

2013 Regular Legislative Session – Briefing: April 5, 2013

The 2013 Legislative session commenced with the promise of a gradual economic turnaround and consensus revenue estimates projecting "new money" in the amount of \$283 million. However, the revenue estimates were revised down in February, and as a result, general fund capital projects and \$20 million for building renewal and replacement were not funded this year. On a positive note, UNM will receive an increase of \$2.4 million in performance based workload funding and the legislature approved \$9,990,234 million for UNM in Severance Tax Bonds for capital projects for state agencies and higher education institutions. The following summarizes how UNM fared in the 2013 Legislative Session:

➤ HB2 – General Appropriations Act of 2013

- I&G budget recommendation starts from the FY 13 operating base:
 - Main Campus \$180,404,500, a 4.3% increase or \$7,397,708 of new money
 - Workload \$2,416,071
 - ERB \$3,668,737
 - The 1.5% swap to the employer contribution is fully funded
 - Additional employer contribution of 0.75% is 62% funded
 - 1% compensation funded at 59.85% of I&G \$1,312,900
 - Research and Public Service Projects received a 13.6% increase or \$1,056,000 of new money
 - ERB 1.5% swap to the employer contribution and the additional employer contribution of 0.75% are fully funded at \$231,600
 - 1% compensation is fully funded at \$47,000
 - Health Sciences Center \$60,449,700, a 3.9% increase or \$2,292,200 of new money
 - I&G \$500,000
 - ERB \$1,324,600
 - The 1.5% swap to the employer contribution is fully funded
 - Additional employer contribution of 0.75% is 62% funded
 - 1% compensation funded at 62.27% of I&G \$467,600
 - Research and Public Service Projects received a 7.7% increase or \$2,070,600 of new money
 - ERB 1.5% Swap to the employer contribution and the additional employer contribution of 0.75% are fully funded \$768,300
 - 1% compensation is fully funded at \$352,200
 - Branches:
 - Gallup - \$9,061,300, a 4.1% increase or \$357,600 of new money
 - Los Alamos - \$1,861,900, a 4.4% increase of \$78,900 of new money
 - Taos - \$3,399,500, a 12% increase or \$362,900 of new money
 - Valencia - \$5,316,500, a 5.7% increase or \$284,500 of new money

➤ **Retirement Issue:**

- SB 115, Education Retirement Changes, as amended passed the House and Senate and was signed by the Governor on March 29th.
 - The main elements include making the 1.5% swap permanent to the employee contribution and a 0.7% increase of employee contributions from 9.4% to 10.1% in FY14 and additional 0.6% increase from 10.1% to 10.7% in FY15; an employer contribution increase of 0.75% from 12.4% to 13.15% in FY14 and additional 0.75% increase from 13.15% to 13.9% in FY15; a minimum retirement age of 55 for new members and raising the eligible age for receiving a COLA from 65 to 67 for new members
 - The 0.75% employer contribution increase is “contingent on enactment of 2013 legislation in HB2 to further restore ERB solvency. SB 115, was amended in House Appropriations and Finance to reduce the COLA: by 10% for current and future retirees earning annual benefits of approx. \$19,000 or less and who have worked at least 25 years; by 20% for all other retirees until the fund is 90% solvent.
-

➤ **Lottery Scholarship Fund**

- Senate Bill 113 makes a one-time transfer of \$9.875 million to the Lottery Tuition Fund from the Tobacco Settlement Permanent Fund in FY 14.
 - The Higher Education Department is projecting the Lottery Scholarship Fund will be \$16 million short, which could leave the Lottery Scholarship Fund \$6 million short after the transfer from the Tobacco Settlement Fund.
-

➤ **Endowment**

- The \$20 million to replenish the higher education endowment fund was line item vetoed by the Governor.
-

➤ **Capital Outlay**

- **Senate Finance Committee Substitute for SB 60 and HB337, Severance Tax Bond Project:**

UNM MATH AND SCIENCE LEARNING CENTER PHASE 2	\$ 5,000,000
UNM CASTETTER HALL CONSTRUCT	\$ 850,000
UNM COMMUTER BUSES	\$ 160,000
UNM FARRIS ENGINEERING CENTER DESIGN	\$ 801,500
UNM SAFETY LIGHTING	\$ 125,000
<u>ALL OTHER INDIVIDUAL MEMBER CAPITAL PROJECTS</u>	<u>\$ 3,005,734</u>
UNIVERSITY OF NEW MEXICO TOTAL	\$ 9,990,234

➤ **Legislation of Interest**

○ UNM Related:

SB113	John Arthur Smith	TOBACCO FUND FOR CYFD PROGRAMS	[1] SEC/SFC-SEC [14] DP-SFC [23] DNP-CS/DP [24] re-ref SFC- SFC- DNP-CS/DP - PASSED/S (40-0) [36] HCPAC/HJC- HCPAC [50] w/drn-HJC [52] DP/a [53] PASSED/H (38- 27) [44] s/flid cnrc [55] h/flid recede- CC [47] h/rpt adpdt [55] h/rpt adpdt	RELATING TO PUBLIC MONEY; INCREASING DISTRIBUTIONS TO THE LOTTERY TUITION FUND; MAKING A DISTRIBUTION FROM THE TOBACCO SETTLEMENT PERMANENT FUND TO THE LOTTERY TUITION FUND; MAKING A DISTRIBUTION FROM THE TOBACCO SETTLEMENT PERMANENT FUND TO THE TOBACCO SETTLEMENT PROGRAM FUND FOR APPROPRIATION FOR EARLY CHILDHOOD CARE AND EDUCATION PROGRAMS ADMINISTERED BY THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT; RECONCILING MULTIPLE AMENDMENTS TO THE SAME SECTION OF LAW IN LAWS 2011; MAKING APPROPRIATIONS.
SB321	William H. Payne	UTILITY CHARGES FOR CERTIAN SCHOOLS	[4] SCONC/SCORC- SCONC [19] DP- SCORC [24] DP - PASSED/S (35-0) [36] HENRC [39] DP [51] PASSED/H (65-1) Pocket Veto	RELATING TO UTILITIES; AMENDING A SECTION OF THE RENEWABLEENERGY ACT TO EXEMPT FROM CHARGES BY A UTILITY FOR RENEWABLEENERGY PROCUREMENTS CERTAIN EDUCATIONAL INSTITUTIONS IN ARTICLE12, SECTION 11 OF THE CONSTITUTION OF NEW MEXICO IF THEINSTITUTION HAS CONSUMPTION EXCEEDING TWENTY MILLIONKILOWATT-HOURS PER YEAR AT ANY SINGLE LOCATION OR FACILITY ANDTHAT OWNS RENEWABLE ENERGY GENERATION.

• Health Sciences Center Related:

HB416	Gail Chasey	ANESTHESIOLOGIST ASSISTANT SUPERVISION	[15] HHGIC/HJC- HHGIC [32] DP- HJC [39] DP - PASSED/H (60-5) [40] SJC [44] DP [47] PASSED/S (41-0)	RELATING TO ANESTHESIOLOGIST ASSISTANT STUDENTS; PROVIDING FOR SUPERVISION OF ANESTHESIOLOGIST ASSISTANT STUDENTS BY ADDITIONAL PERSONS.
SB140	Mark Moores	NM POISON & DRUG INFORMATION CENTER	[2] SPAC/SFC- SPAC [4] DP-SFC [18] DP/a - PASSED/S (38-0) [28] HHGIC/HBIC- HHGIC [36] DP- HBIC [51] DP [53] PASSED/H (68-0)	RELATING TO PUBLIC HEALTH; CREATING THE NEW MEXICO POISON AND DRUG INFORMATION CENTER.

• Retirement and HR Related:

SB115	Stuart Ingle	EDUCATIONAL RETIREMENT CHANGES	[1] SEC/SFC-SEC [12] DP-SFC [38] DP/a [40] PASSED/S (41-0) [39] HLC/H AFC- HLC [50] DP- H AFC [51] DP/a [52] PASSED/H (54-13) [44] s/cnrcrd	RELATING TO PENSIONS; AMENDING THE EDUCATIONAL RETIREMENT ACT; INCREASING CERTAIN MEMBERS' CONTRIBUTION RATES; CHANGING THE BENEFITS FOR NEW MEMBERS BY IMPOSING A MINIMUM RETIREMENT AGE, DELAYING THE COST-OF-LIVING ADJUSTMENT ELIGIBILITY AND INCREASING THE AGE AND SERVICE RETIREMENT REQUIREMENTS.
-------	--------------	--------------------------------	--	---

• Budget and Capital Outlay:

HB2	Henry 'Kiki' Saavedra	GENERAL APPROPRIATION ACT OF 2013	[2] H AFC [28] DNP-CS/DP [30] PASSED/H (53- 16) [21] SFC [40] DP/a - PASSED/S (42-0) [50] h/cnrcrd	MAKING GENERAL APPROPRIATIONS AND AUTHORIZING EXPENDITURES BY STATE AGENCIES REQUIRED BY LAW.
SB60	Carlos R. Cisneros	SEVERANCE TAX BOND PROJECTS	SPREF [1] SFC [38] DNP-CS/DP [40] PASSED/S (42-0) [39] HTRC [50] DP - PASSED/H (66-0) (CS/S 60 & CS/H 337)	RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN FUNDS AND BALANCES; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.