



UNM 2009 Legislative Session Summary

FY09 Solvent Legislation signed into law February 6th:

- HB 9, Capital Outlay Cuts & Reauthorizations
 - UNM lost no money for existing capital projects
- HB 10, Appropriation Reduction & Budget Adjustment
 - Cuts UNM by 2.5%
 - HSC Trauma 5%
- SB 79 Fund Transfers & Appropriation Cut
 - SB165 Cuts:
 - Section 2. 2008 SPECIAL APPROPRIATIONS--REDUCTIONS.--
The balances of all general fund appropriations in Laws 2008, Chapter 6 that were unexpended or unencumbered on the effective date of this act are reduced by seven and three-tenths percent rounded to the nearest one hundred dollars (\$100).
- SB 80 Corporate Income Tax Reporting Dates

FY 10 General Fund Appropriation Act (HB 2) signed into law April 7:

- FY 10 LFC Recommended a \$11.8 million cut
 - ❖ HAFC Recommendations to HB 2:
 - UNM got back approximately \$1.3 million dollars in the existing special project line items for student success and faculty scholarship programs.
 - 100% replacement of all ethnic center/student services along with Graduate Research Development.
 - Workload space funding for over 3 years \$449,100
 - .75 ERB Contribution (\$2 million including Branches)
 - ER&R Reduction - UNM's portion of statewide cut
 - Main \$359,100
 - HSC \$204,900
 - BR&R Reduction - UNM's portion of statewide cut
 - \$363,786
 - LFC/HAFC recommended full funding for Enrollment growth (UNM did not grow!)

❖ FY 10 SFC Recommendations to HB2

- Total FY10 total operating budget recommendation before the ERB cut of 1.5% to the employer over 2 years is \$322,598,800 a, recommended \$11.7 million cut.
 - “G” administrative cost reduction of 0.5% equaling \$293,000.
 - \$200,000 for Substance Abuse training, Utton Center and Spanish Resource Ctr.
- HB 854, PERA Member & State Contribution Changes, awaiting action by the Governor, increases the employee contribution rate made to the state’s pension plans by 1.5% and decreases the employer’s portion by 1.5%.
 - ERB 1.5% reduction, main campus \$2,670,800 and HSC \$1,333,400.
 - Excludes employees making \$20,000 or less
 - Expires July 1, 2011, reinstating both employer and employee contribution rates to present levels.
 - Coincides with the Federal income tax break for employees making under \$65 K a year.

- HB 766 Higher Education Endowment Fund Distribution, signed into law on April 6th, changes the distribution percentage from 20% to, main campus 18% and HSC 12%, and changes the effective date from July 1, 2010 to July 1, 2009 after which remaining funds, not drawn down by colleges and universities, are made available to other public, post-secondary institution.
 - Authorizes a supplemental or “second round” allocation by other eligible institutions in the third year, after the first two fiscal years of the match cycle. Four-year institutions could apply for a new allocation of remaining undrawn funds of other four year- institutions; similar provisions apply to two-year institutions. HED is directed to determine reallocation to provide equity over time.
- In-State Tuition credit is 2.5%.
 - The original LFC recommendation applied the cut to the total institutional support expenditure for FY08, which includes 60% to 70% general fund and 30% to 40% in other funds and the other funds include tuition revenues. This is a front end cut to tuition and other funds and therefore results in a higher tuition credit. The cut should have been applied to the general fund appropriation only and that is how DFA and HED make their recommended cuts.

• Out-of-State Tuition credit is 8%.

• HB 154, Severance Tax Bond Projects, Governor signed into law on April 7th:

○ Film & Digital Media Center	\$4,000,000
○ Engineering Nano-Bio Technology Center	\$2,000,000
○ UNM – Taos Early Childhood Care Center	<u>\$800,000</u>
Total Capital for the University of New Mexico	\$6,800,000

• Substantive language bills: Attached list

Excerpts from Legislative Finance Committee FY 10 Recommendations, Volume I:

Consistent with the need for state agencies to become more efficient during tight budget times, the committee recommendation assumes productivity savings of 5 percent in formula funding in the General category, specifically in the area of institutional support. The Higher Education Department requires the state's colleges and universities to establish and maintain budgets for institutional support. Expenditures in this category include those for executive management, fiscal operations, general administrative services, logistical services, and community relations. Specific uses of funds budgeted in this category include postal and mail services, printing, copying, and telephones. The committee's recommendation is in line with similar productivity initiatives around the nation. Several of these initiatives have been driven by institutional leadership in those states. This component of the committee recommendation contributes \$7.4 million in general fund savings in FY10.

For inflation costs, the Formula Task Force requested \$6.2 million, while the HED requested funding of \$7.3 million. Due to the state's budget constraints, the committee recommendation does not fund this request. However, the committee recognizes the importance of this component in opening the doors of each university and college.

In the area of compensation, the committee recommendation provides \$6 million for the next annual increment of the increase in the employer share of education retirement contributions. This funding will address the 2 percent growth in salaries provided by the Legislature in 2008 as well as recognize the share of higher education faculty and staff participating in alternative retirement plans.