



**BOARD OF REGENTS  
ACADEMIC/STUDENT AFFAIRS & RESEARCH COMMITTEE**

**MEETING AGENDA**

**September 4, 2014  
1:00 PM  
Roberts Room  
Scholes Hall**

UNIVERSITY OF NEW MEXICO BOARD OF REGENTS'  
ACADEMIC/STUDENT AFFAIRS & RESEARCH COMMITTEE MEETING  
Thursday, September 4, 2014 – 1:00 p.m.  
Roberts Room, Scholes Hall

**AGENDA**

- I. Call to Order**
- II. Approval of Summarized Minutes from Previous Meeting:** *(July 31, 2014)* **TAB A**
- III. Reports/Comments:**
- A. Provost's Administrative Report  
*Chaouki Abdallah, Provost and Executive Vice President for Academic Affairs*
  - B. Member Comments
  - C. Advisor Comments
- IV. Faculty Presenter:** **TAB B**
- A. A Brief History of Chocolate in Pre-Hispanic New Mexico  
*Patricia Crown, Distinguished Professor of Anthropology  
National Academy of Sciences Member*
- V. Action Items:**
- A. 2014 Summer Degree Candidates **TAB C**  
*Pamela Pyle, President, Faculty Senate*
  - B. Posthumous Degree, Phillip D. Sisneros **TAB D**  
*TBD, Anderson School of Management*
- VI. Information Items:**
- A. Enrollment Report **TAB E**  
*Terry Babbitt, Associate Vice President for Enrollment Management*
  - B. Environmental Scan Preview **TAB F**  
*Andrew Cullen, Associate Vice President for Planning, Budget and Analysis*
  - C. Academic Affairs Faculty Compensation Update **TAB G**  
*Chaouki Abdallah, Provost and Executive Vice President for Academic Affairs*
  - D. Research Enterprise Update **TAB H**  
*Michael Dougher, Vice President for Research*
  - E. Assessment Process Update **TAB I**  
*Greg Heileman, Associate Provost for Curriculum  
Dymaneke Mitchell, Director of Assessment*
  - F. Role of Academic Freedom and Tenure at UNM **TAB J**  
*Marsha Baum, Professor, School of Law, Chair, University Academic Freedom and Tenure  
Committee*
  - G. Academic Affairs Results Oriented Management Process for FY15 **TAB K**  
*Kevin Stevenson, Director of Strategic Projects, Office of the President*
- VII. Public Comment**
- VIII. Adjournment**

TAB A

July 31, 2014 Minutes

UNIVERSITY OF NEW MEXICO BOARD OF REGENTS'  
ACADEMIC/STUDENT AFFAIRS & RESEARCH COMMITTEE MEETING  
Thursday, July 31, 2014 1:00 p.m., Roberts Room, Scholes Hall

**SUMMARY OF MEETING**

*A recorded version of this meeting is available upon [request](#)*

***Committee members present:*** Regent Bradley Hosmer, Regent Suzanne Quillen, Regent Heidi Overton, Provost & Executive Vice President for Academic Affairs Chaouki Abdallah, Faculty Senate President Pamela Pyle and Staff Council President, Renee Delgado Riley

***Regents' Advisors present:*** ASUNM Representative Jenna Hagengruber and GPSA Representative Wayne Thorp

**I. Call to Order**

Regent Hosmer called the meeting to order at 1:06 p.m.

**II. Approval of Agenda and Summarized Minutes from Previous Meeting:**  
*(June 5, 2014)*

**Motion for approval of the minutes was made by Provost Chaouki Abdallah, seconded by Regent Suzanne Quillen. Motion passed unanimously.**

**III. Reports/Comments:**

- a. Provost's Administrative Report  
*Chaouki Abdallah, Provost and Executive Vice President for Academic Affairs*

First joint hire for Sandia National Labs has been completed, few more expected.

New Director of Assessment has been hired to replace Tom Root.

Currently searching for Vice-President for research in the next year, current Vice-President, Mike Dougher is in his last year.

Upcoming Year:

Preparing for the HLC Accreditation, currently five years away but in the next year we will officially start collecting data and begin running models in advanced.

Innovation Academy, a component of Innovate ABQ is moving along. A few open forums for faculty and consultants to discuss the future and visions of the program are currently being scheduled.

Restarting the process for ROM budgeting, a few models have been started in hopes to adopt a new model for the way the budget system functions.

UNM Faculty is being engaged in the international initiatives, which is being pushed by the China Initiative. A few meetings are being planned to cover, from the academy point of view, what kind of programs and degrees should be offered.

A multi-year budgeting process is in full swing. Implemented by what Academic Affairs has collected and presented on the process.

Multi-year hiring plans from the colleges are being reviewed. No new positions will be created past what was previously committed to, based on the previous budget.

Student Success Plans:

Currently student success is being measured by graduation rate and retention. Quality metrics are in the process of being finalized and should be finished by early September. They will be used to measure our effectiveness as a research public university. The Academic Plan is the underlying goal of all of this.

b. Member Comments

From Pamela Pyle, Faculty Senate President

Regent Jamie Cook was brought into the school of Architecture and planning to meet the students and be more involved with the school. He then brought this knowledge back to the Board of Regents with very valuable information. The goal was to try to get the student body to see the Regents in a more personal manor. The next one is planned for the Engineering Department.

c. Advisor Comments

Wayne Thorp GPSA Representative

Orientation Super Squad was created in attempts to reach out to the different departments and give the students an opportunity to gain a better UNM experience.

Jenna Hagenruber ASUNM Representative

“Start by Believing”, is a campaign being headed by both ASUM and GPSA on behalf of stopping sexual violence against women, in hopes to present this to the Legislature in the Spring of 2015.

Student Regent Process is underway in the next month.

**IV. Action Items:**

- a. Approval of Research and Public Service Projects Funding Submissions to the Higher Education Department

**Motion for approval for the Research and Public Service Projects Funding Submissions to the Higher Education Department was made by Provost Chaouki Abdallah, seconded by Regent Suzanne Quillen. Motion passed unanimously.**

V. **Information Items:**

a. UNM Student Segments

Six Major Student Segments is relevant to the enrollment plan as well as the future strategy to meet the goals of UNM 20/20. This is about changes in student populations that institutions will have to realize and understand in order to survive in the market place.

- Aspiring Academics
- Career Starters
- Coming of Age Students
- Career Accelerators
- Industry Switchers
- Academic Wanderers

Main point of the presentation is nationally 26% of University Undergraduate Students are over the age of 26, University of New Mexico's is 18%.

b. Main Campus Academic Affairs Major Capital Priorities

Major Capital Priorities Overview

1. Farris Engineering Building Renovation – Interim Dean Joseph Cecchi

This is home to half of the six departments in the engineering department, housing many degrees that prepare students for life long success. Graduate enrollment has exceeded the undergraduate enrollment. These programs also work with countless other programs including Arts and Sciences as well as the Anderson School of Management. Issues: Fire and Safety Code Violations, Unresolved roof leaks, outdated designs which are incompatible for research, other safety and sustainability concerns, and maintenance concerns.

2. Interdisciplinary Sciences Building – Dean Mark Peceny

The biggest concerns is keeping faculty with decent and outstanding facilities, as well as insure that in the future hiring future faculty is not an issue because of the facilities. The current state of the facilities is not up to par. Capacity has been reached for how far the department can take itself with the given facilities. Issues: Poor air conditioning and cracking stucco, sewage pipe after leak into labs, decaying building materials, Fixed Water Leaks, Destroyed Equipment, countless safety concerns.

3. Anderson School of Management Replacement – Interim Dean Craig White

The facilities that Anderson currently has hosts many different events and works with many outside sources to give back to small business and surrounding area in

NM through education and well trained personnel. The Needs: Office space, allow Anderson to hire new faculty, there are about 45 adjunct faculty share office space, Graduate Assistants are also all sharing office space, classroom spaces are not modernized to compare against competing schools, EMBA students have deemed the Anderson School as “unprofessional” based on the available facilities.

**VI. Faculty Presenter:**

- A. Missing Links’ and the War of the Worlds in Tiguex (1540-1542)  
*Clay Mathers, PhD, RPA, GISP, Executive Director, The Coronado Institute*

There appears to be findings that suggest there may have been a battle in the area presented. Such things as dug out shelters and weapons and armor scattered around. The battle suggested would be a battle between the Spaniards and Natives from this area. The area in question is the area between Albuquerque and Bernalillo. The bar graph also shows the contents discovered that would be used to suggest the battle.

**VII. Public Comment:**

(none)

**VIII. Adjournment**

**Motion to adjourn meeting was made by Provost Chaouki Abdallah, seconded by Regent Heidi Overton. Motion passed unanimously.**

**Meeting adjourned at 4:19 p.m.**

# TAB B

## **Faculty Presenter**

A Brief History of Chocolate in Pre-Hispanic New Mexico

*Patricia Crown, Distinguished Professor of Anthropology  
National Academy of Sciences Member*





A Brief History of Chocolate in Prehispanic New Mexico  
Patricia L. Crown

Research investigating the use of ceramic cylinder-shaped jars in Chaco Canyon led to the discovery of chocolate residues using High Performance Liquid Chromatography-Mass Spectrometry. With NSF funding, this initial small study was expanded to include almost 200 samples, permitting us to explore how widespread chocolate drinks were in the American Southwest. This research has implications not only for the history of chocolate use, but also for the long history of Southwest-Mesoamerican interaction.

# A Brief History of Chocolate in Prehispanic New Mexico

Patricia L. Crown

Distinguished Professor of  
Anthropology



Photo from:

<http://earthobservatory.nasa.gov/Newsroom/NewImages/Images/chaco.IKO20040907>



2%



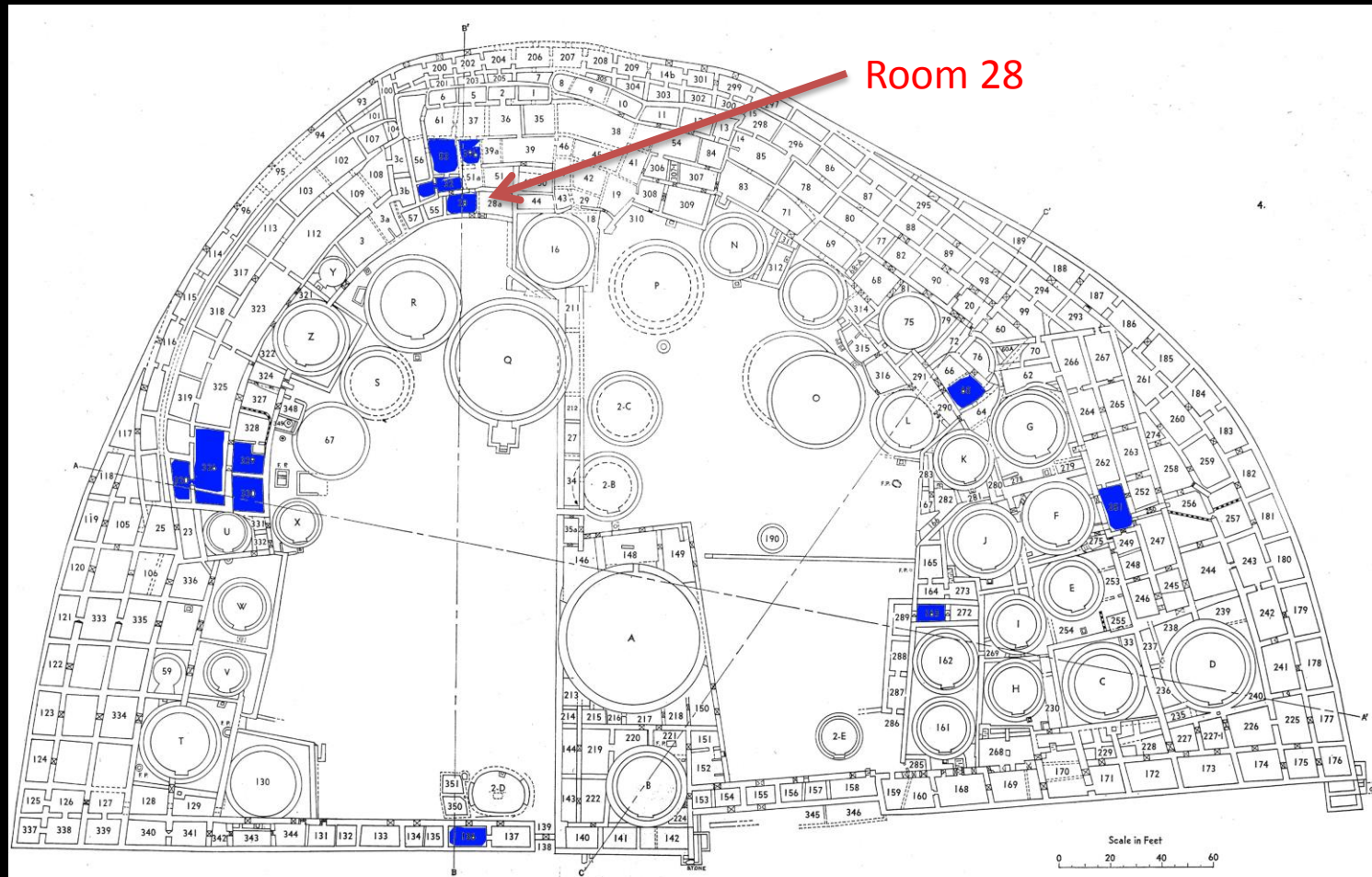
31%



67%

Left: Smithsonian National Museum of Natural History A334577-0,  
Center: National Museum of the American Indian 052047,  
Right: National Museum of Natural History A4336499-0

# Cylinder Jar locations in Pueblo Bonito



# Room 28 cache

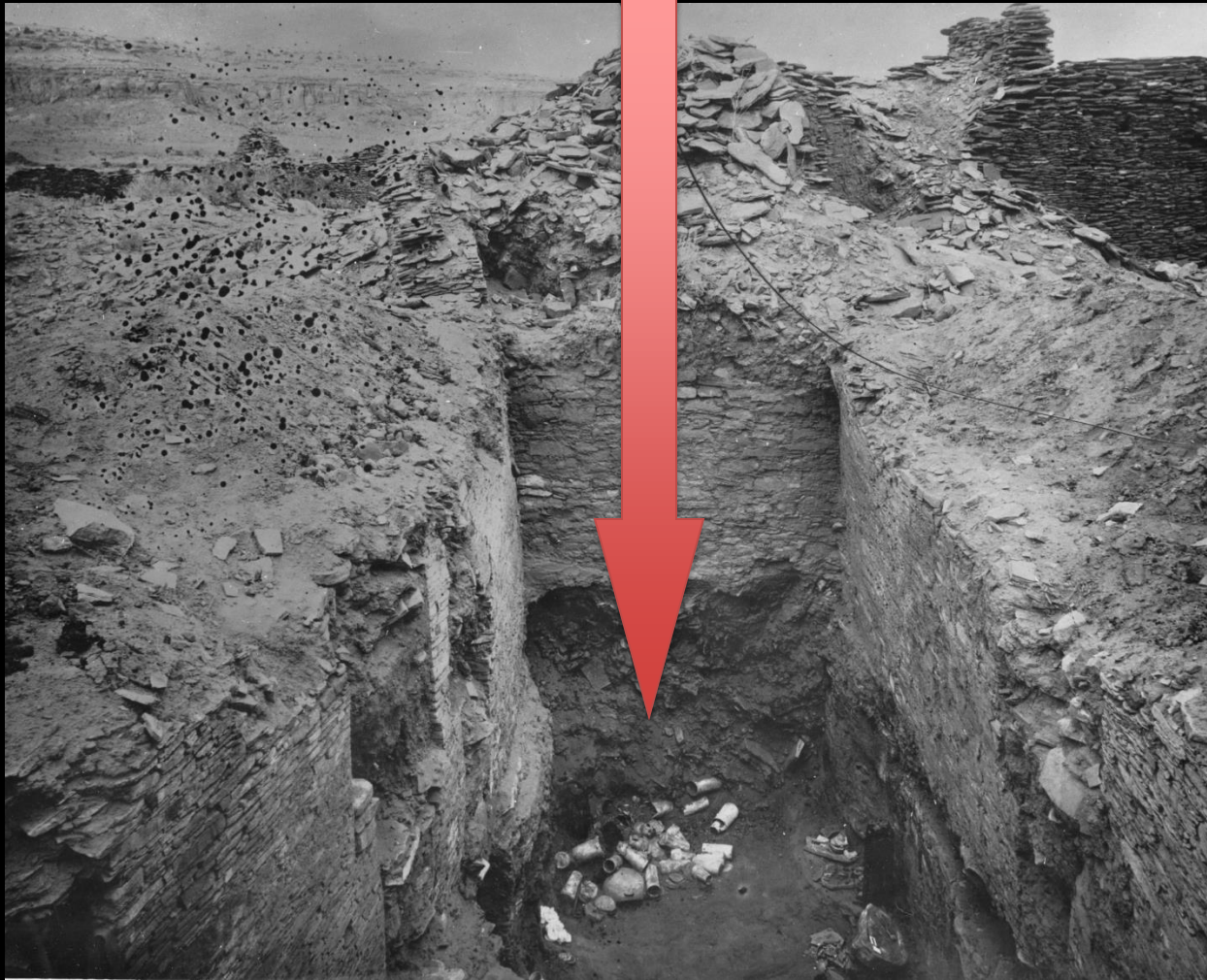


Photo courtesy of the American Museum of Natural History

88.49.15



Photo courtesy of the American Museum of Natural History



Maya ruler with  
cylinder vase next to  
him. Text states that  
this is his drinking  
vessel to hold a  
cacao beverage

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# UNM excavations in Pueblo Bonito mounds



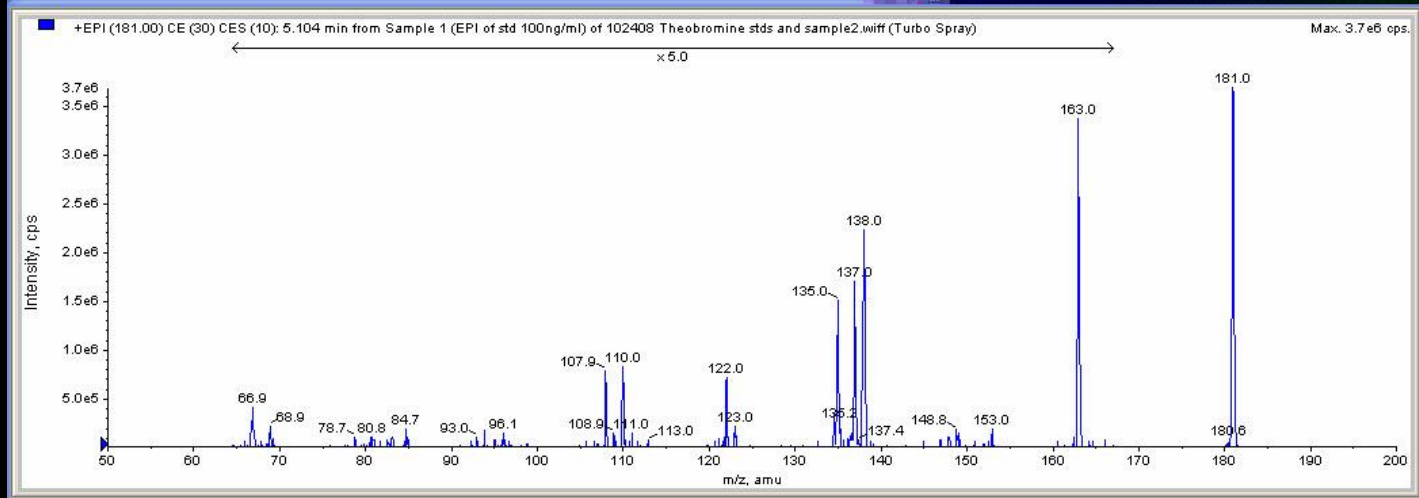
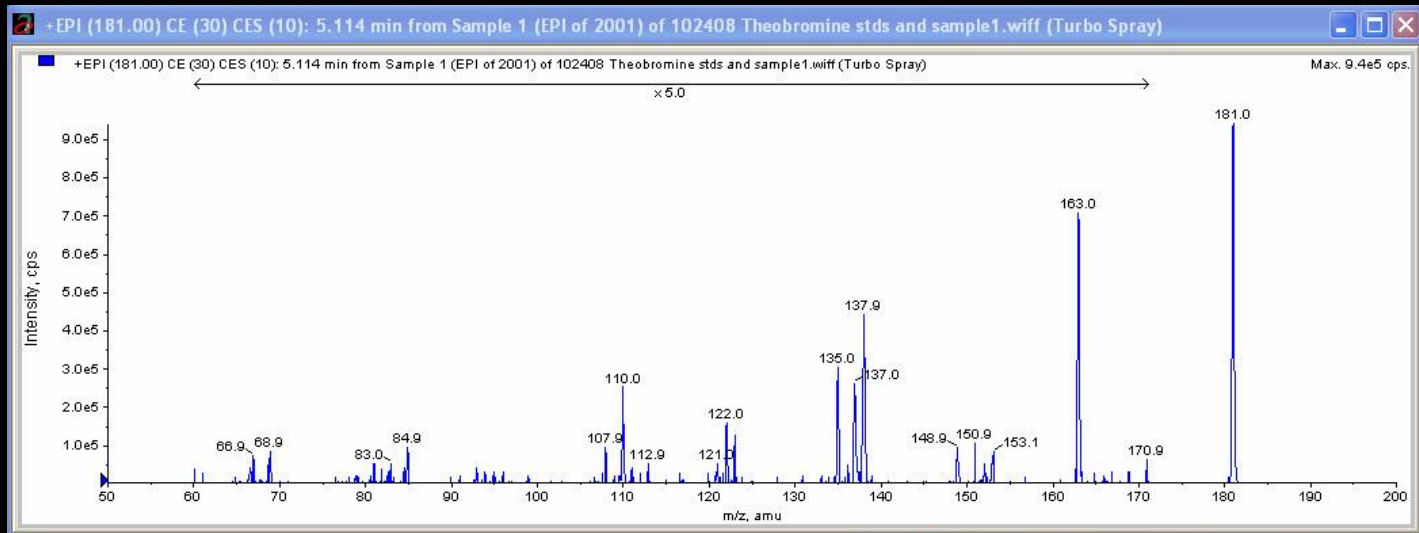
# NSF funded analysis of Pueblo Bonito trash mound artifacts 2007-2010



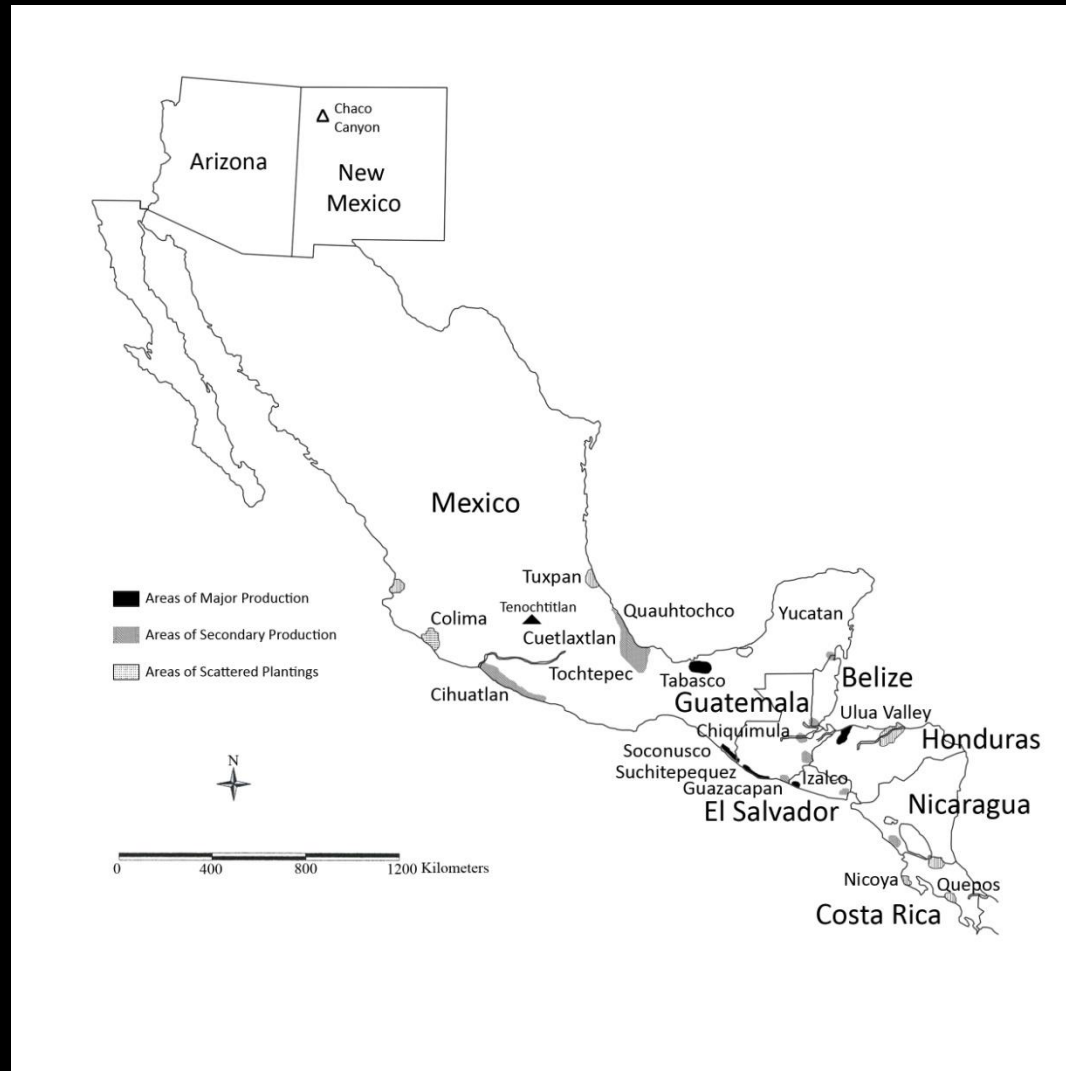
# Organic Residue Analysis

- Analysis by W. Jeffrey Hurst, a nutritional chemist at the Hershey Company
- High Performance Liquid Chromatography
- Destroys small amount of pottery
- Grind the surface from a dime-sized fragment of pottery which is then powdered
- Mix with warm water for analysis
- Chromatogram of organic compounds
- Compare to compounds in known foods

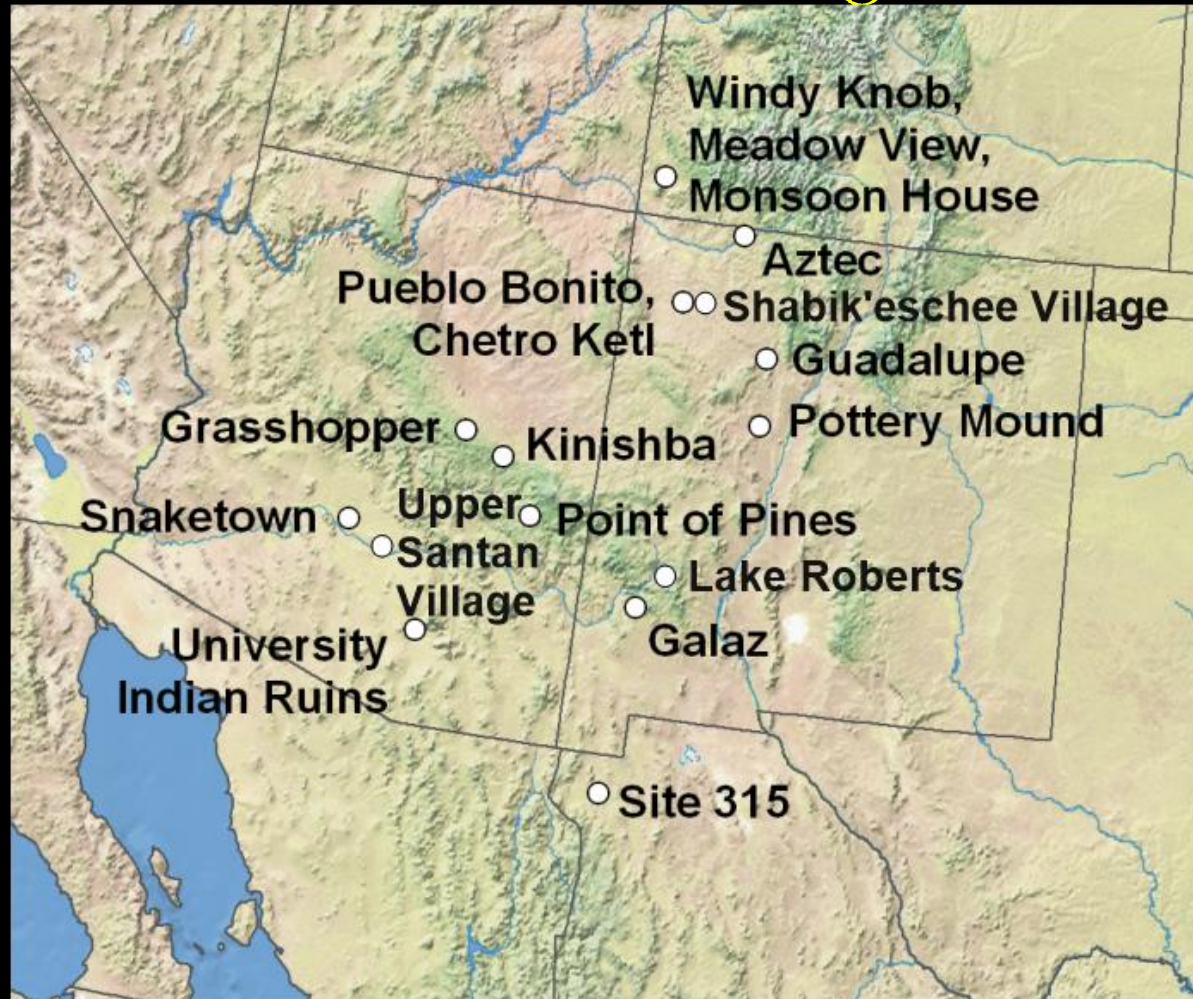
# Chromatogram Results from Hershey Center



# Theobroma cacao tree distribution at about A.D. 1500



# Sites with samples used in NSF-funded study



# Sample Sites in relation to *Theobroma Cacao* and *Ilex vomitoria* distributions



# Why cacao?

## Nutritional Value of Cacao

|                |   |
|----------------|---|
| Fat            | 45-50%  |
| Carbohydrate   | 30-35%  |
| Sugars         | 0-2%  |
| Dietary Fibers | 15-20%  |
| Protein        | 10-15%  |
| Minerals       | Mg, Ca, Fe, Zn, Cu, K, Mn   |
| Vitamins       | A, B <sub>1</sub> , B <sub>2</sub> , B <sub>3</sub> , C, E,<br>Pantothenic Acid |
| Compounds      | Theobromine, caffeine, serotonin,<br>polyphenols, histamine                     |



# Pharmacological effects of cacao

- Chocolate causes brain to produce natural opiates
- Theobromine and caffeine are mild stimulants, causing the heart to race

# Medicinal Uses of Cacao

|                    |  |
|--------------------|--|
| Dominican Republic | Diuretic, Kidney                                       |
| Ghana              | Cough, Dentifrice                                      |
| Haiti              | Burn, Dry-Lip, Rheumatism                              |
| Japan              | Suppository-Base                                       |
| Mexico             | Bite(Snake), Wound                                     |
| Panama             | Antiseptic, Eye, Listlessness, Parasiticide, Pregnancy |
| Venezuela          | Alopecia, Pilatory                                     |

From: <http://www.rain-tree.com/chocolate.htm>

# Sea trade



Fig. 3.5 from Dreiss and Greenhill, *Chocolate: Pathway to the Gods* (2009)



## Pochteca merchants from the Florentine Codex (A.D. 1540-1585)

[http://www.fieldmuseum.org/aztecs/photos/  
PG13.jpg](http://www.fieldmuseum.org/aztecs/photos/PG13.jpg)

# Funding and Support



NATIONAL ENDOWMENT FOR THE

**Humanities**



THE UNIVERSITY *of*  
NEW MEXICO



# Excavation area in Pueblo Bonito



# Exhibit on Pueblo Bonito Trail



Chaco Culture

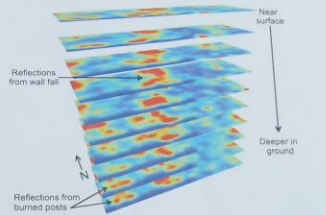
National Park Service  
U.S. Dept. of the Interior

## What are University of New Mexico archaeologists doing here?



Room 28 during the original excavations. Some of the cylinder jars can be seen on the floor. Image courtesy of the Maxwell Museum of Anthropology, University of New Mexico, 88.42.12 inset: 88.42.11

In 1896, the Hyde Exploring Expedition excavated this room and discovered the largest cache of cylinder jars found at any southwestern site. Cylinder jars are a tall, narrow form of pottery rarely found outside of Chaco. In 2009, Dr. Patricia Crown of UNM and Dr. Jeffrey Hurst, a Chemist at the Hershey Company, showed that these jars were used for drinking a chocolate beverage. Central Mexico was the closest source for chocolate. Other items from Mesoamerica found in Chaco include copper bells and colorful macaws. Archaeologists think that only high-ranking Chacoan people drank chocolate on special occasions. The recovery of 111 cylinder jars in Room 28 makes it one of the most extraordinary rooms in Pueblo Bonito. With funding from the National Endowment for the Humanities and the National Geographic Society, UNM archaeologists plan to answer many questions: When was the room built? When and why were so many cylinder jars placed in here?

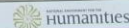


GPR "slice mops" showing the reflections from Room 28, including the burned posts.

Advances in science and technology since 1896 help us to answer new questions. Prior to excavation, UNM archaeologists used ground-penetrating radar (GPR) to "see" what was underneath the ground. The GPR showed that the original excavators left burned posts in place. Tree-ring dating of these posts will help determine when the room was constructed, making them of particular importance for this project. When the excavations here are complete, lab analyses will be conducted including chemical residue analyses, pollen and botanical analyses, and micro-stratigraphic analyses using 3D laser scanning. A 3D computer model of the room will be created.

## How can I learn more about this project?

You can track our progress through the Room 28 Blog available on-line at <http://www.unm.edu/~anthroc/Chacoblog.html>  
Poster by Patricia L. Crown and Jennie Sturm of the University of New Mexico



# Ongoing Research





# Excavations in Room 28



# Historic Photographs helped excavations



# Screening with $\frac{1}{4}$ and $\frac{1}{8}$ inch mesh



# Afternoon lab work in Chaco garage





THE UNM FIELD CAMP

# 1896 and 2013



# Acknowledgments

## Funding from:

National Science Foundation

University of New Mexico

National Endowment for the Humanities

National Geographic Society

## Collaborators:

W. Jeffrey Hurst, Hershey Center for Health and Nutrition

Tim Ward, Keck Lab, Millsaps College

## Additional thanks to:

James Dory-Garduno, Medieval Studies

Erin Hegberg, Ellen Sieg and Jennie Sturm, Research Assistant

Rick Hendricks

David Phillips and Danyelle Dosunmu, Maxwell Museum of Anthropology

Cordelia Snow

# TAB C

**2014 Summer Degree Candidates**





August 29, 2014

TO: Board of Regents Academic Student Affairs and Research Committee  
FROM: Selena Salazar, Office of the University Secretary  
SUBJECT: Summer 2014 Degree Candidates

The Faculty Senate approved the Summer 2014 Degree Candidates at the August 26, 2014 Faculty Senate meeting.

Included is the list of the Summer 2014 Degree Candidates. Please do not publish the candidates that are on the privacy flag list.

**Degree Candidate Summary\***

|                         |     |
|-------------------------|-----|
| Doctoral and MFA Degree | 95  |
| Master's Degree         | 351 |
| Bachelor's Degree       | 349 |
| Associate's Degree      | 43  |
| Total                   | 838 |

\*Final number of conferred degrees will be slightly lower due to changes in student degree status that occur until the end of the semester.

Please place this item on the next Board of Regents ASAR Committee meeting agenda for consideration.

Thank you.

Attachments

# TAB D

**Posthumous Degree**

**Phillip D. Sisneros**



## *Faculty Senate*

August 29, 2014

TO: Board of Regents Academic Student Affairs and Research Committee  
FROM: Rick Holmes, Office of the University Secretary  
SUBJECT: Posthumous Degree Request for Phillip D. Sisneros

The Faculty Senate approved the posthumous degree for Phillip D. Siniseros at the August 26, 2014 Faculty Senate meeting.

Included is the request from the Anderson School of Management.

Thank you.

Attachment



# Posthumous Degree Request Form

Request Initiator: Robert DelCamp Contact: 7-0018

Relationship to student or UNM: Andersen Student since Fall 2013

Would you like the Dean of Students to contact the family regarding this request?  Yes  No

Dean of Students Notification: \_\_\_\_\_

|                   |                                  |         |     |
|-------------------|----------------------------------|---------|-----|
| Student Name:     | Phillip D. Sisneros              |         |     |
| Student ID:       | 101491837                        |         |     |
| College:          | Anderson School of Management    | Degree: | BBA |
| Major(s):         | Bachelor Business Administration |         |     |
| Concentration(s): | Accounting                       |         |     |
| Minor(s):         | N/A                              |         |     |

The University of New Mexico recognizes that earning an academic degree is a matter of legitimate pride in achievement not only for students themselves but also for the family members and friends who provide students with vitally important support and encouragement during the course of their studies. UNM also recognizes that not only the degree, but also significant progress in an academic program is, under certain circumstances, an achievement which warrants special recognition.

Accordingly, the University of New Mexico will make available "posthumous degrees" of appropriate type and level to be bestowed upon a student who dies before s/he is able to complete his/her program.

These degrees may be granted under the following circumstances and terms:

1. The student must be in degree status and either currently enrolled or enrolled in the academic year previous to his/her death;
2. The student must have completed a minimum of half of the credits required for the degree;
3. Requests for posthumous degrees may be initiated by the student's family, the faculty of the department and/or college, or a UNM administrator;
4. The department, the college and the Faculty Senate must approve requests for posthumous degrees. The Senate Graduate Committee must also review and provide recommendation on requests for graduate level posthumous degrees;
5. The degree will be noted as "posthumous" on both the diploma and the transcript.

| Approvals                                 | Name                       | Signature | Date    |
|---|----------------------------|-----------|---------|
| Department :                              | Craig G. WHITE             |           | 5/16/14 |
| College :                                 | Robert G. Del Campo<br>ASM |           | 5/15/14 |
| Faculty Senate:                           |                            |           |         |
| Senate Graduate Committee (if necessary): |                            |           |         |

TAB E

## Enrollment Report

*Terry Babbitt, Associate Vice President for Enrollment Management*

Materials will be presented onsite

**ALBUQUERQUE CAMPUS – 10<sup>th</sup> DAY OF CLASSES**

|                           | <b>HEADCOUNT</b>            |           |        |         |
|---------------------------|-----------------------------|-----------|--------|---------|
|                           | Fall 2013                   | Fall 2014 | CHANGE | %CHANGE |
| <b>TOTAL HEADCOUNT</b>    | 28,927                      | 28,109    | -818   | -2.83%  |
|                           | <b>STUDENT CREDIT HOURS</b> |           |        |         |
|                           | Fall 2013                   | Fall 2014 | CHANGE | %CHANGE |
| <b>LOWER DIVISION</b>     | 183,998                     | 176,309   | -7,689 | -4.18%  |
| <b>UPPER DIVISION</b>     | 108,296                     | 107,973   | -323   | -.30%   |
| <b>GRADUATE</b>           | 58,267                      | 58,251    | -16    | -.03%   |
| <b>TOTAL CREDIT HOURS</b> | 350,561                     | 342,533   | -8,028 | -2.29%  |

|                          | <b>HEADCOUNT</b> |           |        |         |
|--------------------------|------------------|-----------|--------|---------|
|                          | Fall 2013        | Fall 2014 | CHANGE | %CHANGE |
| <b>NEW FRESHMEN</b>      | 3,518            | 3,145     | -373   | -10.60% |
| <b>GRADUATE PROGRAMS</b> | 4,431            | 4,340     | -91    | -2.05%  |
| <b>A.G.S.M</b>           | 649              | 534       | -115   | -17.72% |
| <b>ONLINE COURSES</b>    | 7,822            | 7,660     | -162   | -2.07%  |

## UNM WEST AND BRANCHES – 10<sup>th</sup> DAY OF CLASSES

### HEADCOUNT

|                          | Fall 2013 | Fall 2014 | CHANGE | %CHANGE |
|--------------------------|-----------|-----------|--------|---------|
| <b>UNM WEST</b>          | 493       | 758       | 265    | 53.75%  |
| <b>GALLUP BRANCH</b>     | 2,576     | 2,308     | -268   | -10.40% |
| <b>LOS ALAMOS BRANCH</b> | 769       | 894       | 125    | 16.25%  |
| <b>TAOS BRANCH</b>       | 1,706     | 1,643     | -63    | -3.69%  |
| <b>VALENCIA BRANCH</b>   | 2,164     | 2,038     | -126   | -5.82%  |

### STUDENT CREDIT HOURS

|                          | Fall 2013 | Fall 2014 | CHANGE | %CHANGE |
|--------------------------|-----------|-----------|--------|---------|
| <b>UNM WEST</b>          | 2,191     | 3,710     | 1519   | 69.33%  |
| <b>GALLUP BRANCH</b>     | 25,357    | 22,580    | -2,777 | -10.95% |
| <b>LOS ALAMOS BRANCH</b> | 5,339     | 5,726     | 387    | 7.25%   |
| <b>TAOS BRANCH</b>       | 13,505    | 13,069    | -436   | -3.23%  |
| <b>VALENCIA BRANCH</b>   | 19,640    | 17,491    | -2,149 | -10.94% |

## Key Enrollment Points

- Decrease in beginning freshmen anticipated but larger than projected
  - Anticipated maximum decrease was around -7%
  - Fewer students at lower ACT scores, decrease of high school graduates and requirement to complete needs analysis for grants are the major variables impacting the decrease
  - Very little change in demographic characteristics
  - Highest ACT and GPA average in history
  - 19% increase in 30 and higher ACT scores
  - 13% increase in non-residents
- Graduate increase of new students and overall level credit hours is positive
- Increased international student enrollment, high retention rates and increases in transfer students are filling in much of the gaps per the enrollment strategy



TAB F

## Environmental Scan Preview

*Andrew Cullen, Associate Vice President for Planning, Budget and Analysis*



**University of New Mexico**

**Fiscal Year 2016 Context for Financial Planning  
Select Summary Data and Analysis**

**Initial Draft Prepared for the Board of Regents  
Academic/Student Affairs and Research Committee**

**September 4, 2014**

**Table of Contents**

**Executive Summary**.....3

**Section 1: Overview**

    Introduction.....6

    Peer Comparisons.....6

    Data Sources.....7

**Section 2: Enrollment and Student Success**

    Enrollment.....8

    Student Diversity .....10

    Beginning Freshman ACT Scores .....11

    Retention and Graduation Rates .....12

    Retention and Graduation Projections.....14

    Tuition and Financial Aid.....16

    Legislative Lottery Scholarship.....18

**Section 3: Faculty and Staff Salaries**

    Faculty Salary Comparisons.....19

    Faculty and Staff Turnover.....20

    Student to Faculty Ratio .....21

    Salary and Benefits as a Portion of Total Expenses.....22

**Section 4: UNM Budget Considerations and Projections**

    Instructional Expenses.....23

    Cost Per Degree .....23

    Administrative Spending.....24

    Sponsored Research .....25

    Health Care .....26

    Utilities .....27

    Other Insurance .....28

    FY2015/16 1% Numbers.....29

    FY 2015/16 Tuition and Fee Estimates.....29

    FY 2015/16 Compensation Estimates.....30

**Section 5: Capital and Debt Service**

    Current Major Capital Projects .....31

        Farris Engineering Building Renovation .....31

        Interdisciplinary Science Building .....31

        Anderson School of Management.....31

    Debt Service Analysis.....32

    Bond Rating and Debt Issues.....33

## **Executive Summary**

At the request of the Board of Regents, the Administration has developed the following document to serve as a resource to stakeholders and decision-makers throughout the FY2015-16 budget development process. This document provides background and contextual information, including peer comparisons and historical trends on key performance metrics. The document is designed to facilitate the budget discussions that will take place in the coming months about priorities, strategies, trade-offs, and constraints. We have identified three key strategic issues as the focus for this year's budget process, described below.

### ***“Right-Sizing” the University***

UNM has historically focused on growth both as a necessity for meeting demand and as a means to increase revenue. Over the past two decades, UNM has seen consistent and significant enrollment growth, and has expended time, energy, and resources to attract new students and create the instructional environment to accommodate these increases. However, this pattern of growth is becoming less sustainable as the competition for traditional students intensifies and New Mexico high school graduations flatten. In fact, the number of New Mexico high school graduates between 2012 and 2020 is projected to grow at a rate of less than half a percent a year. If the student enrollment growth remains a focus for the University of New Mexico it must be driven by out-of-state, international, and graduate student recruitment initiatives (see chart on page 9). To succeed in these efforts UNM must employ innovative program offerings, such as the creation of new 3/2 bachelor/master degree programs (where students complete their bachelor and master degrees in five year), streamlined 1-year master degree tracks, and strategic partnerships with international institutions.

These external pressures raise the question of exactly “how big should UNM be?” and whether a strategy driven by growth is the most effective use of limited resources in today's environment. Indeed, a shift away from this focus on growth may create opportunities to improve the quality of our students' experience and our scholarship, thereby enhancing our mission as New Mexico's flagship research university. It follows that such a strategy would center on support for student success and support for faculty achievement.

### ***Strategic Investment in Student Success Initiatives***

For the past few years, UNM has significantly increased its investments in multiple strategies to enhance student success. Through these initiatives, UNM has begun to achieve meaningful increases in student success outcomes. These initiatives are wide-ranging, including:

- the introduction of new technology resources
- comprehensive advisement reform
- significant restructuring of Introductory Studies classes and improved student programs and resources for those students who arrive at UNM under-prepared for college work.

These initiatives were funded by new allocations to the Provost's Academic Plan, as well as through significant reallocation of internal resources. By all accounts, these investments have been effective.

A review of UNM's undergraduate student success metrics, 3<sup>rd</sup> semester retention rates and 6-year graduation rates (see charts on pages 13-14), point to the effectiveness of these efforts. Our 3<sup>rd</sup> semester retention rate has rebounded strongly since hitting a low in fall 2011, with steady increases each year. Furthermore, the University's 6-year graduation rate has also increased consistently, with UNM achieving its all-time highest rate of 48.2% in 2013-14 (2007 freshman cohort). Perhaps even more telling than these improvements is the comparison between projected and actual graduation rates. This is a more direct indicator of the impact of the recent investments in student success, as the difference between our students' actual performance and their projected performance (based on past student characteristics and performance) can be attributed to these initiatives. As depicted in the chart on page 15, graduation rates for the past two years exceeded the historical projections, with the 2013-14 graduation rate more than three points higher than anticipated. Continued prioritization of, and investment in, these efforts is critical to sustaining these levels of improvement, with the result being consistent progress toward the UNM2020 goals of 80% retention and 50% graduation.

At the graduate level, investments have focused primarily on creating new graduate and teaching assistantships to support UNM graduate students. Continued investments in our graduate mission are critical moving forward, with funding needed for additional assistantships and research opportunities for graduate students. Further, renewed investments in technology and infrastructure are needed for UNM to compete for top graduate students in the twenty-first century.

### ***Strategic Investment in Faculty and Staff***

A significant issue facing university leadership each budget cycle is the level of compensation for faculty, staff and students. Indeed, the combination of salaries that are historically lower than our peers and several years of no increases through the recession has only increased the importance of developing an overarching compensation strategy. This issue is highlighted by the data referenced in the chart on page 20, showing how faculty salaries fall further and further behind our peers as their careers progress, with assistant professors roughly in line with our peers and full professors falling well below the peer average. The adverse effects of these salary gaps present themselves in recruiting and retaining top faculty and staff, where relatively low salaries leave us vulnerable to other institutions hiring away our top performers. This raises the issue of how to best invest the limited funds available for compensation, and how to strike an appropriate balance between across-the-board cost of living adjustments with increases driven by performance or merit.

As referenced in the chart on page 21, UNM has relatively low levels of voluntary turnover in both the faculty and staff ranks despite low salaries. While this is encouraging, there are some

factors affecting the clarity of this metric. First, as a result of New Mexico's relatively generous defined benefit plan, many faculty and staff choose to retire after 25 years to take jobs elsewhere (and thus are not counted as resignations). Second, we have had some recent success in retaining faculty through retention and counter offers. In a given year, we invest in 10-15 counter offers or retention packages, ultimately reducing the rate of voluntary turnover. The current resources available for retention offers are often insufficient, reinforcing the fact that the university critically needs additional discretionary funding to invest in faculty and staff retention.

## Section 1: Overview

At the conclusion of fiscal year 2014, President Frank and the Regents committed to implementing a revamped budget development process for the FY15/16 budget cycle. This process will begin much earlier in the year and provide opportunities for dialogue with key stakeholders about resources, strategic priorities, and strategic tradeoffs. The new approach will add regular planning and budget updates at Board of Regents meetings, allowing for the incorporation of Regents' feedback and vision throughout the budget development process. In particular, the October Regents meeting will be dedicated to strategic discussions and preliminary recommendations on priorities and resource allocations for the coming fiscal year. Complimentary processes (such as the Student Fee Review Board (SFRB) process and the evaluation of differential tuition requests) that inform the budget development work have also been shifted earlier, ensuring ample time for discussing recommendations and evaluating implications for the larger university budget.

Key Regent meeting milestones for the FY16 budget development process are as follows:

- *July:* Presentation of SFRB process revisions
- *August:* Review of FY15/16 budget process
- *September:* Discussion of budget environment, context, and key issues
- *October:* Presentation of 4-Year Budget Plan and Categorization of Reserves; initial discussion of budget priorities and revenue options
- *November:* Process update from UNM Budget Leadership Team (BLT)
- *December:* Presentation of high-level budget framework to Regents
- *January:* Presentation of initial I&G budget scenarios to Regents
- *February:* Legislative update and further discussion of budget scenarios
- *March:* Continued Legislative budget scenarios update
- *April:* Approval of FY16 tuition and fee rates and salary guidelines
- *May:* Approval of FY16 operating budget for submission to HED

This new approach to the budget development process begins with an in depth analysis of the current UNM/Higher Education environment, providing context for budget discussions. The information in this document is designed to inform our dialogue about key strategic issues facing the university and how resources can be prioritized and allocated to best address these issues.

***Peer Comparisons:*** UNM's official peer group consists of 22 universities, a mix of public flagship universities, regional research universities, and Hispanic Serving Institutions that are also Carnegie Very High Research Universities.

In early 2012, UNM revised its official peer listing with the Higher Education Department (HED), establishing a group that is effective for benchmarking and providing context across a variety of

areas that are important to the University of New Mexico. The current peer group of 22 universities includes:

- Nine public flagship research universities, similar to UNM in terms of degree offerings, academic programs, graduate education, faculty research, and scholarship portfolios;
- Eleven research universities in the Southwestern United States, similar to UNM in terms of student enrollment, demographics, and with whom we typically compete for undergraduate students;
- Three Carnegie Very High Research Universities that are also designated as Hispanic Serving Institutions: the University of California – Riverside, Florida International University, and UNM.

| <b>University Of New Mexico Peer Listing</b> |                                       |
|--|---------------------------------------|
| 1. Arizona State University                  | 12. University of Colorado Boulder    |
| 2. Florida International University          | 13. University of Colorado Denver     |
| 3. New Mexico State University               | 14. University of Houston             |
| 4. Oklahoma State University                 | 15. University of Iowa                |
| 5. Texas A & M University                    | 16. University of Kansas              |
| 6. Texas Tech University                     | 17. University of Missouri - Columbia |
| 7. The University of Texas at Arlington      | 18. University of Nebraska – Lincoln  |
| 8. The University of Texas at Austin         | 19. University of Nevada - Las Vegas  |
| 9. The University of Texas at El Paso        | 20. University of North Texas         |
| 10. University of Arizona                    | 21. University of Oklahoma            |
| 11. University of California - Riverside     | 22. University of Utah                |

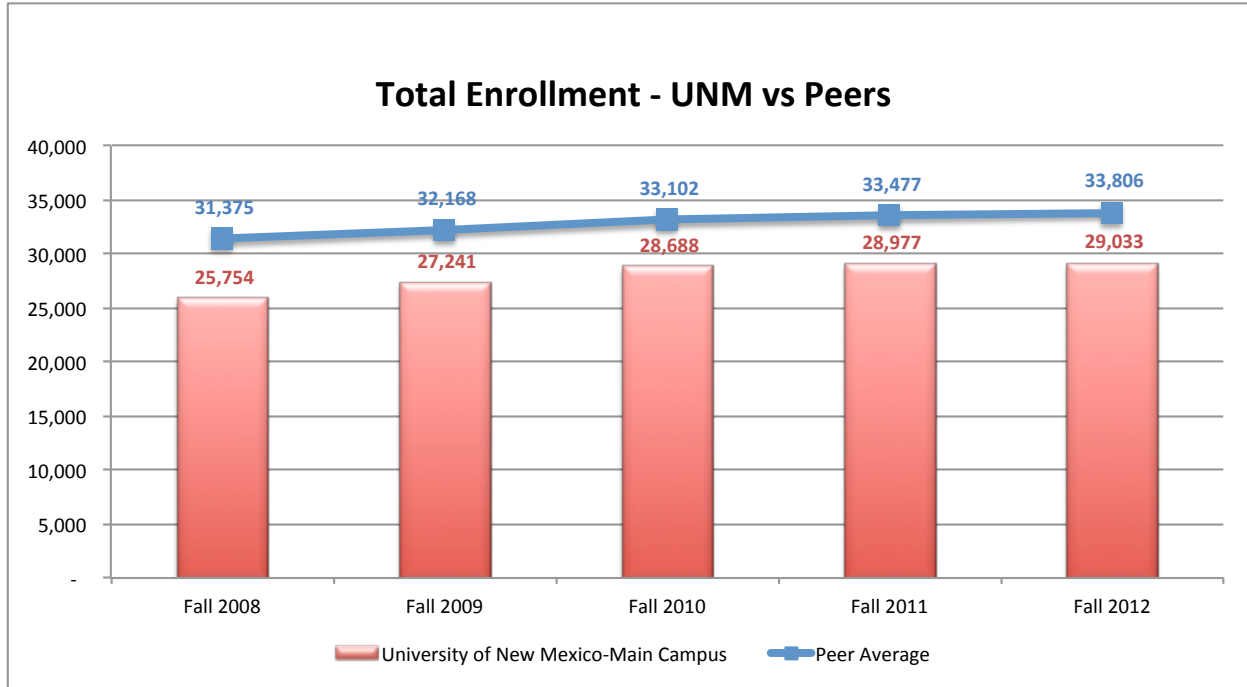
**Data Sources:** Data for peer comparisons in this report are from the Integrated Postsecondary Education Data System (IPEDS). In many cases, the most recent IPEDS data available are from fiscal years 2011-12 or 2012-13.

Throughout this document, there are various charts that depict how UNM compares to its peer group in a variety of categories, ranging from enrollment and student success metrics, to faculty, staff and finance data. In all of these cases, the data shown are collected from the US Department of Education Integrated Postsecondary Education Data System, or IPEDS. IPEDS serves as the primary federal repository of higher education data and, as such, is the best database for obtaining peer comparisons and benchmarks. In all cases, the data shown in the document are the most recent available from the IPEDS Data Center. As a result of using IPEDS data, there are some time lags in the data reported (2011-12 is the most recent IPEDS financial data, for instance). While more recent data are available internally for UNM, the charts showing peer comparisons only include those data that are available directly from IPEDS. More recent UNM-specific information is included when relevant. More information on IPEDS is available at <http://nces.ed.gov/ipeds>.



## Section 2: Enrollment and Student Success

**Enrollment:** UNM faces challenges to maintain enrollment levels in the short term given a decline in NM high school graduates and increased competition among universities for traditional students. Multiple and diverse strategies, including the recruitment of out of state, international, transfer, and graduate students, must be implemented in order to maintain enrollment and tuition revenue. Plans to grow revenues via increased enrollment are likely high risk.

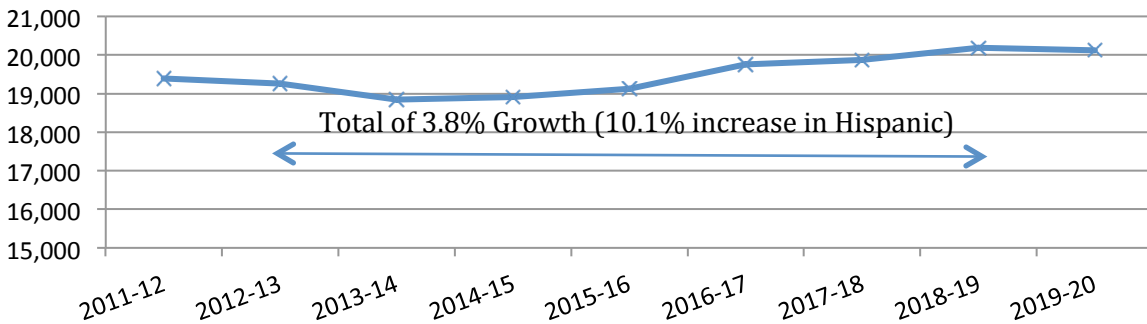


Following over a decade of steady growth, enrollments at UNM and at institutions across the country are beginning to level off. As shown in the chart above, enrollment at UNM is slightly below that of its peers (though the peer average is partially skewed by the inclusion of a few very large universities such as Arizona State, UT-Austin, and Texas A&M). Overall enrollment patterns followed those of our peer group, with enrollments increasing sharply during the economic crisis in 2009 and 2010, and tapering off in fall 2011. It is important to note that more recent data for UNM show steady overall enrollment, while many universities across the country have begun to decline (for instance, enrollment at NMSU fell over 5% in fall 2013). While headcount at UNM decreased slightly in fall 2013, overall student credit hours increased – in part a result of the newly unblocked tuition strategy that encourages students to take larger course loads.

Enrollment growth has the potential to generate additional tuition for investing in strategic priorities. However, growth will be more difficult to achieve because the number of high school graduates in the United States is declining for the first time in 20 years. This is not true across

all demographics. Current data project that the growth of minority high school graduates, most notably Hispanic graduates, will outpace growth in all other demographics.

## High School Graduates in New Mexico



As this depicts, New Mexico will face declining numbers of graduates in 2014 and then emerge on a slightly positive trajectory for the next six years. The total increase is expected to be a modest 3.8%, with the underlying driver being a 10% addition to the Hispanic population and a decrease in nearly all other demographic segments. Additionally, non-traditional students are decreasing during a migration of population from Central New Mexico, with economic labor market data indicating that employment has contracted over the last year with a loss of 4,500 jobs.<sup>1</sup>

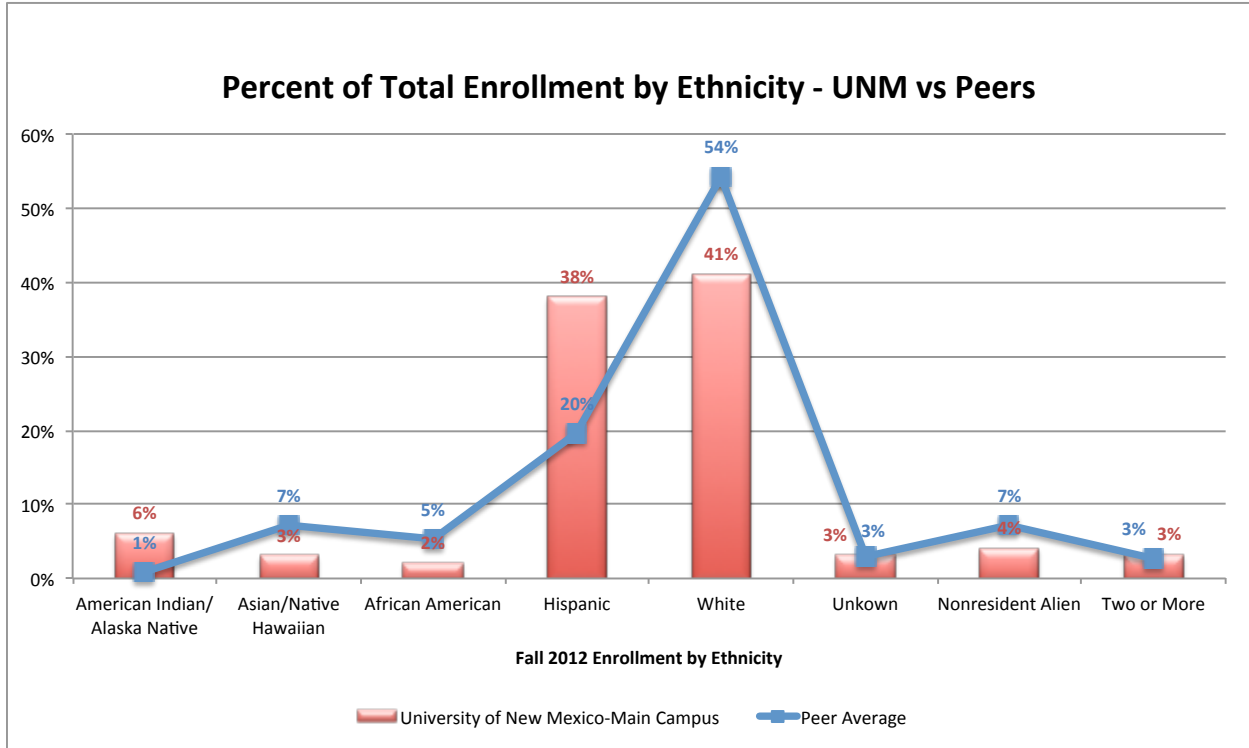
In this environment, the traditional student will become hotly contested, with most institutions likely to accelerate discount tuition policies at a rate that is unsustainable over the long-term. Universities with good brands, but who are not elite, will need to emphasize opportunities and develop strategies to serve a broader range of students than our traditional mix. At UNM, we believe a plan for stable enrollment includes the following components:

- Develop realistic enrollment targets for traditional students from New Mexico (and targeted states where students are often better prepared)
- Attract international students at both the undergraduate and graduate levels
- Attract transfer students from New Mexico’s two-year institutions
- Focus on Masters degrees, which offer the best opportunity to grow graduate enrollment and subsequent completions
- Recruit adult learners for Bachelor completions
- Increase use of summer and intersession terms
- Refocus effort for on-line offerings and more important, fully on-line degree programs

Additional information on enrollment projections and UNM strategies is available in UNM’s 2014-2020 Enrollment Plan Summary.

<sup>1</sup><http://www.dws.state.nm.us/Portals/0/DM/LMI/lmrApr14.pdf>

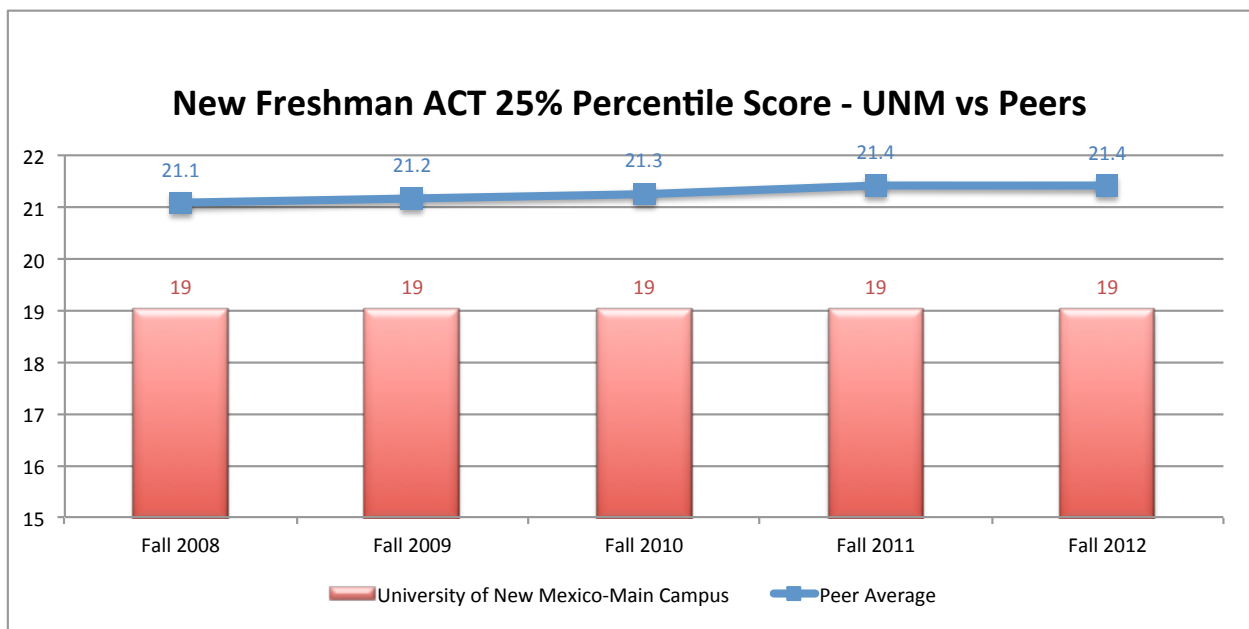
**Student Diversity:** UNM is the nation’s most diverse flagship research university, and has the opportunity to be the national leader in reducing the achievement gap and improving student success for traditionally underrepresented students.



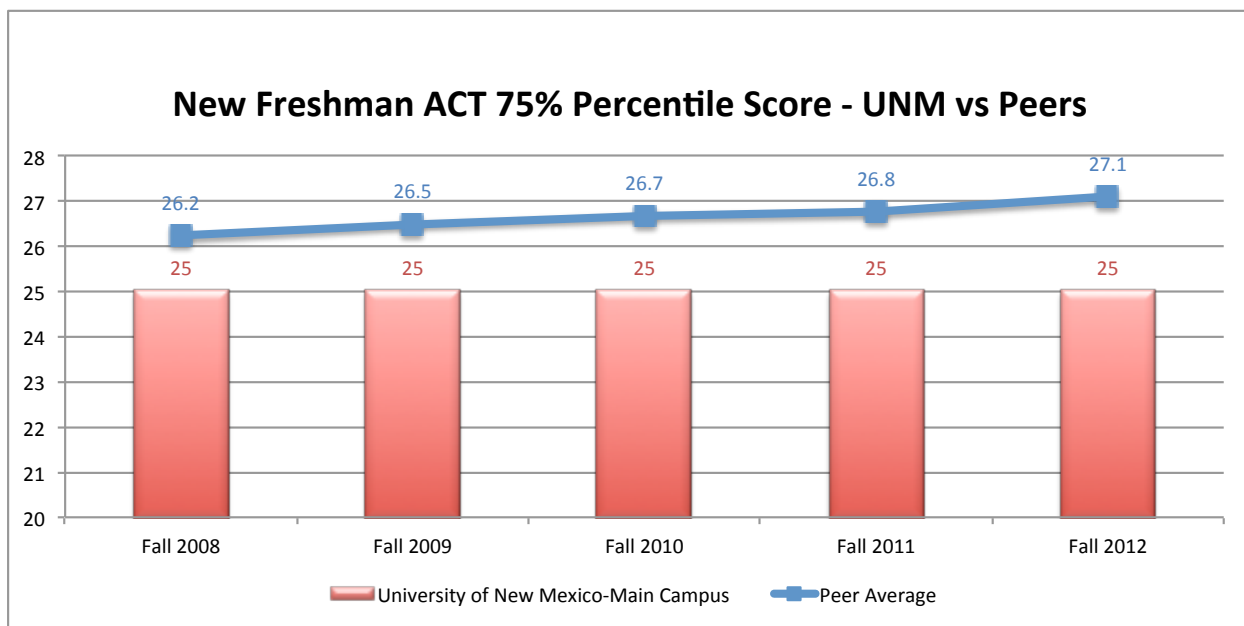
One of UNM’s greatest strengths is the diversity of the institution, particularly that of the student body. For the past several years, UNM’s student population has been minority-majority, driven by high levels of Hispanic and American Indian student enrollments (see above chart). Further, it has long been designated by the US Department of Education as a Hispanic Serving Institution (HSI). UNM is also categorized by the Carnegie Foundation as a VHRU, a doctoral university with Very High Research Activity – the foundation’s highest classification. UNM is incredibly unique in this respect. Indeed, it is the only flagship research university designated as an HSI, and one of only three HSI’s that are also classified as VHRU’s (UC Riverside and Florida International being the other two). As such, the challenge of balancing access and excellence is one that UNM has faced for some time, and is something most institutions of higher education in the United States will be faced with addressing in the very near future.

**Beginning Freshman ACT Scores:** UNM beginning freshmen ACT scores lag behind our peers, suggesting a need for increased investment in a variety of student support services to get students into credit-bearing coursework as quickly as possible.

The University of New Mexico’s undergraduate student profile explains some of the challenges we face in retention and graduation efforts, as depicted in the following two charts. ACT scores, which are used for placement purposes at UNM, are typically a key consideration for admission at many of our peer institutions. ACT scores determine initial course placement, and internal studies suggest that the sooner students can begin taking credit-bearing coursework, the higher their likelihood of success. The following charts show ACT scores of UNM beginning freshmen compared to our peers.



This chart shows the top ACT scores for the bottom quartile (i.e. the score precisely between the minimum and mean scores), which has consistently been 2 points below our peers, indicative of the larger portion of UNM students who require some level of remedial coursework.



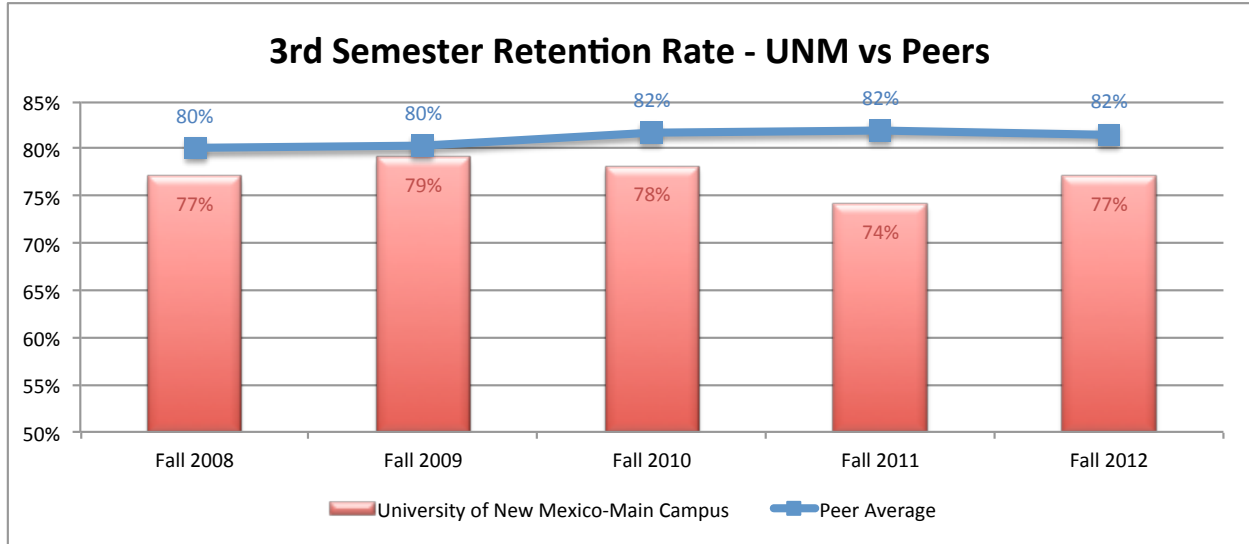
Further, this chart shows the bottom ACT scores for the top quartile (i.e. the score precisely between the mean and maximum scores), which shows a similar disparity. However, it is important to note that the gap between the upper quartile scores has been growing over time – from a low of 1.2 points in fall 2008 to a gap of 2.1 points in fall 2012. This may be a result of the increased emphasis at our peer institutions to recruit and retain top students. UNM has recently embraced this strategy as well, and more recent data show progress on this metric.

***Retention and Graduation Rates:*** UNM’s retention and graduation rates have historically lagged behind our peers. This gap has narrowed in recent years, the result of targeted investments in increasing student success. As New Mexico’s flagship university, we have an obligation to our students and their families to maximize the chances of their success.

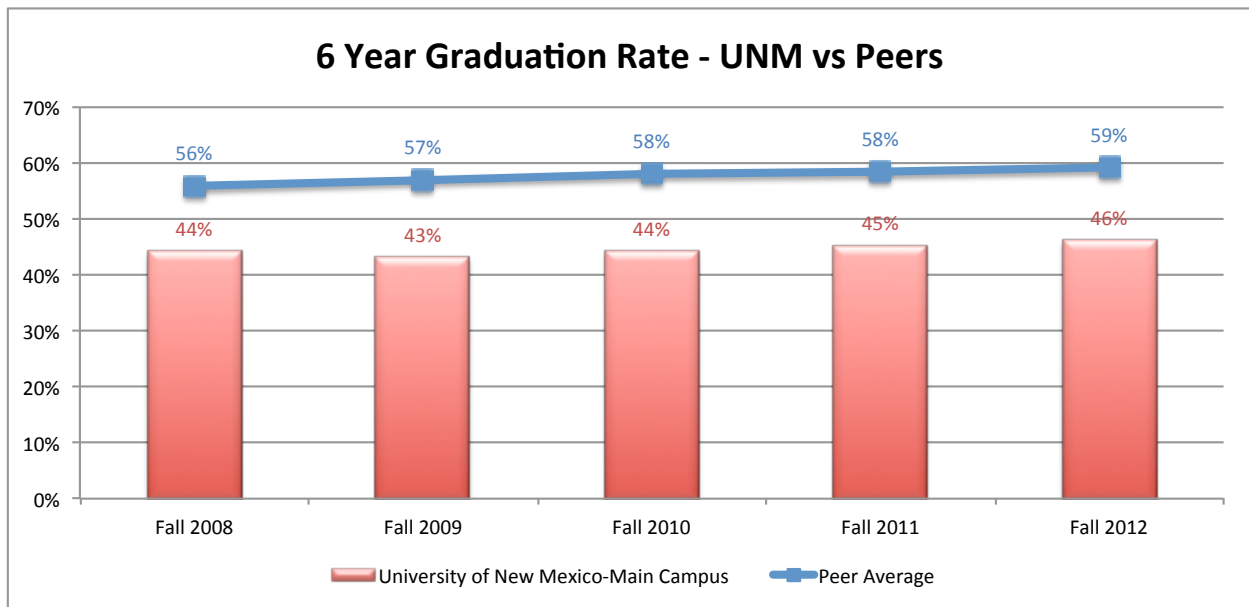
Admittedly, there are many potential approaches to measuring student success, ranging from assessment of learning outcomes to employment and employability post-graduation. However, we do not yet collect and quantify such data in a systematic and objective manner. Furthermore, such data do not exist for our peers. As such, most institutions focus their attention on a handful of concrete success metrics that are defined by (and which reporting is required to) the US Department of Education. The two most prominent of these measures are the 3<sup>rd</sup> semester retention rate – the percentage of a cohort of first-time, full-time freshman students who re-enroll at an institution for their third semester (i.e. their second fall term) – and the 6-year graduation rate – the percentage of a cohort of first-time, full-time freshman students who earn a bachelor’s degree within six years.

While these measures are featured most prominently in rankings, in the media, etc., it is important to recognize that they actually only account for a portion of UNM students. Many students who come to UNM through non-traditional pathways – transferring from another university or community college or returning to school later in life – are not included in these

metrics. Indeed, roughly half of UNM’s bachelor degree recipients each semester fall outside of these defined freshman cohorts. These retention and graduation rates tend to be higher at schools with more uniform student bodies (in terms of age, ethnicity, and preparation), a notion reinforced by the peer comparisons below.



In the case of third semester retention, approximately 77% of our students return for their sophomore year, whereas approximately 82%, or 5% more students, return to school at peer institutions.



The trend of UNM falling below its peers in 3<sup>rd</sup> semester retention is exacerbated as students move through the university, resulting in a six-year graduation rate that is substantially below the average of our peers – a gap of 13% for the 2006 freshman cohort. This particular metric is troubling for a variety of reasons. In particular, our peers are much more effective at retaining

students after the third semester and shepherding them to graduation. The fact that our 3<sup>rd</sup> semester retention rates are relatively in line with our peers, yet our graduation rates lag significantly raises questions as to what support systems and programs are benefitting first year students that could be scaled to help students after their freshman year. Deeper analysis of UNM persistence data reveals no single point impeding the path to graduation, but rather that students continue to drop or stop out of the system each semester, up to and including those in their 5<sup>th</sup> and 6<sup>th</sup> years, indicating the presence of unique challenges and obstacles facing UNM's student body.

As referenced above, UNM has invested large portions of new funding over the past three years to student success. Directed by the priorities of the Provost's Academic Plan, over \$9M in new investments have been made in faculty, staff, and students to drive increases in student success, as detailed in the table below.

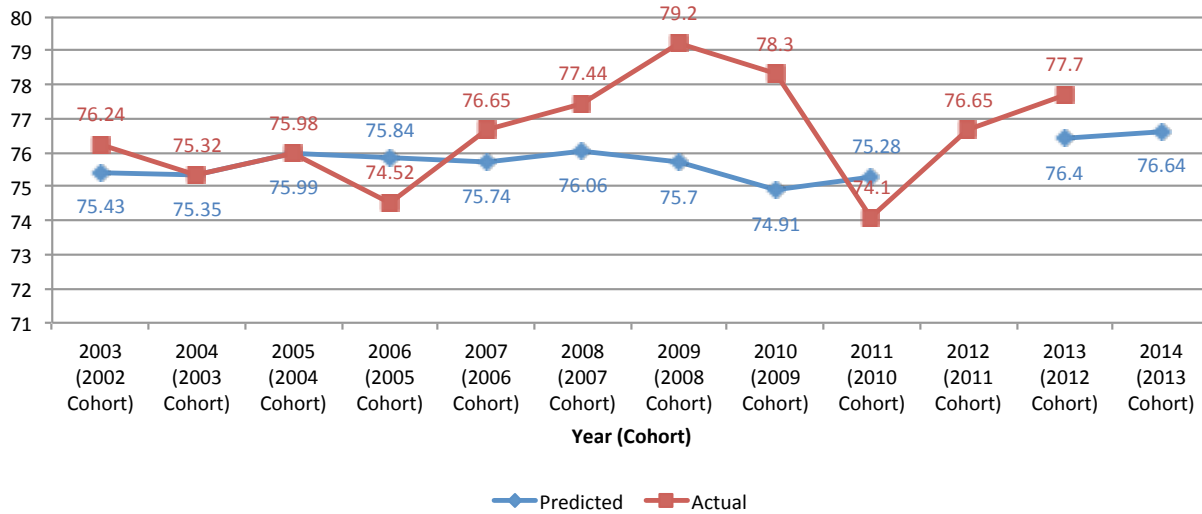
| <b>Academic Plan Investments, FY13 - FY15</b> |                         |                         |                         |                    |
|---|-------------------------|-------------------------|-------------------------|--------------------|
| <b>Initiative Description</b>                 | <b>FY2012/13 Amount</b> | <b>FY2013/14 Amount</b> | <b>FY2014/15 Amount</b> | <b>3-Yr Total</b>  |
| New Faculty Positions                         | \$1,500,000             | \$1,069,000             | \$1,125,000             | \$3,694,000        |
| Faculty Support and Retention                 | \$835,000               | \$809,000               | \$460,000               | \$2,104,000        |
| Advisor, Tutoring, and GA/TA Support          | \$792,500               | \$380,407               | \$640,000               | \$1,812,907        |
| Other Student Support Initiatives             | \$420,000               | \$1,050,000             | \$165,000               | \$1,635,000        |
| <b>Totals</b>                                 | <b>\$3,547,500</b>      | <b>\$3,308,407</b>      | <b>\$2,390,000</b>      | <b>\$9,245,907</b> |

***Retention and Graduation Predictions:*** Modeling projected retention and graduation rates is essential to evaluating the impact of student success initiatives, and these data show that recent investments in student success initiatives are yielding results.

The challenges that UNM has faced with retention and graduation rates are not new, and the university has been developing and investing in a variety of student success initiatives and student support systems in an effort to increase the portion of our students who persist and ultimately graduate. Utilizing UNM student data dating back to 2002, predictive modeling using linear regressions provides insight into the value and efficacy of these efforts.

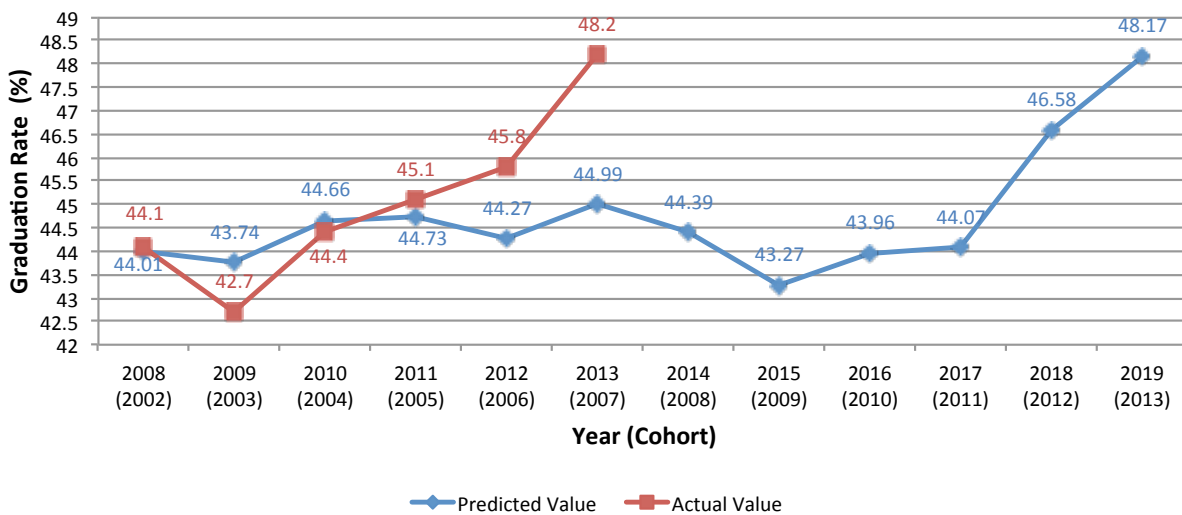
In the charts, the blue lines show the predicted values – essentially the rates that we can expect to see based on the characteristics of each beginning freshman cohort. The red lines show UNM's actual retention and graduation rates over time. This is a direct indicator of the impact of the recent investments in student success, as the difference between our students' actual performance and their projected performance (based on past student characteristics and performance) can be attributed to these initiatives. 6-year graduation rates for the past two years exceeded the historical projections, with the 2013-14 graduation rate more than three points higher than anticipated. Continued prioritization of, and investment in, these efforts is critical to sustaining these levels of improvement, with the result being consistent progress toward the UNM2020 goals of 80% retention and 50% graduation.

### UNM 3rd Semester Retention Rates - Predicted vs Actual



Note: High School GPA is a key variable in these projections, and that information was not entered into Banner for the 2011 cohort, resulting in a gap in projected retention rates.

### UNM 6 Year Graduation Rate (Predicted vs Actual)

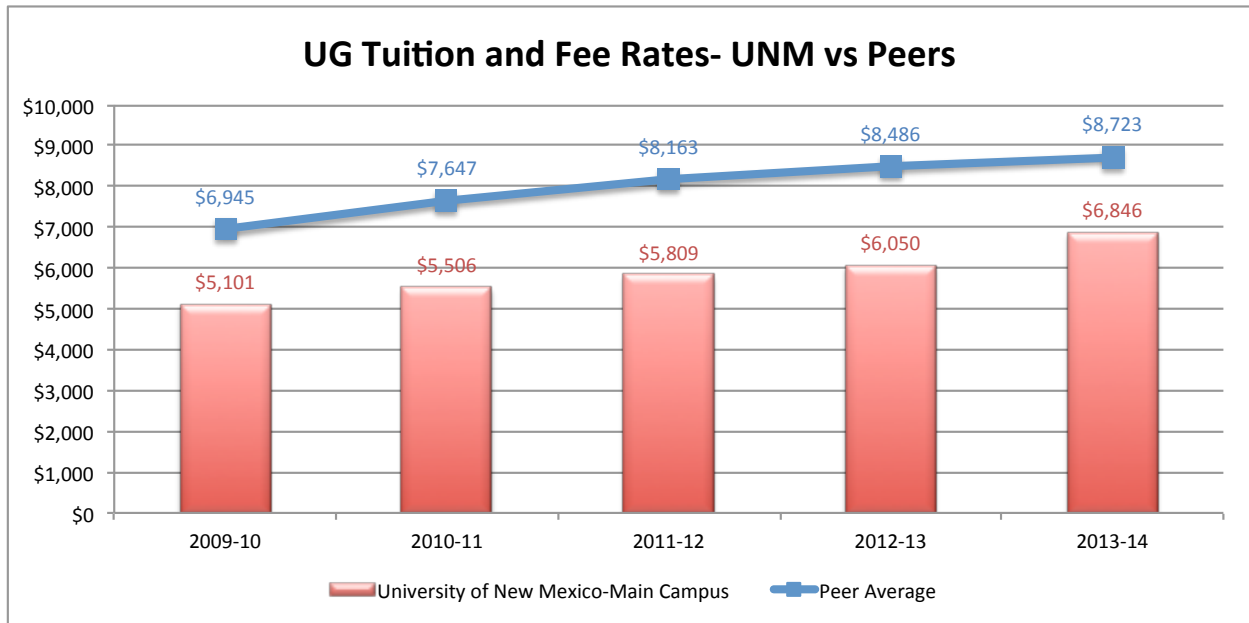


This difference is most pronounced in graduation rate data from the past year, and early calculations for the fall 2014 graduation rate indicate it will far exceed the projection as well. Another interesting takeaway from these predictions is the link between 3<sup>rd</sup> semester retention and 6-year graduation. The decrease in retention rates for the 2009 and 2010 cohorts can be seen driving the predicted graduation value for these cohorts down as well. Interestingly, one of the key drivers of the lower predictions for these cohorts is the increased portion of male students in the cohorts, who tend to graduate at much lower rates than their female counterparts.

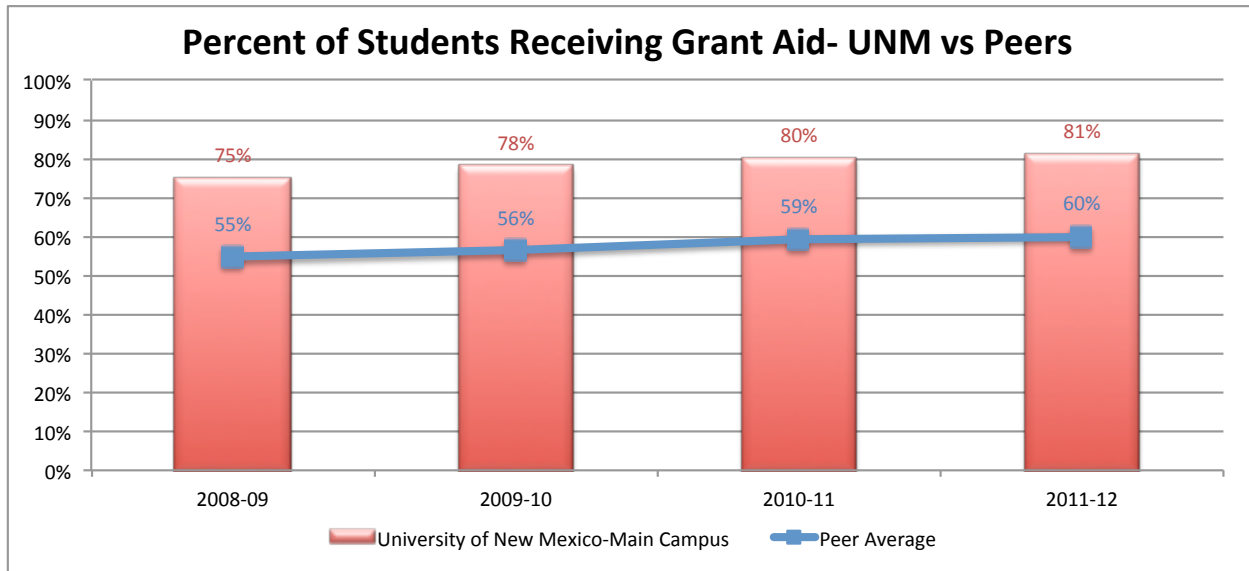


**Tuition and Financial Aid:** Affordability has long been a priority for UNM. Relatively low tuition and fees coupled with a very high portion of students receiving grant aid ensures access to all New Mexicans. A key challenge is generating adequate revenues from tuition and fees while strategically allocating financial aid to maintain access.

As reported for several years, tuition and fee rates at the University of New Mexico are significantly below those of our peers, with recent FY13/14 data showing a difference of approximately \$1,900 per student. Rates shown are for undergraduate resident students and include tuition and all mandatory student fees.

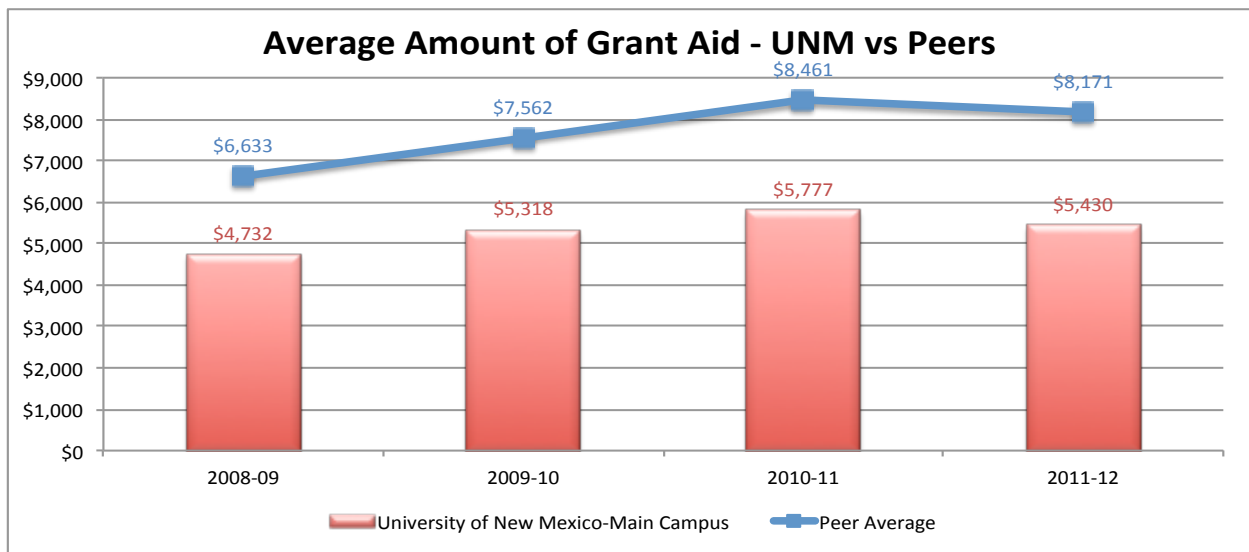


It is important to keep in mind that relatively few students pay the published rate for tuition and fees, despite the fact that this is the rate that is typically scrutinized in the media and other venues as representing the cost of college.



Source: IPEDS. Includes percentage of undergraduate students receiving any federal, state, local, or institutional grant aid.

As this chart indicates, over 80% of UNM’s undergraduate students receive some form of grant aid, whether it be from federal, state, local, or institutional sources, compared to only 60% of undergraduate students at our peer institutions. This higher rate is the result of institutional strategy in awarding financial aid, with the intent of investing limited resources in a manner that maximizes the number of students served (e.g. the Bridge to Success Scholarship). Another driver of this higher rate is the Legislative Lottery Scholarship, a source of state financial aid that is unique to New Mexico.



As shown in the chart, the average amount of grant aid received is well below that of our peers, with a gap of nearly \$3,000 in 2011-12. The driver of this is two-fold. First, UNM’s low tuition drives the average aid amount down, as the overall cost of attendance is lower than our peer institutions. Second, as described earlier, UNM has made a concerted effort to spread its

institutional aid to as many students as possible. This effort to impact a higher percentage of students lowers the overall per-student average amount of aid received.

Peer institutions emphasize higher aid support for a limited number of students. This promotes student success for a narrower portion of students and drives the amount of assistance per student up. UNM has a larger percentage of students with need and often less institutional aid to provide in addition to federal and state support. Continuing to increase institutional aid and targeting that assistance strategically is a UNM priority.

***Legislative Lottery Scholarship: Unpredictability associated with the future of Lottery Scholarship and an uncertainty of sustainable funding sources is a critical issue that will significantly impact UNM in coming years.***

In the 2014 legislative session, legislation addressed the projected shortfall of the LLS program:

- Increasing revenues available for awards
- Limiting total scholarship awards to available revenues less \$2.0M required reserve
- Reduction of eligible semesters for the program from 8 to 7, and
- Modest program savings due to the increased per semester student credit hour load requirement at four-year institutions

The LLS had relied on revenues from lottery ticket sales and prior year fund balance to meet annual scholarship expenses. Lottery revenues are expected to remain flat and insufficient to meet the full cost of funding tuition for all eligible students without supplemental support. SB 347 (the specific Lottery legislation) adds an estimated \$19.0 million from the liquor excise tax distribution starting July 1, 2015 and ending July 1, 2017 to restore solvency. During the last few fiscal years, lottery scholarship expenses have increased steadily, \$53.3 million in FY11, \$58.2 million in FY12, \$61.9 million in FY13, and a projected \$67.5 million in FY14.

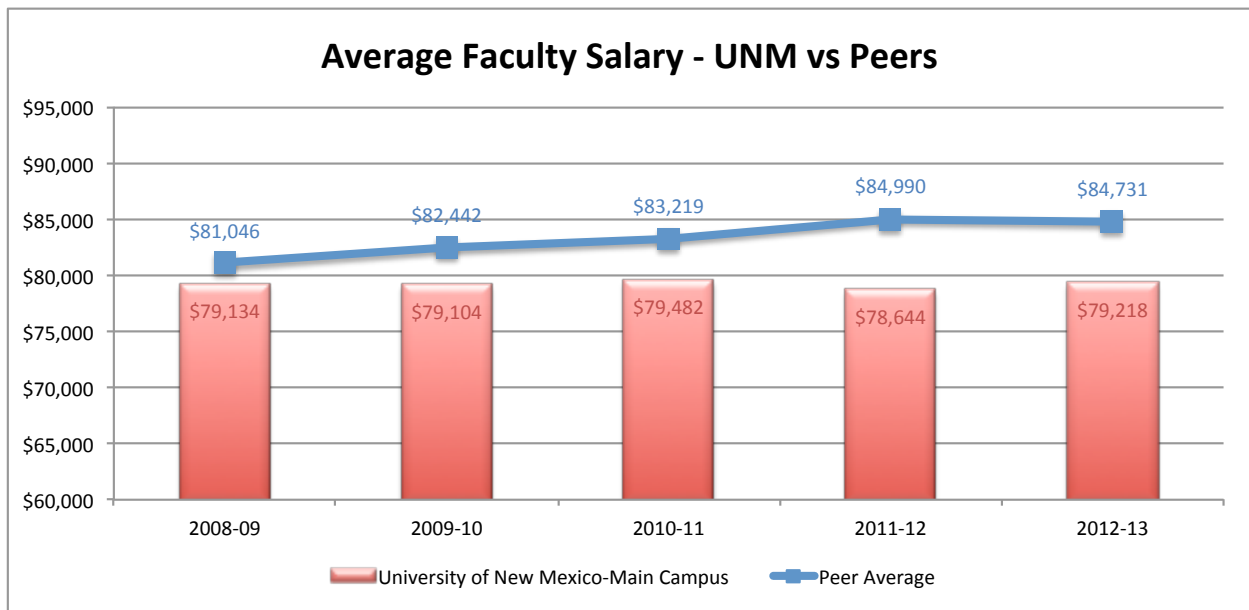
For LLS program purposes, SB 347 changed the definition of “full-time” for students attending four-year institutions to require completing a minimum of 15 credit hours per semester in place of the previous 12 credit hour requirement. This is consistent with UNM tuition policies. The bill maintained the 12 hour “full-time” definition for students attending two-year colleges. HED must calculate a sector average (research/comprehensive/two-year colleges are the sectors) to determine award amounts based on projected revenue and number of eligible students. If there is not sufficient revenue to cover full sector average awards for all eligible students, a uniform percentage will be determined across all sectors. Legacy students (those who have received the scholarship for three or more semesters by June 30, 2014) are allowed to retain the LLS for up to eight semesters by completing only 12 hours and qualified students (all other students) will receive it for seven semesters and must complete 15 credit hours per semester.

Future concerns include the sunset of additional revenue from the liquor excise tax distribution; sector average awards paying smaller and smaller percentages of tuition based on increasing rates and decreasing revenue; emphasis on utilizing the LLS to encourage two-year enrollment; and lottery revenue stability.

### Section 3: Faculty and Staff Salaries

**Faculty Salary Comparisons:** *UNM is falling further behind our peers in average faculty salaries. UNM must develop an overarching compensation strategy that addresses how to best invest the limited funds available for compensation, and how to strike an appropriate balance between across-the-board cost of living adjustments with increases driven by performance or merit.*

Salary studies that have been commissioned in the past have pointed to the fact that UNM faculty salaries are below those of our peers. To address this issue, there have been numerous initiatives proposed to “catch-up” faculty salaries to the levels of our peer group. Given the sheer cost of these proposals, these efforts have never been sustained and thus on average our faculty salaries remain below our peers.

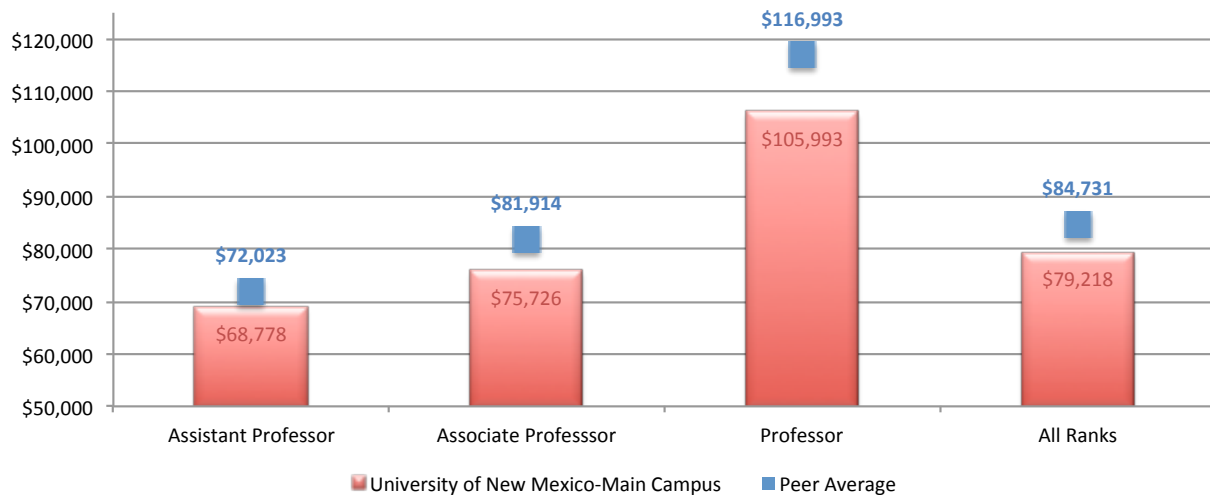


This chart shows the current average salary of UNM faculty compared to our peer group. More alarming than the current gap of just over \$5,500 between the UNM average and the average of our peers is the trend of this gap growing each year. Indeed, looking back as recently as FY2008-09, UNM was within \$2,000 of our peers. While there has been targeted investment in faculty compensation and retention over the past several years, the primary driver of this narrower gap are changes made to UNM’s peer group. In addition to annual salary increases, turnover and new hiring initiatives have an impact on this statistic. Indeed, the average faculty salary at UNM decreased significantly from FY11 to FY12. This is likely the result of retirements of senior faculty (higher salary) whose vacancies were filled with junior faculty (lower salary), coupled with the lack of an across the board salary increase.

In any case, the fact remains that each year UNM is falling further behind its peers with regards to average faculty salary.

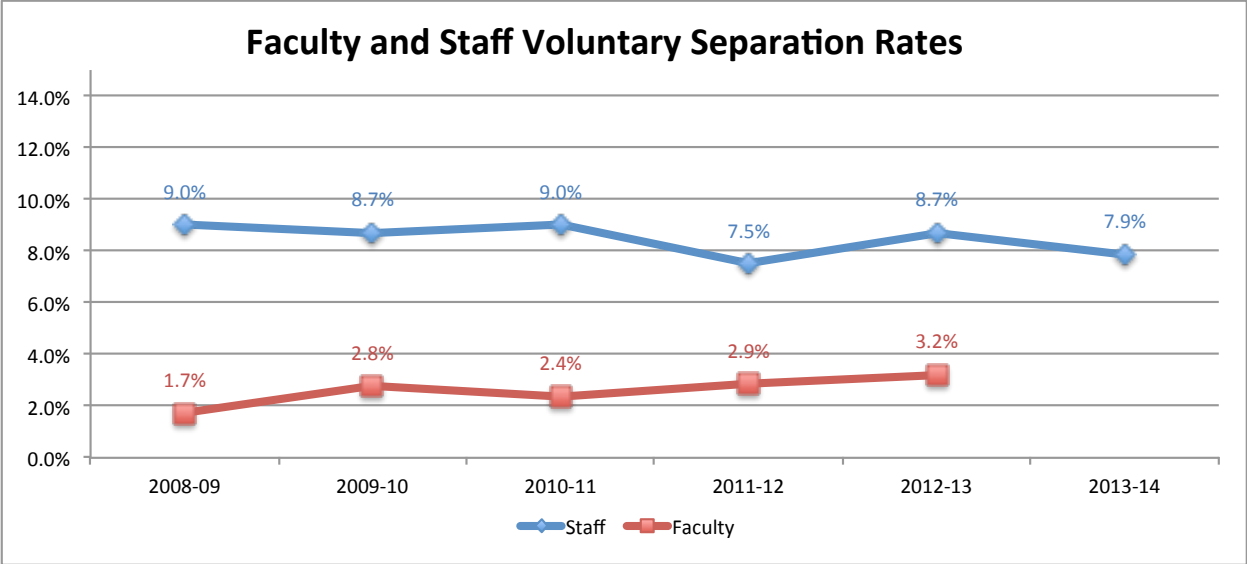
A more detailed analysis into the salary levels of UNM faculty provides additional insight. Comparing average salaries of faculty by rank shows that faculty at the Assistant Professor level (relatively new hires in the vast majority of cases) have average salaries only about \$3,000 less than our peer group. This is indicative of UNM competing in a national market for faculty, with schools and colleges offering nearly competitive salaries to new hires as a result of that competition. In contrast, faculty salaries at the Professor level are \$11,000 less than the average of our peers. This is likely a result of initial base salaries that lagged peers many years ago, compounded by annual increases over time that lagged our peer group. This disparity of salary across ranks creates competitive weakness with hiring and compensating faculty at the departmental level, with issues such as equity and compaction arising more frequently.

### Average Salary by Rank - UNM vs Peers



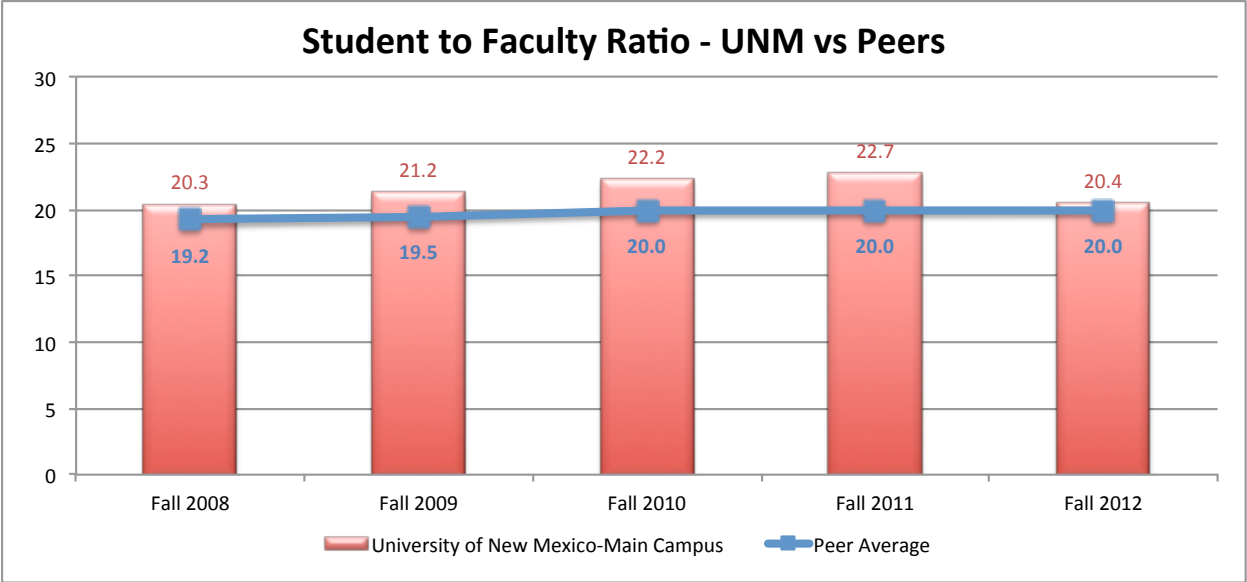
**Faculty and Staff Turnover:** Overall faculty and staff turnover is low, suggesting that limited resources be focused on the areas of greatest impact – targeted and proactive retention and equity and compaction issues.

Despite the well-publicized disparity of salary levels between UNM faculty and our peers, voluntary separation rates are consistently very low among faculty. As the chart below shows, the percentage of faculty who resign their positions each year (not including retirements) has remained relatively constant over time below 3.5% percent. On the staff side, however, turnover rates are much higher. While this may appear a cause for concern, these staff turnover rates compare favorably other universities. Indeed, according to the Chronicle for Higher Education *Great Colleges to Work For* survey, the average staff turnover rate for large, 4-year colleges was 9.14% in 2014, more than an entire percentage point above UNM’s rate of 7.9%.



Note: 2013-14 faculty data not available until October 2014

**Student to Faculty Ratio:** UNM lost substantial ground to its peers during the recession, a result of sharp enrollment increases without corresponding additions of new faculty. Investment in new faculty over the past three budget cycles has reversed this trend.



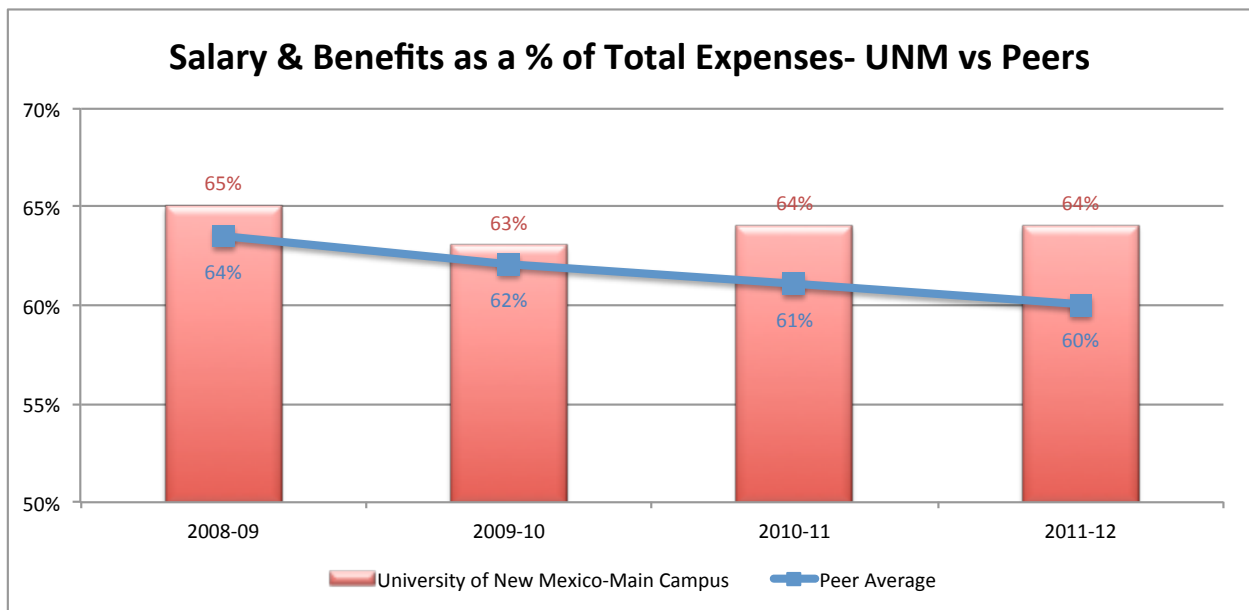
Note: UNM student to faculty ratio calculated using internal UNM data and IPEDS collection methodology. Peer data from IPEDS.

The student to faculty ratio – the number of students per full-time faculty member (typically tenure/tenure-track as well full-time lecturers and instructors) – is a widely used measure that speaks to the quality of academic programs and the student-learning environment. As the chart depicts, UNM’s student faculty ratio increased steadily from Fall 2008 to Fall 2011, creating a gap between UNM and our peers of 15%. This widening resulted from enrollment increases during the recession, with limited faculty hiring and many retirements and vacancies went unfilled. However, recent investments in faculty hiring over the past three years are having the desired effect, bringing UNM back down to the peer average of 20:1.

**Salary and Benefits as a Portion of Total Expenses:** UNM spends a higher portion of its overall budget on salaries than its peers, and this percentage has remained constant over time while decreasing at peer institutions. This presents challenges on many fronts, from high costs of compensation increases to limited opportunities for internal efficiency savings and cost cutting.

The following chart depicts something that should not come as a surprise to the UNM community, that salary and benefit expenditures comprise a larger portion of the University's overall expenditure base than those at peer institutions. Other than inflation-driven operational must-funds (utilities, property/liability insurance, and health care cost increases), departmental operating budgets have not been systematically increased with additional funds since FY08-09, and even then academic operating budgets were increased in total by only \$500K. This was the first concerted investment in departmental operating budgets in over 10 years. As annual inflation eats away at the buying power of departments, this lack of funding has required departments across campus, academic and administrative alike, to use salary savings and/or vacancies to fund operational expenditures. This trend results in under-staffed departments in many areas, as unfilled vacancies have become embedded as de facto operational budgets.

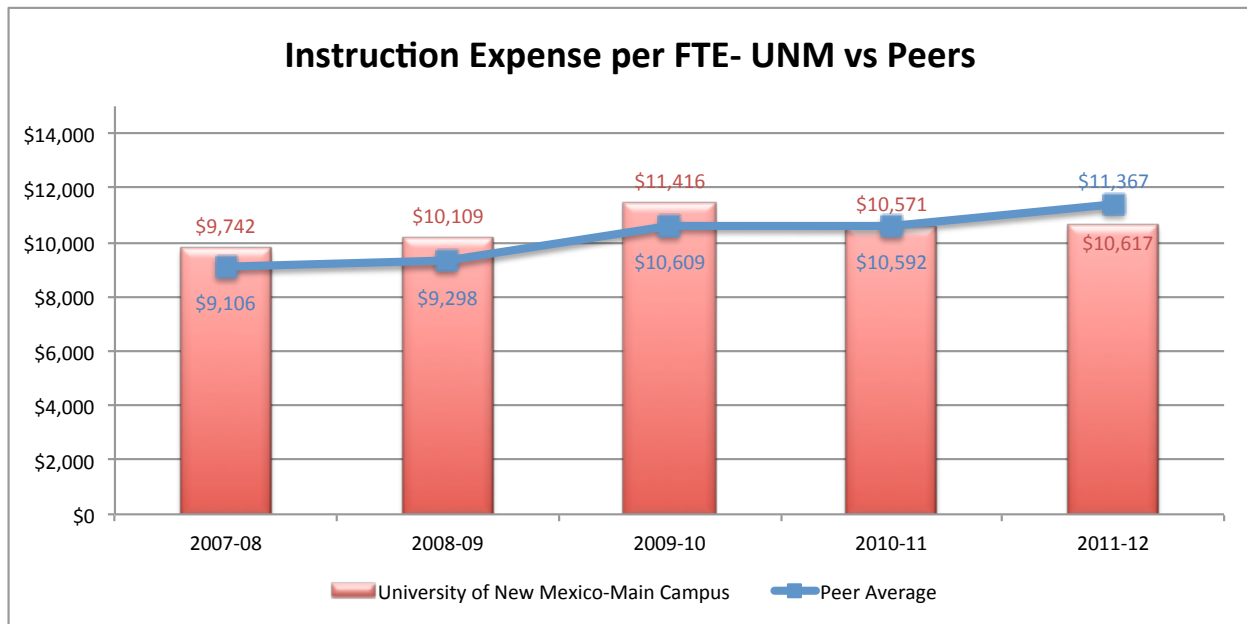
Further, current data would show this statistic increasing for UNM. In particular, the reallocation of \$3M of internal savings to fund a compensation increase for FY2014-15 had a significant effect on the operating budgets of many units. For instance, the Academic Affairs Instruction & General budget is about 90% labor expense, so this \$3M overall reallocation (calculated as 1% of the main campus I&G budget) was in effect a 10% reduction in operating budgets for academic units. While feasible for a single year to increase our investments in compensation, this is not a tactic that is sustainable nor strategic over the long term.



## Section 4: UNM Budget Considerations and Projections

**Instructional Expenses:** Per-student spending on instruction is historically in line with our peer institutions, a result of generous state funding to supplement relatively low tuition and fee rates.

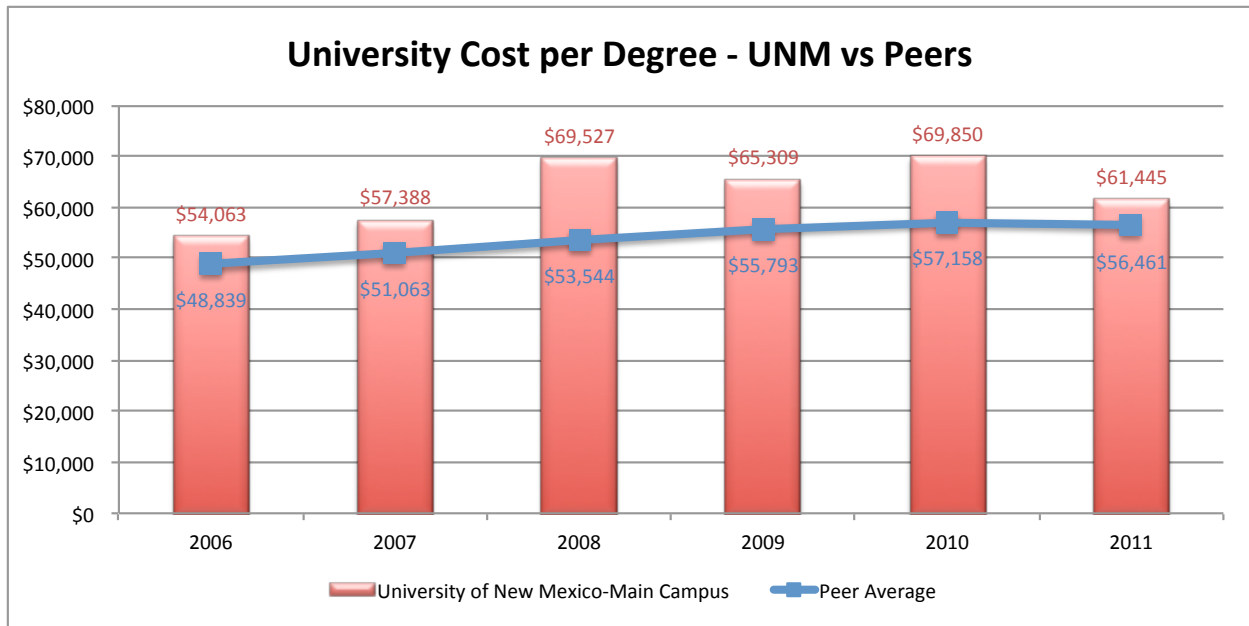
As the chart below depicts, instruction expenses per FTE are in line with the University's peer group, falling approximately \$750 below our peers. This is the first year where UNM fell behind out peers in per student expenses, and is likely attributable to rising enrollments during the recession and State funding was reduced and tuition and fee increases were minimized, leading to a flat expenditure base.



**Cost Per Degree:** UNM's cost per degree is decreasing, though still exceeds our peers. Increases to the graduation rate while keeping costs low should continue closing the gap.

UNM's cost per degree has been falling for the past several years, though it still remains considerably higher than our peer group average. The primary driver of performance on this measure is our graduation rate. Despite overall expense levels that fall below our peer group, the University's relatively low graduation rates drive the per-degree cost to a level exceeding our peers. Current data that reflect improvements in graduation rates in recent years should continue the trend of decreasing cost per degree, thereby closing the gap with our peer group.

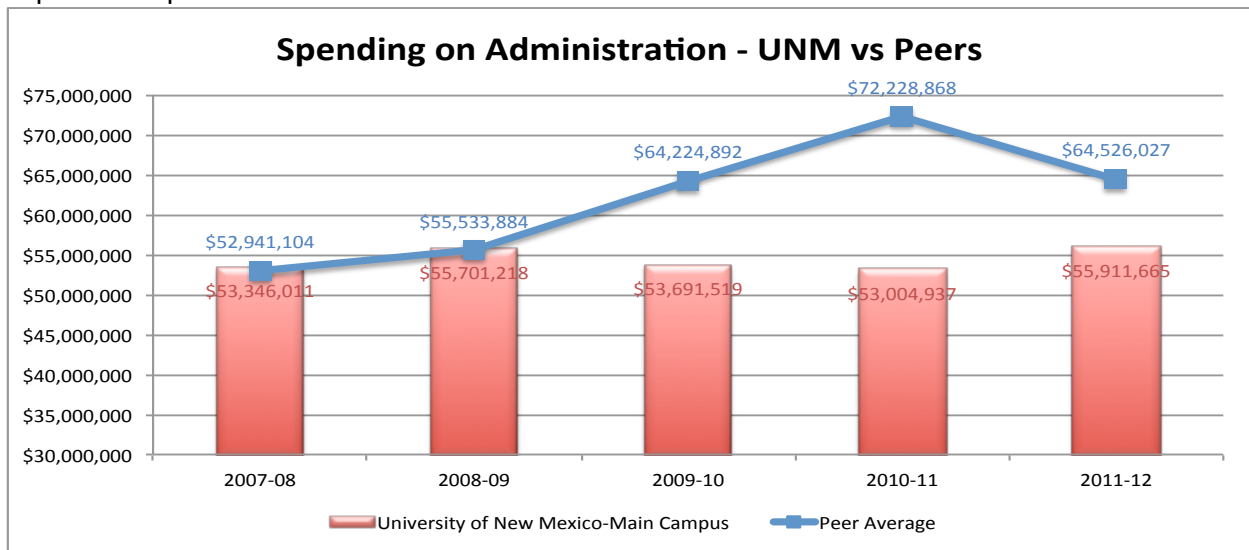




Source: Delta Cost Project Analysis of IPEDS Data

**Administrative Spending:** *UNM has avoided much of the administrative cost increases experienced by our peers in recent years.*

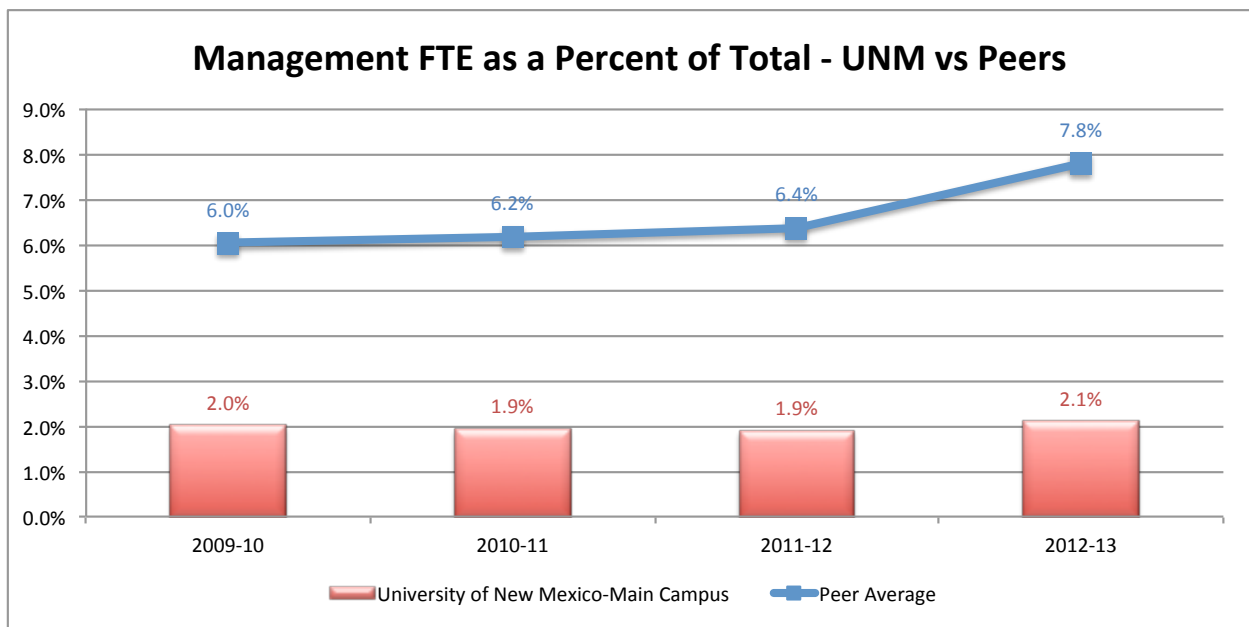
Historically, UNM’s administrative spending has been in line with our peer group. However, as State funding decreased beginning in 2009-10, administrative budgets were reduced to a greater extent than academic budgets across campus. This strategy to protect the academic enterprise as much as possible was especially prudent given the significant increases in student enrollment that occurred during this time. The effect of this decision brought UNM’s administrative expenditures well below the peer average beginning in 2009-10 and continuing into 2011-12. This gap has narrowed in 2011-12 as a result of a large decrease in administrative expenses at peer institutions.



Source: IPEDS. Expenses shown include all costs reported as “Institutional Support”

A closer look at administrative spending reveals that management FTE (defined essentially as Director-level and above) at UNM fall far below the peer group, by nearly a factor of four. This statistic suggests a flat organization, with fewer upper management positions, and a relatively large number of lower level employees across the university.

While this lower portion of management FTE is a useful statistic, what is more notable is that UNM management FTE has remained relatively stable over the past several years, while the average of our peer group is increasing each year. Potential explanations regarding this fact could be that other universities have had to resort to reductions in their overall workforce during the recession, or have been more aggressive in outsourcing services, such as various auxiliary and/or custodial service functions, while maintaining executive level oversight.

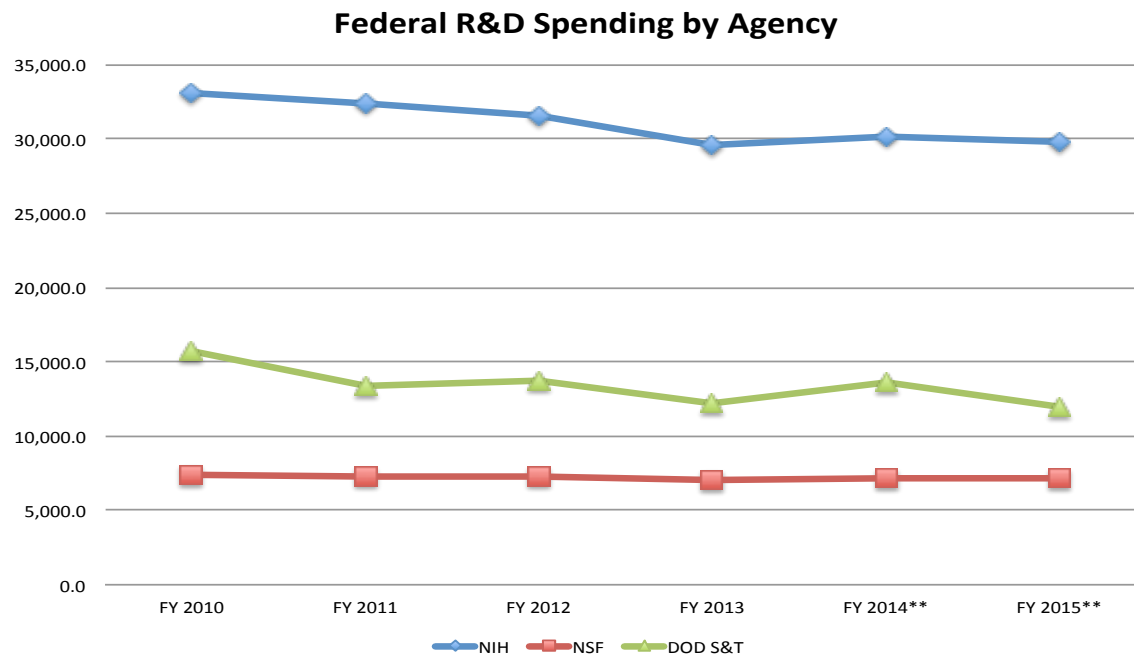


**Sponsored Research:** *UNM’s research funding historically mirrors federal spending, and potential decreases could have significant negative effects on funding of faculty, graduate students, and research staff.*

The following chart shows federal research and development spending for the National Science Foundation (NSF), National Institutes of Health (NIH), and Department of Defense (DOD). Going back to FY2010, the research budget for NSF has remained flat, while budgets for NIH and the Science & Technology portion of DOD have shown steady declines, up to and including the President’s FY15 budget proposal.

This displays an alarming trend, as UNM’s research activity has traditionally mirrored federal budget trends. There are significant efforts underway across campus to work to diversify the sponsored research portfolio of the university through its faculty principal investigators, aiming to decrease the historical reliance on federal research and development spending. Monitoring

research expenditures, awards, and proposal submissions will be critical in the coming years, as variations in those areas can have huge implications for the core I&G budget. Indeed, direct costs from sponsored research fund a substantial number of graduate student assistantships and research staff that maintain UNM labs and research facilities. Further, unrestricted Facilities and Administration (F&A) revenue plays a critical role in the operating budgets of schools, colleges, and research centers, as well as central administration functions such as the Office of the VP for Research, University Counsel and STC.UNM.



Source: American Academy for the Advancement of Science

**Budget Projections and Inflationary Increases:** A driver of expenditure increases each year is the increase associated with many fixed costs across the university, particularly health insurance premiums, utilities, and other insurances. Quantifying these increases provides a foundation for the “must-funds” in the annual budget and allows for initial planning of new revenue requirements.

**Health Care**

Group Health insurance is an area where external cost drivers most directly influence the budget for the University of New Mexico. This is especially true now that the University has moved to its self-insurance platform. After significant savings directly following the move to self-insurance and high levels of volatility in the first few years, UNM now has sufficient claim experience to project health care cost increases that will likely mirror national trends. Under this assumption, the University of New Mexico should expect to see Group Health Care increases in the neighborhood of 8% per year moving forward.

| Main Campus Group Health Insurance Annual Premiums and Inflation |         |                       |             |               |                   |
|--|---------|-----------------------|-------------|---------------|-------------------|
|  |         | Expense               | % Change    | Nat'l PPO Avg | UNM vs. Nat'l Avg |
| Fiscal Year 2010   | Actuals | \$22,882,591          | 2.8%        | 7.6%          | -4.8%             |
| Fiscal Year 2011   | Actuals | \$22,090,091          | -3.5%       | 7.5%          | -11.0%            |
| Fiscal Year 2012   | Actuals | \$21,649,175          | -2.0%       | 7.3%          | -9.3%             |
| Fiscal Year 2013   | Actuals | \$24,936,778          | 15.2%       | 8.8%          | 6.4%              |
| Fiscal Year 2014   | Actuals | \$29,197,860          | 17.1%       | 7.9%          | 9.2%              |
| Fiscal Year 2015   | Budget  | \$29,410,987          | 0.7%        | *             | *                 |
|  |         | <b>6 Year Average</b> | <b>5.1%</b> | <b>7.8%</b>   | <b>-1.9%</b>      |

Note: the 2015 Budget figures are adjusted from banner because some areas budget their fringe benefits in a single account code. National PPO data from Segal Health Plan Cost Trend Survey. FY13 and FY14 National averages are projected. FY15 data not yet available.

The data shown in the previous table accounts for only a portion of the total overall premium cost for UNM employee medical benefits. In addition to the UNM cost (employer share), UNM employees are responsible for paying a portion of the cost of premiums for their medical insurance benefits. The cost to employees is determined both by the benefit plan chosen and the employee salary and FTE appointment status.

The table below shows the current tiers that determine the premium split between UNM and employees. As the table indicates, UNM pays a larger portion of premiums for the lowest paid employees, with the employee share increasing as salary levels increase.

| UNM Medical Benefit Premium Salary Tiers |                                      |                |                                       |                |                                      |                |
|--|--------------------------------------|----------------|---------------------------------------|----------------|--------------------------------------|----------------|
| Employee FTE                             | Annualized Salary \$34,999 and below |                | Annualized Salary \$35,000 - \$49,999 |                | Annualized Salary \$50,000 and above |                |
|  | UNM Share                            | Employee Share | UNM Share                             | Employee Share | UNM Share                            | Employee Share |
| 1.0 FTE                                  | 80%                                  | 20%            | 70%                                   | 30%            | 60%                                  | 40%            |
| .75 FTE - .99 FTE                        | 60%                                  | 40%            | 52.5%                                 | 47.5%          | 45%                                  | 55%            |
| .50 FTE - .74 FTE                        | 40%                                  | 60%            | 35%                                   | 65%            | 30%                                  | 70%            |

### Utilities

Projecting utility expenditures is at best an art, not a science. External factors that drive utility expenditures at the University of New Mexico include natural gas prices, regulatory requirements, public utility rate cases, and local weather. In addition, on campus energy conservation efforts, which are estimated to have resulted in a “cost avoidance” figure of approximately 21% of the total utility budget, have played a significant role over the last several years in minimizing utility cost increases. Deeper analysis indicates that these opportunity savings have run their course and the University will once again experience utility cost increases

commensurate with the overall market. Based on this information, we are budgeting for forecasted increases of approximately 7% per year in utility cost increases, despite the much lower averages shown in the chart below.

| <b>Annual Utility Cost and Inflation<br/>Main Campus Unrestricted</b> |         |                       |                        |
|---|---------|-----------------------|------------------------|
|   |         | <b>Total</b>          | <b>Annual % change</b> |
| <b>Fiscal Year 2010</b>   | Actuals | \$30,115,446          | 12.5%                  |
| <b>Fiscal Year 2011</b>   | Actuals | \$30,482,703          | 1.2%                   |
| <b>Fiscal Year 2012</b>   | Actuals | \$33,077,833          | 8.5%                   |
| <b>Fiscal Year 2013</b>   | Actuals | \$32,483,788          | -1.8%                  |
| <b>Fiscal Year 2014</b>   | Actuals | \$33,494,219          | 3.1%                   |
| <b>Fiscal Year 2015</b>   | Budget  | \$32,162,132          | -4.0%                  |
|   |         | <b>6 Year Average</b> | <b>3.3%</b>            |

Note: FY 2010 and FY 2011 are adjusted for the utility expenses that were subsidized by restricted funding received through the ARRA (federal stimulus)

#### ***Other Insurance***

Property & Liability and Other Insurances relate to premiums that the University pays to the State Risk Management Department. They have shown to be relatively unpredictable over the course of the last five years, and are likely to continue to be so moving forward. As the data below suggests the 6 year average is approximately 2.0%, which should serve as an inflationary/claims experience insurance cost escalator moving forward.

| <b>Property, Liability, and Other Insurance<br/>Main Campus Unrestricted</b> |         |                       |                 |
|--|---------|-----------------------|-----------------|
|  |         | <b>Expenses</b>       | <b>% change</b> |
| <b>Fiscal Year 2010</b>  | Actuals | \$5,577,186           | -27.9%          |
| <b>Fiscal Year 2011</b>  | Actuals | \$5,075,277           | -9.0%           |
| <b>Fiscal Year 2012</b>  | Actuals | \$6,335,201           | 24.8%           |
| <b>Fiscal Year 2013</b>  | Actuals | \$6,366,985           | 0.5%            |
| <b>Fiscal Year 2014</b>  | Actuals | \$5,663,664           | -11.0%          |
| <b>Fiscal Year 2015</b>  | Budget  | \$7,483,604           | 32.1%           |
|  |         | <b>6 Year Average</b> | <b>1.6%</b>     |

**The 1% Numbers.**

Budget discussions are often conducted in the language of percentages. To assess the impact of these percentages, it is often helpful to quantify the actual dollar amounts they represent. In summary, the key 1% numbers for FY16 are:

- A 1% increase in tuition and fees for 2015-16 will cost a student taking 12 credits/semester an additional \$68 per year.
- A 1% increase in tuition and fees for 2015-16 will cost a student taking 15 credits/semester an additional \$65 per year.
- A 1% increase in tuition and fees for 2015-16 will generate approximately \$1,506,528 in new revenue for UNM.
- A 1% increase in compensation will cost the university approximately \$2,607,882 (for I&G budgets only).

Additional detail on the derivation of these 1% numbers can be found in the sections that follow.

**Tuition and Fees Estimates**

The 1% Tuition and Fee projection in the table below of \$1.5 million is an initial estimate. Initial enrollment estimates from the Division of Enrollment Management suggest a slight decline in overall enrollment for the upcoming academic year. Thus, the FY16 1% estimate is lower than last year to account for the projected decrease in enrollment. Additionally, a 1% increase in tuition would result in a \$34,418 increase in GA/TA tuition waivers, the funds that must be allocated to schools and colleges who pay tuition for graduate students receiving assistantships.

| <b>Tuition, Fees, GA/TA Tuition Waivers</b> |                     |
|---|---------------------|
| <b>FY16 1% Estimates, as of 8/12/14</b>     |                     |
|   | <b>1% Estimates</b> |
| <b>Tuition</b>                              | \$1,216,706         |
| <b>Student Fees</b>                         | \$289,822           |
| <b>Total Tuition &amp; Fees</b>             | <b>\$1,506,528</b>  |
| <b>GA/TA Tuition Waivers</b>                | \$34,418            |

**Compensation Estimates**

The 1% compensation increase estimates referenced in the following table have also been updated for FY15/16. As shown in the table, the overall dollar amount necessary to fund a 1% compensation increase for faculty, staff, GA/TAs, and students is \$2.6M.

| <b>1% Compensation Estimate</b>                          |                            |                      |                            |                        |                     |
|--|----------------------------|----------------------|----------------------------|------------------------|---------------------|
| <b>FY16 Main Campus Pooled I&amp;G, as of 08/12/2014</b> |                            |                      |                            |                        |                     |
|  | <b>Est. Total Salaries</b> | <b>Est. Fringe %</b> | <b>Est. Fringe Expense</b> | <b>Est. Total Comp</b> | <b>Est. 1% Comp</b> |
| <b>Faculty</b>   | \$85,858,793               | 33.00%               | \$28,333,402               | \$114,192,195          | \$1,141,922         |
| <b>GA/TA</b>   | \$15,234,126               | 15.00%               | \$2,285,119                | \$17,519,245           | \$175,192           |
| <b>Staff</b>   | \$93,002,077               | 34.00%               | \$31,620,706               | \$124,622,783          | \$1,246,228         |
| <b>Students</b>  | \$4,409,908                | 1.00%                | \$44,099                   | \$4,454,007            | \$44,540            |
| <b>Total</b>   | <b>\$198,504,904</b>       | <b>31.38%</b>        | <b>\$62,283,326</b>        | <b>\$260,788,230</b>   | <b>\$2,607,882</b>  |

Faculty salaries includes only account code 2000, does not include temporary faculty, post doctoral fellow, etc. Staff salaries include regular staff, temporary staff, and on-call staff. Above figures exclude all Continuing Education, ABO Org Level 3 and includes 100% of IT Non-I&G Salaries.

## **Section 5: Capital and Debt Service**

### ***Capital Projects***

#### ***Farris Engineering Building Renovation***

This project will enable the University to fully complete renovating the 1967 building, which has serious deficiencies that hinder teaching and research. The project will focus on updating teaching and office spaces to positively impact student and faculty retention as well as recruitment of new undergraduate and graduate students. The project also replaces all HVAC and Electrical Systems as well as addressing various ADA, fire, and life safety code compliance issues. The additional funding will enable the build-out of approximately 12,000 square feet of shell space in Centennial Engineering, which will serve as a temporary home for displaced programs while construction at Farris Engineering is underway.

#### ***Interdisciplinary Science Building***

This project will provide for the replacement of the Physics and Astronomy (P&A) building and Regener Hall, while also adding critical Interdisciplinary Lab space for a variety of Main Campus departments within the College of Arts and Sciences. It will construct approximately 161,000 gross square feet of modern, flexible lab space which will allow the repurposing of the current P&A building and Regener Hall. The new building will include labs, classrooms, research space, and shop space as well as faculty, staff, and GA/TA office space.

#### ***Anderson School of Management***

This capital project will construct a facility of approximately 111,700 square feet to replace the current Anderson School of Management building. It will provide modernized learning environments by providing flexible, state of the art classrooms for the various degrees offered by the business school. The project also includes faculty and staff offices, student support spaces, and general meeting/gathering spaces for the school and business community at large.

The following table summarizes the estimated project costs to complete each of the three capital projects as submitted to the Higher Education Department (HED). It also lists/suggests other revenue sources that would complement the State funding requests to fully fund each of the projects. In recent years, “matching funds” have been deemed a requirement by the State to move projects, especially high cost projects, forward in the State Capital Funding Request approval queue. The private funding and potential UNM Bond funds would satisfy this requirement.



| UNIVERSITY OF NEW MEXICO<br>CAPITAL OUTLAY PROJECTS<br>(Main Campus) |                              |   |                     |                     |                                     |  |
|--|------------------------------|---|---------------------|---------------------|-------------------------------------|--|
| CURRENT YEAR REQUEST<br>for 2015-16                                  |                              |   |                     |                     |                                     |  |
|  | ESTIMATED<br>PROJECT<br>COST | 2015<br>LEGISLATIVE<br>SESSION<br>REQUEST | PREVIOUS<br>APPROP  | PRIVATE<br>FUNDS    | FUTURE<br>APPROPRIATION<br>REQUESTS | POTENTIAL UNM<br>BONDS AND OR<br>OTHER FUNDS |
| <b>MAIN CAMPUS ACADEMIC</b>  |                              |   |                     |                     |                                     |  |
| FARRIS ENGINEERING BUILDING RENOVATION                               | \$26,001,500                 | \$4,700,000                               | \$21,301,500        | \$0                 | \$0                                 | \$0  |
| Interdisciplinary Science Building (Physics and Astronomy)           | \$77,560,000                 | \$753,290                                 | \$746,710           | \$0                 | \$26,060,000                        | \$50,000,000                                 |
| Anderson School of Management  | \$48,000,000                 | \$500,000                                 | \$721,500           | \$15,000,000        | \$18,000,000                        | \$13,778,500                                 |
| <b>SUBTOTAL</b>  | <b>\$151,561,500</b>         | <b>\$5,953,290</b>                        | <b>\$22,769,710</b> | <b>\$15,000,000</b> | <b>\$44,060,000</b>                 | <b>\$63,778,500</b>                          |

### Debt Service

Starting with the 2005 UNM bond issue, and as a result of limited State capital funding and rising facility construction costs, the University of New Mexico began to fund portions of its academic capital improvement plan with debt supported by student fees. Absent private support, federal grant dollars, and/or State funding, these student fees are the only funding sources available for academic facility capital improvements. The table below summarizes the yearly debt service amounts necessary to support bond issues of \$30.0M, \$64.0M and \$90.0M, and the associated student fees required to fund the yearly debt service.

**The student fee table is for illustration purposes only.** Any issuance of debt would need to be fully discussed with the Board of Regents, the University's Financial Advisor – First Southwest Company – and the University's Rating Agencies - Moody's and Standard & Poor's. Given the University's most recent audited fiscal year, FY2013/14, and its diminished financial performance metrics, any issuance of debt at the amounts referenced below could have a negative impact on the University's current rating and therefore would need to be evaluated carefully.

| Hypothetical Student Fee-Funded Bond Issuance |                                       |                          |                          |                          |
|---|---------------------------------------|--------------------------|--------------------------|--------------------------|
| Bonds <sup>(1)</sup>                          | Yearly<br>Debt Service <sup>(2)</sup> | Estimated<br>per CR Hour | Estimated<br>at 12 CR HR | Estimated<br>at 15 CR HR |
| \$30,000,000                                  | \$2,250,000                           | \$7.00                   | \$84.00                  | \$105.00                 |
| \$64,000,000                                  | \$4,800,000                           | \$14.75                  | \$177.00                 | \$221.25                 |
| \$90,000,000                                  | \$6,750,000                           | \$20.75                  | \$249.00                 | \$311.25                 |

Please note yearly debt service is based upon historic UNM interest Rates. The actual yearly amount could be lower or higher depending on when the bonds are issued and the actual interest rates at the time.

(1) Bond amounts are just potential issuance amounts.

(2) Debt assumes level payments and is typically structured for 30 Years.

## ***Bond Rating and Debt Issues***

In June 2014 Moody's Investors Service affirmed the University of New Mexico's Aa2 and Aa2/VMIG 1 ratings on its outstanding rated debt, with a stable rating outlook. The Aa2 rating for University reflects its essential role as the State's flagship public university and major healthcare service provider, its history of strong state support for operations and capital, as well as good debt service coverage. The rating also incorporates UNM's weaker operations in FY2012/13, with expectations of improvement in FY 2014. Significant exposure to volatile and weakening health care operations is a key credit challenge.

The stable outlook also reflects Moody's expectation that the university will maintain stable enrollments and good debt service coverage while absorbing near term operating losses on the health care side driven by the roll out of the Affordable Care Act (ACA) and start-up costs related to the new Sandoval Regional Medical Center (SRMC).

In their analysis, Moody's noted the following strengths for the University of New Mexico:

- The university plays a vital role in the State of New Mexico and Bernalillo County by being the largest employer in the state and county
- The university is a key driver of economic development through provision of education and is taking an enhanced role in commercialization of research and fostering of new businesses
- UNM hospital serves a critical role as a safety net provider and the state's only Level 1 Trauma Center. For the former, it receives mill levy support from the County of Bernalillo, which is essential to sustaining the hospital's fiscal stability
- As the state's flagship public university, UNM's enrollment has grown modestly in recent years
- An uncommonly strong matriculation rate of 48% percent of admitted first-year students choose to enroll, highlighting favorable demand for the university within the state
- Consistent operating and capital support from the Aaa-rated State of New Mexico contribute to fiscal stability and state lottery revenues dedicated for scholarships support high in-state demand
- UNM has a manageable debt burden

In addition to the strengths listed above, Moody's identified the following challenges:

- Health care operations are volatile and pressured and represent a substantial portion of the university's revenues, with high payer exposure to Medicaid, indigent care and Medicare
- Operating performance weakened in FY 2013, with one-time expenses and the investment in the SRMC resulting in a consolidated 1.1% operating deficit and a thin 5.2% operating cash flow. FY 2014 is projected to return to break even operations and historical cash flow

- The university will be challenged to grow enrollment with a high reliance on in-state students and relatively flat projections for high school graduates in New Mexico over the next few years
- Growing pension liability will be incorporated into the balance sheet beginning in FY 2014/15

UNM's current debt structure is comprised of 84% fixed rate bonds, 3% unhedged variable rate bonds, and 13% variable rate SWAP's.

TAB G

## Academic Affairs Faculty Compensation Update

*Chaouki Abdallah, Provost and Executive Vice President for Academic Affairs*

Five-Year Plan of Building A Stronger  
Academic Enterprise

Presentation to ASAR  
September 4, 2014

## Academic Goals (2020)

- Improve student success (Increase Retention, 4 and 6-year graduation rates).
- Increase the Value of UNM Degree.
- Faculty Strengths (recruiting, retention, compensation)
- Positively impact K-12

## **A GREAT UNIVERSITY NEEDS GREAT FACULTY.**

UNM CONTNUIES TO FACE A NUMBER OF CRITICAL ISSUES THAT THREATEN THE UNIVERSITY'S CAPACITY TO HELP NEW MEXICO ADDRESS THE CHALLENGS IT FACES, AND TO ACHIEVE ITS 2020 ACADEMIC GOALS

ONE OF THE MOST IMPORTANT ISSUES IS ENSURING THAT UNM CAN COMPETE FOR AND RETAIN GREAT FACULTY

In the following, I will present comparison data as well as a plan to align our faculty salaries with a peer group. The peer group was modified from the 2012 peer group to a new one.

**NOTE THAT THIS IS NOT AN ATTEMPT TO ARGUE FOR AVERAGE PERFORMANCE AND COMPENSATION. INDEED, ACADEMIC AFFAIRS WILL ALLOCATE COMPENSATION BASED ON PERFORMANCE.**

# Office of Academic Affairs

## Our Current Peer Institutions

| University Of New Mexico Peer Listing    |                                       |
|--|---------------------------------------|
| 1. Arizona State University              | 12. University of Colorado Boulder    |
| 2. Florida International University      | 13. University of Colorado Denver     |
| 3. New Mexico State University           | 14. University of Houston             |
| 4. Oklahoma State University             | 15. University of Iowa                |
| 5. Texas A & M University                | 16. University of Kansas              |
| 6. Texas Tech University                 | 17. University of Missouri - Columbia |
| 7. The University of Texas at Arlington  | 18. University of Nebraska – Lincoln  |
| 8. The University of Texas at Austin     | 19. University of Nevada - Las Vegas  |
| 9. The University of Texas at El Paso    | 20. University of North Texas         |
| 10. University of Arizona                | 21. University of Oklahoma            |
| 11. University of California - Riverside | 22. University of Utah                |

Peer institutions selected for analysis 2011-12 included: **Arizona State University**, **Texas A & M University-College Station**, The University of Tennessee, **The University of Texas at Austin**, **University of Arizona**, **University of Colorado Boulder**, **University of Iowa**, **University of Missouri-Columbia**, **University of Nebraska-Lincoln**, University of Oklahoma Norman Campus, University of Virginia-Main Campus, and University of Washington-Seattle Campus.

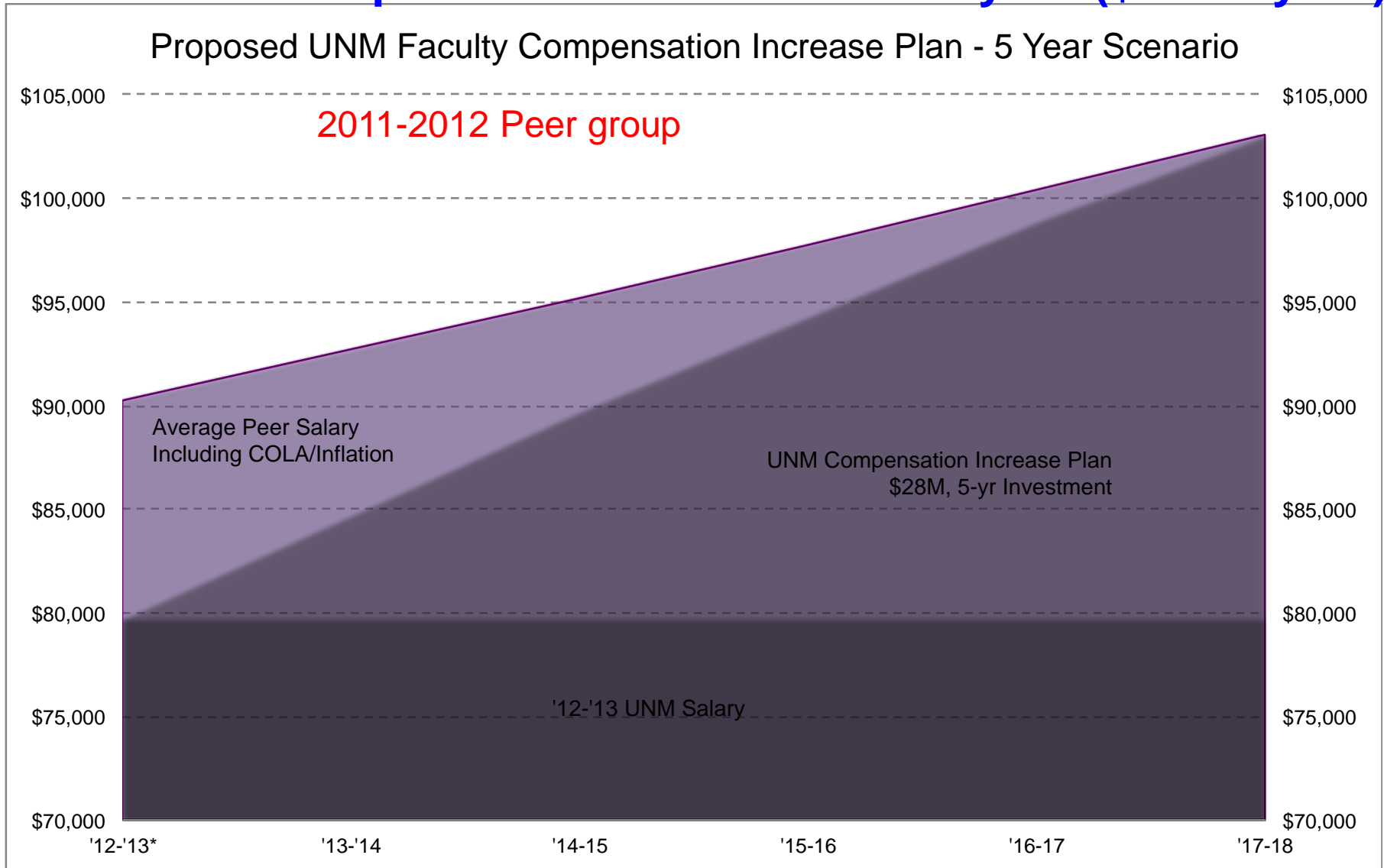


## A Modest Proposal

- The BOR requested in Spring 2012 a plan to catch up the UNM faculty salaries with our aspirational peers.
- In the following, we review 5-year plan using **last year's peers versus the new peer group.**
- The intent is to compare how our faculty are contributing to our student success, while highlighting the challenges of creating a satisfactory compensation plan.

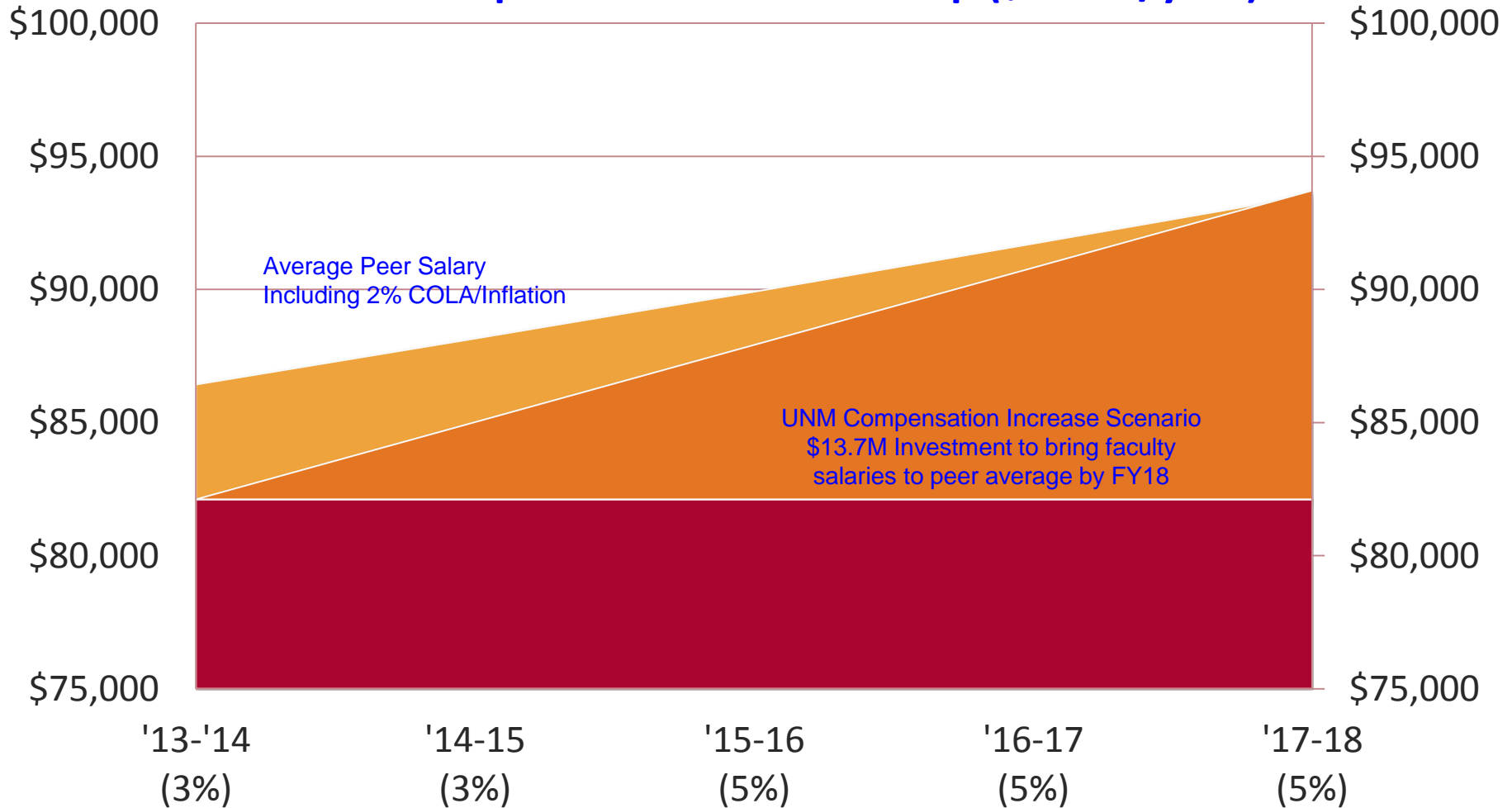
# Office of Academic Affairs

## Last Year's Proposal: About 5% increase/year (\$5.6 M/year)



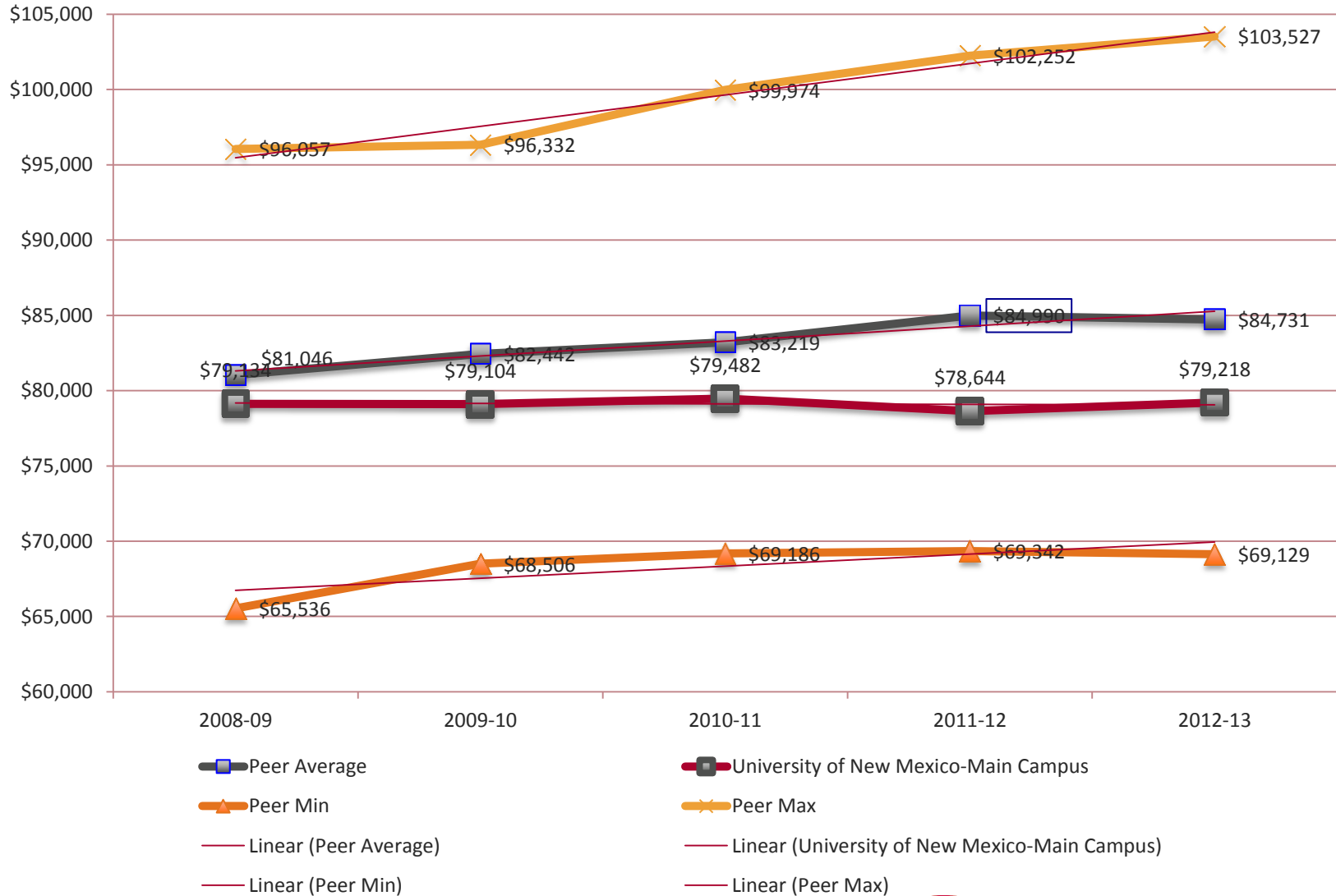
# Office of Academic Affairs

## This Year's Proposal: UNM Faculty Compensation Increase Scenario With an Updated 2014 Peer Group (\$3.4 M/year)

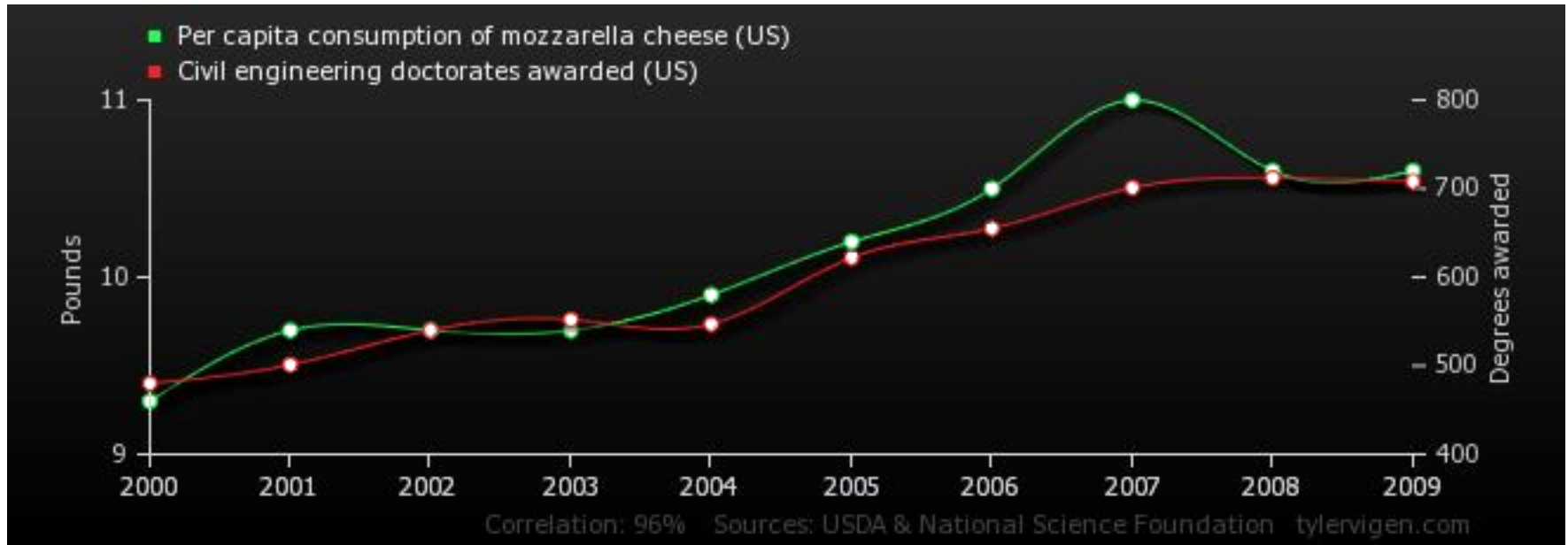


# Office of Academic Affairs

## Current Peer Group: Average Faculty Salary - UNM vs Peers

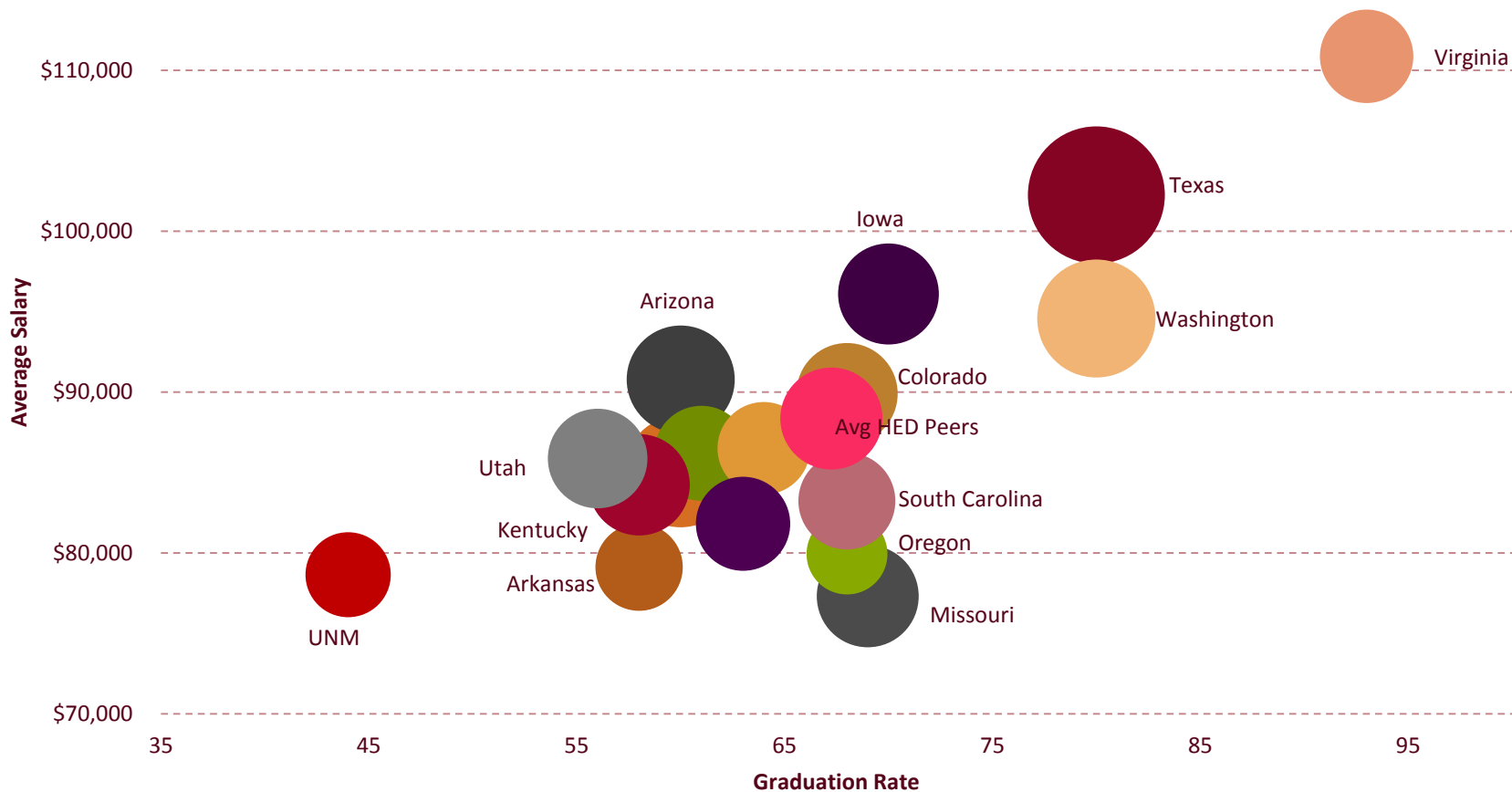


## Spurious Correlations



# Office of Academic Affairs

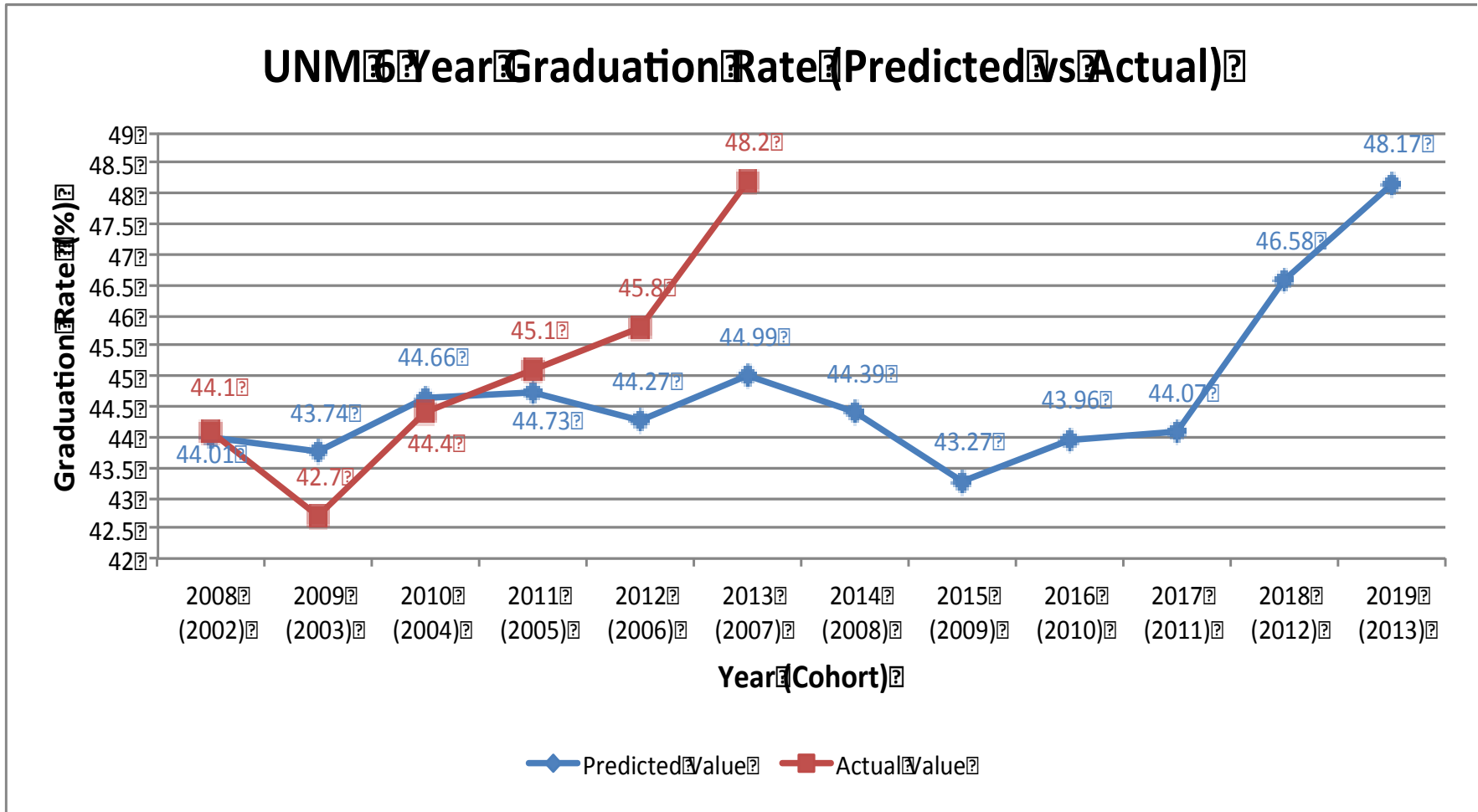
## Average All Full-time Instructional Faculty Salary and 6-Year Graduation Rates



Note: Salaries equated 9-month contract. All faculty average salary at peers weighted by number of UNM faculty at each rank. Source: IPEDS

# Office of Academic Affairs

## Our Predicted vs our Actual Student Success Performance



# Office of Academic Affairs

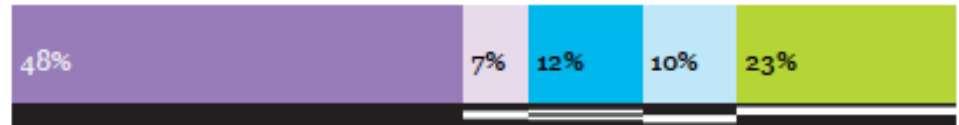
This is the data collected for UNM for the 2006 cohort.

The Data shows the graduation and persistence rates for FTFT UNM Students.

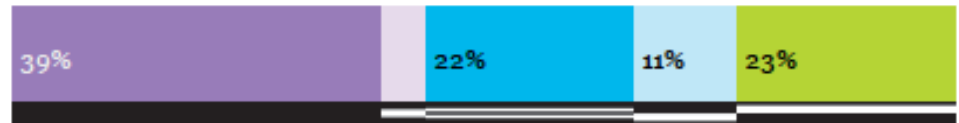
For example 55 (48+7)percent of the 2850 students graduated after 6 years from UNM or elsewhere.

Number of students: 2,850

*roll over each bar for detail data*



WITHIN 6 YEARS



WITHIN 5 YEARS



WITHIN 4 YEARS

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%





TAB H

## Research Enterprise Update

*Michael Dougher, Vice President for Research*

THE UNIVERSITY *of* NEW MEXICO

*ASAR Committee Meeting:  
Research Enterprise Update*

*September 4, 2014*

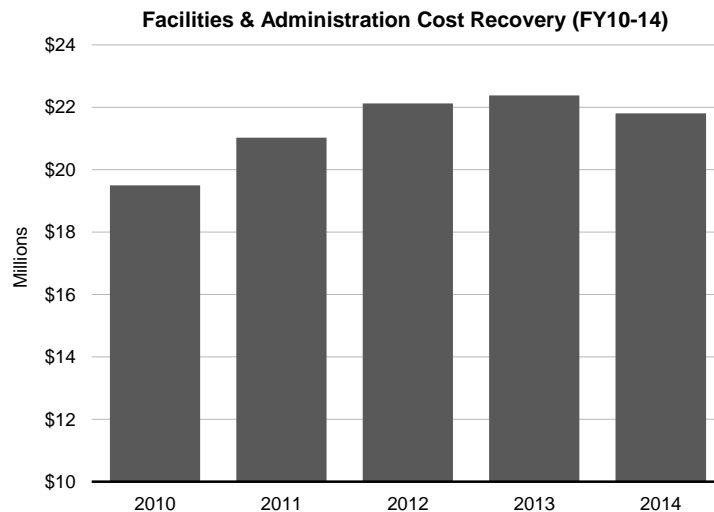
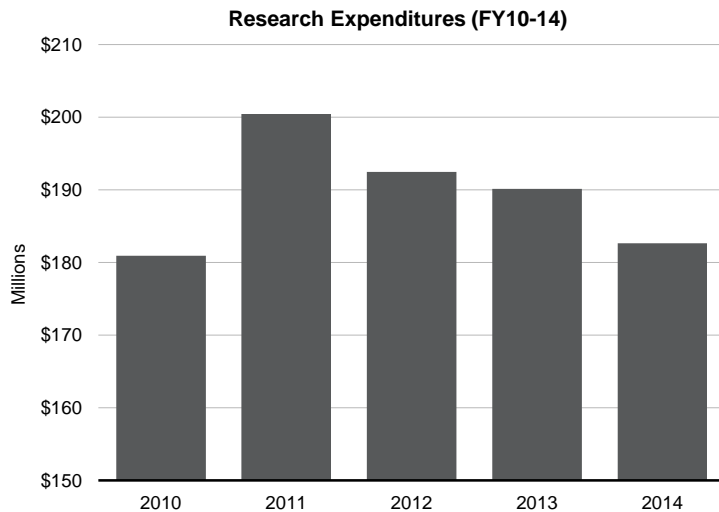
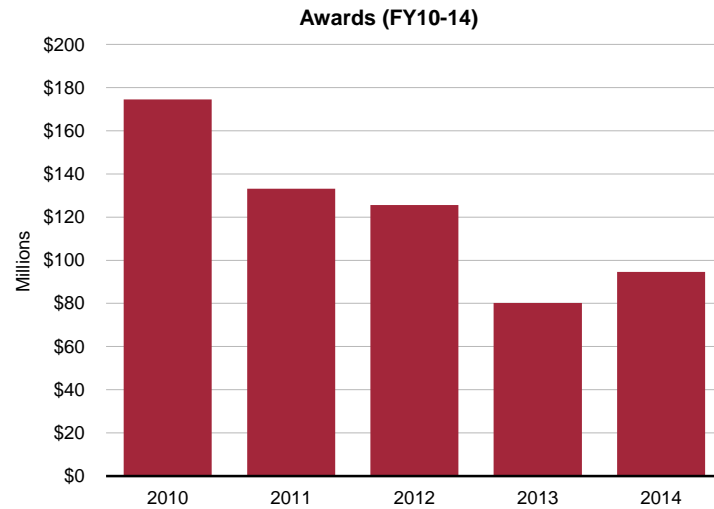
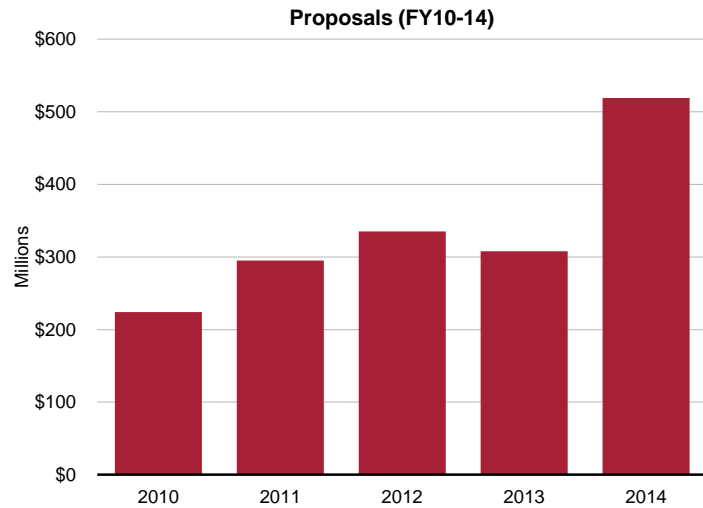
*Michael J. Dougher, Ph.D.  
Vice President for Research*



UNM

OFFICE *of* THE VICE PRESIDENT FOR RESEARCH

# Main Campus Research Enterprise



# Institutional Review Board (IRB) Update

## FY14 Average Review Time by Project Type\*

| Review Completed | Average Days | Academic Institution Average Days (FY13) |
|------------------|--------------|--|
| Exempt           | 31.86        | 24.5                                     |
| Expedited        | 35.77        | 33.5                                     |
| Full Committee   | 40.67        | 50.0                                     |

- ▶ The Office of the Institutional Review Board (OIRB) was opened in Fall 2013 to oversee human subjects research activities on Main Campus.
- ▶ Deployed new electronic submission tool (IRBNet) on March 17, 2014. A simple and cost-effective solution to meet Main Campus researcher needs.

## FY14 Average Review Time By Submission Type\*

| Review Completed                  | Average Days |
|-----------------------------------|--------------|
| Amendment/Modification            | 28.29        |
| Continuing Review/Progress Report | 45.43        |
| New Project                       | 38.84        |
| Other Reportable Event            | 9.67         |
| Response/Follow-Up                | 15.82        |

- ▶ Increased number of committee members and plans are in place to add a Vice Chair in Fall 2014.
- ▶ Starting in September 2014, exempt and expedited reviews will be sent to IRB Chairs and the Director to improve processing times.

\* Data is from IRBNet only (from March 17th thru June 30th 2014). Review time begins when the application is first submitted to the time a determination is made. Factors such as necessary corrections during pre-review and the need to find locate files from HSC are included in the overall review time frame.

## Moving Forward

- ▶ Given federal funding for research is at best likely to be flat, we need to find ways to maximize our chances to obtain existing sources of federal funding and seek additional sources of funding.

## Strategy 1. Enhance proposal and contract support services

| Tactics   | Objectives & Metrics  |
|---|---|
| <p><b>Re-organize Office of Sponsored Project Services</b></p> <ul style="list-style-type: none"> <li>• Appointed interim management team in Spring 2014</li> <li>• Reviewed and updated internal standard operating procedures</li> <li>• Streamlined contract processing</li> <li>• Permanent management plan currently under implementation</li> <li>• Hiring a training specialist for all PI-related activities</li> </ul> | <ul style="list-style-type: none"> <li>• Streamline proposal submission process</li> <li>• Reduce contract negotiation times</li> <li>• Conduct faculty satisfaction surveys</li> </ul> |
| <p><b>Expand faculty research support efforts</b></p> <ul style="list-style-type: none"> <li>• Collaborated with colleges/schools on flexible staffing solutions</li> <li>• Increased the number of Faculty Research Support Officers and embedded them within units</li> <li>• Pivot and NSF Workshops for faculty</li> </ul>  | <ul style="list-style-type: none"> <li>• Increased proposals and awards from underrepresented units</li> <li>• Deans, chairs, and faculty satisfaction survey</li> </ul>                |
| <p><b>Continue process improvements in Main Campus Institutional Review Board (IRB)</b></p> <ul style="list-style-type: none"> <li>• Expand committee size and reduce review load</li> <li>• Hire an Asst. Director for Exempt and Expedited proposals</li> </ul>   | <ul style="list-style-type: none"> <li>• Exempt and Expedited reviews within 15 days</li> <li>• Full reviews within 35 days</li> <li>• Exceed national norms</li> </ul>                 |



## Strategy 2. Increase internal support: equipment, seed funding, interdisciplinary proposals

| Tactics   | Objectives & Metrics  |
|---|---|
| <p><b>Established research equipment &amp; renewal fund</b></p> <ul style="list-style-type: none"> <li>• Awarded \$500K in Spring 2014</li> <li>• Will award an additional \$500k in both Fall 2014 and Spring 2015.</li> </ul>   | <ul style="list-style-type: none"> <li>• Immense faculty gratitude and relief</li> <li>• Sustained or increased productivity from targeted labs</li> </ul>  |
| <p><b>Established strategic initiatives/seed fund</b></p> <ul style="list-style-type: none"> <li>• Start-up for joint hire and 3 cluster hires at CHTM</li> <li>• \$20K OVPR investment coupled with funding from the CFA Dean's office, awarded 18 internal grants</li> <li>• \$20K OVPR investment with COE funding</li> <li>• \$500k over 2yrs to seed large interdisciplinary grants               <ul style="list-style-type: none"> <li>• In collaboration with Main Campus colleges and HSC</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Enhance reputation for excellence in materials science               <ul style="list-style-type: none"> <li>• Center grant proposals and increased number of individual proposals going forward</li> </ul> </li> <li>• Resulted in an externally funded award from the National Endowment for the Arts (NEA).</li> <li>• Resulted in two new grant submissions to DOE</li> <li>• Submission of large interdisciplinary grants</li> </ul> |

### Strategy 3. Expand research partnerships & collaborations

| Tactics  | Objectives & Metrics  |
|--|---|
| <p><b>University Partnerships</b></p> <ul style="list-style-type: none"> <li>• Establish research collaborations with New Mexico Research Universities</li> </ul>  | <ul style="list-style-type: none"> <li>• Collaboration on WIPP proposal</li> <li>• Streamlining procedures for inter-agency cooperation</li> <li>• Request research infrastructure funds from the State</li> </ul>  |
| <p><b>National Lab Partnerships</b></p> <ul style="list-style-type: none"> <li>• Continue developing institutional partnership with Sandia National Laboratories and Los Alamos National Laboratories</li> </ul>   | <ul style="list-style-type: none"> <li>• Dr. Fernando Garzon hired as Sandia/UNM Joint Hire in Materials Science &amp; Engineering</li> <li>• Draft document on National Labs Professorship under review by Sandia Leadership; discussion has started on next joint hire searches</li> <li>• Sandia/UNM Energy Collaboration Workshop held Aug 14-15; participants included: 32 UNM faculty, 52 SNL scientists</li> </ul> |
| <p><b>Industry Collaborations</b></p> <ul style="list-style-type: none"> <li>• Initiate new IP option and UNM Corporate/Industry Alliance</li> <li>• Coordinate with UNM Foundation to obtain private donor and foundation support for the UNM research mission</li> </ul> | <ul style="list-style-type: none"> <li>• New industry partnerships and increased industry and individual donor research funding</li> </ul>  |



TAB I

## Assessment Process Update

*Greg Heileman, Associate Provost for Curriculum*  
*Dymaneke Mitchell, Director of Assessment*

# Assessment & Accreditation Updates

Regent's Academic/Student Affairs & Research Committee

September 4, 2014

# Assessment Office

## UNM Director of Assessment:

- Dr. Tom Root retired last May – after many years of dedicated service to UNM
- Welcome Dr. Dymaneke “Neke” Mitchell

# Assessment Director

## Neke Mitchell –

- Hails from Alabama where she earned a doctorate from the University of Alabama (Roll Tide Roll!).
- She has worked as an instructor, faculty and administrator at the secondary and postsecondary levels in Alabama, Illinois and Georgia.
- She has extensive experiences associated with examining and improving assessment and data management processes for continuous improvement and accreditation.

# Institutional Accreditation

- We are accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools.  
<https://www.ncahlc.org/>
- Our next **Reaffirmation of Accreditation** visit will occur during the 2018-19 academic year.
- Planning has begun in earnest, and committees will be stood up shortly.
- UNM's Foundations of Excellence project will serve as the **Quality Initiative** required as a part of the **Open Pathway** option we are following.

# Institutional Accreditation Process

|  | Year 1   | Year 2 | Year 3 | Year 4   | Year 5  | Year 6 | Year 7                             | Year 8 | Year 9  | Year 10  |
|--|--|--------|--------|--|---|--------|------------------------------------|--------|---|--|
| <b>Enter Years</b>                         |  |        |        |  |   |        |                                    |        |   |  |
| <b>Assurance Process</b>                   | Institution may contribute documents to Evidence File  |        |        | Assurance Filing (Assurance Argument and Evidence File) <sup>1</sup> | Institution may contribute documents to Evidence File               |        |                                    |        | Assurance Filing (Assurance Argument and Evidence File); Federal Compliance Requirements <sup>1</sup> |  |
|  |  |        |        | Assurance Review (no visit) <sup>2</sup>                             |   |        |                                    |        | Assurance Review and Comprehensive Evaluation (with visit)  |  |
| <b>Improvement: The Quality Initiative</b> |  |        |        |  | Quality Initiative Proposal Filed (window of opportunity to submit) |        |                                    |        |   |  |
|  |  |        |        |  | Quality Initiative Proposal Reviewed                                |        |                                    |        |   |  |
|  |  |        |        |  |   |        | Quality Initiative Report Filed    |        |   |  |
|  |  |        |        |  |   |        | Quality Initiative Report Reviewed |        |   |  |
| <b>Commission Decision-Making</b>          |  |        |        | Action to Accept Assurance Review <sup>3</sup>                       |   |        |                                    |        |   | Action on Comprehensive Evaluation and Reaffirmation of Accreditation <sup>4</sup> |
| <b>Other Monitoring</b>                    | 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. |        |        |  |   |        |                                    |        |   |  |

TAB J

## Role of Academic Freedom and Tenure at UNM

*Marsha Baum, Professor, School of Law,  
Chair, University Academic Freedom and Tenure Committee*

# More than Tenure: Academic Freedom at the University of New Mexico



A Presentation by the  
Academic Freedom & Tenure  
Committee, UNM



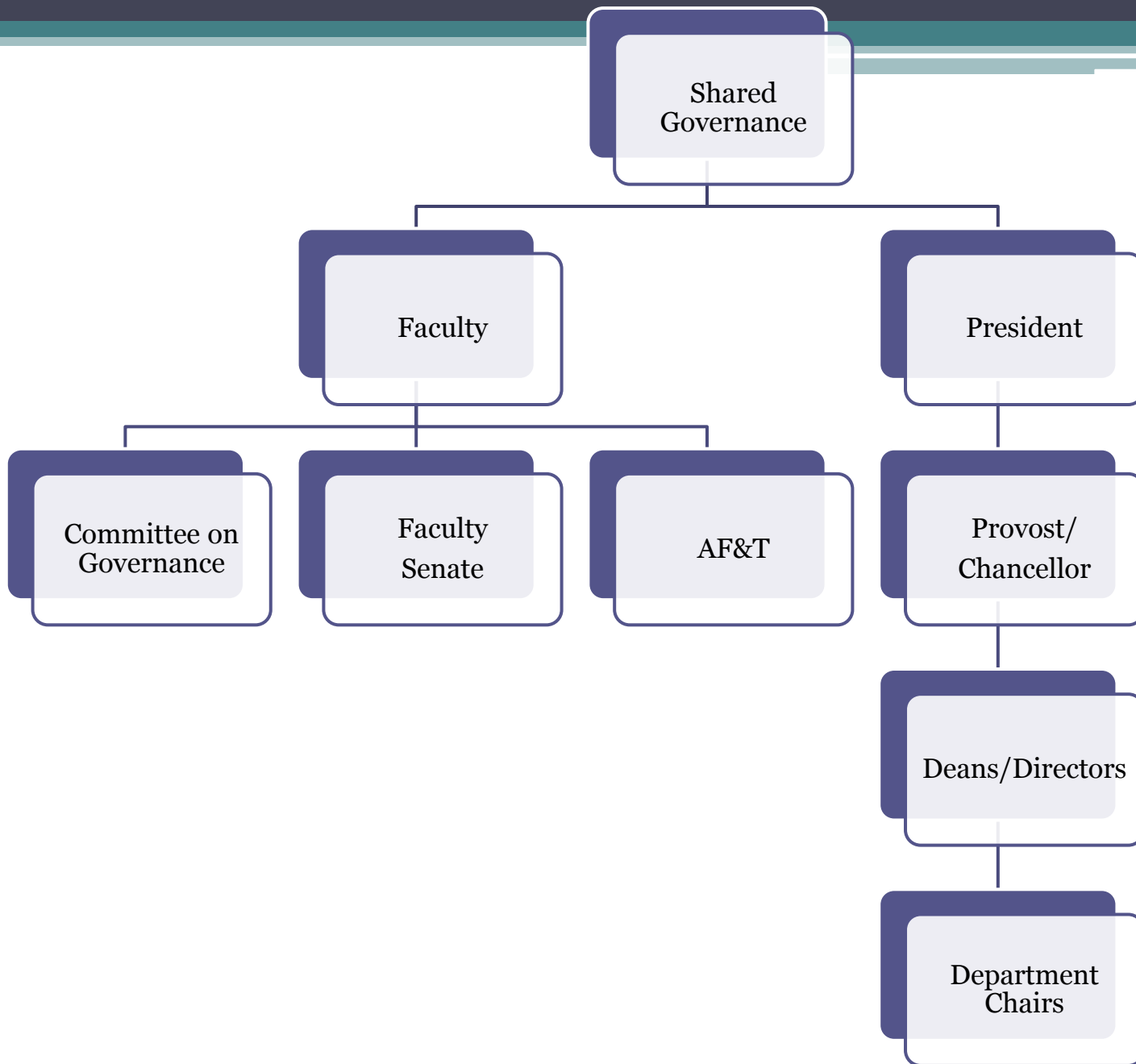
# Goals:

- 1) To explain shared governance and academic freedom as related to the Academic Freedom and Tenure Committee
- 2) To explain the roles and responsibilities of the Academic Freedom and Tenure Committee at UNM

# Shared Governance and Academic Freedom

What is shared governance?

What is academic freedom?



# Principles of academic freedom

*Institutions of higher education are conducted for the common good and not to further the interest of either the individual teacher or the institution as a whole. The common good depends upon the free search for truth and its free exposition.*

-1940 AAUP Statement on Principles of Academic Freedom and Tenure

# The social contract: professionalism

## Shared governance

- Make decisions about core academic issues

## Peer review

- Uphold criteria for entry and advancement in academia

## Academic freedom

- Review and redress of possible violations

# Academic Freedom & Tenure Committee

- **Membership:** 13 tenured faculty members elected by the Faculty for two year terms
- **Responsibilities:** *Faculty Handbook* Policies Section B
- **Neutrality:** AF&T does not *advocate* for faculty or administration, only for the policies and procedures of *Faculty Handbook*

# The Faculty Handbook, Section B

## Section B: Policy on Academic Freedom and Tenure

B1: Professional Activities of Faculty and Criteria for Evaluation

B2: Faculty Ranks and Titles

B3: Faculty Appointments and Contracts

B4: Faculty Reviews

B5: Separation from the University

B6: Academic Freedom and Tenure Committee

# The Faculty Handbook, Section B

## Appendices

- I. 1940 Statement of Principles on Academic Freedom and Tenure with 1970 Interpretive Comments
- II. 1958 Statement on Procedural Standards in Faculty Dismissal Proceedings
- III. 1989 Statement on Procedural Standards in the Renewal or Nonrenewal of Faculty Appointments
- IV. 1990 Statement on Recruitment and Resignation of Faculty Members
- V. 1987 Statement of Professional Ethics
- VI. 1971 Committee "W" Statement on Faculty Appointment and Family Relationship
- VII. Committee A Statement on Extramural Utterances
- VIII. Faculty Ethics and Advisory Committee



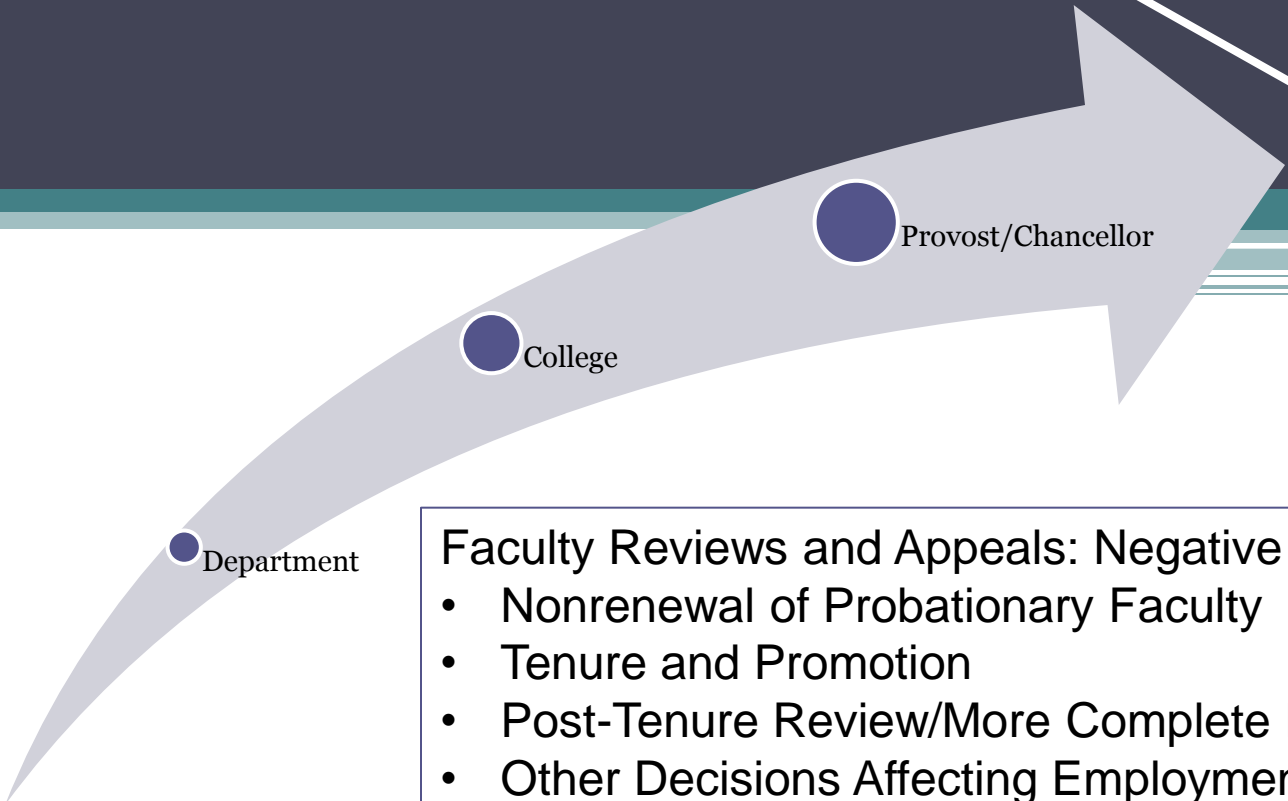
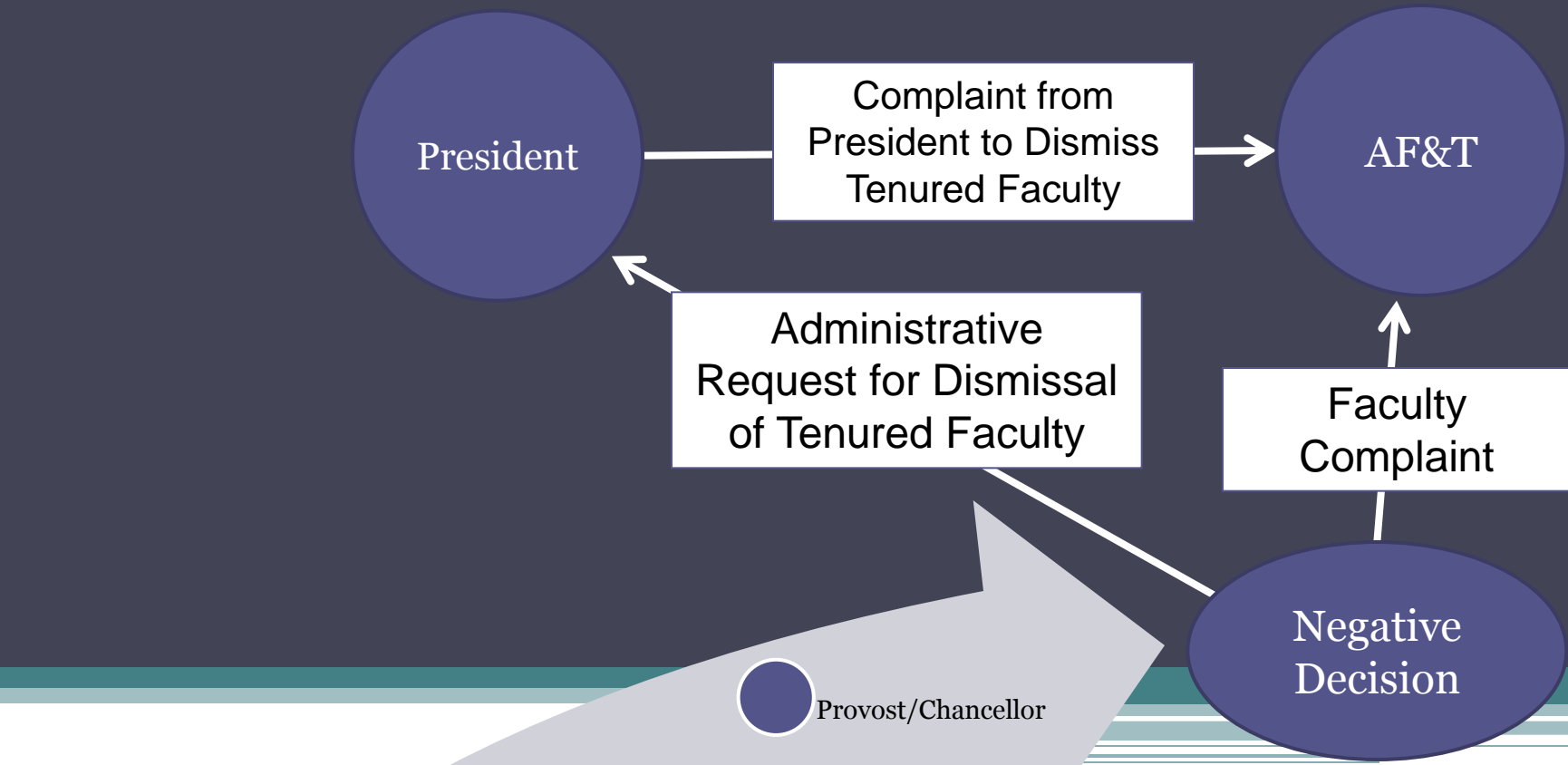
# Roles of AF&T in Service to UNM

**Advising** faculty and administrators on Section B policies

**Recommending** changes in Section B policies for approval by the UNM Faculty and the Board of Regents

**Fostering understanding** of academic freedom rights and responsibilities

**Reviewing** decisions affecting faculty employment



**Faculty Reviews and Appeals: Negative Outcome**

- Nonrenewal of Probationary Faculty
- Tenure and Promotion
- Post-Tenure Review/More Complete Review
- Other Decisions Affecting Employment

TAB K

Academic Affairs

Results Oriented Management Process for FY15

*Kevin Stevenson, Director of Strategic Projects, Office of the President*

# Results Oriented Management

## *Performance-Driven Approach to Budgeting*

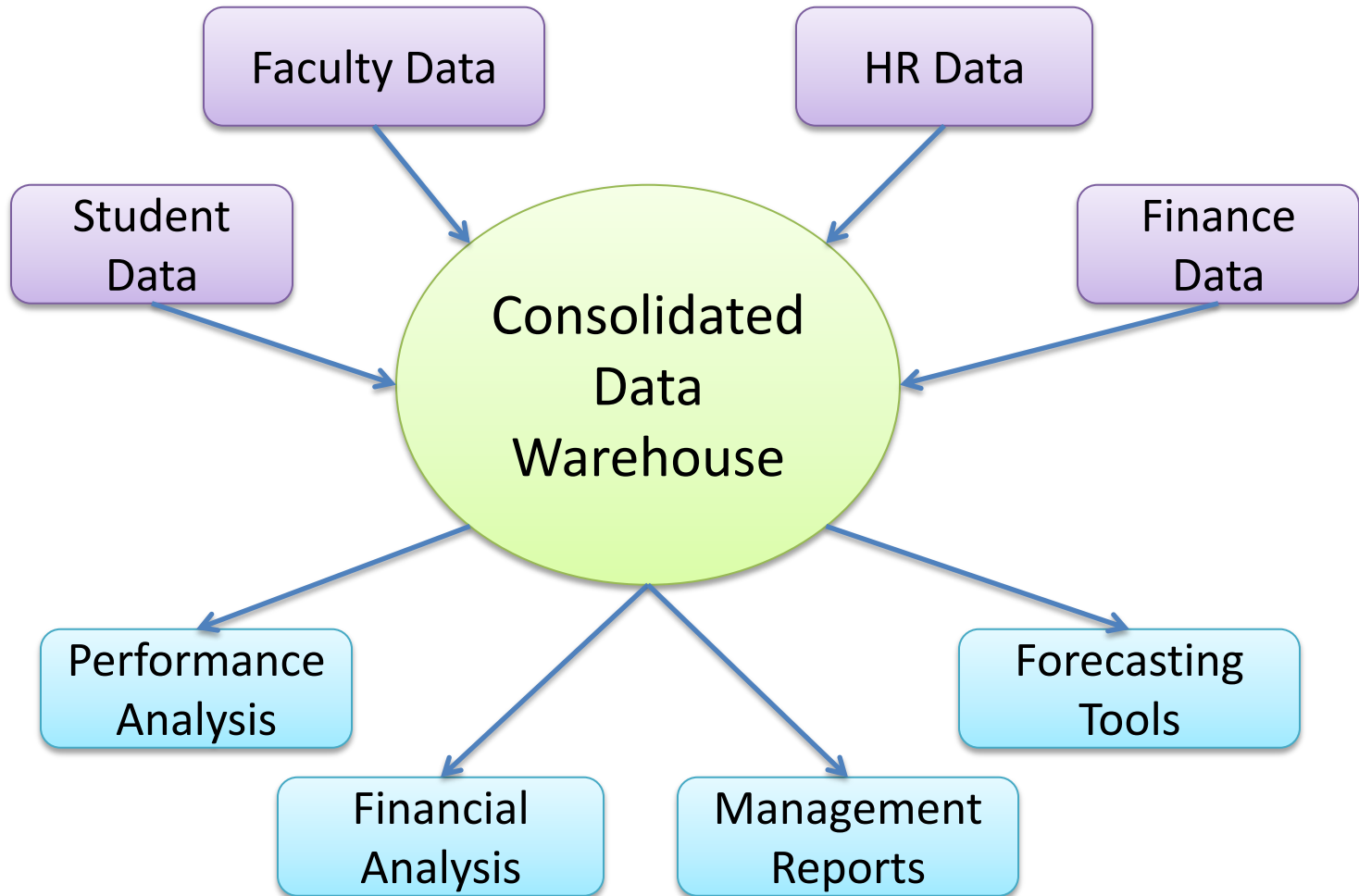
Regents Academic/Student Affairs & Research Committee  
August 27, 2014



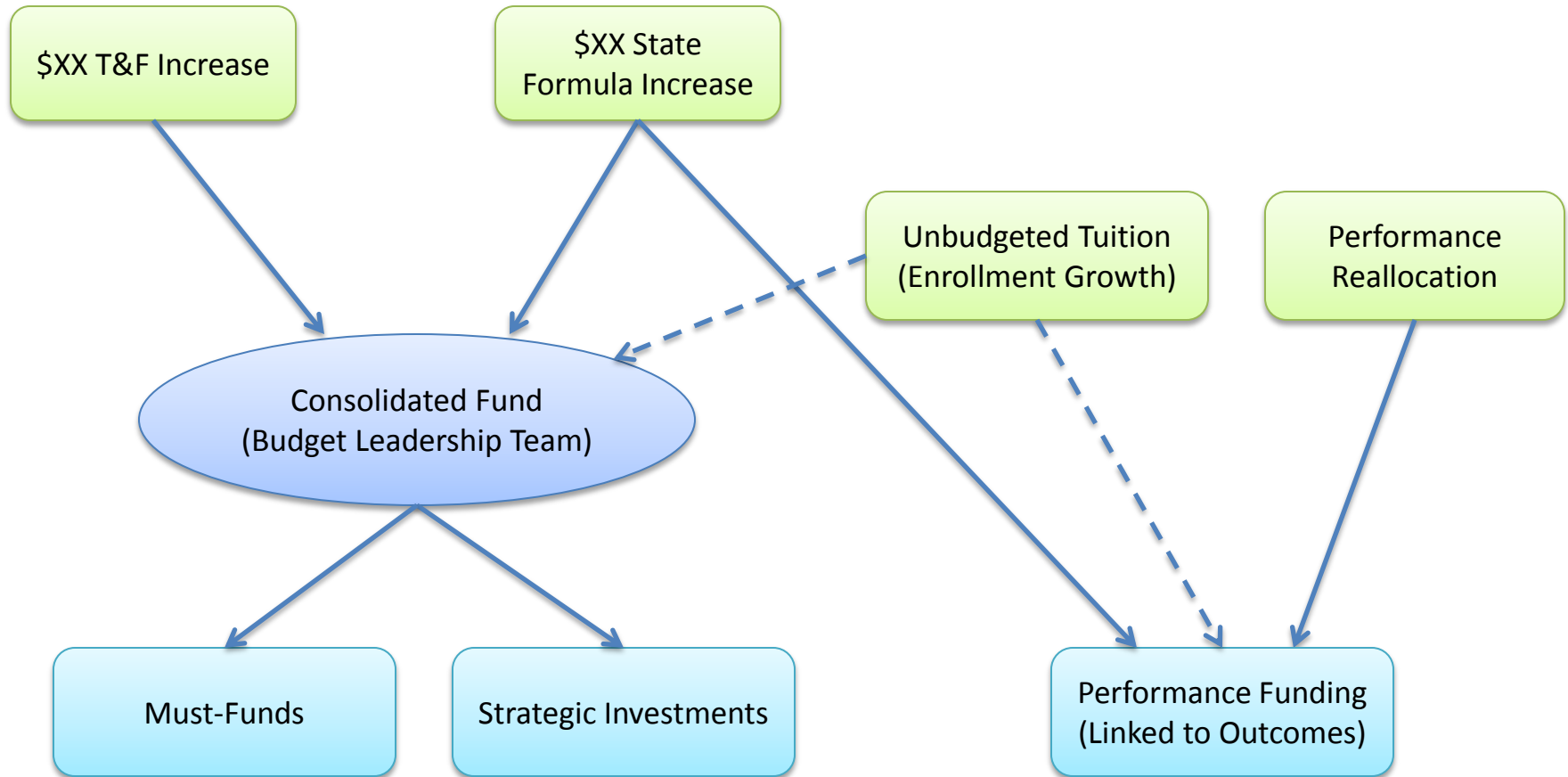
# Purpose

- Establish a baseline of performance and resource allocation to facilitate ongoing improvement
- Develop financial and non-financial goals
- Incentivize revenue generation and cost effectiveness in support of our values
- Introduce a financial perspective into decision making:
  - Understand the revenue and cost drivers of university activities
  - Optimize instruction and curriculum
  - Direct future investments strategically and in recognition of performance

# Creating a Transformative Data Model



# Incorporating Performance Reallocation into the Existing Budget Process



# Performance Metrics – “Revenue”

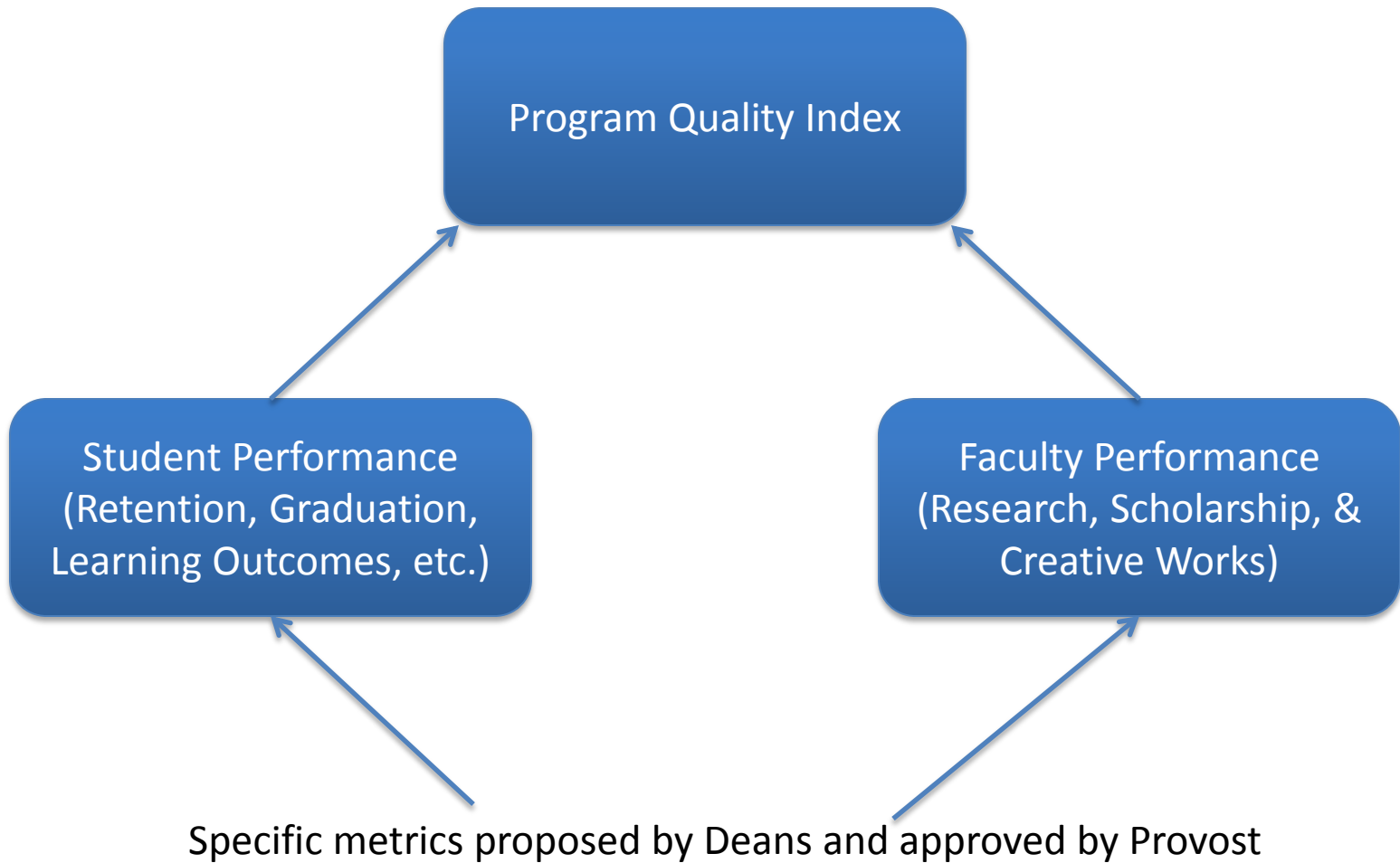
- Outcome measures tied directly to the generation of new revenue
- Tuition Revenue
  - Undergraduate and Graduate Student Credit Hours
- State Funding Formula
  - Degrees Awarded, Sponsored Research Expenditures



# Performance Metrics – “Quality”

- They are not intended for comparisons across units
- They should be based, in part, on comparisons with peer units at other institutions
- They should be based, in part, on measures we already have
- They should be able to reveal changes (positive, but also negative) in the quality of activities
- They should not be too many in number
- They should aggregate at multiple levels [this means indexes]

# Academic Quality Metric Framework



# Next Steps

- Meetings with individual colleges to further discuss metrics, data, and additional scenarios
- Continued work on quality metric development, collection, and reporting
- Incorporate milestones into new FY16 budget development process