



Faculty Senate Budget Committee

Final

Minutes

Monday, January 25, 2021

11:00 AM-12:00 PM

Via Zoom

Attendees:

Robert Gary	Anderson School
Renia Ehrenfeucht	Architecture & Planning
Irene Vasquez	Chicana & Chicano Studies
Janie Chermak	Economics
Melissa Roberts	Pharmacy
Osborn Pearson	Anthropology
Sudharman Jayaweera	Engineering

Excused:

Norma Allen	Budget Office
Michael Davis	Surgery Urology

Absent:

Melody Avila	College of Nursing
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Guests:

Provost James Holloway	The Provost Office
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Minutes:

Felisha Martinez	Office of the University Secretary
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Meeting called to order @ 11:15 AM

Quorum was met.

1. Review and Approval of Agenda:

A motion to approve the agenda for January 25, 2021 was made and seconded. The agenda was approved by unanimous decision.

2. Review and Approval of Minutes

A motion to approve the October 2020 meeting minutes was made and seconded. The minutes were approved by unanimous decision. A motion to approve the December 2020 meeting minutes was made. There were two abstentions and five votes to approve.

3. BLT Update/Q&A with Provost Holloway

Provost Holloway reviewed information from the last BLT meeting and answered questions from the committee. He stated there was an increase in the budget from the emergency budget passed in June 2020. The Governor is recommending a \$28.9 million increase in general fund spending to the higher education sector. A large portion of this, \$21 million, is going to the Opportunity Scholarship which was initially introduced two years ago and was passed one year ago. This scholarship makes a 2-year degree (associate degree and certificates) at no cost to the student. The promise is to get 4-year degrees covered; however the University is unable to make this happen due to COVID



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and passing emergency budgets. There will be \$7.9 million allocated for I&G (Instruction and General) funding to be split between all higher education institutions; this represents a 1.03% increase to institutions' budgets. There has been an overall decrease in the budget, but an increase from the original emergency budget. In November 2020, all state agencies were asked to prepare for a 5% cut. However, state revenues have moved in a positive direction. The executive budget recommendation reduces all I&G funding for UNM by 2% and all RPSPs (Research and Public Service Projects) by 4% per the FY21 Special Session. The numbers may change in the next 60 days as they lead up to the legislative session.

- I&G Executive Recommendation:
 - Central Campus
 - \$187.5 million for I&G: \$3.8 million, 2% reduction.
 - HSC
 - \$60.6 million for I&G: \$1.2 million, 2% reduction.
 - Branches
 - Gallup - \$8.4 million for I&G: \$173,000, 2% reduction.
 - Los Alamos - \$1.8 million for I&G: \$38,000, 2% reduction.
 - Taos - \$3.7 million for I&G: \$75,000, 2% reduction.
 - Valencia - \$5.5 million for I&G: \$114,000, 2% reduction.
- RPSP Executive Recommendation:
 - Central Campus - \$12.0 million: \$501,000, 4.0% reduction.
 - HSC - \$38.1 million: \$1.5 million, 4% reduction
 - Both HED and LFC moved the statewide ELACE line-item from the Higher Education Department's budget to the HSC budget.

Legislative Finance Committee (LFC) recommendation restores \$20 million in general fund revenues swapped with federal funds (this was done as a solvency measure during the first special legislative session in June, 2020).

The CARES Act funding was removed by 2/3 from the base budget. This comes out to a \$5.8 million cut, in addition to other cuts. This is 67% cut to the CARES Act funding and the Governor does not propose restoring that cut. Last year, the University got one-time funds from the federal government, however the state removed this. Congress just passed the HERFT Act (Higher Education Emergency Relief Fund), which is the CARES Act 2, which provides \$30 million in funds. The State will do a similar swap and remove additional money to compensate for the \$30 million received because of the HERFT Act.

The Executive budget recommendation does not provide a compensation increase. The LFC recommendation proposes a 1.5% increase for all state employees, teachers, and higher education employees. The State would expect the University to cover the other half of the proposed increase since UNM obtains funds outside of I&G. Example: A 4% increase would in reality only be 2% increase from the State and the University would be expected to cover the rest. The University did recommend a change be made last year to how compensation increases



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are handled; however, this change was removed due to the emergency budget. The new proposed change is for the state to cover 70%-80% of that 1.5% rather than only half. There was a similar reduction in RPSP.

I&G LFC Recommendation:

- Central Campus
 - \$192.2 million for I&G: \$873,000, 0.5% increase.
- HSC
 - \$61.8 million for I&G: \$1.2 million, 2% increase.
- Branches
 - Gallup - \$8.5 million for I&G: \$57,000, 0.7% reduction.
 - Los Alamos - \$1.8 million for I&G: \$4,000, 0.2% increase.
 - Taos - \$3.7 million for I&G; \$5,000, 0.1% reduction.
 - Valencia - \$5.6 million for I&G; \$12,000, 0.2% reduction.

RPSP LFC Recommendation:

- Central Campus - \$11.8 million: \$724,000, 5.8% reduction.
- LFC eliminated the *Grow Your Own* line-time, a \$376,000 reduction to Central Campus' total.
- HSC - \$38.8 million: \$48,000, 0.1% reduction.
 - The LFC is recommending a \$250,000 increase to the UNM Comprehensive Cancer Center. This is a restoration of funding to the 2020 Legislative Session funding amount.
 - The LFC is also recommending a \$250,000 increase for the Office of Medical Investigator. LFC also wants \$250,000 of the HSC I&G money to go to OMI.
 - As noted above, the LFC also recommended to move the statewide Enlace program from HED to HSC.
 - The following RPSPs were held harmless: NMNEC, Nurse Expansion, Graduate Nurse Education, Carrie Tingley, NM Poison and Drug Information Center

The legislative recommendations tend to be most important as the legislative members are the ones who pass the budget. The one thing the University does not like is zeroing out the Yazzie Martinez RPSP for FY21. This was not the only new RPSP that the legislative recommendations wanted to zero out. The larger issue to address is being able to show the benefits and outcomes of RPSP's so they do not have the same problem occur in the future.

The Executive budget recommendation does not provide details on their recommended capital outlay projects. Below is a summary of LFC's recommendation for UNM:

▪ College of Fine Arts	\$2,208,100
▪ Fire Safety	\$2,000,000
▪ Research Modernization	\$1,850,000
▪ UNM Comprehensive Cancer Center	\$3,000,000
▪ UNM-Gallup Facility Repair	\$800,000
▪ UNM-LA Infrastructure Improvements	\$800,000
▪ UNM-Taos Infrastructure Improvements	\$1,875,000
▪ UNM Valencia Learning Commons	\$300,000



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Dr. Vasquez asked how these projects are prioritized. Provost Holloway stated the projects listed above are items that are funded by general obligation bonds or Severance Tax Bonds (STB's). There is a capital project leadership team that makes the list and creates the priorities. This team has created a 5-year capital plan and some projects that extend out past that 5-year plan. There is a list of 500 projects needing attention, but many will not get funded as they are smaller scale projects. Major sources of funds come through the legislative process.

Dr. Vasquez asked about determining if a project is a minor capital outlay project. Provost Holloway said the State calls any project above \$300K a major capital project and below \$300K is a minor capital project. Most projects are funded through individual legislators. The University pulled the 3-year planning documents created by Deans in September/October. Athletics and Facilities Finance also created their own planning documents. Athletics and Facilities Finance work with the Provost to determine which departmental projects get funded. An alternative list is also created to present to legislators who may be interested in funding certain projects.

Dr. Vasquez asked what the criteria is for low enrolled classes and what the adjustment will be now with COVID. Provost Holloway said he and Dr. Finnie Coleman pulled some data last week. They found the University had fewer courses dropped than in previous years. Out of 5,600 courses, the University dropped 150 compared to 220 the previous year. The largest college is operating at a deficit because of cuts in June 2020 and lower enrollment. The revenue is not there. Other colleges are looking better, but still strained financially. The University does not want to disrupt students' education but teaching low enrollment classes when revenue is low cuts down on current resources. At this time, the best the University can do is plan well early on. Pamela Cheek has spoken with the Deans regarding such issues. There are some solutions such as offering courses every other semester or every other year. Course scheduling is also an issue. Some required classes are in competition with each other. There is the suggestion of introducing a new course pattern. This includes scheduling courses on Monday and Friday or Monday and Wednesday. The University has found the most popular course schedule is Tuesday and Thursday at noon. The University is also looking at the caps for class sizes and making sure the capacity minimum is not too low and determining strategies that will work for student schedules and the size of student population. Decisions are also based on resources the University currently has.

With declining enrollments, Dr. Ehrenfeucht asked what the University is thinking of offering to create incentives (continuing education, certificates, etc.). Provost Holloway said UNM can recruit best within the state compared to other universities. There has been an increase in the freshman class size where other universities experienced a decrease. The University wants to think strategically at the undergraduate level by engaging students in research and creative work. UNM can also compete in post-baccalaureate degrees. They have seen a 20% increase in graduate enrollments. The current trend is that a 2-year college experience is becoming a commodity. To be set apart from others, students are looking at a degree program past the bachelor level. CNM is the biggest competitor for 2-year colleges, however they are unable to provide post-baccalaureate level education. The focus on post-baccalaureate programs is being factored into future budget models. How can the university increase their resources to house these new students in post-bachelor programs? Dr. Vasquez asked if UNM is thinking of offering degrees online. She said professors have had to change their curriculum due to COVID. Provost



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Holloway reported Anderson School is getting aggressive with their online degrees, specially MBA. The issue with online degrees, is that UNM is no longer competing locally. How can the university set themselves apart to make their online degrees unique?

4. **Next Meeting**
Monday, February 15, 2021

5. **Adjourned:** 12:07 PM