,713,047
Total Clinical Operations Expenses	1,317,646,768	857,164,519	(460,482,249)	65%	820,454,747
Net Clinical Operations Revenue/(Expense)	13,205,200	6,815,500	(6,389,700)		8,789,766
Contingencies					
Total Contingency Revenues	2,587,263	-	(2,587,263)	0%	-
Total Contingency Expenses	2,587,263	-	(2,587,263)	0%	-
Net Contingencies Revenue/(Expense)	-	-	-		-
<b>Net Current Revenue/(Expense)</b>	<b>14,301,399</b>	<b>14,538,540</b>	<b>237,141</b>		<b>17,602,089</b>

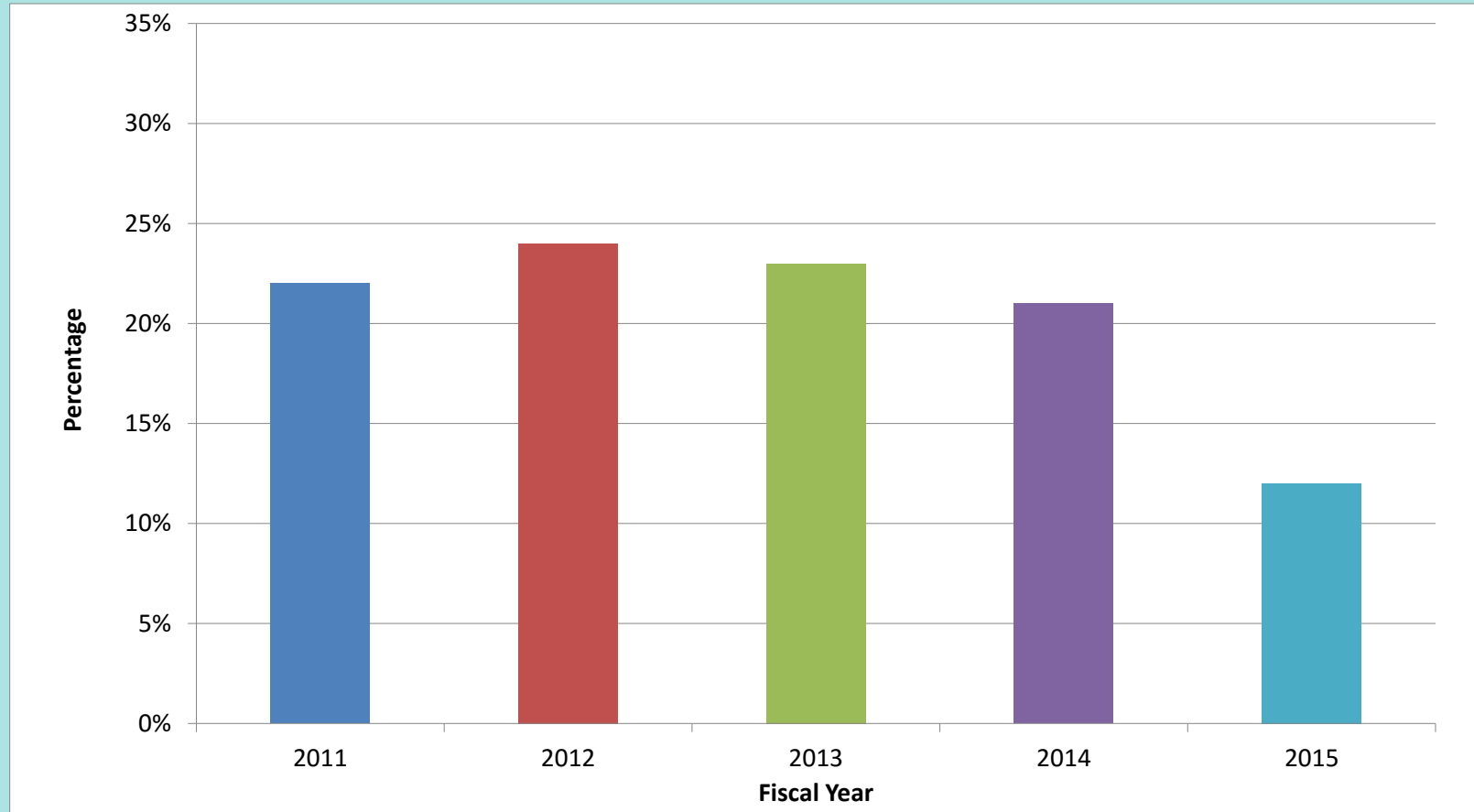
**Statements of Revenues, Expenses and Changes in Net Position Format for Regents**  
**For the eight month ended period February 29, 2016**  
**Preliminary and Unaudited**

**Detail of State/Local Appropriations**  
**Health Sciences Center - Total Operations Current Funds**

	<b>FY 2016 Full Year Re-Forecasted Budget</b>	<b>FY 2016 Year-to-Date Actual</b>	<b>Fiscal YTD Favrb/(Unfavrb) Budget</b>	<b>Actual to Budget Benchmark Rate 67%</b>
<b>Instruction and General</b>				
Instruction & General Appropriations	62,945,700	42,216,733	(20,728,967)	67%
Tobacco Settlement Appropriations				
Instruction & General	607,800	407,004	(200,796)	67%
Pediatric Specialty Education	261,400	173,354	(88,046)	66%
Trauma Specialty Education	261,400	173,354	(88,046)	66%
Total Tobacco Settlement Appropriations	1,130,600	753,712	(376,888)	67%
Total Instruction and General Appropriations	64,076,300	42,970,445	(21,105,855)	67%
<b>Research</b>				
State Special Project Appropriations				
Cancer Center	2,675,100	1,794,136	(880,964)	67%
Hepatitis C, Project ECHO	2,130,900	1,429,200	(701,700)	67%
Total State Special Project Appropriations	4,806,000	3,223,336	(1,582,664)	67%
Tobacco Settlement Appropriations				
Genomics, Biocomputing, Environmental Health	979,800	653,200	(326,600)	67%
Total Tobacco Settlement Appropriations	979,800	653,200	(326,600)	67%
Cigarette Tax Appropriations	3,899,221	2,721,186	(1,178,035)	70%
Total Research Appropriations	9,685,021	6,597,722	(3,087,299)	68%
<b>Public Service</b>				
State Special Project Appropriations				
Center for Native American Health	273,100	183,136	(89,964)	67%
Out of County Indigent	-	-	-	N/A
Total State Special Project Appropriations	273,100	183,136	(89,964)	67%
Total Public Service Appropriations	273,100	183,136	(89,964)	67%
<b>Clinical Operations</b>				
State Special Project Appropriations				
Newborn Intensive Care Unit	3,330,100	2,233,464	(1,096,636)	67%
Office of the Medical Investigator	4,995,100	3,350,200	(1,644,900)	67%
Pediatric Oncology	1,295,700	869,000	(426,700)	67%
Poison and Drug Info Center	1,545,400	1,036,464	(508,936)	67%
Native American Suicide Prevention	99,100	66,464	(32,636)	67%
Native American Suicide Prevention (from IEF Balances)	200,000	133,333	(66,667)	67%
3D Mammography	250,000	250,000	-	100%
GME Residencies	1,796,600	1,204,936	(591,664)	67%
UNM Hospitals	13,038,100	8,692,066	(4,346,034)	67%
Total State Special Project Appropriations	26,550,100	17,835,927	(8,714,173)	67%
Tobacco Settlement Appropriations				
Pediatric Oncology	261,400	174,264	(87,136)	67%
Poison and Drug Info Center	590,300	393,536	(196,764)	67%
Total Tobacco Settlement Appropriations	851,700	567,800	(283,900)	67%
Total Clinical Operations Appropriations	27,401,800	18,403,727	(8,998,073)	67%



## UNM HEALTH SYSTEM



**FY 2011**

**FY 2012**

**FY 2013**

**FY 2014**

**FY 2015**

**FY 2016  
Feb. 29th YTD**

22%

24%

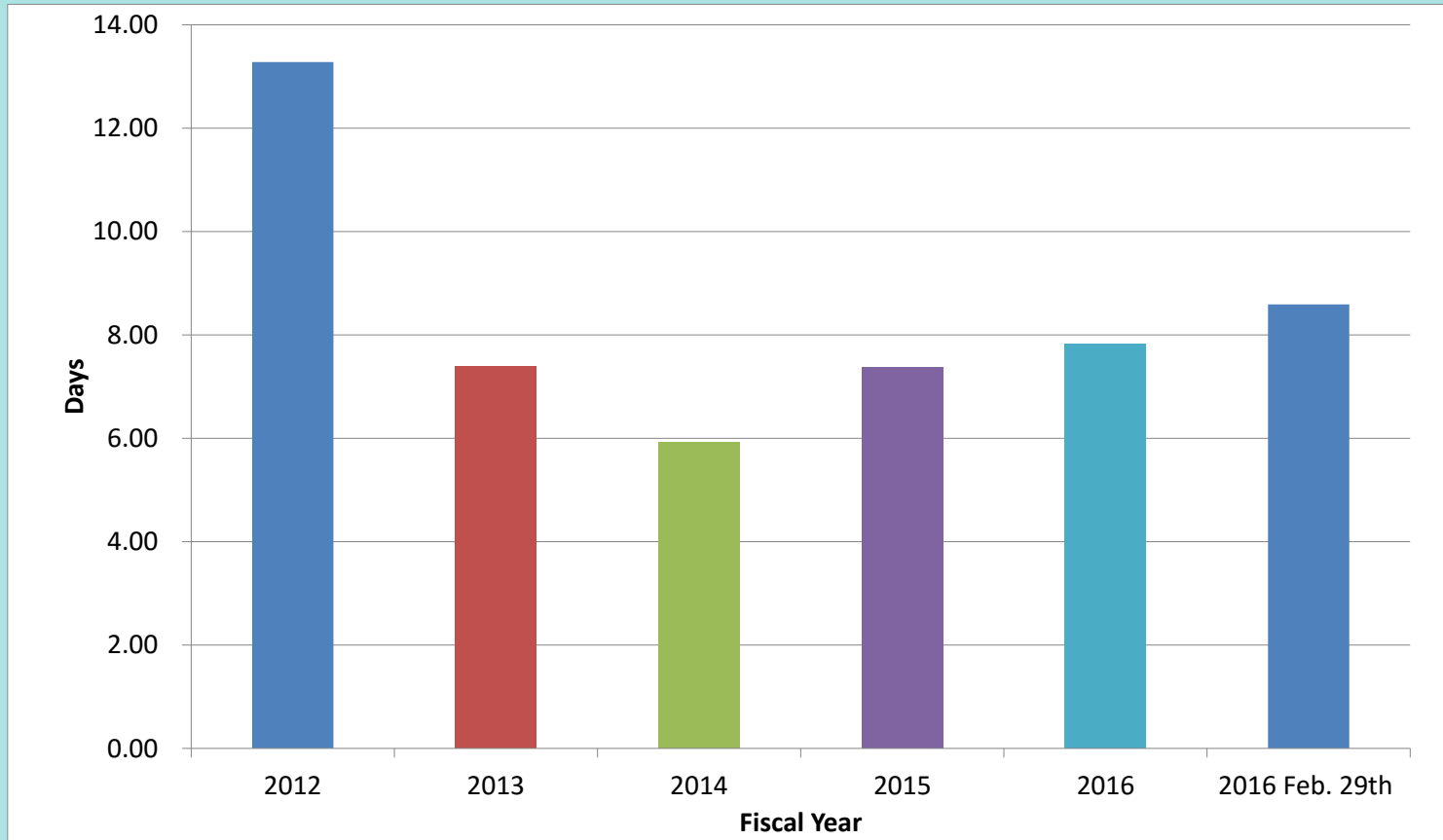
23%

21%

12%

7%

## UNIVERSITY HSC



FY 2012  
2nd Quarter

13.28

FY 2013  
2nd Quarter

7.39

FY 2014  
2nd Quarter

5.93

FY 2015  
2nd Quarter

7.37

FY 2016  
2nd Quarter

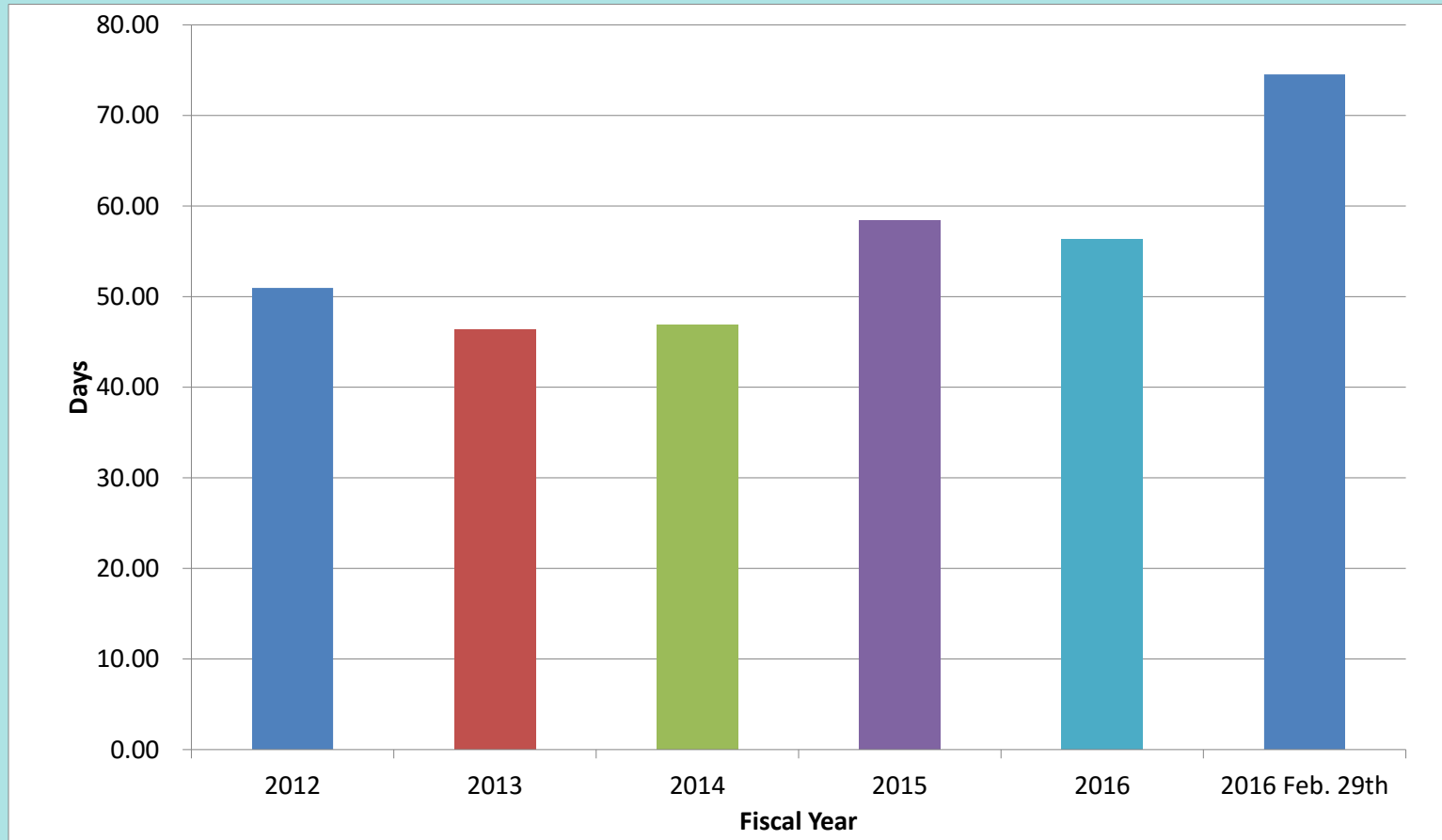
7.83

FY 2016  
Feb. 29th

8.59

Days of Expense in Discretionary Reserves - Benchmark - 10 Days

## UNM HOSPITALS



FY 2012  
2nd Quarter

FY 2013  
2nd Quarter

FY 2014  
2nd Quarter

FY 2015  
2nd Quarter

FY 2016  
2nd Quarter

FY 2016  
Feb. 29th

50.96

46.41

46.86

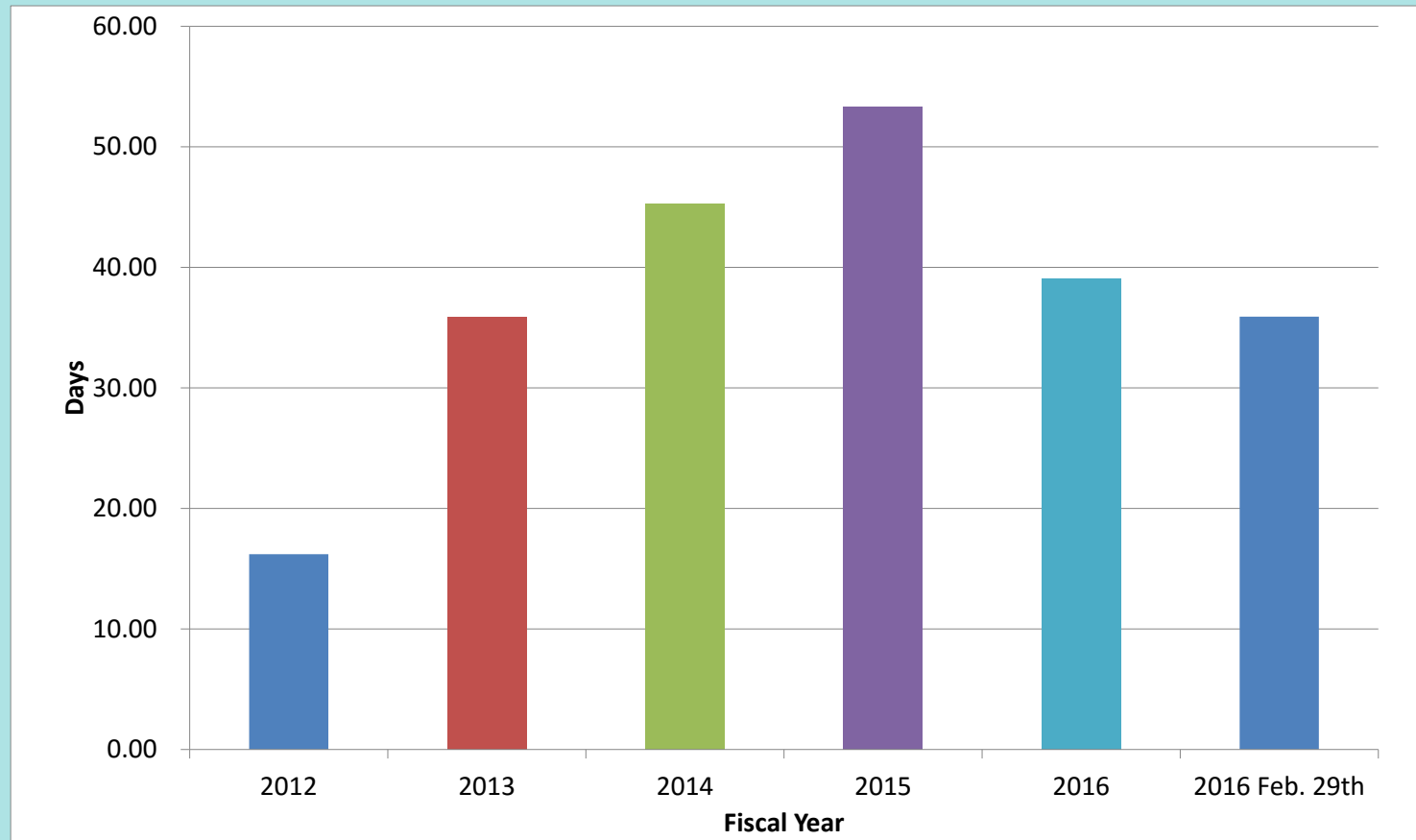
58.43

56.35

74.53

Per Fitch Ratings, "2014 Median Ratios for Nonprofit Hospitals and Healthcare Systems" report, the "AA" credit rating group has a benchmark of 289.4 days cash on hand.

## UNM MEDICAL GROUP



FY 2012  
2nd Quarter

16.20

FY 2013  
2nd Quarter

35.90

FY 2014  
2nd Quarter

45.30

FY 2015  
2nd Quarter

53.35

FY 2016  
2nd Quarter

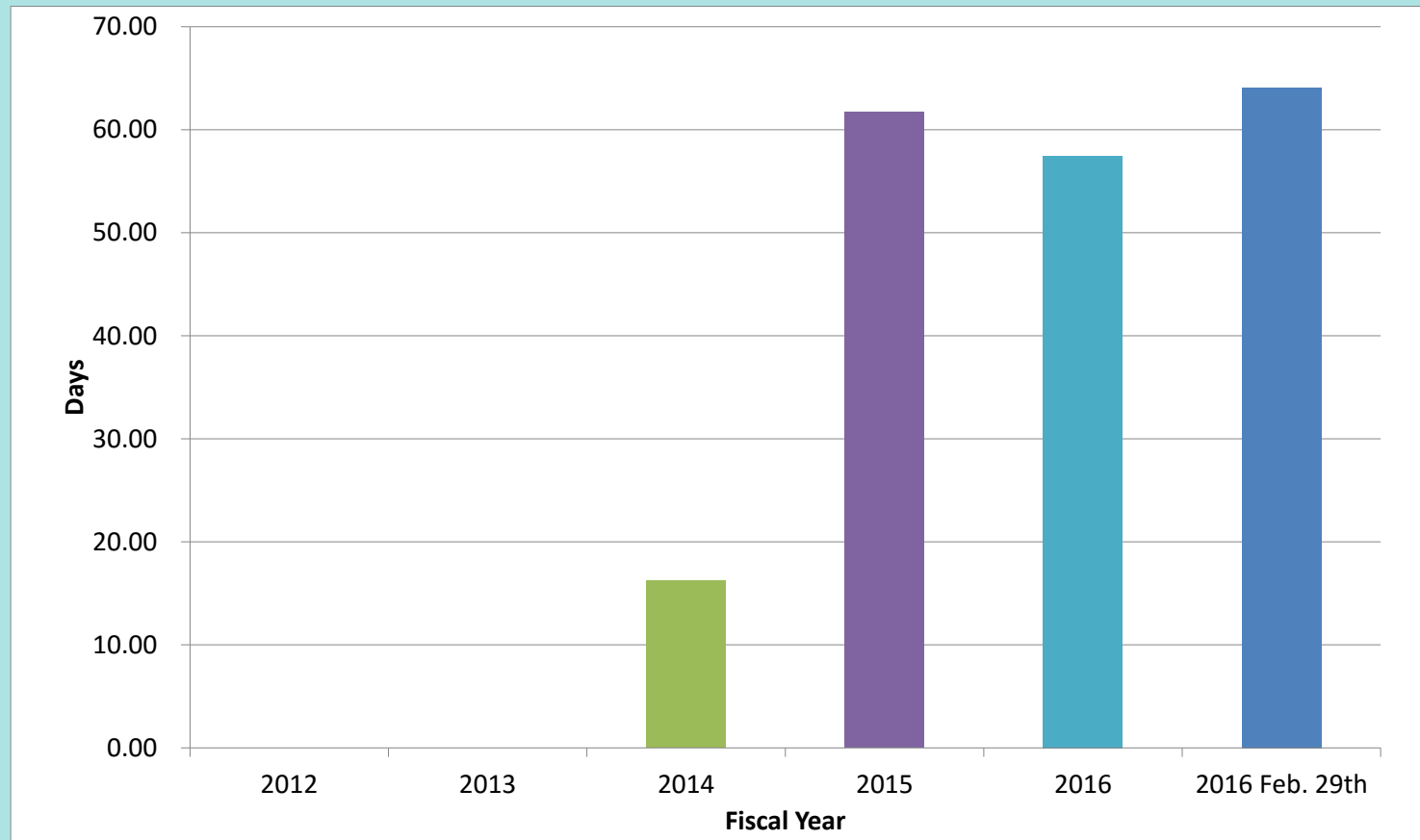
39.03

FY 2016  
Feb. 29th

35.91

Per Fitch Ratings, "2014 Median Ratios for Nonprofit Hospitals and Healthcare Systems" report, the "AA" credit rating group has a benchmark of 289.4 days cash on hand.

## SANDOVAL REGIONAL MEDICAL CENTER



FY 2012  
2nd Quarter

FY 2013  
2nd Quarter

FY 2014  
2nd Quarter

FY 2015  
2nd Quarter

FY 2016  
2nd Quarter

FY 2016  
Feb. 29th

N/A

N/A

16.25

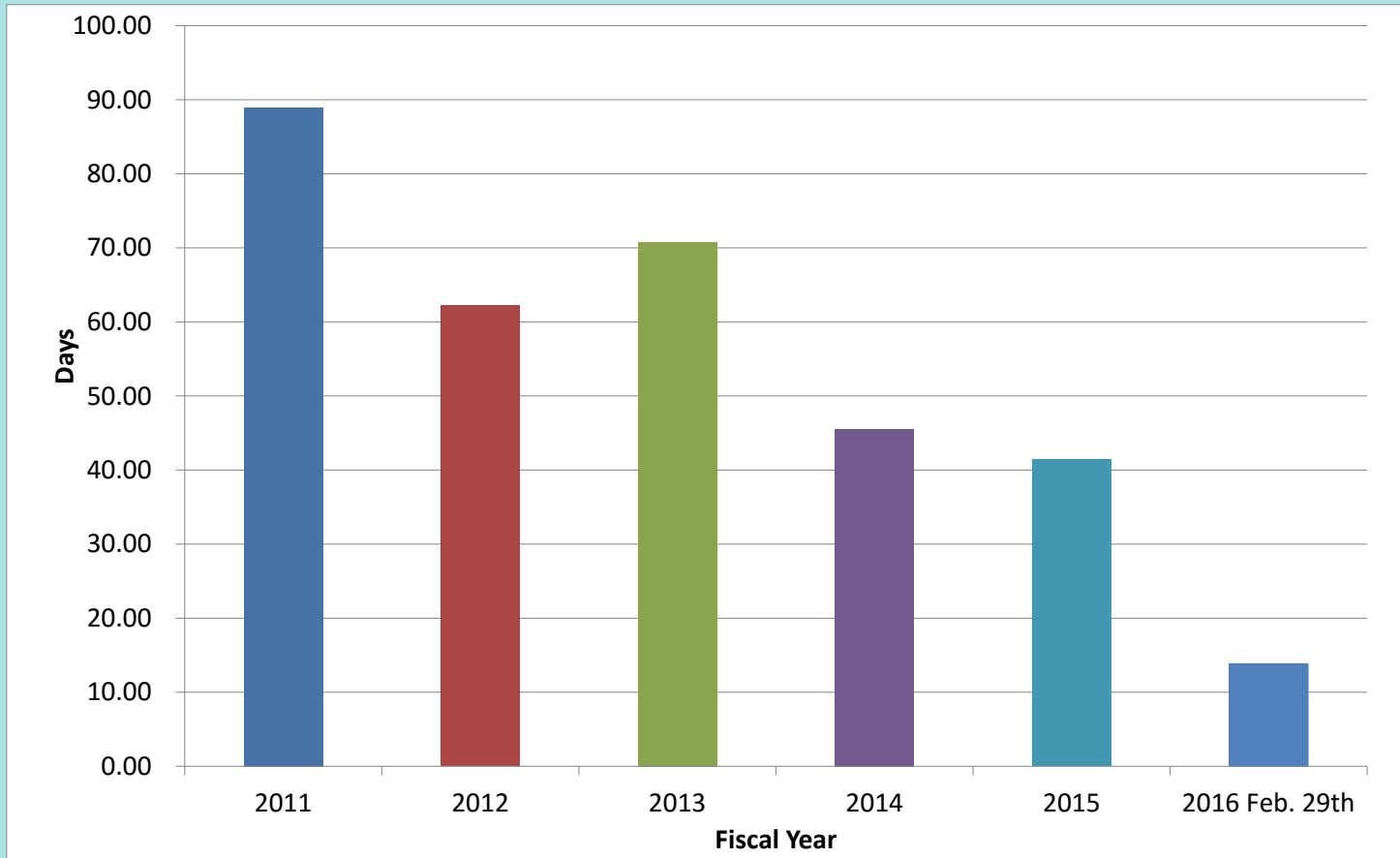
61.72

57.46

64.10

Per Fitch Ratings, "2014 Median Ratios for Nonprofit Hospitals and Healthcare Systems" report, the "AA" credit rating group has a benchmark of 289.4 days cash on hand.

## UNIVERSITY HSC



**FY 2011**

**FY 2012**

**FY 2013**

**FY 2014**

**FY 2015**

**FY 2016  
Feb. 29th**

88.93

62.23

70.81

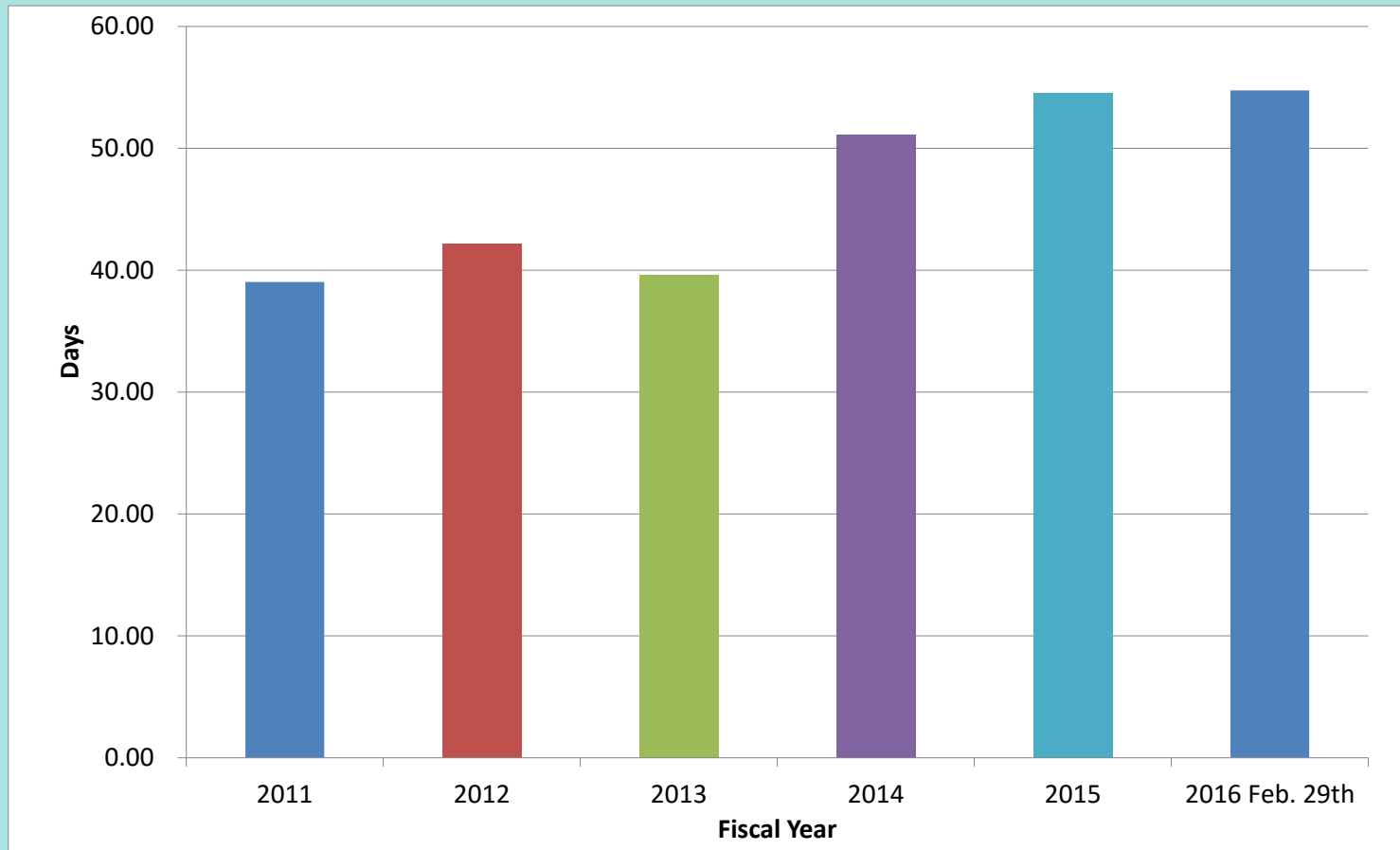
45.57

41.40

13.84



## UNM HOSPITALS



FY 2011

FY 2012

FY 2013

FY 2014

FY 2015

FY 2016  
Feb. 29th

39.03

42.14

39.58

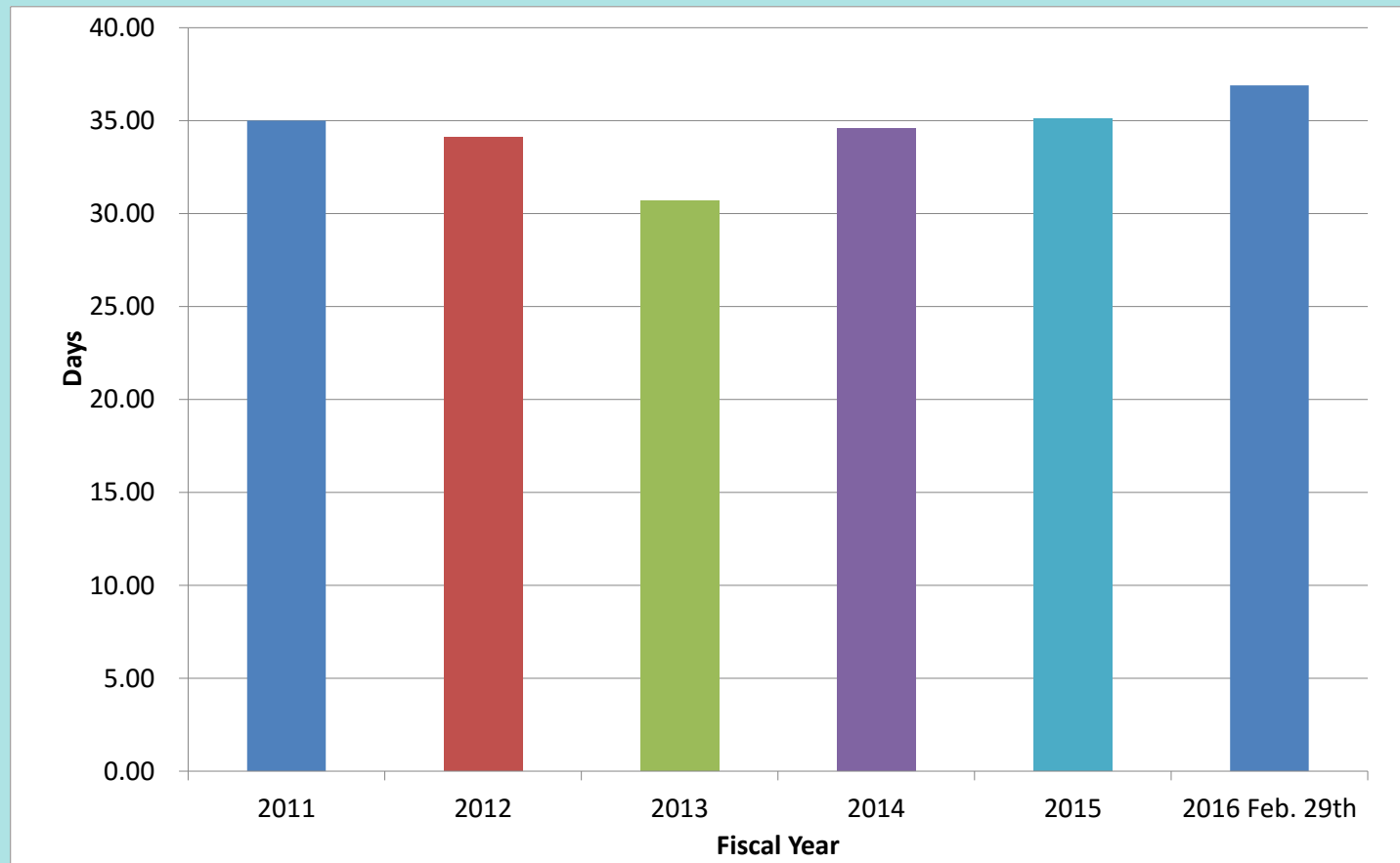
51.09

54.52

54.75

Per Fitch Ratings, "2014 Median Ratios for Nonprofit Hospitals and Healthcare Systems" report, the "AA" credit rating group has a benchmark of 47.4 days in accounts receivable

## UNM MEDICAL GROUP



FY 2011

FY 2012

FY 2013

FY 2014

FY 2015

FY 2016  
Feb. 29th

35.00

34.10

30.70

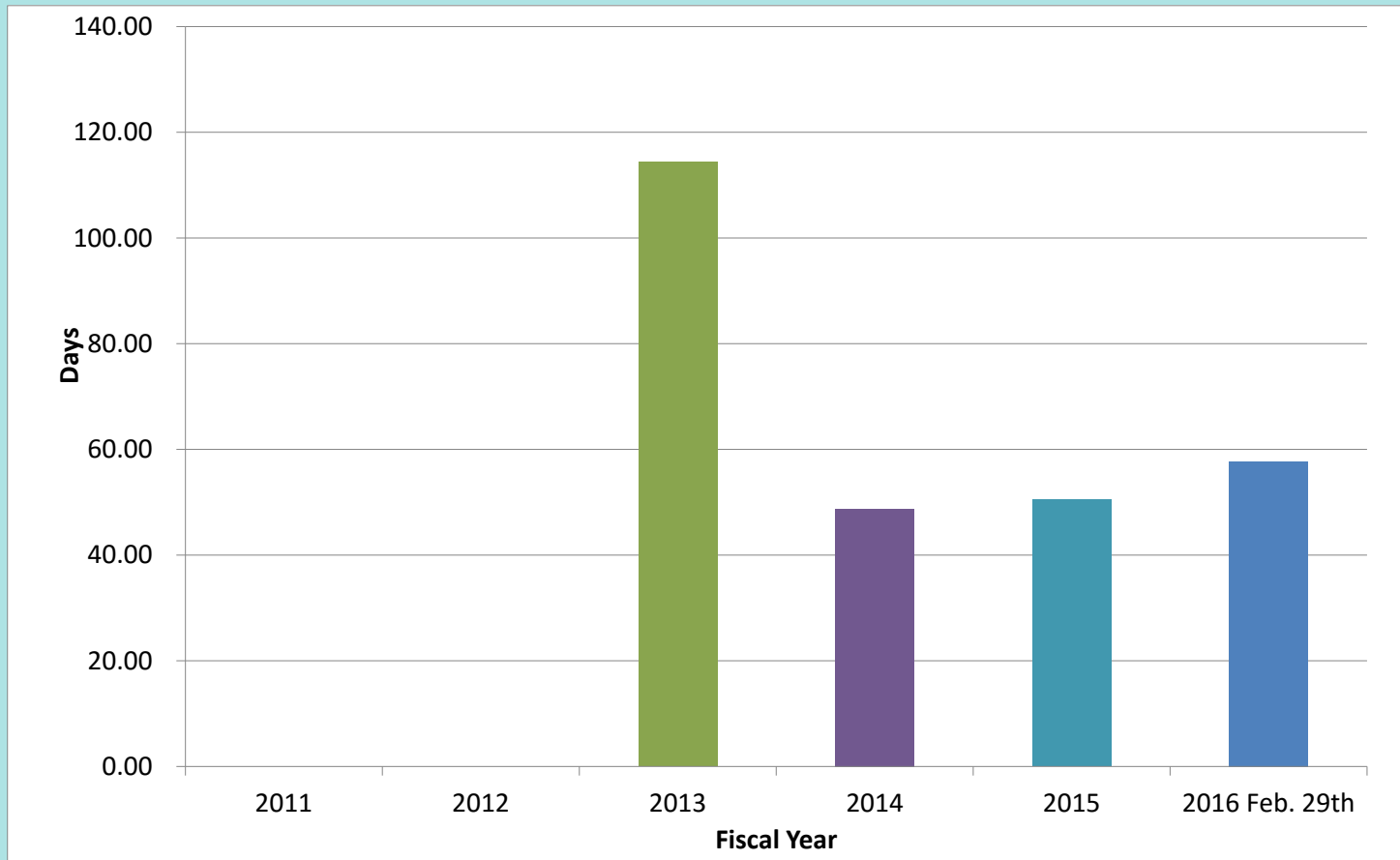
34.60

35.10

36.90

Per Fitch Ratings, "2014 Median Ratios for Nonprofit Hospitals and Healthcare Systems" report, the "AA" credit rating group has a benchmark of 47.4 days in accounts receivable

## SANDOVAL REGIONAL MEDICAL CENTER



FY 2011

FY 2012

FY 2013

FY 2014

FY 2015

FY 2016  
Feb. 29th

N/A

N/A

114.39

48.71

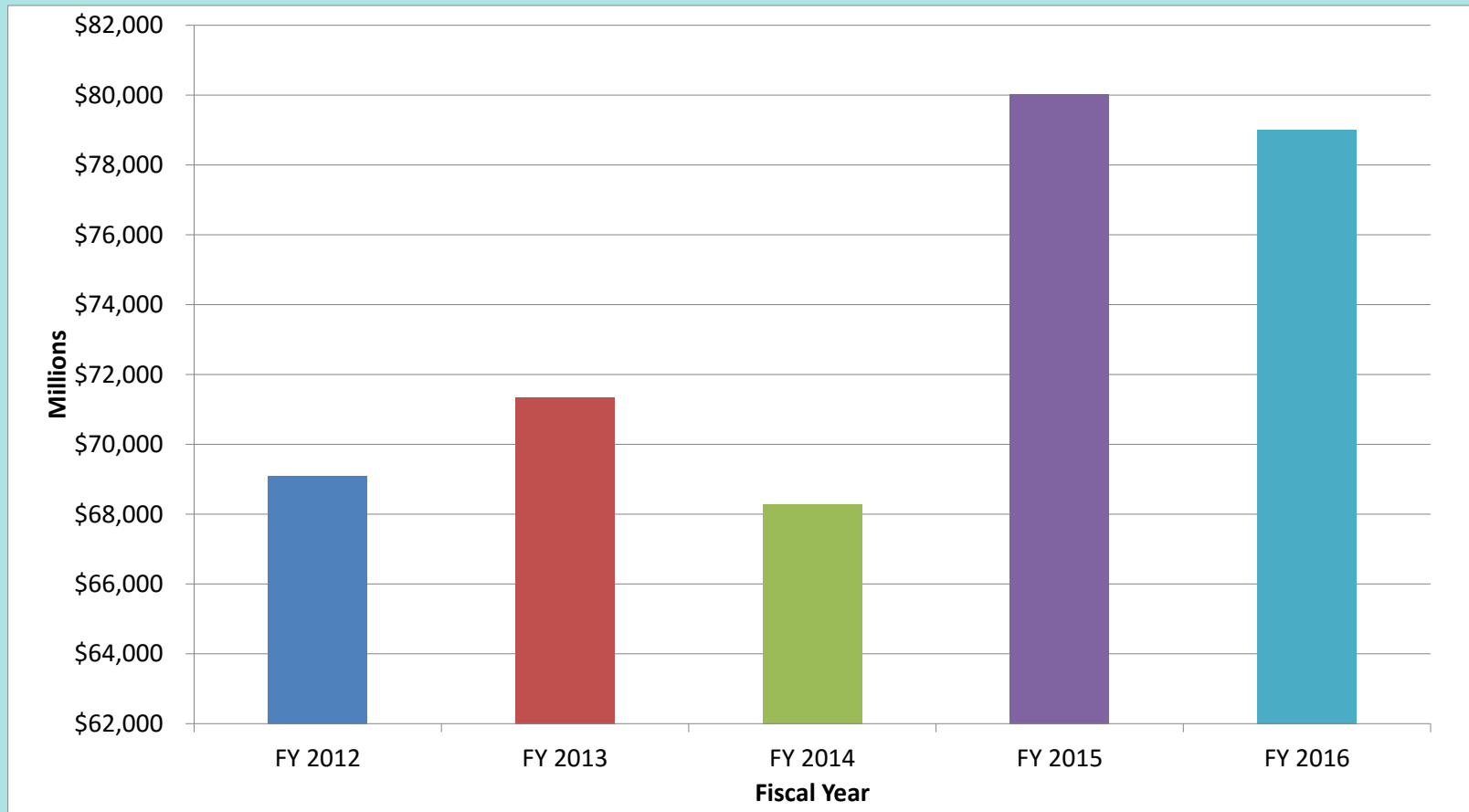
50.50

57.66

Per Fitch Ratings, "2014 Median Ratios for Nonprofit Hospitals and Healthcare Systems" report, the "AA" credit rating group has a benchmark of 47.4 days in accounts receivable

**UNM Health Sciences Center**  
**Metrics - Preliminary and Unaudited**  
**Awards**  
(Amounts are in thousands)

**UNIVERSITY HSC**



**FY 2012**  
**2nd Quarter**

\$69,091

**FY 2013**  
**2nd Quarter**

\$71,338

**FY 2014**  
**2nd Quarter**

\$68,286

**FY 2015**  
**2nd Quarter**

\$80,032

**FY 2016**  
**2nd Quarter**

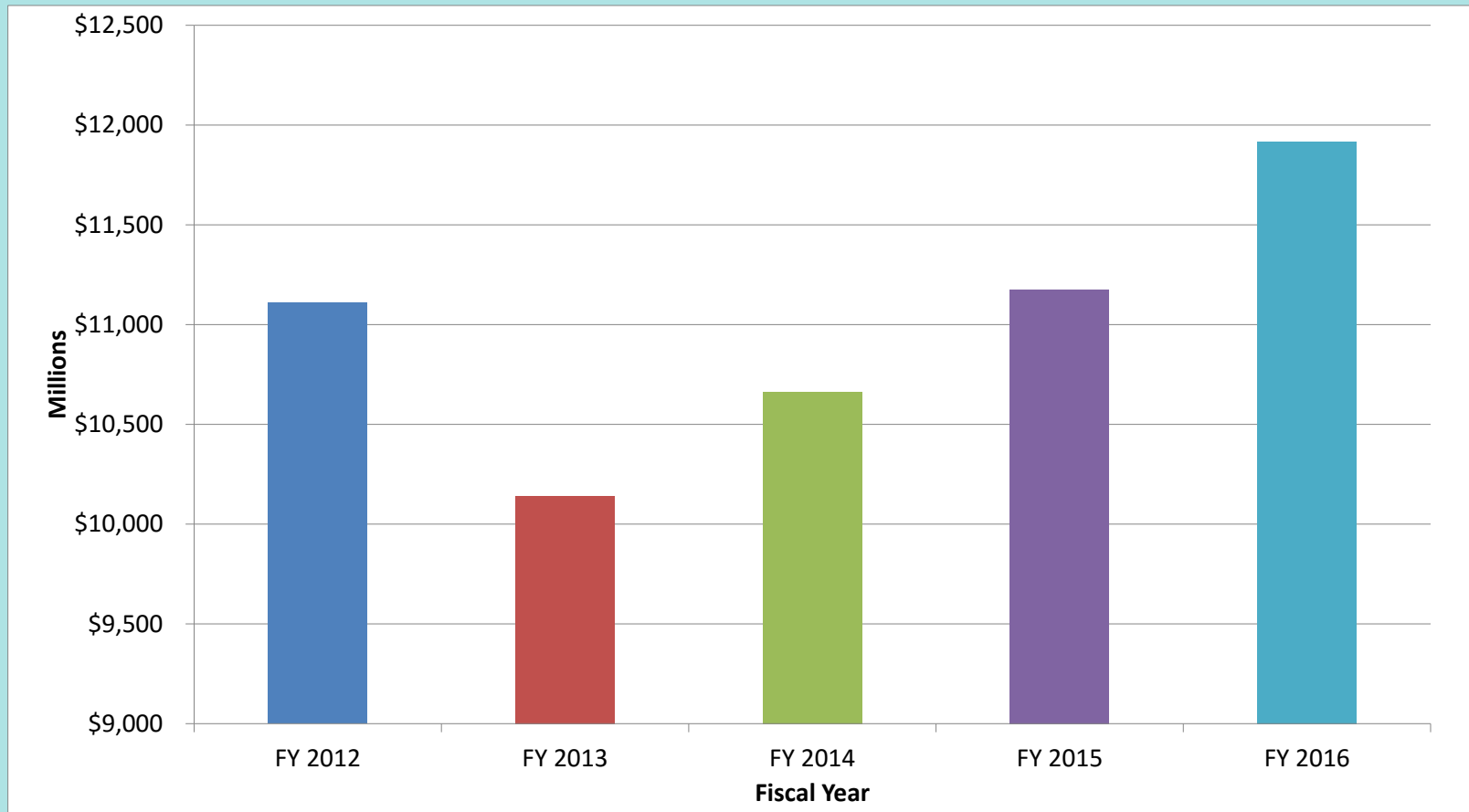
\$79,007

**FY 2016**  
**Feb. 29th YTD**

\$89,941

**UNM Health Sciences Center**  
**Metrics - Preliminary and Unaudited**  
**Earned F&A**  
(Amounts are in thousands)

**UNIVERSITY HSC**



**FY 2012**  
**2nd Quarter**

\$11,109

**FY 2013**  
**2nd Quarter**

\$10,142

**FY 2014**  
**2nd Quarter**

\$10,664

**FY 2015**  
**2nd Quarter**

\$11,175

**FY 2016**  
**2nd Quarter**

\$11,917

**FY 2016**  
**Feb. 29th YTD**

\$15,898



**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER - University HSC Only\***  
**2016 Fiscal Year-to-Date Summary through February 29, 2016 (Preliminary and Unaudited)**  
(In thousands)

\* UNIVERSITY HSC ONLY INCLUDES: SOM, CON, COP, HSLIC, ADMIN, RESEARCH

	University HSC FY 2016 Re-Forecasted Budget 2/29/2016	University HSC FY 2016 YTD 2/29/2016 Actual	University HSC FY 2015 Year End Actual	University HSC FY 2016 YTD Actual to FY 2016 Re-Forecasted Budget Benchmark Rate (67%)	University HSC FY 2016 YTD Actual to FY 2015 Year End Actual Benchmark Rate (67%)
1 UNM MEDICAL GROUP REVENUES	127,873	80,205	125,625	63%	64%
2 UNM HOSPITALS REVENUES	161,362	105,114	142,751	65%	74%
3 SRMC REVENUES	20,717	13,843	19,679	67%	70%
4 TUITION AND FEES	15,745	14,544	15,811	92%	92%
5 CIGARETTE TAX APPROPRIATIONS	3,899	2,721	3,824	70%	71%
6 RPSP APPROPRIATIONS	20,423	13,771	19,690	67%	70%
7 I&G APPROPRIATIONS	64,257	43,085	64,907	67%	66%
8 I&G MAIN CAMPUS TRANSFERS	19,388	12,586	19,900	65%	63%
9 F&A REVENUES (OH RETURN)	24,500	15,898	24,250	65%	66%
10 HSC/UNM INTERNAL TRANSFERS	(2,108)	(1,882)	(5,578)	89%	34%
11 MILL LEVY	0	0	0	N/A	N/A
12 OTHER REVENUES	31,028	21,559	32,502	69%	66%
13 CONTRACT AND GRANT REVENUES	144,100	94,569	142,683	66%	66%
<b>TOTAL REVENUES</b>	<b>631,183</b>	<b>416,013</b>	<b>606,044</b>	66%	69%
14 TOTAL COMPENSATION EXPENSES	398,778	257,889	368,308	65%	70%
15 SUPPLIES/MEDICAL SUPPLIES	14,084	8,092	13,441	57%	60%
16 UNIVERSITY CLINICIANS PROGRAM	0	0	0	N/A	N/A
17 HOUSESTAFF	0	0	0	N/A	N/A
18 TRAVEL	6,581	3,092	5,080	47%	61%
19 STUDENT COSTS	2,489	2,616	3,024	105%	87%
20 PATIENT CARE COSTS	1,542	486	1,282	32%	38%
21 TELEPHONE/COMMUNICATION COSTS	2,268	1,571	2,277	69%	69%
22 PURCHASED SERVICES	28,309	18,744	35,628	66%	53%
23 OTHER MEDICAL SERVICES	0	0	0	N/A	N/A
24 SUB AWARDS/SERVICE CONTRACTS	992	478	1,399	48%	34%
25 O&M & LEASES	5,472	3,958	7,208	72%	55%
26 UTILITIES	5,266	3,437	5,292	65%	65%
27 DEPRECIATION	0	0	0	N/A	N/A
28 INTEREST EXPENSE	2,399	1,599	2,284	67%	70%
29 OTHER EXPENSES	4,126	2,282	2,637	55%	87%
30 CONTRACT AND GRANT EXPENSES	135,307	88,710	133,967	66%	66%
<b>TOTAL EXPENSES</b>	<b>607,611</b>	<b>392,954</b>	<b>581,827</b>	65%	68%
<b>OPERATING NET MARGIN</b>	<b>23,572</b>	<b>23,059</b>	<b>24,217</b>		
<b>NON-RECURRING ITEMS</b>					
31 CAPITAL EXPENDITURES	2,345	1,227	1,620	52%	76%
32 MEANINGFUL USE REVENUE	0	0	0	N/A	N/A
33 RETURN ON INVESTMENT - TRIWEST	0	0	0	N/A	N/A
34 USE OF UNMMG RESERVES	0	0	0	N/A	N/A
35 RECRUITMENT/STARTUP/SCHOLARSHIPS	3,062	1,990	1,870	65%	106%
36 NON-RECURRING TRANSFERS	11,278	13,288	9,977	118%	133%
<b>TOTAL NON-RECURRING ITEMS</b>	<b>16,685</b>	<b>16,505</b>	<b>13,467</b>	99%	123%
<b>NET INCOME/(USE OF RESERVES)</b>	<b>6,887</b>	<b>6,554</b>	<b>10,750</b>		





**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER - UNM Hospitals Only**  
**2016 Fiscal Year-to-Date Summary through February 29, 2016 (Preliminary and Unaudited)**  
(In thousands)

Clinical Operations

	UNM Hospitals FY 2016 Re-Forecasted Budget 2/29/2016	UNM Hospitals FY 2016 YTD 2/29/2016 Actual	UNM Hospitals FY 2015 Year End Actual	UNM Hospitals FY 2016 YTD Actual to FY 2016 Re-Forecasted Budget Benchmark Rate (67%)	UNM Hospitals FY 2016 YTD Actual to FY 2015 Year End Actual Benchmark Rate (67%)
1 UNM MEDICAL GROUP REVENUES	0	0	0	N/A	N/A
2 UNM HOSPITALS REVENUES	870,849	567,911	911,756	65%	62%
3 SRMC REVENUES	0	0	0	N/A	N/A
4 TUITION AND FEES	0	0	0	N/A	N/A
5 CIGARETTE TAX APPROPRIATIONS	0	0	0	N/A	N/A
6 RPSP APPROPRIATIONS	13,038	8,692	13,117	67%	66%
7 I&G APPROPRIATIONS	0	0	0	N/A	N/A
8 I&G MAIN CAMPUS TRANSFERS	0	0	0	N/A	N/A
9 F&A REVENUES (OH RETURN)	0	0	0	N/A	N/A
10 HSC/UNM INTERNAL TRANSFERS	0	0	0	N/A	N/A
11 MILL LEVY	93,617	62,411	93,249	67%	67%
12 OTHER REVENUES	23,860	15,701	28,172	66%	56%
13 CONTRACT AND GRANT REVENUES	2,902	3,068	3,576	106%	86%
<b>TOTAL REVENUES</b>	<b>1,004,266</b>	<b>657,783</b>	<b>1,049,870</b>	65%	63%
14 TOTAL COMPENSATION EXPENSES	465,586	308,631	430,998	66%	72%
15 SUPPLIES/MEDICAL SUPPLIES	167,952	109,629	149,878	65%	73%
16 UNIVERSITY CLINICIANS PROGRAM	79,700	54,072	70,757	68%	76%
17 HOUSESTAFF	29,224	19,519	27,459	67%	71%
18 TRAVEL	703	450	652	64%	69%
19 STUDENT COSTS	0	0	0	N/A	N/A
20 PATIENT CARE COSTS	38,144	25,143	36,148	66%	70%
21 TELEPHONE/COMMUNICATION COSTS	3,911	2,596	3,768	66%	69%
22 PURCHASED SERVICES	55,235	31,219	48,939	57%	64%
23 OTHER MEDICAL SERVICES	47,931	27,084	36,867	57%	73%
24 SUB AWARDS/SERVICE CONTRACTS	10,605	6,848	9,927	65%	69%
25 O&M & LEASES	17,995	12,183	17,824	68%	68%
26 UTILITIES	7,775	5,102	6,670	66%	76%
27 DEPRECIATION	33,336	21,463	33,706	64%	64%
28 INTEREST EXPENSE	3,166	2,116	6,868	67%	31%
29 OTHER EXPENSES	35,095	23,744	33,997	68%	70%
30 CONTRACT AND GRANT EXPENSES	0	0	0	N/A	N/A
<b>TOTAL EXPENSES</b>	<b>996,358</b>	<b>649,799</b>	<b>914,458</b>	65%	71%
<b>OPERATING NET MARGIN</b>	<b>7,908</b>	<b>7,984</b>	<b>135,412</b>		
<b>NON-RECURRING ITEMS</b>					
31 CAPITAL EXPENDITURES	494	0	128,982	0%	0%
32 MEANINGFUL USE REVENUE	0	0	0	N/A	N/A
33 RETURN ON INVESTMENT - TRIWEST	0	0	(14,172)	N/A	0%
34 USE OF UNMMG RESERVES	0	0	0	N/A	N/A
35 RECRUITMENT/STARTUP/SCHOLARSHIPS	0	0	0	N/A	N/A
36 NON-RECURRING TRANSFERS	0	0	0	N/A	N/A
<b>TOTAL NON-RECURRING ITEMS</b>	<b>494</b>	<b>0</b>	<b>114,810</b>	0%	0%
<b>NET INCOME/(USE OF RESERVES)</b>	<b>7,414</b>	<b>7,984</b>	<b>20,602</b>		



**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER - UNMMG Only**  
**2016 Fiscal Year-to-Date Summary through February 29, 2016 (Preliminary and Unaudited)**  
(In thousands)

**Clinical Operations**

	<b>UNMMG FY 2016 Re-Forecasted Budget 2/29/2016</b>	<b>UNMMG FY 2016 YTD 2/29/2016 Actual</b>	<b>UNMMG FY 2015 Year End Actual</b>	<b>UNMMG FY 2016 YTD Actual to FY 2016 Re-Forecasted Budget Benchmark Rate (67%)</b>	<b>UNMMG FY 2016 YTD Actual to FY 2015 Year End Actual Benchmark Rate (67%)</b>
1 UNM MEDICAL GROUP REVENUES	199,794	125,932	189,966	63%	66%
2 UNM HOSPITALS REVENUES	0	0	0	N/A	N/A
3 SRMC REVENUES	0	0	0	N/A	N/A
4 TUITION AND FEES	0	0	0	N/A	N/A
5 CIGARETTE TAX APPROPRIATIONS	0	0	0	N/A	N/A
6 RPSP APPROPRIATIONS	1,257	843	813	67%	104%
7 I&G APPROPRIATIONS	0	0	0	N/A	N/A
8 I&G MAIN CAMPUS TRANSFERS	0	0	0	N/A	N/A
9 F&A REVENUES (OH RETURN)	0	0	0	N/A	N/A
10 HSC/UNM INTERNAL TRANSFERS	0	0	0	N/A	N/A
11 MILL LEVY	0	0	0	N/A	N/A
12 OTHER REVENUES	9,627	7,099	10,513	74%	68%
13 CONTRACT AND GRANT REVENUES	0	0	0	N/A	N/A
<b>TOTAL REVENUES</b>	<b>210,678</b>	<b>133,874</b>	<b>201,292</b>	64%	67%
14 TOTAL COMPENSATION EXPENSES	20,392	12,309	17,473	60%	70%
15 SUPPLIES/MEDICAL SUPPLIES	0	0	0	N/A	N/A
16 UNIVERSITY CLINICIANS PROGRAM	0	0	0	N/A	N/A
17 HOUSESTAFF	0	0	0	N/A	N/A
18 TRAVEL	0	0	0	N/A	N/A
19 STUDENT COSTS	0	0	0	N/A	N/A
20 PATIENT CARE COSTS	30,497	18,031	24,266	59%	74%
21 TELEPHONE/COMMUNICATION COSTS	0	0	0	N/A	N/A
22 PURCHASED SERVICES	148,240	97,228	144,340	66%	67%
23 OTHER MEDICAL SERVICES	0	0	0	N/A	N/A
24 SUB AWARDS/SERVICE CONTRACTS	0	0	0	N/A	N/A
25 O&M & LEASES	544	354	485	65%	73%
26 UTILITIES	0	0	0	N/A	N/A
27 DEPRECIATION	390	318	419	81%	76%
28 INTEREST EXPENSE	0	0	0	N/A	N/A
29 OTHER EXPENSES	7,323	3,765	6,426	51%	59%
30 CONTRACT AND GRANT EXPENSES	0	0	0	N/A	N/A
<b>TOTAL EXPENSES</b>	<b>207,386</b>	<b>132,005</b>	<b>193,409</b>	64%	68%
<b>OPERATING NET MARGIN</b>	<b>3,291</b>	<b>1,869</b>	<b>7,883</b>		
<b>NON-RECURRING ITEMS</b>					
31 CAPITAL EXPENDITURES	0	0	0	N/A	N/A
32 MEANINGFUL USE REVENUE	(100)	0	(55)	0%	0%
33 RETURN ON INVESTMENT - TRIWEST	0	0	0	N/A	N/A
34 USE OF UNMMG RESERVES	2,500	1,086	6,829	43%	16%
35 RECRUITMENT/STARTUP/SCHOLARSHIPS	0	0	0	N/A	N/A
36 NON-RECURRING TRANSFERS	0	0	0	N/A	N/A
<b>TOTAL NON-RECURRING ITEMS</b>	<b>2,400</b>	<b>1,086</b>	<b>6,774</b>	45%	16%
<b>NET INCOME/(USE OF RESERVES)</b>	<b>891</b>	<b>783</b>	<b>1,109</b>		



**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER - SRMC Only**  
**2016 Fiscal Year-to-Date Summary through February 29, 2016 (Preliminary and Unaudited)**  
(In thousands)

Clinical Operations

	SRMC FY 2016 Re-Forecasted Budget 2/29/2016	SRMC FY 2016 YTD 2/29/2016 Actual	SRMC FY 2015 Year End Actual	SRMC FY 2016 YTD Actual to FY 2016 Re-Forecasted Budget Benchmark Rate (67%)	SRMC FY 2016 YTD Actual to FY 2015 Year End Actual Benchmark Rate (67%)
1 UNM MEDICAL GROUP REVENUES	0	0	0	N/A	N/A
2 UNM HOSPITALS REVENUES	0	0	0	N/A	N/A
3 SRMC REVENUES	76,236	49,679	74,755	65%	66%
4 TUITION AND FEES	0	0	0	N/A	N/A
5 CIGARETTE TAX APPROPRIATIONS	0	0	0	N/A	N/A
6 RPSP APPROPRIATIONS	0	0	0	N/A	N/A
7 I&G APPROPRIATIONS	0	0	0	N/A	N/A
8 I&G MAIN CAMPUS TRANSFERS	0	0	0	N/A	N/A
9 F&A REVENUES (OH RETURN)	0	0	0	N/A	N/A
10 HSC/UNM INTERNAL TRANSFERS	0	0	0	N/A	N/A
11 MILL LEVY	6,117	4,078	6,081	67%	67%
12 OTHER REVENUES	510	342	468	67%	73%
13 CONTRACT AND GRANT REVENUES	0	0	59	N/A	0%
<b>TOTAL REVENUES</b>	<b>82,863</b>	<b>54,099</b>	<b>81,363</b>	65%	66%
14 TOTAL COMPENSATION EXPENSES	38,619	25,538	34,376	66%	74%
15 SUPPLIES/MEDICAL SUPPLIES	17,776	10,710	15,098	60%	71%
16 UNIVERSITY CLINICIANS PROGRAM	0	0	324	N/A	0%
17 HOUSESTAFF	238	160	246	67%	65%
18 TRAVEL	44	25	33	57%	76%
19 STUDENT COSTS	0	0	0	N/A	N/A
20 PATIENT CARE COSTS	4,474	3,423	4,342	77%	79%
21 TELEPHONE/COMMUNICATION COSTS	122	80	94	66%	85%
22 PURCHASED SERVICES	3,120	1,927	3,718	62%	52%
23 OTHER MEDICAL SERVICES	857	585	864	68%	68%
24 SUB AWARDS/SERVICE CONTRACTS	1,622	1,080	1,581	67%	68%
25 O&M & LEASES	894	606	935	68%	65%
26 UTILITIES	731	399	830	55%	48%
27 DEPRECIATION	8,264	5,670	9,621	69%	59%
28 INTEREST EXPENSE	3,605	2,610	4,013	72%	65%
29 OTHER EXPENSES	2,489	1,651	2,627	66%	63%
30 CONTRACT AND GRANT EXPENSES	0	0	0	N/A	N/A
<b>TOTAL EXPENSES</b>	<b>82,854</b>	<b>54,464</b>	<b>78,702</b>	66%	69%
<b>OPERATING NET MARGIN</b>	<b>8</b>	<b>(365)</b>	<b>2,661</b>		
<b>NON-RECURRING ITEMS</b>					
31 CAPITAL EXPENDITURES	0	0	0	N/A	N/A
32 MEANINGFUL USE REVENUE	0	0	0	N/A	N/A
33 RETURN ON INVESTMENT - TRIWEST	0	0	0	N/A	N/A
34 USE OF UNMMG RESERVES	0	0	0	N/A	N/A
35 RECRUITMENT/STARTUP/SCHOLARSHIPS	0	0	0	N/A	N/A
36 NON-RECURRING TRANSFERS	0	0	0	N/A	N/A
<b>TOTAL NON-RECURRING ITEMS</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	N/A
<b>NET INCOME/(USE OF RESERVES)</b>	<b>8</b>	<b>(365)</b>	<b>2,661</b>		



**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER - Consolidated HSC**  
**2016 Fiscal Year-to-Date Summary through February 29, 2016 (Preliminary and Unaudited)**

(In thousands)

\* INCLUDES INTERCOMPANY ELIMINATIONS

**Clinical and Academic Operations**

	<b>Consolidated HSC FY 2016 Re-Forecasted Budget 2/29/2016</b>	<b>Consolidated HSC FY 2016 YTD 2/29/2016 Actual</b>	<b>Consolidated HSC FY 2015 Year End Actual</b>	<b>Consolidated HSC FY 2016 YTD Actual to FY 2016 Re-Forecasted Budget Benchmark Rate (67%)</b>	<b>Consolidated HSC FY 2016 YTD Actual to FY 2015 Year End Actual Benchmark Rate (67%)</b>
1 UNM MEDICAL GROUP REVENUES *	199,794	125,932	189,966	63%	66%
2 UNM HOSPITALS REVENUES *	882,119	569,403	914,420	65%	62%
3 SRMC REVENUES *	76,236	49,679	74,755	65%	66%
4 TUITION AND FEES	15,745	14,544	15,811	92%	92%
5 CIGARETTE TAX APPROPRIATIONS	3,899	2,721	3,824	70%	71%
6 RPSP APPROPRIATIONS	34,718	23,306	33,620	67%	69%
7 I&G APPROPRIATIONS	64,257	43,085	64,907	67%	66%
8 I&G MAIN CAMPUS TRANSFERS	19,388	12,586	19,900	65%	63%
9 F&A REVENUES (OH RETURN)	24,500	15,898	24,250	65%	66%
10 HSC/UNM INTERNAL TRANSFERS	(2,108)	(1,882)	(5,578)	89%	34%
11 MILL LEVY	99,734	66,489	99,330	67%	67%
12 OTHER REVENUES *	45,047	35,327	54,801	78%	64%
13 CONTRACT AND GRANT REVENUES	147,002	97,637	146,318	66%	67%
<b>TOTAL REVENUES</b>	<b>1,610,329</b>	<b>1,054,725</b>	<b>1,636,324</b>	65%	64%
14 TOTAL COMPENSATION EXPENSES *	624,834	410,731	567,656	66%	72%
15 SUPPLIES/MEDICAL SUPPLIES	199,812	128,431	178,187	64%	72%
16 UNIVERSITY CLINICIANS PROGRAM	79,700	54,072	71,081	68%	76%
17 HOUSESTAFF	29,462	19,679	27,705	67%	71%
18 TRAVEL	7,328	3,567	5,765	49%	62%
19 STUDENT COSTS	2,489	2,616	3,024	105%	87%
20 PATIENT CARE COSTS	74,657	47,083	66,038	63%	71%
21 TELEPHONE/COMMUNICATION COSTS	6,301	4,247	6,139	67%	69%
22 PURCHASED SERVICES *	214,783	135,710	213,964	63%	63%
23 OTHER MEDICAL SERVICES	48,789	27,669	37,731	57%	73%
24 SUB AWARDS/SERVICE CONTRACTS	13,218	8,406	12,907	64%	65%
25 O&M & LEASES	24,905	17,101	26,598	69%	64%
26 UTILITIES	13,772	8,938	12,792	65%	70%
27 DEPRECIATION	41,990	27,451	43,746	65%	63%
28 INTEREST EXPENSE	9,169	6,325	13,165	69%	48%
29 OTHER EXPENSES	49,032	31,442	45,686	64%	69%
30 CONTRACT AND GRANT EXPENSES	135,307	88,710	133,967	66%	66%
<b>TOTAL EXPENSES</b>	<b>1,575,550</b>	<b>1,022,178</b>	<b>1,466,151</b>	65%	70%
<b>OPERATING NET MARGIN</b>	<b>34,779</b>	<b>32,547</b>	<b>170,173</b>		
<b>NON-RECURRING ITEMS</b>					
31 CAPITAL EXPENDITURES	2,840	1,227	130,602	43%	1%
32 MEANINGFUL USE REVENUE	(100)	0	(55)	0%	0%
33 RETURN ON INVESTMENT - TRIWEST	0	0	(14,172)	N/A	0%
34 USE OF UNMMG RESERVES	2,500	1,086	6,829	43%	16%
35 RECRUITMENT/STARTUP/SCHOLARSHIPS	3,062	1,990	1,870	65%	106%
36 NON-RECURRING TRANSFERS	11,278	13,288	9,977	118%	133%
<b>TOTAL NON-RECURRING ITEMS</b>	<b>19,579</b>	<b>17,591</b>	<b>135,051</b>	90%	13%
<b>NET INCOME/(USE OF RESERVES)</b>	<b>15,200</b>	<b>14,956</b>	<b>35,122</b>		



**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER - Consolidated HSC**  
**2016 Fiscal Year-to-Date Summary through February 29, 2016 (Preliminary and Unaudited)**

**(In thousands)**

**DOES NOT INCLUDE INTERCOMPANY ELIMINATIONS**

**Clinical and Academic Operations**

	<b>Consolidated HSC FY 2016 Re-Forecasted Budget 2/29/2016</b>	<b>Consolidated HSC FY 2016 YTD 2/29/2016 Actual</b>	<b>Consolidated HSC FY 2015 Year End Actual</b>	<b>Consolidated HSC FY 2016 YTD Actual to FY 2016 Re-Forecasted Budget Benchmark Rate (67%)</b>	<b>Consolidated HSC FY 2016 YTD Actual to FY 2015 Year End Actual Benchmark Rate (67%)</b>
1 UNM MEDICAL GROUP REVENUES	327,667	206,137	315,591	63%	65%
2 UNM HOSPITALS REVENUES	1,032,211	673,025	1,054,507	65%	64%
3 SRMC REVENUES	96,953	63,522	94,434	66%	67%
4 TUITION AND FEES	15,745	14,544	15,811	92%	92%
5 CIGARETTE TAX APPROPRIATIONS	3,899	2,721	3,824	70%	71%
6 RSPS APPROPRIATIONS	34,718	23,306	33,620	67%	69%
7 I&G APPROPRIATIONS	64,257	43,085	64,907	67%	66%
8 I&G MAIN CAMPUS TRANSFERS	19,388	12,586	19,900	65%	63%
9 F&A REVENUES (OH RETURN)	24,500	15,898	24,250	65%	66%
10 HSC/UNM INTERNAL TRANSFERS	(2,108)	(1,882)	(5,578)	89%	34%
11 MILL LEVY	99,734	66,489	99,330	67%	67%
12 OTHER REVENUES	65,025	44,701	71,655	69%	62%
13 CONTRACT AND GRANT REVENUES	147,002	97,637	146,318	66%	67%
<b>TOTAL REVENUES</b>	<b>1,928,989</b>	<b>1,261,769</b>	<b>1,938,569</b>	65%	65%
14 TOTAL COMPENSATION EXPENSES	923,374	604,367	851,155	65%	71%
15 SUPPLIES/MEDICAL SUPPLIES	199,812	128,431	178,417	64%	72%
16 UNIVERSITY CLINICIANS PROGRAM	79,700	54,072	71,081	68%	76%
17 HOUSESTAFF	29,462	19,679	27,705	67%	71%
18 TRAVEL	7,328	3,567	5,765	49%	62%
19 STUDENT COSTS	2,489	2,616	3,024	105%	87%
20 PATIENT CARE COSTS	74,657	47,083	66,038	63%	71%
21 TELEPHONE/COMMUNICATION COSTS	6,301	4,247	6,139	67%	69%
22 PURCHASED SERVICES	234,903	149,118	232,625	63%	64%
23 OTHER MEDICAL SERVICES	48,789	27,669	37,731	57%	73%
24 SUB AWARDS/SERVICE CONTRACTS	13,218	8,406	12,907	64%	65%
25 O&M & LEASES	24,905	17,101	26,452	69%	65%
26 UTILITIES	13,772	8,938	12,792	65%	70%
27 DEPRECIATION	41,990	27,451	43,746	65%	63%
28 INTEREST EXPENSE	9,169	6,325	13,165	69%	48%
29 OTHER EXPENSES	49,032	31,442	45,687	64%	69%
30 CONTRACT AND GRANT EXPENSES	135,307	88,710	133,967	66%	66%
<b>TOTAL EXPENSES</b>	<b>1,894,210</b>	<b>1,229,222</b>	<b>1,768,396</b>	65%	70%
<b>OPERATING NET MARGIN</b>	<b>34,779</b>	<b>32,547</b>	<b>170,173</b>		
<b>NON-RECURRING ITEMS</b>					
31 CAPITAL EXPENDITURES	2,840	1,227	130,602	43%	1%
32 MEANINGFUL USE REVENUE	(100)	0	(55)	0%	0%
33 RETURN ON INVESTMENT - TRIWEST	0	0	(14,172)	N/A	0%
34 USE OF UNMMG RESERVES	2,500	1,086	6,829	43%	16%
35 RECRUITMENT/STARTUP/SCHOLARSHIPS	3,062	1,990	1,870	65%	106%
36 NON-RECURRING TRANSFERS	11,278	13,288	9,977	118%	133%
<b>TOTAL NON-RECURRING ITEMS</b>	<b>19,579</b>	<b>17,591</b>	<b>135,051</b>	90%	13%
<b>NET INCOME/(USE OF RESERVES)</b>	<b>15,200</b>	<b>14,956</b>	<b>35,122</b>		

## GLOSSARY OF REPORT CATEGORIES

FINANCIAL STATEMENT CATEGORY		UNM	UNMMG	UNM Hospitals	SRMC
1	UNM MEDICAL GROUP REVENUES	Clinical revenue primarily based on Physician or Provider efforts and collection through UNMMG	Net patient services revenue including SCI & UPL from UNMMG Clinical operations	N/A	N/A
2	UNM HOSPITALS REVENUES	Revenue from University Hospital to the School of Medicine	N/A	Hospital facility revenue based on patient billings by UNMH	N/A
3	SRMC REVENUES	Revenue from SRMC to the School of Medicine	N/A	N/A	Hospital facility revenue based on patient billings by SRMC
4	TUITION AND FEES	Tuition & Fees, including tuition differentials	N/A	N/A	N/A
5	CIGARETTE TAX APPROPRIATIONS	Revenues received from the State as a calculated portion of Tax Revenue on the sale of tobacco products for use in Cancer Research	N/A	N/A	N/A
6	RPSP APPROPRIATIONS	Revenue received for current operations made available to UNM by act of NM State Legislature on an annual basis for Research, Public Service and Independent Operations	N/A	Revenue received for current operations made available to UNMH by act of NM State Legislature on an annual basis for Research, Public Service and Independent Operations	N/A
7	I&G APPROPRIATIONS	Revenue received for current operations made available to UNM by act of NM State Legislature on an annual basis for I&G operations	N/A	N/A	N/A
8	I&G MAIN CAMPUS TRANSFERS	Partial transfer of tuition and formula workload generated by Nursing, Pharmacy and SOM	N/A	N/A	N/A
9	F & A REVENUES (OH RETURN)	Revenue from recovery of indirect costs (F&A) incurred by a Contract or Grant also known as overhead return	N/A	N/A	N/A
10	HSC/UNM INTERNAL TRANSFERS	All transfers to/from HSC Unrestricted Funds excluding the I&G Main Campus Transfer and Transfers for Debt Service	N/A	N/A	N/A
11	MILL LEVY	N/A	N/A	Mil levy taxes collected on behalf of the Bernalillo County Treasurer and remitted to UNMH as required by the Hospital Funding Act.	Mil levy taxes collected on behalf of the Sandoval County Treasurer and remitted to SRMC as required by the Hospital Funding Act.
12	OTHER REVENUES	All other Revenues - not contained in any other category - Sales & Services (not Internal Service Center P18 sales), Gains on Sponsored Projects, Gifts, Endowment Spending Distributions, Investment Income, etc.	Other operating revenues and revenue received from UNM Hospitals to cover SRMC physician costs.	All other revenues not contained in any other category: Investment income, equity loss in Tricare, donated revenue, gain/loss on sale of assets, food, nutrition, catering & vending revenue, medical records revenue, rent revenue, all other non-operating revenue	All other revenues not contained in any other category: Investment income, donated revenue, gain/loss on sale of assets, food, nutrition, catering & vending revenue, medical records revenue, rent revenue, all other non-operating revenue
13	CONTRACT AND GRANT REVENUES	All Restricted Funds Revenue and Unrestricted Contract Revenue for example VA contracts	N/A	Revenue associated with restricted and unrestricted contracts and grants	N/A
14	TOTAL COMPENSATION EXPENSES	Salary, wages & benefits	Salaries and benefits considered to be operating and certain clinical expenses of UNMMG	Salary, wages & benefits	Salary, wages & benefits



## GLOSSARY OF REPORT CATEGORIES

FINANCIAL STATEMENT CATEGORY		UNM	UNMMG	UNM Hospitals	SRMC
15	SUPPLIES/MEDICAL SUPPLIES	Office supplies, computer supplies, dues & memberships, postage charges, recruitment expenses, non capital equipment, computers, food, lab supplies, uniforms, training materials, etc.	N/A	Medical supplies for: lab, radiology, blood, pharmaceuticals, biologics, implantable devices, office supplies, computer supplies, photocopy expense, forms, linen, food, uniforms, and training materials.	Medical supplies for: lab, radiology, blood, pharmaceuticals, biologics, implantable devices, office supplies, computer supplies, photocopy expense, forms, linen, food, uniforms, and training materials.
16	UNIVERSITY CLINICIANS PROGRAM	N/A	N/A	Special clinician program to support SOM	Special clinician program to support SOM
17	HOUSESTAFF	N/A	N/A	Reimbursement of patient care services provided by residents who are employed by SOM.	Reimbursement of patient care services provided by SOM through UNMMG.
18	TRAVEL	Travel - in state, out of state, foreign, business meals, rental vehicles, new employee moving expenses, vehicle fuel etc.	N/A	Travel - in state, out of state, business meals, rental vehicles, flights, ground transportation, vehicle fuel etc.	Travel - in state, out of state, business meals, rental vehicles, flights, ground transportation, vehicle fuel etc.
19	STUDENT COSTS	Student tuition/fee expense, student travel, scholarships/fellowships, housing, insurance for students, student awards, etc.	N/A	N/A	N/A
20	PATIENT CARE COSTS	Patient Care costs for inpatient, outpatient care & lab, pharmacy and x-ray services for patients	Patient Care costs for inpatient, outpatient care & lab, pharmacy and x-ray services for patients	Patient Care costs for inpatient, outpatient care including Tricore laboratory expense, OR Instruments, NM Insurance pool premiums, kidney acquisition, step down care (snf) for IV dependent patients, radiation oncology and patient assistance	Patient Care costs for inpatient, outpatient care including Tricore laboratory expense, OR Instruments, NM Insurance pool premiums, kidney acquisition, step down care (snf) for IV dependent patients, radiation oncology and patient assistance
21	TELEPHONE/COMMUNICATION COSTS	Telephone, voicemail, cellular, long distance, paging and data networking charges	N/A	Telephone, voicemail, cellular, long distance, paging and data networking charges	Telephone, voicemail, cellular, long distance, paging and data networking charges
22	PURCHASED SERVICES	Alarm fees, internet fees, architectural services, auditing services, printing/copying/binding fees, conference/event fees, honoraria, insurance charges (general liability, professional liability), legal services, electronic journals & books, consultant fees, etc.	Includes payment to UNM SOM for physician and other provider services	Recruitment, professional, legal, auditing, consulting fees, promotional/graphics, IT Hosting Cerner, Siemens and PACS, safety and risk services, equifax, laundry, malpractice and liability insurance, etc.	Recruitment, professional, legal, auditing, consulting fees, promotional/graphics, IT Hosting Cerner, Siemens and PACS, safety and risk services, equifax, laundry, malpractice and liability insurance, etc.
23	OTHER MEDICAL SERVICES	N/A	N/A	Pathology contract, physician services, Executive Medical Directors, Medical Directors, dialysis services for UNM Care patients, OMI MOU, Adult Infusion net	Physician services
24	SUB AWARDS/SERVICE CONTRACTS	Unrestricted Sub Awards, Gain/Loss on Unrestricted Projects	N/A	All service contracts	All service contracts
25	O&M & LEASES	Plant maintenance and repairs, equipment repairs and maintenance, property insurance, auto insurance, facility rent expense	Building maintenance and repairs, equipment repairs and maintenance, repair parts, equipment rent, property insurance, auto insurance, facility rent expense, and housekeeping supplies	Building maintenance and repairs, equipment repairs and maintenance, repair parts, equipment rent, property insurance, auto insurance, facility rent expense, and housekeeping supplies	Building maintenance and repairs, equipment repairs and maintenance, repair parts, equipment rent, property insurance, auto insurance, facility rent expense, and housekeeping supplies
26	UTILITIES	Natural gas, electricity, steam, sewer, water, chilled water	N/A	Natural gas, electricity, steam, sewer, water, chilled water	Natural gas, electricity, steam, sewer, water, chilled water

## GLOSSARY OF REPORT CATEGORIES

FINANCIAL STATEMENT CATEGORY		UNM	UNMMG	UNM Hospitals	SRMC
27	DEPRECIATION	N/A	The annual amortization for the furniture and equipment.	The annual amortization for the capital outlay associated with building, building improvement, fixed and moveable equipment which is based on the estimated useful lives of the assets as determined by the AHA "Estimated useful lives of Depreciable Hospital Assets".	The annual amortization for the capital outlay associated with building, building improvement, fixed and moveable equipment which is based on the estimated useful lives of the assets as determined by the AHA "Estimated useful lives of Depreciable Hospital Assets".
28	INTEREST EXPENSE	Transfers to cover debt service	N/A	Interest expense associated with the series 2004 FHA Insured Hospital Mortgage Revenue Bonds.	SRMC receives subsidy payments related to interest payments under the federal Build America Bond program. Under the program SRMC applies for subsidy funds commensurate with each bond payment, so the application for the subsidy is made semiannually. Also includes interest expense on the Series A & B Bonds.
29	OTHER EXPENSES	Banking fees, cost of goods sold, research costs, royalties, bad debt expense, other operating costs, Banner tax, etc.	Billings & collections expenses and other operating expenses of UNMMG	Programming, application, software and maintenance expenses, non capital equipment (less than \$5k), signs, dues & memberships, freight, postage, subscriptions, licenses/permits, Gap Tax, Intergovernmental Transfers for the SCI and IME, bond issuance costs, capital initiatives and other non-operating expenses.	Programming, application, software and maintenance expenses, non capital equipment (less than \$5k), signs, dues & memberships, freight, postage, subscriptions, licenses/permits, Gap Tax, Intergovernmental Transfers for the SCI and IME, bond issuance costs, capital initiatives and other non-operating expenses.
30	CONTRACT AND GRANT EXPENSES	All Restricted Funds Expense and Unrestricted Contract Expense for example VA contracts	N/A	N/A	N/A
31	CAPITAL EXPENDITURES	Equipment/furniture >\$5,000, Computer hardware, library acquisitions, etc.	N/A	This is capital initiatives in the case of UNM Hospitals.	N/A
32	MEANINGFUL USE REVENUE	N/A	Medicare and Medicaid programs provide incentive payments for hospital and physicians that make meaningful use of certified electronic health record technology.	Medicare and Medicaid programs provide incentive payments for hospital and physicians that make meaningful use of certified electronic health record technology.	N/A
33	RETURN ON INVESTMENT - TRIWEST	NA	NA	Dividend payments from investment in TriWest	NA
34	USE OF UNMMG RESERVES	N/A	To fund and support the mission of the Health Sciences Center.	N/A	N/A
35	RECRUITMENT/STARTUP/SCHOLARSHIPS	Chair and Startup Packages, Dean's Scholars/Professorships, and Recruitment Costs	N/A	N/A	N/A
36	NON-RECURRING TRANSFERS	Transfers from current unrestricted funds to plant funds or any other non-recurring transfers	N/A	N/A	N/A



**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER**  
**Balance Sheet for the Health Sciences Center**  
**2016 Fiscal Year as of February 29, 2016 (Preliminary and Unaudited)**  
**(In thousands)**

	University HSC	UNM Hospitals	UNMMG	SRMC
<b>ASSETS</b>				
1 Cash and cash equivalents	5,522	190,974	19,039	11,939
2 Marketable securities	8,283	34,632	-	-
Receivables:				
3 Patient, net	996	141,383	28,933	11,987
4 Receivable from Affiliates	100,657	5,105	8,160	778
5 Estimated third party payor settlements	-	29,102	-	1,166
6 County Treasurer	-	6,779	-	447
7 Contracts, Grants and Other	16,013	3,360	-	326
8 Other	4,451	20,051	1,097	4,010
Total Current Assets	135,922	431,386	57,229	30,653
Assets whose use is limited:				
9 Held by trustee for debt service & other	-	21,218	-	10,232
10 By UNM Hospital Board of Trustees	205,473	20,369	-	-
11 Board and Other Dedicated Assets	60,090	-	21,334	-
12 Endowments	103,515	-	-	-
13 Capital Assets, net of depreciation	259,865	236,377	3,596	116,611
<b>TOTAL ASSETS</b>	<b>764,865</b>	<b>709,350</b>	<b>82,159</b>	<b>157,496</b>
<b>LIABILITIES</b>				
14 Accounts Payable	9,979	57,867	4,520	4,161
15 Other accrued liabilities	36,709	52,951	3,347	3,469
16 Payable to Affiliates	2,866	83,884	26,424	1,526
17 Bonds payable - current	1,090	6,035	-	3,540
18 Interest payable bonds	333	622	-	972
19 Estimated third party payor settlements	-	56,164	-	118
20 Bonds payable - non current	15,619	108,965	-	124,960
21 Other liabilities - non current	9,006	7,436	-	-
22 Sponsored Project and Other Deferred Revenue	12,271	-	-	-
<b>TOTAL LIABILITIES</b>	<b>87,873</b>	<b>373,924</b>	<b>34,291</b>	<b>138,746</b>
<b>NET POSITION</b>				
23 Restricted - expendable grants, bequests and contributions	105,086	15,289	-	77
24 Restricted - trust indenture and debt agreement	-	20,861	21,334	10,232
25 Committed and Dedicated agreements	314,918	-	-	-
26 Discretionary Reserve	13,832	177,767	22,938	8,441
27 Assets invested in Capital, net of related debt	243,156	121,509	3,596	-
<b>TOTAL NET POSITION</b>	<b>676,992</b>	<b>335,426</b>	<b>47,868</b>	<b>18,750</b>

Note: Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD)



# UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER

## Glossary of Report Categories

University HSC	UNM Hospitals	UNMMG	SRMC
----------------	---------------	-------	------

### ASSETS

1	Cash and cash equivalents	Funds on deposit with Financial Institution with UNM. Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD).	Funds on deposit with Financial Institution. Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD).	Funds on deposit with Financial Institution	Funds on deposit with Financial Institution
2	Marketable securities	Funds invested in securities in accordance with UNM Investment policy. Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD).	Funds invested in US Treasury . Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD).	N/A	N/A
3	Patient, net	Pediatric/Newborn Transport Services, net of estimated contractual allowances and estimated bad debt	Patient Receivable after adjustments for discounts and allowances	Patient Receivable for care provided by UNM SOM facility and other practitioners, net of estimated contractual allowances and estimated bad debt	Patient Receivable for facility costs, net of estimated contractual allowances and estimated bad debt
4	Receivable from Affiliates	Related Party Receivables for goods or services provided to UNM Hospitals, UNMMG and SRMC	Related Party Receivable from University HSC and SRMC	Related Party Receivables for goods or services provided to UNM Hospitals, University HSC and SRMC	Related Party Receivable from UNMMG and UNMH
5	Estimated third party payor settlements	N/A	Accounts Receivable for IME/GME /DSH	N/A	
6	County Treasurer	N/A	22 Bernalillo County Mil Levy Receivable	N/A	Sandoval County Mil Levy Receivable



# UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER

## Glossary of Report Categories

University HSC	UNM Hospitals	UNMMG	SRMC
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7	Contracts, Grants and Other	Sponsored project receivables and other services invoiced by UNM such as OMI, Resident Physician contracts, etc.	Accounts Receivable from Contracts/UNM MG/Special Billing/Investments	N/A	Other receivable balances. Includes BAB Subsidy receivable balance.
8	Other	Prepaid contractual obligations, such as library subscription services and maintenance contacts	Prepaid Expense and Inventory	Prepaid expense and inventory	Prepaid Expense and Inventory
9	Held by trustee for debt service & other	N/A	Debt/Mortgage reserve funds to include collateral and intangible assets, and total deferred outflows related to pensions	N/A	Funds held in Trustee Accounts, Mortgage reserve funds, bond debt service accounts
10	By UNM Hospital Clinical Operations Board	Funds held by the University for UH capital initiatives. Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD).	Investment in TriWest/Tricare Reference Laboratory. Under the UNMH Pavilion Mortgage, and the separate Security Agreement, UNMH and UNM Regents granted a security interest in all of UNMH's cash, accounts receivable, and contract rights to the Mortgagee (HUD).	N/A	N/A
11	Board and Other Designated Assets	Funds dedicated to UNM HSC unexpended plant funds	N/A	Department, SOM Investment in UNMMG and Quality Reserves	The original bond proceeds were used to purchase GNMA's which collateralize the mortgage with Prudential
12	Endowments	Balance of endowed corpus funds generating revenue according to donor intent	N/A	N/A	N/A
13	Capital Assets, net of depreciation	Property, Plant and Equipment	Land, Property, Plant and Equipment	Furniture and Equipment	Land, Property, Plant and Equipment

### LIABILITIES



# UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER

## Glossary of Report Categories

University HSC	UNM Hospitals	UNMMG	SRMC
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14	Accounts Payable	Unpaid balances owed to vendors for goods and services; amounts owed to employees for expense reimbursements	Amount owed to creditors	Unpaid balances owed to vendors for goods and services; accrued payroll and other payroll benefits and taxes	Unpaid balances owed to vendors for goods and services
15	Other accrued liabilities	Payroll withholding liabilities and estimated value of compensated absences	Accrued liabilities to include payroll, compensated benefit, and Incurred but not Recognized (IBNR) State Coverage Insurance	Accrued payroll and other payroll benefits and taxes	Accrued liabilities to include payroll, compensated benefits and other payroll benefits and taxes
16	Payable to Affiliates	Unpaid balances for services provided by UNM Hospitals, and UNMMG	Unpaid balances for services provided by University HSC	Unpaid balances for services provided by University HSC for purchased services, special arrangements, and indigent distribution	Unpaid balances for services provided by University HSC, UNMMG and UNMH
17	Bonds payable - current	Debt service payment that will be due within the next twelve months	Series 2004 Bonds payable in next year - FHA Insured Hospital Mortgage Revenue Bonds	N/A	Debt service payment that will be due within the next twelve months
18	Interest payable bonds	Interest Payable on outstanding debt	# Interest Payable Series 2004 Bonds (FHA Insured Hospital Mortgage Revenue Bonds)	N/A	Interest Payable on Bonds
19	Estimated third party payor settlements	N/A	Medicare/Medicaid Settlements	N/A	Medicare/Medicaid Settlements
20	Bonds payable - non current	Outstanding balance due in the long-term for bond funding	Series Bonds Payable in the long-term (FHA Insured Hospital Mortgage Revenue Bonds)	N/A	Outstanding balance due in the long-term for FHA Insured Hospital Revenue Bonds
21	Other liabilities - non current	Estimated future cost associated with self-funded health insurance plan	Estimated future cost associated with Other Post Employment Benefits (OPEB), bond premiums and Mortgage payable	N/A	N/A
22	Sponsored Project and Other Deferred Revenue	Prepaid contract and grant revenue, tuition, and other prepaid student fees	N/A	N/A	N/A





**UNIVERSITY OF NEW MEXICO HEALTH SCIENCES CENTER**  
**Glossary of Report Categories**

	University HSC	UNM Hospitals	UNMMG	SRMC
23 Restricted - expendable grants, bequests and contributions	Restricted monies used in accordance with donor intent, contracts and bequests	Restricted monies used in accordance with donor intent, contracts and bequests	N/A	Restricted monies used in accordance with donor intent, contracts and bequests
24 Restricted - trust indenture and debt agreement	N/A	Restricted monies for Debt Service, Collateral, and Mortgage Reserve	N/A	Restricted monies for Mortgage reserve, Bond Debt Service
25 Committed and Dedicated agreements	Funds that have been committed for future expenditures. Dedicated funds have a clear focused purposed with for specific use.	N/A	Department, SOM Investment in UNMMG and Quality Fund Balances	N/A
26 Discretionary Reserve	Remaining fund balance after accounting for all restricted, committed and dedicated funds	Chief operating fund for all financial resources except those accounted for in another fund	Other operating reserves	Chief operating fund for all financial resources except those accounted for in another fund
27 Assets invested in Capital, net of related debt	Property, Plant and Equipment after adjustment for related bond debt	Property, Plant and Equipment after adjustment for related bond debt	Furniture and Equipment after adjustment for related bond debt	Property, Plant and Equipment after adjustment for related bond debt

## Advisor Comments and Reports



## Board of Regent Report

### UNM Alumni Association & Alumni Relations Office

April 8, 2016

#### Strategic Goals:

##### Goal: Maximize alumni and student engagement

To celebrate graduation, the Alumni Relations Office participated in the **Spring Grad Fair** at the Medical/Legal Bookstore and the main Bookstore during the week of March 22- 25. Over 1,000 grad packs were distributed by staff and volunteers. Grad packs included information on alumni benefits, invitation to the Wine and Cheese event, insurance discounts, Cherry and Silver Society, an alumni car magnet, and more.

The Alumni Association sponsors the annual **Student Recognition Reception** on Friday, April 8, 6 pm in the SUB Ballroom. The keynote speaker is Duffy Swan, former UNM Alumni Association President. Amongst the awards presented, the Alumni Association will recognize the Citizenship Awards and Trailblazer of the Year, Taryn Levels.

The next **Lobo Living Room** will feature two UNM experts on Drones, April 28, 6-8 pm at Centennial Engineering Auditorium. Drones: The Good, the Bad, and The Ugly, will highlight the benefits of using drones for educational uses, as well as touch on some of the adverse uses of drones by those wishing to invade privacy, or lack of knowledge on safety issues. Alumnus, Luke Davis '01, and Luis Valbuena, a mathematics master's student will present and demonstrate how drones work.

The spring **Ring Ceremony** will take place on Thursday, May 5, 6:30 pm at the SUB Ballrooms.

In a major change, the Alumni Association will prepare and print a free **Mini Diploma** for every May 2016 graduate (approximately 5,419). They can pick up this gift along with their **Alumni Portfolio** at the New Graduate Wine & Cheese Social or at Hodgin Hall. Remaining Mini Diplomas will be mailed to new grads with a welcome to the Alumni Association.



## Board of Regent Report

### UNM Alumni Association & Alumni Relations Office

April 8, 2016

The UNM Alumni Association leadership will travel to Denver, CO, for Alumni Weekend April 15-16, as part of its **Alumni Outreach** initiative. Alumni and their families are invited to Coors Field for a short program on the “Business of Baseball,” presented by UNM alumnus and Coors Field Executive Sales Director, Reuben Donnelly '01. Included in the event are stadium tours, a silent auction to benefit the Denver Alumni Chapter Scholarships, and a buffet of ballpark fare. On Saturday, April 16, alums are invited to a brewery tour at Ratio Beerworks.

The dates for **2016 Homecoming Week** have been set for September 25 – October 1. UNM will play San Jose State in the traditional homecoming football game on October 1. Theme ideas have been sent to the UNM Student Spirit committee for their input. The **UNM Naval ROTC** program will celebrate its 75<sup>th</sup> Anniversary during Homecoming and plans many events and opportunities for Navy Alumni and VIPs that week.

On Saturday, April 16<sup>th</sup>, the **Greater Albuquerque Area Alumni Chapter** will participate in the **Spring Storm**, ASUNM’s Community Experience, a citywide event where UNM students, staff, faculty and alumni volunteer in a one-day service project designed to give back to the community. Volunteers are assigned to various sites around the Albuquerque metro area where they work until 2 p.m.

On Saturday, June 4<sup>th</sup>, the Greater Albuquerque Area Alumni Chapter will volunteer for the second year at the **UNM HSC’s Health Fair in Albuquerque’s International District**. Family oriented health information, health screenings, food and fun booths will be available and free for the community.

The **Lobo Living Room** on March 23<sup>rd</sup> featured UNM’s Distinguished Professor of Art and Art History, **Bill Gilbert**, discussed the style of **Mata Ortiz** pottery on exhibition at the UNM Art Museum, *Mata Ortiz 1995-2015*. The event was co-hosted with the UNM Art Museum. One hundred twelve alumni and friends attended the Lobo Living Room event.



## Board of Regent Report

UNM Alumni Association & Alumni Relations Office

April 8, 2016

On Thursday, April 21, the Alumni Association will collaborate with the **Albuquerque Academy** to host a reception to recognize and build relations with Albuquerque Academy alumni who are current UNM students or UNM alumni. The event will be held at Hodgin Hall Alumni Center on the patio.

### **Goal: Increase alumni advocacy for UNM**

The Lobos for Legislation awards committee to announce the **2016 Distinguished Legislator Service Award** for the immediate past session.

### **Goal: Invest in a strategic and collaborative communications and marketing program**

The **Howler E-Newsletter** was sent to 87,767 UNM Alumni March 3. April 7 the Howler was sent to all “emailable” alumni and 5,419 new 2016 Graduates. The March issue saw a reduced open rate resulting in a content adjustment: every issue will now feature 2-4 “**UNM Pride**” stories in each Howler. The Alumni Attitude Survey showed alumni want to hear about the great things happening at UNM and this will be one of the priorities for the Howler as it also seeks to promote opportunities for alumni to re-engage with the University through events and other programs.

In partnership with the UNM Foundation, the Alumni Association will be exploring options for assisting departments campus-wide with **departmental newsletters** for alumni. We are proud to partner with the **Office of Academic Assessment** in the Provosts office. Through this partnership we will be able to provide broader support in alumni outreach to assist the programs tasked with Program Review in the next year.

## **LOBO DEVELOPMENT**

PARTNERSHIP + INVESTMENT + COMMUNITY

801 University Blvd, SE, Suite 207  
Albuquerque, NM 87106  
505-925-1600  
<http://lobodevelopment.org>

March 1, 2016

Mr. David W. Harris  
Executive Vice President for Administration, COO, CFO  
The University of New Mexico  
Albuquerque NM 87131-0001

Dear Executive Vice President Harris:

Lobo Development Corporation requests that the Annual Meeting of the Member be held during the Board of Regents' Finance and Facilities Committee meeting on March 8, 2016. There are two action items to be presented:

- A. Approval of the Summarized Minutes of the May 7, 2015 Meeting.
- B. Approval of the FY 2014-15 audit.

Thank you.

Sincerely,



Chris Vallejos  
Secretary/Treasurer



# **LOBO DEVELOPMENT**

PARTNERSHIP + INVESTMENT + COMMUNITY

Minutes of the May 7, 2015 Annual Meeting of the Member

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REGENTS COMMITTEE REPORTS (presentation materials included in BOR E-Book)

FINANCE AND FACILITIES COMMITTEE, Regent James H. Koch, Chair

Consent Items – agenda items 1, 2, 4, 5, 6, and 8 (Finance and Facilities)

- d. Agenda item number 5, Approval of Lobo Development Corporation Annual Meeting Minutes and External Audit for FY 14-15.

**The motion to approve consent agenda items 1, 2, 4, 5, 6, and 8 on the Finance and Facilities Committee agenda passed by unanimous vote (1<sup>st</sup> Koch, 2<sup>nd</sup> Lee).**



**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Financial Statements

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

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**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Official Roster

June 30, 2015

**OFFICERS**

David W. Harris

Paul Krebs

Chris Vallejos

**MEMBERS**

Louis Abruzzo

Stephen J. Ciepiela

Robert M. Doughty III

Robert G. Frank, Ph.D.

Maria Griego-Raby

David W. Harris

James H. Koch

Paul Krebs

Marron Lee

Paul B. Roth, M.D.

Chris Vallejos



KPMG LLP  
Two Park Square, Suite 700  
6565 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

## **Independent Auditors' Report**

The Board of Directors  
Lobo Development Corporation  
and  
Mr. Timothy Keller, New Mexico State Auditor:

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of Lobo Development Corporation (Lobo Development), a component unit of the University of New Mexico, which comprise the statements of net position as of June 30, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Lobo Development's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lobo Development Corporation as of June 30, 2015 and 2014, and the changes in its net position and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

### ***Other Matter***

#### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015 on our consideration of Lobo Development's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lobo Development's internal control over financial reporting and compliance.

**KPMG LLP**

Albuquerque, New Mexico  
November 11, 2015



**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

The following discussion and analysis provides an overview of the financial position and activities of Lobo Development Corporation (Lobo Development) as of and for the fiscal years ended June 30, 2015, 2014 and 2013. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the financial statements, notes, and this discussion are the responsibility of Lobo Development's management.

**Financial Highlights**

Cash increased in 2015 by \$1,197,316, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2015 of \$1,792,401. The increase during fiscal year 2015 is primarily due to a \$549,338 reimbursement for projects costs expended in fiscal year 2014 and fiscal year 2015, downsizing staff, and an increase in the lease payment allocated for Student Housing-South Campus. Cash decreased in 2014 by \$86,867, resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2014 of \$595,085. The decrease during fiscal year 2014 is primarily due to an increase in debt repayments partially offset by cash provided by operating activities. Interest earned during fiscal year 2015 increased \$11,260 from \$9,656 to \$20,916 due to an increase in earnings on cash being held by The University of New Mexico (UNM), Lobo Development's fiscal agent.

Lobo Development's net position increased \$1,525,600 during the year, from \$222,907 in 2014 to \$1,748,507 in fiscal year 2015, primarily as a result of a \$549,338 reimbursement for projects costs expended in fiscal year 2014 and fiscal year 2015 (recognized as reimbursement revenue), downsizing staff, and an increase in the lease payment allocated for Student Housing-South Campus. During fiscal year 2014, Lobo Development's net position decreased \$228,547 during the year, from \$451,454 in 2013 to \$222,907 in fiscal year 2014, primarily as a result of distributions to UNM.

During the fiscal year, operating revenue increased by \$1,121,362 and operating expenses decreased by \$503,783, resulting in an increase in net operating income of \$1,625,145. During fiscal year 2014, operating revenue increased by \$1,547,854 and operating expenses increased by \$142,703, resulting in an increase in net operating income of \$1,405,151.

**Overview of the Basic Financial Statements**

The statements of net position of Lobo Development provides both long-term and short-term information about Lobo Development's overall financial position. The statements of revenues, expenses, and changes in net position provides information about the operating revenues and expenses and the nonoperating revenues and expenses of Lobo Development. The statements of cash flows provide information related to the cash inflows and outflows of Lobo Development. The notes to the basic financial statements provide more detailed information about amounts reported in the basic financial statements.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

**Financial Information**

Lobo Development's condensed financial information as of and for the fiscal years ended June 30, 2015, 2014, and 2013 are provided in the following table:

	2015	2014	2013
Current assets	\$ 1,877,264	595,085	681,952
Noncurrent assets	26,416,226	26,775,511	27,504,795
Total assets	\$ 28,293,490	27,370,596	28,186,747
Current liabilities	\$ 625,941	627,590	614,138
Noncurrent liabilities	25,919,042	26,520,099	27,121,155
Net position	1,748,507	222,907	451,454
Total liabilities and net assets	\$ 28,293,490	27,370,596	28,186,747
Operating revenue	\$ 3,882,546	2,761,184	1,213,330
Operating expenses	1,422,447	1,926,230	1,783,527
Operating income	2,460,099	834,954	(570,197)
Nonoperating revenue	20,916	9,656	4,768
Nonoperating expenses	955,415	1,073,157	144,380
Change in net position	1,525,600	(228,547)	(709,809)
Net position, beginning of year	222,907	451,454	1,161,263
Net position, end of year	\$ 1,748,507	222,907	451,454

**Statements of Net Position**

**Assets** – As of June 30, 2015 and 2014, Lobo Development has cash in the amount of \$1,792,401 and \$595,085, respectively, of which \$1,746,922 and \$599,742, respectively, is held by UNM, and \$45,479 and \$(4,657), respectively, is held in an operating bank account at a financial institution. Cash increased primarily as a result of a \$549,338 reimbursement for projects costs expended in fiscal year 2014 and fiscal year 2015, downsizing staff, and an increase in the lease payment allocated for Student Housing-South Campus.

**Liabilities and Net Position** – Lobo Development's net position at June 30, 2015 was allocated between unrestricted and net investment in capital assets. Lobo Development's net position at June 30, 2014 was allocated between unrestricted and net investment in capital assets and 2013 was considered unrestricted.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

***Statements of Revenues, Expenses, and Changes in Net Position***

*Revenues* – During the fiscal year ended June 30, 2015, Lobo Development generated operating revenue in the amount of \$3,882,546, which included lease payments from the three buildings purchased in FY 2013. During the fiscal year ended June 30, 2014, Lobo Development generated operating revenue in the amount of \$2,761,184. Other income amounted to \$20,916 and \$9,656 during the fiscal years ended June 30, 2015 and 2014, respectively, and was the result of interest earned from UNM.

*Expenses* – Total operating expenses decreased \$503,783 during the fiscal year ended June 30, 2015 due to an absence of a commitment for development projects and downsizing staff. Total operating expenses increased \$142,703 during the fiscal year ended June 30, 2014.

UNM is the fiscal agent of Lobo Development. UNM holds the majority of Lobo Development's net assets and invests the holdings in a commingled account with UNM's other investments. The pro rata interest earnings are credited to Lobo Development's account monthly and losses are charged at the end of the fiscal year. Lobo Development transfers funds to its checking account as needed.

***Capital Assets and Debt Administration***

Lobo Development's investment in capital assets as of June 30, 2015 amounts to \$(453,872) (net of accumulated depreciation). This investment in capital assets includes three buildings purchased during fiscal year 2013. Additional information concerning Lobo Development's capital assets may be found in note 5 in notes to the financial statements.

At the end of the current fiscal year, Lobo Development had total debt outstanding of \$26,520,098. This debt was incurred during the prior fiscal year for the purchase of the three buildings noted above. Additional information concerning Lobo Development's long-term debt may be found in note 6 in the notes to the financial statements.

***Factors Impacting Future Periods***

Lobo Development is currently involved in the commercial development of vacant UNM property and has been negotiating with several retailers. Once a firm commitment is received, work will begin on building the infrastructure to support the retail outlets on UNM property. It is not known when this expansion of business will transpire.

Anticipated revenue sources for 2015 include campus student housing ground rent, commercial development ground rent, real estate income, and commercial development infrastructure income.

***Contacting Lobo Development's Financial Management***

This report is meant to describe the financial condition and position of Lobo Development.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

If you have questions about this report or need additional financial information, contact:

Lobo Development Corporation  
801 University Boulevard SE, Suite 207  
Albuquerque, New Mexico 87106-4345

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Statements of Net Position

June 30, 2015 and 2014

Assets	2015	2014
Current assets:		
Cash on deposit with fiscal agent	\$ 1,746,922	599,742
Cash on deposit with bank	45,479	(4,657)
Current portion of note receivable	50,000	—
Accounts receivable	34,863	—
Total current assets	<u>1,877,264</u>	<u>595,085</u>
Capital assets:		
Capital assets	27,662,117	27,662,117
Less accumulated depreciation	(1,595,891)	(886,606)
Net capital assets	<u>26,066,226</u>	<u>26,775,511</u>
Noncurrent assets:		
Note receivable	350,000	—
Total assets	<u>\$ 28,293,490</u>	<u>27,370,596</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Current portion of long-term debt	\$ 601,056	601,056
Accounts payable	24,885	26,534
Total current liabilities	<u>625,941</u>	<u>627,590</u>
Noncurrent liabilities:		
Long-term debt	25,919,042	26,520,099
Total noncurrent liabilities	<u>25,919,042</u>	<u>26,520,099</u>
Net position:		
Net investment in capital assets	(453,872)	(345,644)
Unrestricted	2,202,379	568,551
Total net position	<u>1,748,507</u>	<u>222,907</u>
Total liabilities and net position	<u>\$ 28,293,490</u>	<u>27,370,596</u>

See accompanying notes to financial statements.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)  
Statements of Revenues, Expenses, and Changes in Net Position  
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Project revenue	\$ 3,333,208	2,761,184
Reimbursement revenue	549,338	—
Total operating revenues	<u>3,882,546</u>	<u>2,761,184</u>
Operating expenses:		
Project expenses	318,695	731,703
Depreciation	709,285	709,285
Administrative expenses	394,467	485,242
Total operating expenses	<u>1,422,447</u>	<u>1,926,230</u>
Operating income	2,460,099	834,954
Nonoperating revenue:		
Interest income	20,916	9,656
Nonoperating expenses:		
Interest expense	805,415	823,157
Distributions to UNM	150,000	250,000
Change in net position	<u>1,525,600</u>	<u>(228,547)</u>
Net position, beginning of year	<u>222,907</u>	<u>451,454</u>
Net position, end of year	<u>\$ 1,748,507</u>	<u>222,907</u>

See accompanying notes to financial statements.



**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Payments to suppliers of goods or services	\$ (474,690)	(873,518)
Payments to employees for services	(240,121)	(347,718)
Payments received from contractors	549,338	—
Payments received from fiscal agent	3,298,345	2,761,184
Net cash provided by operating activities	<u>3,132,872</u>	<u>1,539,948</u>
Cash flows from capital and related financing activities:		
Earnest money received for asset purchase	—	20,000
Distributions to UNM	(150,000)	(250,000)
Debt repayment to fiscal agent principal	(601,057)	(583,314)
Debt repayment to fiscal agent interest	(805,415)	(823,157)
Net cash (used in) capital and related financing activities	<u>(1,556,472)</u>	<u>(1,636,471)</u>
Cash flows (used in) investing activities:		
Interest paid on deposits with fiscal agent	20,916	9,656
Cash paid on note receivable	(400,000)	—
Net cash (used in) investing activities	<u>(379,084)</u>	<u>9,656</u>
Net increase in cash and cash equivalents	1,197,316	(86,867)
Cash and cash equivalents, beginning of year	595,085	681,952
Cash and cash equivalents, end of year	<u>\$ 1,792,401</u>	<u>595,085</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,460,099	834,954
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Change in accounts payable	(1,649)	(4,291)
Change in accounts receivable	(34,863)	—
Depreciation expense	709,285	709,285
Net cash provided by operating activities	<u>\$ 3,132,872</u>	<u>1,539,948</u>

See accompanying notes to financial statements.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Notes to the Financial Statements

June 30, 2015 and 2014

**(1) Description of Business**

Lobo Development Corporation (Lobo Development), a component unit of The University of New Mexico (UNM), is owned, controlled, and was established by UNM's Board of Regents.

Lobo Development was incorporated in the State of New Mexico on October 4, 2007. It was organized under the amended State of New Mexico's University Research Park Act. The name of the Act has since been changed to the University Research Park and Economic Development Act.

Lobo Development was established to benefit the UNM Regents by relieving the University of New Mexico from the responsibilities to acquire, own, manage, and develop certain real estate in a commercially reasonable manner and to maximize the University's return from these assets; by contributing all of the corporation's net revenues to the University for the support of the teaching, research, and service mission of the University; and by creating learning opportunities for students in this development activity. The activities of the corporation shall include the acquisition, development, disposition, and rental of real estate for the benefit of the University.

Under the Memorandum of Agreement between the UNM Regents and Lobo Development signed in the first quarter of fiscal year 2009, Lobo Development may plan, direct, and coordinate its business activities in accordance with a mutually agreed-upon development proposal and development agreement between Lobo Development and UNM. Lobo Development operations will be funded by an administrative fee assigned to approved projects. If Lobo Development revenues are more than sufficient to meet its anticipated financial obligations based on a mutually approved annual budget, it is the intent of the parties that excess revenue shall be distributed back to UNM. For the year ended June 30, 2015, \$150,000 was distributed back to UNM. For the year ended June 30, 2014, \$250,000 was distributed back to UNM.

Primary activities performed by LDC during the year ended June 30, 2015 focused on efforts to establish the UNM Sports and Entertainment District at South Campus and marketing of commercial sites along Gibson Boulevard. Activities included a Request for Proposal to the development community, selection and negotiations with developers, and negotiations of a ground lease for a fast food restaurant.

Lobo Development staff also completed feasibility studies on multiple sites that have been identified for commercial use in the UNM Consolidated Master Plan.

Lobo Development provides services only to UNM. Lobo Development does not have any component units.

**(2) Summary of Significant Accounting Policies and Practices**

**(a) Basis of Accounting and Presentation**

As a proprietary fund, Lobo Development's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred. Operating revenues and expenses are those incurred that relate directly to project management services. All other revenues and expenses are considered nonoperating.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Notes to the Financial Statements

June 30, 2015 and 2014

The accompanying financial statements include only the accounts of Lobo Development, which has no component units.

**(b) Net Position**

For accounting and reporting purposes, Lobo Development reports its net position in the following net asset categories as applicable:

- Net investment in capital assets – capital assets net of accumulated depreciation and debt incurred to finance the capital asset acquisition
- Unrestricted – net position that is not subject to externally imposed constraints.

**(c) Use of Estimates**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the financial statements dates and the reported amounts of revenues and expenses during these reporting periods. Due to uncertainties inherent in the estimation process, actual results could differ from those estimates.

**(d) Cash and Cash Equivalents**

For purposes of the statement of cash flows, Lobo Development considers cash and cash equivalents to be cash deposits and amounts held by its fiscal agent.

**(e) Revenue Recognition**

Lobo Development recognizes operating revenue for services earned under the terms of the Memorandum of Agreement (MOA).

Lobo Development's revenue for the fiscal year ended 2015 originated from the following sources: (1) Student Housing project/ACC Component I, (2) Student Housing project/ACC Component II, (3) Real Estate/Mesa del Sol, and (4) Rent from three occupancy leases. Revenue for the fiscal year ended 2014 originated from the following sources: (1) Student Housing project/ACC Component I, (2) Student Housing project/ACC Component II, and (3) Rent from three occupancy leases. All revenue from these sources is originally paid to UNM and UNM determines which revenue streams are allocated to Lobo Development.

**(f) Income Taxes**

Lobo Development is exempt from federal income tax on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3) of the Code.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Notes to the Financial Statements

June 30, 2015 and 2014

**(g) Capital Assets**

Capital assets are recorded at original cost, or fair value if donated. Per Section 12-6-10 NMSA 1978, Lobo Development follows UNM's capitalization policy for moveable equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 39 years for buildings.

**(3) Cash**

Lobo Development's cash balances include cash on deposit with fiscal agent and an operating account. Lobo Development has no statutory policy requirements related to cash deposits. UNM serves as the fiscal agent for Lobo Development through which Lobo Development participates in a pooled bank account maintained by UNM. At June 30, 2015 and 2014, Lobo Development had a balance in that pooled account of \$1,746,922 and \$599,742, respectively. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to Lobo Development's account based on its balance in the pooled bank account at the end of the preceding month.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. At June 30, 2015, the bank balance and the book balance in Lobo Development's separate checking account with Compass Bank were \$54,236 and \$45,479, respectively. At June 30, 2014, the bank balance and the book balance in Lobo Development's separate checking account with Compass Bank were \$77,648 and \$(4,657), respectively. Of the bank balance, the entire amount is insured by the Federal Deposit Insurance Corporation.

**(4) Related-Party Transactions**

Effective August 12, 2008, UNM and Lobo Development entered into a MOA containing the expectations and performance obligations that UNM is seeking from Lobo Development.

Pursuant to the MOA, UNM provides to Lobo Development, at no cost to Lobo Development, facilities support and general business office and associated workspace. Under the agreement, UNM provides cash and investment management activities for Lobo Development, at no cost to Lobo Development.

The MOA may be terminated by UNM, effective upon written notice to Lobo Development. Upon termination, all property of Lobo Development shall be transferred to UNM or other successor organization designated by resolution of the UNM Board of Regents.

On May 29, 2015, Lobo Development entered into a MOA with the University of New Mexico Athletics Department (Athletics), wherein a \$400,000, 0% interest loan was extended to Athletics, payable to Lobo Development over a five year period beginning in FY 2015-16. The first of these payments is due to Lobo Development on June 30, 2016 in the amount of \$50,000, with the remaining payments being agreed upon by both parties during the annual budgeting process.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Notes to the Financial Statements

June 30, 2015 and 2014

Lobo Development did not purchase goods and services of companies that board members are employed by during the fiscal years ended June 30, 2015 and 2014.

**(5) Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance at June 30, 2014</u>	<u>Additions/ completions</u>	<u>Retirements/ disposals</u>	<u>Balance at June 30, 2015</u>
Buildings	\$ 27,662,117	—	—	27,662,117
Accumulated depreciation	(886,606)	(709,285)	—	(1,595,891)
Total capital assets	<u>\$ 26,775,511</u>	<u>(709,285)</u>	<u>—</u>	<u>26,066,226</u>

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance at June 30, 2013</u>	<u>Additions/ completions</u>	<u>Retirements/ disposals</u>	<u>Balance at June 30, 2014</u>
Buildings	\$ 27,662,117	—	—	27,662,117
Accumulated depreciation	(177,321)	(709,285)	—	(886,606)
Total capital assets	<u>\$ 27,484,796</u>	<u>(709,285)</u>	<u>—</u>	<u>26,775,511</u>

**(6) Long-Term Debt**

A promissory note payable to UNM was issued to finance the capital assets purchase made in fiscal year 2013. Principal and interest payments are due monthly on the first day of each month. This note bears interest at 3% and matures May 1, 2020. The following is a summary of debt transactions, including current portion:

	<u>Balance at July 1</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at June 30</u>	<u>Due within one year</u>
Note payable to UNM, FY 2014	\$ 27,704,469	—	(583,314)	27,121,155	601,056
Note payable to UNM, FY 2015	27,121,155	—	(601,057)	26,520,098	601,056



**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Notes to the Financial Statements

June 30, 2015 and 2014

At June 30, 2015, minimum future payments under this promissory note are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending June 30:			
2016	\$ 601,056	787,133	1,388,189
2017	638,176	768,295	1,406,471
2018	657,587	748,884	1,406,471
2019	677,588	728,883	1,406,471
2020	23,945,691	708,275	24,653,966
	<u>\$ 26,520,098</u>	<u>3,741,470</u>	<u>30,261,568</u>

**(7) Contingencies**

Lobo Development, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability at Lobo Development's expense. Workers' compensation insurance and property insurance are provided by private companies at Lobo Development's expense. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by UNM from its operating budget. UNM's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

**(8) Defined-Contribution Plan**

Lobo Development entered into a 403(b) defined-contribution plan effective January 1, 2013. As a defined-contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan may be amended by a board of director's resolution. The plan is available to all employees of Lobo Development, beginning the first day of the plan year quarter coincident with or next following the date the employee first performs their first day of service and are considered to be immediately vested. The plan allows for variable employee contributions up to the Internal Revenue Service maximum allowed amount. Principal Financial Group administers the plan, and Lobo Development contributes the sum of (a) a 6% match for employees that contribute to the plan and (b) a discretionary contribution as determined by Lobo Development for employees who do not contribute to the plan. Contributions to the plan for the fiscal years ended June 30, 2015 and 2014 were \$28,801 and \$54,332, respectively, which consisted of \$12,541 and \$41,149 contributed by employees and \$16,260 and \$13,083 contributed by Lobo Development, respectively.

**(9) Subsequent Events**

Subsequent events are evaluated by management through the date the accompanying financial statements are available to be issued, which is November 11, 2015.





KPMG LLP  
Two Park Square, Suite 700  
6665 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

The Board of Directors  
Lobo Development Corporation  
and  
Mr. Timothy Keller, New Mexico State Auditor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lobo Development Corporation (Lobo Development), a component of the University of New Mexico, which comprise the statement of net position as of June 30, 2015, and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 11, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lobo Development's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lobo Development's internal control. Accordingly, we do not express an opinion on the effectiveness of Lobo Development's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lobo Development's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Management's Response to the Finding**

Lobo Development's response to the finding identified in our audit is described in the accompanying schedule of findings. Lobo Development's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lobo Development's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lobo Development's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Albuquerque, New Mexico  
November 11, 2015

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Schedule of Findings and Responses

Year ended June 30, 2015

**Findings – Financial Statement Audits**

**Prior Year Findings**

None.

**Current Year Findings**

*Finding Number:* 2015-001

*Findings Title:* Revenues

*Type of Finding:* Finding that does not rise to the level of a significant deficiency.

**Condition and Criteria:**

In accordance with the policies set forth by management, as noted in the Summary of Significant Accounting Policies and Practices, revenues are recognized under the terms of the Memorandum of Agreement (MOA) between the University of New Mexico (UNM) Regents and Lobo Development. For the fiscal year ended June 30, 2015, it was determined that certain lease agreements between Lobo Development and UNM Regents contained 3% escalation clauses for rents due.

Lobo Development failed to properly identify that one of these lease agreements contained a 3% escalation clause for rent due which resulted in not properly recording the increased revenue associated with the lease agreement.

*Effect*

Weaknesses in internal control could result in inappropriate recognition of revenue.

*Cause*

Internal controls related to the recognition of revenues have not been properly designed or implemented.

*Auditor's Recommendation*

We recommend that Lobo Development institute controls around the recognition of revenue to ensure that revenues are appropriately recognized in a timely and accurate fashion in accordance with management's policies.

*Management's Response*

Revenue contracts and other supporting documentation will be reviewed yearly to ensure proper recognition and collection of operating revenues.

**LOBO DEVELOPMENT CORPORATION**  
(A Component Unit of the University of New Mexico)

Exit Conference

- Year ended June 30, 2015

An exit conference was held on October 12, 2015. During this meeting, the contents of this report were discussed with the following individuals:

***Lobo Development Corporation***

Chris Vallejos                      Secretary Treasurer, Board of Directors, LDC

Keelie L. Garcia                      Administrative Operations Manager

***KPMG LLP***

Caroline M. Garcia                      Partner

Jessa Huybrechts                      Manager

Lobo Development is responsible for the contents of the financial statements. KPMG LLP assisted with the preparation of the financial statements.



# LOBO ENERGY, INC.

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March 21, 2016

David W. Harris  
E.V. P. for Administration, COO, CFO  
The University of New Mexico  
Albuquerque NM 87131-0001

Dear Executive Vice President Harris:

Lobo Energy, Incorporated requests that the annual meeting of the member be held during the Finance and Facilities Committee meeting on April 5, 2016.

There are two action items for the agenda:

- Approval of the Minutes from the Annual Meeting of the Member held on May 5, 2015 and
- Approval of the FY 2014-15 audit

Although the Regents' Finance & Facilities Committee has approved the UNM audit, which includes the audit of Lobo Energy, the University Research Park and Economic Development Act requires that the auditor present the corporation's audit to the Board of Regents. We wish to fulfill that obligation. Jason Strauss will present.

Thank you

Sincerely,



Jason Strauss  
President/CEO

c: Chris Vallejos

## **“Meeting of the Member” Process – Defined**

Each year it is a requirement for Lobo Energy, Inc. to have a “Meeting of the Member”. In each case the “Member” has been defined as the University of New Mexico Board of Regents.

The required meeting is typically held during a Board of Regents Meeting and includes the following agenda items, but may be altered to include other items as needed. The Chairman of the Board for each entity is responsible for carrying forward the agenda. If the Chairman is not available, or so desires, an Officer of the entity may act in the Chairman’s stead.

### Typical Agenda for the “Meeting of the Member”:

1. Approval of the previous years’ Meeting of the Member minutes
2. Approval of the Annual Audit finding for Lobo Energy Inc.
3. Adjournment of the Meeting of the Member

## **Directions for the Meeting of the Member for Lobo Energy Inc.**

1. President of the Board of Regents calls for the annual “Meeting of the Member” for Lobo Energy Inc.
2. President of the Board of Regents calls for approval of the minutes from the previous years’ “Meeting of the Member”
3. The Chairman/Officer of Lobo Energy Inc. presents the Annual Audit Findings
4. President of the Board of Regents calls for approval of the Audit Findings presented by Lobo Energy Inc.
5. President of the Board of Regents adjourns the “Meeting of the Member” Lobo Energy Inc.



over last year's budget. The overall growth within the Branches is in research and public service. Tuition increases at the branches range from 4.17% to 7.26%, but enrollments are declining at the branches, so tuition and fee revenues and state appropriations are down. The UNM consolidated budget of \$2.799 million, which includes Health Sciences, is a 7.7% increase over last year's budget, equating to a roughly \$200 million increase, primarily attributable to the Health Sciences Center. (Exhibit A)

Ava Lovell presented the budget for the Health Sciences Center. There are two types of businesses, the academic side, which is about 20%, and the clinical side. Tuition and fees are 0.8% of the budget. Overall, the budget is a breakeven budget. (Exhibit B)

**Motion to approve FY2015/2016 UNM Consolidated Budget passed unanimously (1<sup>st</sup> Koch; 2<sup>nd</sup> Hosmer).**

Andrew Cullen introduced the FY2014/2015 Budget Adjustment Request (BAR). The BAR is for Main Campus, Branch Campuses and the Health Sciences Center, and is a document that must be submitted to the Higher Education Department. Mr. Cullen presented for Main Campus. The revisions for FY2014/2015 are driven by changes in a few broad categories that include a change in revenue projections, the use of reserves for one-time expenditures, and an increase in contract and grant activity. The overall change is a favorable \$2.7 million, due primarily to transfers with the Branches and Health Sciences in the plant area. The largest impact is the net increase in plant fund revenues and the net increase in expenditures related to that, which is due to the refunding of two bond issues. The original bonds needed to be paid off, which affected the expenditure side, and the revenue associated with the new bonds is also booked.

The Branch Campuses have an overall favorable change of \$2.5 million to net revenues. The drivers were the use of reserves to fund fixed cost increases and additionally some institutional support specifically at the Gallup Branch.

Ava Lovell addressed the BAR for Health Sciences; HED requires the BAR only for the academic enterprise and the hospitals. For the academic enterprise, the total net change is a positive \$4.9 million, which is under 1% of the total \$602 million academic budget. The drivers were an increase in revenue due to patient care revenue of \$16.6 million, offset by increased expenditures of \$12.1 million, also due to increased patient volume. For the hospitals, the net favorable increase is \$6.3 million, attributable to an increase in expenses due to patient volume of \$92.1 million, offset by an increase in revenues of \$98.4 million. This is 0.7% increase on the \$848 million budget.

**Motion to approve FY 2014/2015 Budget Adjustment Requests passed unanimously (1<sup>st</sup> Koch; 2<sup>nd</sup> Quillen).**

#### **REGENT COMMITTEE REPORTS**

##### **FINANCE AND FACILITIES COMMITTEE**

Regent Koch read the following consent items and motioned approval:

- a. Agenda item number 1, Approval of the quarterly Fiscal Watch Report
- b. Agenda item number 2, Approval of the Disposition of Surplus Property for Main Campus on lists dated March 23 and April 20, 2015
- c. Agenda item number 4, Approval of Capital Project for UNM Taos Core Drainage, Landscaping and Site Lighting
- d. Agenda item number 5, Approval of Lobo Development Corporation Annual Meeting Minutes and External Audit for FY3-14
- e. Agenda item number 6, Approval of Lobo Energy, Inc. Annual Meeting Minutes, External Audit for FY13-14
- f. Agenda item number 8, Approval of Memorandum of Agreement among the Regents of UNM, the UNM Foundation, Inc. and the UNM Lobo Club, Inc.

**The motion to approve the consent items 1, 2, 4, 5, 6, and 8 on the Finance and Facilities Committee agenda passed by unanimous vote (1<sup>st</sup> Koch; 2<sup>nd</sup> Lee).**



**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Financial Statements

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

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**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Official Roster

June 30, 2015

**OFFICERS**

Jason Strauss  
Jeffrey Zumwalt  
Wanita Kirkman

**MEMBERS**

Robert G. Frank  
David W. Harris  
Robert M. Doughty, III  
Stephen W. McKernan  
Geraldine Forbes-Isais  
Jon Word  
Thomas J. Ruiz  
Bruno E. Carrara



**KPMG LLP**  
Two Park Square, Suite 700  
6565 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

## **Independent Auditors' Report**

The Board of Directors  
Lobo Energy, Incorporated  
and  
Mr. Timothy Keller, New Mexico State Auditor:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lobo Energy, Incorporated (Lobo Energy), a component unit of the University of New Mexico, which comprise the statements of net position as of June 30, 2015 and 2014, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Lobo Energy's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lobo Energy, Incorporated as of June 30, 2015 and 2014, and the changes in its net position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### **Other Matter**

#### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2015, on our consideration of Lobo Energy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lobo Energy's internal control over financial reporting and compliance.

**KPMG LLP**

Albuquerque, New Mexico  
November 11, 2015



**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

The following discussion and analysis provides an overview of the financial position and activities of Lobo Energy, Incorporated (Lobo Energy) as of and for the fiscal years ended June 30, 2015, 2014, and 2013. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the financial statements, notes, and this discussion are the responsibility of Lobo Energy's management.

**Financial Highlights**

- Lobo Energy's net position decreased \$236,395 from \$4,181,801 in 2014 to \$3,945,406 in fiscal year 2015, primarily due to a decrease in operating revenue and an increase in expenses. Lobo Energy's net position increased \$1,539,950 from \$2,641,851 in 2013 to \$4,181,801 in fiscal year 2014, primarily due to an increase in operating revenue and a decrease in expenses.
- During fiscal year 2015, Lobo Energy's operating revenue decreased by \$501,789 and operating expenses increased by \$1,632,337, resulting in net operating loss of \$27,552 in fiscal year 2015, compared to net operating income of \$2,106,574 in fiscal year 2014. During fiscal year 2014, Lobo Energy's operating revenue increased by \$378,211 and operating expenses decreased by \$463,495, resulting in net operating income of \$2,106,574 in fiscal year 2014, compared to net operating income of \$1,264,868 in fiscal year 2013.
- Cash decreased in fiscal year 2015 by \$442,513 resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2015 of \$864,756. The decrease during fiscal year 2015 is primarily due to the transfer of funds to the UNM Physical Plant Department for renewable energy projects. Cash decreased in fiscal year 2014 by \$3,111,883 resulting in cash on deposit with fiscal agent and cash on hand at the close of fiscal year 2014 of \$1,307,269. The decrease during fiscal year 2014 is primarily due to the depletion of the escrow account from which the expenses were paid in connection with the installation of the second co-generation unit in Ford Utilities Center on UNM's main campus.

**Overview of the Basic Financial Statements**

The statements of net position of Lobo Energy provides both long-term and short-term information about Lobo Energy's overall financial position. The statements of revenues, expenses, and changes in net position provide information about the operating revenues and expenses and the nonoperating revenues and expenses of Lobo Energy. The statements of cash flows provide information related to the cash inflows and outflows of Lobo Energy. The notes to the basic financial statements provide more detailed information about amounts reported in the basic financial statements.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

**Financial Information**

Lobo Energy's condensed financial information as of and for the fiscal years ended June 30, 2015, 2014, and 2013 are provided in the following table:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Current assets	\$ 874,500	1,502,661	4,424,819
Other assets	30	15,030	30
Capital assets	<u>10,489,738</u>	<u>11,030,097</u>	<u>7,908,104</u>
Total assets	<u>\$ 11,364,268</u>	<u>12,547,788</u>	<u>12,332,953</u>
Current liabilities	\$ 1,024,423	1,015,242	1,408,969
Long-term liabilities	6,394,439	7,350,745	8,282,133
Net position	<u>3,945,406</u>	<u>4,181,801</u>	<u>2,641,851</u>
Total liabilities and net position	<u>\$ 11,364,268</u>	<u>12,547,788</u>	<u>12,332,953</u>
Operating revenues	\$ 2,788,665	3,290,454	2,912,243
Operating expenses	<u>2,816,217</u>	<u>1,183,880</u>	<u>1,647,375</u>
Operating income	(27,552)	2,106,574	1,264,868
Nonoperating revenues	13,834	14,724	1,006,272
Nonoperating expenses	<u>222,677</u>	<u>581,348</u>	<u>243,520</u>
Change in net position	(236,395)	1,539,950	2,027,620
Net position, beginning of year	<u>4,181,801</u>	<u>2,641,851</u>	<u>614,231</u>
Net position, end of year	<u>\$ 3,945,406</u>	<u>4,181,801</u>	<u>2,641,851</u>

**Statements of Net Position**

As of June 30, 2015 and 2014, Lobo Energy has cash in the amount of \$864,756 and \$1,307,269, respectively, of which \$827,620 and \$1,299,617, respectively, is held by Lobo Energy's fiscal agent, UNM, and \$37,136 and \$7,652, respectively, is held in an operating bank account at a financial institution.

All of the June 30, 2015 and 2014 net assets are held as equity in the form of unrestricted net position of \$806,413 and \$1,433,837, respectively. Additionally, at June 30, 2015 and 2014, Lobo Energy has \$3,138,993 and \$2,747,964 shown as net investment in capital assets.

Lobo Energy's investment in capital assets as of June 30, 2015 and 2014 was \$10,489,738 and \$11,030,097, respectively. This investment in capital assets includes a co-generation project in construction and internally generated software. Additional information concerning Lobo Energy's capital assets may be found in note 5 in notes to the financial statements.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

At the end of the current fiscal year, Lobo Energy had total debt outstanding of \$7,350,745. This debt was incurred when Lobo Energy borrowed \$10,000,000 during FY 2012–13 for the purchase of the co-generation project (described in footnote 5) Additional information concerning Lobo Energy's long-term debt may be found in note 5 to the financial statements.

***Statements of Revenues, Expenses, and Changes in Net Position***

*Revenues* – Under the current Management Services Agreement (MSA), total revenue earned during fiscal years 2015 and 2014 for utility project management services and other project management services was \$2,788,665 and \$3,290,454, respectively, and includes \$480,000 in both fiscal years for utilities management services. Other management services for fiscal years 2015 and 2014 were \$2,308,665 and \$2,810,454, respectively. In addition, Lobo Energy provided other management services on the Mesa del Sol campus for an outside company beginning April 15, 2012. Other project management services revenue realized from this project was \$0 in 2015 and \$21,026 in 2014.

UNM is the fiscal agent of Lobo Energy. UNM holds the majority of Lobo Energy's assets and invests the holdings in a commingled account with UNM's other cash investments. The pro rata interest earnings are credited to Lobo Energy's account monthly. Lobo Energy transfers funds to its checking account as needed.

*Expenses* – Total operating expenses increased \$1,632,337 during the fiscal year ended June 30, 2015 due to an increase of \$1,268,907 in project expenses related to the transfer of funds to the UNM Physical Plant Department for renewable energy projects and an increase of \$35,469 in administrative expenses as well as an increase in depreciation expenses of \$327,961 due to the installation of the second co-generation unit on the UNM campus at the end of FY 2014. Total operating expenses decreased \$463,495 during the fiscal year ended June 30, 2014 due to a decrease of \$660,481 in project expenses upon completion of the Shimizu NA solar project at Mesa del Sol and a decrease of \$15,142 in administrative expenses offset by an increase in depreciation expenses of \$212,398 due to the installation of the second co-generation unit on the UNM campus.

**Factors Impacting Future Periods**

When Lobo Energy was tasked with implementing an energy conservation program on the UNM campus, Lobo Energy entered into a contract with Energy Education, Inc. (EEI) in December 2007. An implementation plan was presented to Lobo Energy Incorporated/UNM by EEI at a kickoff meeting on December 17, 2007. There was a strategic planning period through February 2008. The training and implementation period, referred to as the fast track, was planned from March through September 2008. Due to the fact that the energy conservation specialists were not hired until April 2008, the fast track did not begin until April. The contract reads that the savings would be determined during four performance years that would not begin until the fast track was over. The first performance year began October 1, 2008. Performance year four of the energy-conservation contract ended on September 30, 2012. After that date, Lobo Energy made no more payments to EEI, although the contract reads that Lobo Energy may continue the program with support from EEI for an indefinite period.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Management's Discussion and Analysis

June 30, 2015 and 2014

(unaudited)

Early in fiscal year 2013, Lobo Energy purchased a second co-generation unit and contracted to have it installed in Ford Utilities Center on the UNM campus (note 5 for a detailed explanation of this project). This project was completed during FY 2014.

A Lobo Energy employee has developed a software package for use by UNM that could be used by other facility managers (note 5 for a detailed explanation of this project).

Lobo Energy will not continue to provide services in connection with the solar energy project on the Mesa del Sol campus for which it is compensated by Shimizu NA (see further discussion in note 1).

**Contacting Lobo Energy's Financial Management**

This report is meant to describe the financial condition and position of Lobo Energy.

If you have questions about this report or need additional financial information, contact:

Lobo Energy, Incorporated  
800 Bradbury Drive SE, Suite 216  
Albuquerque, New Mexico 87106-4310  
(505) 272-7118

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Statements of Net Position

June 30, 2015 and 2014

Assets	2015	2014
Current assets:		
Cash on deposit with fiscal agent	\$ 827,620	1,299,617
Cash on deposit with BBVA Compass Bank	37,136	7,652
Accounts receivable	9,744	189,844
Prepaid expenses	—	5,548
Total current assets	<u>874,500</u>	<u>1,502,661</u>
Capital assets:		
Construction in progress	—	622,579
Property, plant, and equipment	11,242,495	10,619,916
Less accumulated depreciation and amortization	<u>(752,757)</u>	<u>(212,398)</u>
Net capital assets	<u>10,489,738</u>	<u>11,030,097</u>
Noncurrent assets:		
Other assets	30	30
Equity method investment	—	15,000
Total assets	<u>\$ 11,364,268</u>	<u>12,547,788</u>
<b>Liabilities and Net Position</b>		
Current liabilities:		
Accounts payable	\$ 68,117	83,854
Current portion of long-term debt	956,306	931,388
Total current liabilities	<u>1,024,423</u>	<u>1,015,242</u>
Long-term debt, excluding current installments	<u>6,394,439</u>	<u>7,350,745</u>
Total liabilities	<u>7,418,862</u>	<u>8,365,987</u>
Net position:		
Net investment in capital assets	3,138,993	2,747,964
Unrestricted	<u>806,413</u>	<u>1,433,837</u>
Total net position	<u>3,945,406</u>	<u>4,181,801</u>
Total liabilities and net position	<u>\$ 11,364,268</u>	<u>12,547,788</u>

See accompanying notes to financial statements.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)  
Statements of Revenues, Expenses, and Changes in Net Position  
Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Utilities management services	\$ 480,000	480,000
Other management services	<u>2,308,665</u>	<u>2,810,454</u>
Total operating revenues	<u>2,788,665</u>	<u>3,290,454</u>
Operating expenses:		
Administrative expenses	193,852	158,383
Depreciation expenses	540,359	212,398
Project expenses	<u>2,082,006</u>	<u>813,099</u>
Total operating expenses	<u>2,816,217</u>	<u>1,183,880</u>
Operating (loss) gain	(27,552)	2,106,574
Nonoperating revenue:		
Interest income	13,834	14,724
Nonoperating expenses:		
Loss on equity method investment	15,000	350,077
Interest expense	<u>207,677</u>	<u>231,271</u>
Change in net position	(236,395)	1,539,950
Net position, beginning of year	<u>4,181,801</u>	<u>2,641,851</u>
Net position, end of year	<u>\$ 3,945,406</u>	<u>4,181,801</u>

See accompanying notes to financial statements.



**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Statements of Cash Flows

Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers	\$ 2,968,764	3,106,277
Payments to other suppliers of goods or services	(1,634,414)	(643,964)
Payments to employees for services	(651,632)	(751,062)
Net cash provided by operating activities	<u>682,718</u>	<u>1,711,251</u>
Cash flows from investing activities:		
Construction in progress	—	(3,334,392)
Payments made for equity method investment	—	(365,077)
Net cash used in investing activities	<u>—</u>	<u>(3,699,469)</u>
Cash flow from capital financing activities:		
Payments of long-term debt	(931,388)	(907,119)
Interest earned	13,835	14,724
Interest expense	(207,677)	(231,271)
Net cash used in financing activities	<u>(1,125,230)</u>	<u>(1,123,666)</u>
Net decrease in cash and cash equivalents	<u>(442,512)</u>	<u>(3,111,884)</u>
Cash and cash equivalents, beginning of year	<u>1,307,268</u>	<u>4,419,152</u>
Cash and cash equivalents, end of year	<u>\$ 864,756</u>	<u>1,307,268</u>
Reconciliation of operating gain to net cash provided by operating activities:		
Operating (loss) gain	\$ (27,552)	2,106,574
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation expense	540,359	212,398
Change in accounts receivable	180,100	(184,177)
Change in prepaid expenses	5,548	(5,548)
Change in accounts payable	(15,737)	(417,996)
Net cash provided by operating activities	<u>\$ 682,718</u>	<u>1,711,251</u>

See accompanying notes to financial statements.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2015 and 2014

**(1) Description of Business**

Lobo Energy, Incorporated (Lobo Energy) (a component unit of the University of New Mexico) is owned, controlled, and was established by the University of New Mexico's (UNM) Board of Regents.

Lobo Energy was incorporated in the State of New Mexico on July 15, 1998. It was organized under the amended State of New Mexico's University Research Park Act. The name of the Act has since been changed to the University Research Park and Economic Development Act.

Lobo Energy was established to provide UNM with services outlined in an Interim Services Agreement (ISA) that included procuring electricity and natural gas for UNM, installing an energy metering and management system, and developing a Master Utility Business Plan (plan) for the upgrade and improvement of the utility infrastructure. Lobo Energy completed the installation of a metering and monitoring system and developed and integrated energy procurement methods into UNM's procurement processes. Lobo Energy's board of directors approved the plan in June 2000. UNM implemented the business plan and financed and constructed the projects contemplated in the business plan.

In developing the plan, Lobo Energy employed several consultants to assist in assessing the utility infrastructure needs, defining a technical solution, and determining the financial parameters of that solution. The combined efforts resulted in a comprehensive plan that identified many utility improvement projects, their construction costs, and the financial impacts upon the utility services. The utility systems included in the plan were renewed through a series of construction projects over a period of several years.

Lobo Energy conducted its business under the terms of a November 2000–2005 Management Services Agreement (MSA) that replaced the original ISA. Under the MSA, with respect to existing and any and all new utility systems and equipment, UNM continued to own, finance, operate, maintain, and in all respects control the utility equipment and systems. Lobo Energy provided project management services and transition management services for the duration of the project. The utility upgrade project was completed during 2006.

Lobo Energy currently provides services to UNM under the terms of a revised MSA, which is effective November 2010–2015 (note 3). The agreement continues for consecutive one-year periods after its expiration or until such time as it is terminated. UNM may terminate the MSA thirty-days after written notice to Lobo Energy. UNM has not notified Lobo Energy that it intends to exercise this right. Upon termination of this agreement all rights and privileges granted, assigned or shared between Lobo Energy and UNM shall terminate. Upon termination of the agreement, all property of Lobo Energy shall transfer to UNM subject to the prior rights, if any, of any creditors of Lobo Energy.

UNM requested that Lobo Energy implement an energy conservation program on the campus during fiscal year 2008. Lobo Energy entered into a contract with Energy Education, Inc. (EEI), a corporation that specializes in energy conservation (EEI is now known as Cenergistic). Lobo Energy hired six energy conservation specialists (ECSs). Contract payments began after the first six months the contract was in effect. The ongoing program continues to be very effective. UNM has experienced a dramatic decrease in its energy consumption, as well as a reduction in the size of its carbon footprint, since the onset of the project. The four-year contract with EEI expired on September 30, 2012. The energy conservation project continues on the campus.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2015 and 2014

During fiscal year 2009, Lobo Energy was asked by UNM to explore renewable energy applications that might be viable on the campus. Lobo Energy issued a Request for Information regarding potential renewable energy projects for installation on the UNM campus when funding becomes available.

During fiscal year 2013, at the request of UNM, Lobo Energy began providing technical support for the smart-grid, renewable-energy project owned by Shimizu NA on the Mesa del Sol campus. Lobo Energy is compensated by Shimizu for its participation in this project. Lobo Energy's contract with Shimizu expired on March 31, 2014. The solar unit was given to UNM's Engineering Department by Shimizu and the maintenance is provided by UNM Physical Plant personnel.

**(2) Summary of Significant Accounting Policies and Practices**

**(a) Basis of Accounting and Presentation**

As a proprietary fund, Lobo Energy's financial statements are reported using a flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred. Operating revenues and expenses are those incurred that relate directly to energy and project management services. All other revenues and expenses are considered nonoperating.

The accompanying financial statements include only the accounts of Lobo Energy, which has no component units.

**(b) Net Position**

For accounting and reporting purposes, Lobo Energy reports its net position in the following net asset categories as applicable:

- Net investment in capital assets – capital assets, net of accumulated depreciation and debt incurred to finance the capital asset acquisition
- Unrestricted – net position that is not subject to externally imposed constraints

**(c) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statements dates and the reported amounts of revenues and expenses during these reporting periods. Due to uncertainties inherent in the estimation process, actual results could differ from those estimates.

**(d) Cash and Cash Equivalents**

Lobo Energy considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. For purposes of the statement of cash, Lobo Energy considers cash and cash equivalents to be cash deposits and amounts held by its fiscal agent.

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2015 and 2014

**(e) Revenue Recognition**

Lobo Energy provides two types of project management services: utilities management services and other management services (see note 3). Revenue is recognized for each type of service based on the terms of the MSA.

**(f) Equity Method Investment**

Lobo Energy initially recorded its equity method investment at cost. A decline in the fair value of the investment below cost that is deemed other-than-temporary results in an impairment to reduce the carrying value to fair value. In FY 2014 and 2015, Lobo Energy recognized an impairment loss on its investment. See note 9 for further discussion.

**(g) Capital Assets**

Capital assets are stated at cost. Lobo Energy's policy is to capitalize all disbursements for equipment, software, and furnishings in excess of a \$5,000 unit price. Items with a cost of less than \$5,000 are expensed in the year of acquisition. Donated equipment is recorded at fair market value at the date of donation. Repairs and maintenance expenses are charged to operations when incurred and major improvements and replacements are capitalized.

**(h) Income Taxes**

Lobo Energy is exempt from federal income tax on income related to its exempt purposes under Section 501(a) of the Internal Revenue Code (Code) as an organization described in Section 501(c)(3) of the Code.

**(3) Project Management Services under The Revised Management Services Agreement**

***Utilities Management Services***

Lobo Energy may provide assistance to UNM, as requested, for the management and supervision of its contracts that provide for the:

- a. Planning, design, engineering, contracting, energy conservation, and commissioning services for assigned projects
- b. Procurement of equipment and services in the course of implementing the projects
- c. Management of UNM's energy procurement strategies
- d. Recommendations for obtaining cost-effective energy commodities and services from energy suppliers
- e. Management of UNM's energy-related regulatory issues
- f. Recommendations for appropriate actions and strategies in response to regulatory opportunities or events

**LOBO ENERGY, INCORPORATED**  
(A Component Unit of the University of New Mexico)

Notes to Financial Statements

June 30, 2015 and 2014

- g. Administrative tools capable of providing utility operational budgeting, capital project budgeting, major maintenance budgeting, cash flow tracking, and energy savings tracking
- h. Assistance with developing the energy and administrative capabilities described in items a through g above.

Under the terms of the revised MSA, effective November 1, 2010, UNM compensates Lobo Energy for these services at the rate of \$40,000 per month, over a five year period.

***Other Management Services***

- a. Development planning services
- b. Additional infrastructure development plans
- c. Other planning services as assigned

Under the revised MSA, as of November 1, 2010, UNM pays Lobo Energy a mutually agreed-upon monthly fee for the duration of each project.

**(4) Cash**

Lobo Energy's cash balances include cash on deposit with its fiscal agent and an operating account. Lobo Energy has no statutory or policy requirements; however, it has a policy to deposit funds only in FDIC-insured accounts. UNM serves as the fiscal agent for Lobo Energy through which Lobo Energy participates in a pooled bank account maintained by UNM. At June 30, 2015 and 2014, Lobo Energy had a book and bank balance in that pooled account of \$827,620 and \$1,299,617, respectively. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to Lobo Energy's account based on its balance in the pooled bank account at the end of the preceding month. Lobo Energy realized a gain of \$13,834 via year-end adjustments to the interest account by UNM.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. At June 30, 2015 and 2014, the bank balance in Lobo Energy's separate checking account was \$37,136 and \$7,652, respectively, and the book balance was \$37,136 and \$172,244, respectively. At June 30, 2015 and 2014, the checking account balance is insured by the FDIC.



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**(5) Capital Assets and Long-Term Debt**

**(a) Co-generation Unit**

In July 2012, Lobo Energy entered into a \$10,000,000 commitment to finance the construction of a new co-generation unit to be installed on the UNM main campus in Ford Utilities Center. The Master Equipment Lease/Purchase Agreement with Banc of America Leasing and Capital, LLC (Banc of America) was entered into and is to be repaid over a period of 10 years. Monthly payments in the amount of \$94,922 commenced on August 25, 2012. The final lease payment is anticipated to be made on July 25, 2022. The escrow account was held at Bank of Albuquerque. The installation of an additional co-generation unit in the future was part of the plan when the utility infrastructure was upgraded in a project concluding in 2006. The additional unit was placed into service in January 2014. During the years ended June 30, 2015 and 2014, Lobo Energy capitalized \$0 and \$2,900,820, respectively. Lobo Energy now has a fixed asset with an original cost of \$11,242,495.

**(b) Depreciation**

Lobo Energy depreciates the co-generation unit using the straight-line method based upon a useful life of 25 years. Lobo Energy estimates useful life based upon internal information and similar assets at UNM. The unit was placed into service and Lobo Energy began depreciating the asset in January 2014. In fiscal year 2015, two pieces of software were transferred from construction in progress, to Property, plant and equipment. Lobo Energy estimates useful life of software using the straight-line method over a useful life of 5 years. Lobo Energy recorded \$752,757 and \$212,398 of accumulated depreciation at June 30, 2015 and 2014, respectively.

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Retirements/ disposals</u>	<u>Balance at June 30, 2015</u>
Plant in service	\$ 10,619,916	—	—	10,619,916
Internally generated software	—	622,579	—	622,579
Accumulated depreciation	<u>(212,398)</u>	<u>(540,359)</u>	<u>—</u>	<u>(752,757)</u>
Net property, plant, and equipment	<u>\$ 10,407,518</u>	<u>82,220</u>	<u>—</u>	<u>10,489,738</u>

**(c) Lease Payments**

Payments are due monthly to Banc of America and the lease charges interest at 2.64% and matures on July 25, 2022. The outstanding principal balance at June 30, 2015 and 2014 was \$7,350,745 and \$8,282,133, respectively. The following is a summary of lease liability transactions, including the current portion:



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	<u>Balance at July 1</u>	<u>Proceeds</u>	<u>Payments</u>	<u>Balance at June 30</u>	<u>Due within one year</u>
Lease liability, FY 2014	\$ 9,189,252	—	(907,119)	8,282,133	931,388
Lease liability, FY 2015	8,282,133	—	(931,388)	7,350,745	956,306

At June 30, 2015, minimum future lease payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal years ending June 30:			
2016	\$ 956,306	182,759	1,139,065
2017	981,891	157,174	1,139,065
2018	1,008,160	130,905	1,139,065
2019	1,035,132	103,933	1,139,065
2020	1,062,826	76,239	1,139,065
2021 to 2022	2,306,430	66,622	2,373,052
	<u>\$ 7,350,745</u>	<u>717,632</u>	<u>8,068,377</u>

**(d) Internally generated software**

Lobo Energy completed the process of developing an internally generated software. The software is used to gather and retain information related to the efficient management of energy consumption. It was developed for use by UNM and potentially other educational institutions as well as emergency responders and other facility managers who could benefit from having a database that collects institutional knowledge about their assets. At June 30, 2015 and 2014, Lobo Energy has capitalized \$0 and \$545,834, respectively, and was transferred to property, plant, and equipment line item on the balance sheet as it was placed in service.

In addition, Lobo Energy bought a commercially available software package on March 20, 2014, for \$76,745 and completed the process of modifying it using more than minimal incremental effort, and was placed into operation in fiscal year 2015, and is was transferred to the property, plant, and equipment line item on the balance sheet.

**(6) Major Contracts**

UNM requested that Lobo Energy implement an energy conservation program on the campus during 2008. Effective December 7, 2007, Lobo Energy entered into a contract with EEI (now known as Cenergistic), a corporation that specializes in the reduction of consumption of electricity, gas, propane, fuel oil, water, and sewer. There was a strategic planning and implementation period that extended through March of 2008. A six-month fast track followed (April–September 2008) in which Lobo Energy hired ECSs to work on UNM's Albuquerque campus. Four performance years, during which Lobo Energy pays EEI \$1,924,800 per year, or a total of \$7,699,200, commenced on October 1, 2008. EEI estimated a cumulative net cost avoidance of \$10,838,672 during the four performance years. The four-year contract expired on September 30, 2012. Net avoided costs realized at that time were \$10,956,660 (unaudited).

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During fiscal years 2008 and 2009, energy-conservation programs were started on UNM's Valencia, Gallup, Los Alamos, and Taos Campuses. The program on each of those campuses is administered by an employee who was already employed on each campus. The programs are ongoing during fiscal years 2014 and 2015.

During fiscal year 2012, at the request of UNM, Lobo Energy entered into a contract with Shimizu NA whereby Lobo Energy began providing technical support for the smart-grid solar energy project owned by Shimizu NA on the Mesa del Sol campus. Lobo Energy was compensated by Shimizu for labor and materials per terms of the contract. The contracts for the periods April 15–June 14, 2012, and June 15–August 14, 2012, provided for billing of a fixed fee of \$12,500 per month for 40 hours of labor per week, plus overtime billed at \$50/hr. Lobo Energy realized revenue in the amount of \$27,443 during fiscal year 2013. The contract for the period of August 15, 2012 through March 31, 2014 provides for services to be provided on a limited, as-needed basis. Services are limited to 25 hours per month to be billed at \$60/hr. Overtime hours are limited to 32 hours per month at a rate of \$100/hr. Lobo Energy recognized revenue in the amount of \$0 during fiscal year 2015. In July 2012, Lobo Energy entered into a Memorandum of Understanding with UNM's Physical Plant Department to define the responsibilities of both parties with respect to provision of and payment for materials and services to be provided by UNM Physical Plant on the Shimizu project on the Mesa del Sol campus. This project was completed in March 30, 2014.

**(7) Defined-Contribution Plan**

Lobo Energy entered into, and administers, a 403(b) defined-contribution plan effective February 1, 2000 and amended January 1, 2009. As a defined-contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan may be amended by a board of directors' resolution. All employees of Lobo Energy are eligible to participate and are considered to be immediately vested. The plan allows for variable employee contributions up to the Internal Revenue Service maximum allowed amount. Lobo Energy contributes a 100% match up to 6% of each participating employee's gross salary per compensation period. Contributions to the plan for the fiscal years ended June 30, 2015 and 2014 were \$74,980 and \$64,406, respectively, which consisted of \$45,385 and \$34,851 contributed by employees and \$29,595 and \$29,554 contributed by Lobo Energy, respectively.

**(8) Related-Party Transactions**

Effective December 1, 1998, UNM and Lobo Energy entered into a Memorandum of Agreement (MOA) containing the expectations and performance obligations that UNM was seeking from Lobo Energy at that time. The MOA articulates UNM's and Lobo Energy's mutual obligations in planning, developing, and implementing the utility facilities and services required by UNM.

Pursuant to the MOA, UNM provides to Lobo Energy, at no cost to Lobo Energy, facilities support and general business office and associated workspace. The MOA also establishes UNM as the fiscal agent for Lobo Energy, with UNM providing cash and investment management activities for Lobo Energy, at no cost to Lobo Energy.

The MOA may be terminated by UNM and, upon termination, all property of Lobo Energy will be transferred to UNM or other successor organizations designated by a resolution of UNM's Board of Regents.

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In FY 2014, Lobo Energy paid a total of \$365,077 to Facility Facts, Inc. a company owned by an employee of Lobo Energy, and in which Lobo Energy has a 10% common stock interest in order to help get the company established in order to market and sell the Facility Facts software internally generated by Lobo Energy. There were no additional payments made in FY 2015. Lobo Energy accounts for its investment in Facility Facts, Inc. using the equity method of investment.

Pursuant to the licensing agreement made with Facility Facts Inc., Lobo Energy retains the patent rights, permanent royalty-free rights to use the Facility Facts software, and will receive royalties representing 50% of gross receipts of sublicenses granted during each calendar year for the life of the filed patents.

Lobo Energy did not purchase goods or services of companies that board members are employed by during the fiscal years ended June 30, 2015 and 2014.

**\*(9) Equity Method Investments**

Investments accounted for under the equity method consist of 10% of the common stock of Facility Facts, Inc. Lobo Energy received 7% of common stock upon execution of the licensing agreement discussed in note 8 to the financial statements. The remaining 3% of common stock was issued to Lobo Energy as consideration for \$365,077 of funding provided during FY 2014. Under this method, there was no recorded goodwill; however, the investment was analyzed for impairment. As a result of impairment testing during FY 2014, Lobo Energy recognized a loss related to its investment in the amount of \$350,077. In FY 2015, Lobo Energy recognized its portion of Facility Facts, Inc.'s net loss, resulting in a decrease of the investment by an additional \$15,000.

**(10) Risk Management**

Lobo Energy, through UNM, participates in the State of New Mexico Risk Management Program (Risk Management) that provides general liability, auto liability, physical damage, and workers' compensation insurance. The Risk Management program liability insurance coverage includes most employee liability claims; those claims falling outside this state program are in limited amounts and are covered by UNM from its operating budget. UNM's exposure is limited to \$1,000 per any first party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

**(11) Subsequent Events**

On August 25, 2015, the Board of Directors for Lobo Energy approved a revised Management Services Agreement (MSA) between Lobo Energy and the University of New Mexico. The MSA was approved by the UNM Board of Regents on October 9, 2015. The effective date of the MSA is November 1, 2015 for a five year term which expires on November 1, 2020.

Subsequent events are evaluated by management through the date the accompanying financial statements are available to be issued, which is November 11, 2015.





KPMG LLP  
Two Park Square, Suite 700  
6565 Americas Parkway, N.E.  
Albuquerque, NM 87110-8179

**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Directors  
Lobo Energy, Incorporated  
and  
Mr. Timothy Keller, New Mexico State Auditor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Lobo Energy, Incorporated (Lobo Energy), a component unit of the University of New Mexico, which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 11, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lobo Energy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lobo Energy's internal control. Accordingly, we do not express an opinion on the effectiveness of Lobo Energy's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Lobo Energy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Management's Response to the Finding**

Lobo Energy's response to the finding identified in our audit is described in the accompanying schedule of findings. Lobo Energy's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lobo Energy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lobo Energy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Albuquerque, New Mexico  
November 11, 2015

**LOBO ENERGY, INCORPORATED**  
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Schedule of Findings and Responses

Year ended June 30, 2015

**Findings – Financial Statement Audits**

**Prior Year Findings**

*Finding Number:* 2014-001

*Finding Title:* Expenses

*Type of Finding:* Findings that do not rise to the level of a significant deficiency

*Disposition:* Resolved

**Current Year Findings**

*Finding Number:* 2015-001

*Finding Title:* Investments

*Type of Finding:* Findings that do not rise to the level of a significant deficiency

*Condition and Criteria*

Per GASB Codification (GASB) 150.127h, Lobo Energy is required to recognize its share of the net income of an investee, and adjust the carrying value investment accordingly. They should discontinue the use of the equity method once the investment is reduced to zero, and should not recognize any additional losses.

For the fiscal year ended June 30, 2015, it was determined that the valuation of the equity method investment was not done in accordance with GASB, and that there were inadequate controls in place to ensure the proper valuation of the investment.

*Effect*

Lack of internal controls could result in an inappropriate valuation of Lobo Energy's equity method security.

*Cause*

Internal controls related to the recognition and revaluation of the equity method security has not been properly designed or implemented.

*Auditor's Recommendation*

We recommend that Lobo Energy institute controls around the recognition and valuation of the equity method security to ensure that the value and any associated gains or losses of the security is appropriately recognized in a timely and accurate fashion.

*Management's Response*

The equity method security will be evaluated at year-end to ensure proper valuation of the equity method security.



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Exit Conference

Year ended June 30, 2015

An exit conference was held on October 14, 2015. During this meeting, the contents of this report were discussed with the following individuals:

**Lobo Energy, Incorporated**

Jason Strauss                      President/CEO, LEI; Member of Board of Directors, LEI

Wanita Kirkman                  CFO, LEI

**KPMG LLP**

Caroline M. Garcia              Partner

Jessa Huybrechts                Manager

Lobo Energy is responsible for the contents of the financial statements. KPMG LLP assisted with the preparation of the financial statements.