



*WEDNESDAY COMMUNIQUÉ*

**April 9, 2014**

**Cost & Value:** The last few weeks have been consumed by the UNM budget process. I have tried throughout the past year to describe in this space our revenue sources, our expenditures, and our challenges. It was also critical to continually benchmark our performance against national norms. To recap, UNM's overall operating budget has four major sources of revenue, the state appropriation (formula funding) of about \$188 million per year, tuition revenues of about \$1.5 million per year, contracts and grants (funded research expenditures) at about \$150 million for main campus and a similar amount for the Health Sciences Center (HSC), and services (e.g., hospital, auxiliaries, etc.). We are also required by law to have a balanced budget every year so that our revenues and expenditures balance out. The salary component of the budget is roughly about \$250 million per year (split almost in the middle between faculty and staff at \$1.1 million each, with the remainder for students' pay) for main campus and about the same amount for HSC. Therefore, a 1 percent compensation increase translates into \$2.5 million in new funding for main campus (a similar amount for HSC). A 1 percent tuition increase results in about \$1.5 million in revenues. It is against this backdrop, as well as the changes in the benefits costs, that the budget was put together. As you may know, the regents have approved a budget with no tuition increase, a 3 percent increase in faculty compensation, and a 2.5 percent increase in staff compensation.

While the costs of running the University keep increasing, our focus should be on increasing the value of education. And on that front, we have great news: UNM degrees are a great economic value. For example, the annual [return on investment](#) for a UNM computer science degree (for in-state students with financial aid) is 15.1 percent, and 9.7 percent for a general UNM degree. Our administrative cost of doing business remains [very competitive](#) at 5 percent of total cost in 2010-2011.

The latest [salary tool](#) from the *Chronicle*, using data from the American Association of University Professors survey (I excluded Medical faculty), clearly shows that the UNM faculty salaries remain in the bottom quarter of the 215 doctoral institutions.

While states and taxpayers continue to question the [cost of higher education](#), the questions generally concern rising costs, and not the benefit of higher education to students and the public. Whether you believe the purpose of a college degree is to land a good job or to prepare citizens, a college degree is as important as ever. And whether you believe that the state should fully pay for the cost of public higher education, or whether the students and their families should bear the burden of the cost, the total spending (net tuition plus state support) per student FTE (full-time equivalent) is what matters from a degree-value standpoint, and on [that front](#) New Mexico spends \$9,500 compared to the US average of \$11,000.

Our challenge going forward is to continue to strive and advocate for value, to control the controllable costs, and to explain to all constituents that while the cost of increasing quality (graduation rates as well as learning) is high, the price of decreasing quality or abdicating our mission is unbearable.

**Finalists Selected for the Position of Dean of College of Education:** After a nationwide search, I am pleased to announce the selection of four finalists for the position of dean of the College of Education. The finalists are: Bruce Johnson, Karin Jordan, Salvador Hector Ochoa, and Valerie Conley. Search committee chair Amy Wohlert, Chief of Staff in the Office of the President, and the search committee have done an excellent job identifying these finalists from a broad pool of candidates, and I look forward to their visits to campus. Each visit will include an open forum, during which the finalists will speak, and members of the UNM community will have the opportunity to ask questions and provide feedback to the search committee. I encourage you to attend these important events. For further information about the candidates, and times and locations for their visits and open forums, please see [the announcement](#).

**PCS Staff Awards:** Each spring, the Provost's Committee for Staff selects deserving winners for the [Outstanding Staff & Workgroup Awards](#). The winners of the individual awards were Dawn Blue Sky-Hill, Ramsey Lofton, and Elizabeth Siletti. The winner of the workgroup award was the Associate Vice President of Student Services (AVPSS) Collective Impact & Outlook Group – Tim Schroeder, Rosa Cervantes, Carolina Aguirre, Kiran Katira, Robert Christner, Renee Delgado-Riley, and Vicky Duer. Recipients will be honored this Friday, April 11 at 3:30 p.m. in the Science & Math Learning Center on the UNM main campus.

**Public Health and Literacy:** Can reading cure your cold? The connection between literacy and health is not so direct, unfortunately, but it may still surprise you that literacy is a [better predictor](#) of health than age, income, employment status, or race. Working with that knowledge, seniors in UNM's Communication & Journalism department are volunteering their time to raise awareness about the link between literacy and public health. They are promoting National Public Health Week, which began on Monday and culminates with a Walk for Health and Literacy Fair on Saturday, April 12. For more information, please see [here](#).

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Provost & Executive Vice President for Academic Affairs

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