




Special Communiqué on Budget & Enrollment

September 19, 2018

Much is going well at the University of New Mexico: terrific classes are being taught, world-class research is being conducted, students' lives are opening to new insights and experiences, faculty are working with whole communities around the state, and our citizens are being well served. However, UNM faces some immediate fiscal challenges that will affect everyone: enrollment has declined this fall semester by 7% across main campus, driven especially by an even larger decline in undergraduate enrollments. The fiscal impact amounts to \$7.6 million in expected tuition revenue (i.e. core I&G budgets) that failed to materialize, and \$2.1 million in student fee unrealized revenue. If passed directly on to funded units, this would equate to nearly 6% cuts for most budgets and approximately 12% cuts to student fee-driven budgets. Coming on top of past reductions, such cuts would be devastating to our academic mission. Instead, prudent fiscal planning will allow us to cushion these impacts this fiscal year to a significant degree. By using central reserves, we will reduce the average percentage reduction considerably, both in I&G-funded and fee-funded units. By moving quickly this early in the fiscal year, we have more options for how to absorb the remaining cuts. By using metrics carefully in distributing rescissions, we will prioritize protecting the heart of the academic mission, including the research mission and our progress on student success.

However, enrollments drive most of the UNM main campus budget. As a result, no central short-term fix can permanently shelter unit budgets from enrollment-driven cuts. We will have to make hard decisions, some immediately and some in coming weeks and months. The Budget Leadership Team (BLT), UNM's longstanding shared governance forum for making budget recommendations to the President and the Board of Regents, will be intimately engaged in the long-term decisions. We will be moving systematically to both reverse the enrollment decline and strategically shift how we operate organizationally.

Enrollment: The higher-than-expected decrease is the result of fewer new students and higher attrition at all levels (particularly the undergraduate lower division); these appear to be driven by a recent improvement in New Mexico's economy (ironically), flat demographics, increased competition, and other factors that contribute to a challenging enrollment environment. Even here there is also good news: the cohort of new students this fall semester is the strongest we have had in years. But every academic department, student services or advising office, and other unit will increasingly need to work actively to recruit and retain students. With that in mind, we have decided to put extra emphasis on this problem by creating an Enrollment Task Force with an immediate mandate, comprehensive membership, and an all-



hands-on-deck charge to address the enrollment dilemma. Information about this initiative will be announced soon.

University organization: The necessity to absorb more than \$25 million in cuts within Academic Affairs over the last ten years has pared too many academic units simply to the bone. We have a track record of successfully managing hard budgets, and we will do so again. But further across-the-board cuts threaten to undermine our capacity to serve the state—and indeed threaten our entire academic mission, our reason for existence. In order to avoid across-the-board cuts, we will be looking at the University’s organizational structure to identify places we can re-organize in ways that help us save money and reinvest in the most crucial dimensions of the academic mission, including student success and our research and teaching mission.

These will be hard tasks, but we simply cannot postpone action—down that road lay stagnation and decline. Instead, we will meet these challenges head-on and strategically. There are no easy administrative fixes; rather, we will all need to be part of addressing these issues. In that way, we will take action jointly to rebuild enrollments; double down on retention and student success; and systematically show people in New Mexico and beyond why UNM is the place to invest resources and come to study.

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