



*WEDNESDAY COMMUNIQUÉ*

**April 16, 2014**

**Corrections to Numbers in April 9, 2014 post on Costs & Value:** I quoted in last week's Communiqué some numbers that were off. Here are the corrected numbers highlighted in red: "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 **\$150** million per year, contracts and grants (funded research expenditures at about \$150 million for main campus and a similar amount for 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 salaries component of the budget is roughly about \$250 million per year (split almost in the middle between faculty and staff at **\$110** million each with the remainder for students' pay)." The actual numbers can be found at [the website](#) for the Office of Planning, Budget & Analysis.

**Each necessary, but only jointly sufficient:** In trying to trace back the causes of failures in complex systems (software, organizations), one comes across many drivers that, taken one at a time, seem harmless and insignificant, but [together may become deadly](#). The same was evident in the study I previously referenced, and as reported in this [Chronicle article](#), describing the state and funding of public higher education in the US. To quote from the beginning of that article: "It happened so slowly that no one really noticed at first. That's the way erosion works. It is a gradual decay. But somewhere along the line, over the past three decades or so, the deterioration of support for public higher education became hard to miss." Each one of the many causes looked harmless enough, but together they became a threat to the model of public higher education that makes the U.S. system the most successful in the world. This phenomenon was present during our recent budget process. As the cost and number of incoming students increased, the funding from the state (adjusted per number of students) stagnated, the cost of benefits mounted, the cost of facilities and equipment skyrocketed, the competition for talented faculty became fiercer, tuition soared, and the public perception of higher education continued its shift toward viewing college as a short-term economic problem of cost versus benefit. This occurred despite New Mexico's historic generosity toward higher education, in part because resources are spread across many institutions with overlapping mandates.

While each of the above conditions is a necessary but insufficient factor, in combination they become sufficient to create a significant threat to the quality of public higher education. If the number of students had not increased, and the requests for more amenities had not skyrocketed, and the cost of benefits were held constant, and the cost of hiring faculty and staff had not gone up, and the cost of technology and facilities leveled off, then there would be no need for more funding from state coffers or tuition. In its simplest form, the argument is a mathematical one: the total cost keeps going up in a global market, and if the state treasury cannot maintain its level of support, then the students end up paying more. If, on the other hand, either tuition or state funding is held constant, then costs must be cut, including potentially freezing or abandoning key initiatives — and thus eroding the quality of higher education we can offer. At UNM we spend about six percent on [administrative costs](#) and 82 percent on instruction, research, and public service, with the remainder spent on support services. These rates compare very favorably with our peer institutions. The question ahead of us is how do we navigate our future financial situation while simultaneously protecting all that makes for an excellent public research university? That, I hope, will be our focus going forward.

**59<sup>th</sup> Annual Research Lecture:** Ivan Deutsch has been selected as [UNM's 59<sup>th</sup> Annual Research Lecturer](#) for his work in Quantum Information Science. I congratulate Professor Deutsch on this wonderful honor, and I encourage everyone to attend the lecture, "Breaking Heisenberg: Controlling the Quantum World," on April 28, at 6:30 p.m. in the Centennial Engineering Center. For more information, and to RSVP, please see [the website](#) of the Vice President for Research.

**Truman Scholar:** The 2014 Truman Scholars were announced today by former Secretary of State Madeleine K. Albright, president of the Harry S. Truman Scholarship Foundation. Among the 59 outstanding students selected for

the award was UNM's Ryan Roco, a political science major and Asian studies minor. The award is highly competitive, as the 59 winners were selected from a total of 655 candidates. Each Truman Scholar receives up to \$30,000, along with a number of other benefits and opportunities, in support of graduate studies. Please join me in congratulating Ryan on his achievement.

Chaouki Abdallah

Provost & Executive Vice President for Academic Affairs

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