

2018 Legislative Session – Briefing: February 5, 2018

The 2018 legislative session started on a positive note compared to the previous two sessions. In December, the Consensus Revenue Estimate predicted \$199 million in new money for FY19, the Consensus Revenue group released new estimates on January 25th, and increased the new money for FY19 to \$292 million. The Severance Tax Bonds are estimated at \$142 million, \$80 million more than the previous year, and the General Obligation Bonds are estimated at \$165 million for FY19. The following summarizes how UNM fared in the DFA, LFC, and HAFC budget recommendations.

➤ DFA – Department of Finance and Administration – Executive

- I&G budget recommendation starts from the FY18 operating base:
 - Main Campus: \$176,365,576, a \$542,376 increase or 0.31%
 - Medical School: \$57,201,100, flat funding recommendation
 - Branch Campuses:
 - Gallup: \$8,172,459, a \$234,641 decrease or -2.79%
 - Los Alamos: \$1,693,414 a \$16,986 decrease or -0.99%
 - Taos: \$3,302,184, a \$28,084 increase or 0.86%
 - Valencia: \$5,130,499, a \$4,701 decrease or -0.09%
- Research and Public Service Projects
 - Main Campus: \$8,730,100, flat funding
 - Health Science Center: \$31,980,900, a \$1 million increase for OMI
 - Branch Campuses: \$571,500, flat funding

➤ LFC – Legislative Finance Committee

- I&G budget recommendation starts from the FY18 operating base:
 - Main Campus: \$176,156,970, a \$333,770 increase or 0.19%
 - Medical School: \$57,201,100, flat funding recommendation
 - Branch Campuses:
 - Gallup: \$8,262,706, a \$144,394 decrease or -1.72%
 - Los Alamos: \$1,699,947, a \$10,453 decrease or -0.61%
 - Taos: \$3,291,382, a \$17,282 increase or 0.53%
 - Valencia: \$5,132,307, a \$2,893 decrease or -0.06%
- Research and Public Service Projects
 - Main Campus: \$8,730,100, flat funding
 - Health Science Center: \$30,980,900, flat funding
 - Branch Campuses: \$571,500, flat funding

➤ House Bill 2, House Appropriations and Finance Committee

- I&G budget recommendation starts from the FY18 operating base:
 - Main Campus: \$177,998,000, a \$2,174,800 increase or 1.2%
 - Medical School: \$57,201,100, flat funding recommendation
 - Branch Campuses:
 - Gallup: \$8,310,700, a \$96,400 decrease or -1.1%
 - Los Alamos: \$1,714,400 a \$4,000 increase or 0.2%
 - Taos: \$3,328,400, a \$54,300 increase or 1.7%
 - Valencia: \$5,182,900, a \$47,700 increase or 0.9%
- Research and Public Service Projects
 - Main Campus: \$8,730,100, flat funding
 - Health Science Center: \$31,480,900, a \$500,000 increase for OMI
 - Branch Campuses: \$571,500, flat funding

➤ **Lottery Scholarship:**

- In House Bill 2, the House Appropriations and Finance Committee included a one-time funding increase of \$4 million from the General Fund to keep the Lottery Scholarship distribution at the FY18 level of approximately 60%.
- **House Bill 147, Transmission of Lottery Receipts to State Treasurer, Representative Jim Smith**
 - Requires the New Mexico Lottery Authority to transmit the net lottery revenues for the preceding month by the last business day of the current month to the State Treasurer for deposit in the Lottery Tuition Fund. If, however, the total amount transmitted by the Authority for any fiscal year is less than \$38 million, the Authority thereafter must transmit at least 30 percent of each month's gross revenue by the last business day of the current month.
- **House Bill 270, Decouple Lottery Scholarship Awards from College Tuition, Representative Jim Smith**
 - Revamps the Legislative Lottery Tuition Scholarship from a uniform amount, no matter which eligible institution is attended, to a certain amount depending on the type of institution (research, comprehensive, community college) attended.
 - Proposes to award per scholarship per semester:
 - \$1,500 for a student enrolled at a research institution;
 - \$1,050 for a student enrolled at a comprehensive institution; and
 - \$380 for a student enrolled at a community college.
 - Provides procedure for reducing award amounts when there is insufficient funding available and for increasing award amounts when available funding exceeds the base amount.
- **Senate Bill 140, Decouple Lottery Scholarship Awards from Tuition Costs, Senator Bill Soules**
 - Revamps the Legislative Lottery Tuition Scholarship from a uniform amount, no matter which eligible institution is attended, to a certain amount depending on the type of institution (research, comprehensive, community college) attended.
 - Proposes to award per scholarship per semester:
 - \$1,400 for a student enrolled at a research institution;
 - \$950 for a student enrolled at a comprehensive institution; and
 - \$350 for a student enrolled at a community college.
 - Provides procedure for reducing award amounts when there is insufficient funding available and for increasing award amounts when available funding exceeds the base amount.

➤ **Compensation:**

- The LFC and DFA both recommended a pay increase for state employees this session. The LFC recommended a 1.5% pay increase and DFA recommended a 1.0% pay increase. However, the actual dollar amount recommended by the LFC for UNM is below 1.5% due to the way they calculate who is actually a state employee.
 - The House Appropriations and Finance Committee recommended a 2% pay increase for all state employees, however, the Committee used the LFC's calculations of who is actually a state employee.
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➤ **General Obligation, LFC Recommendation:**

UNM – Clark Hall Renovation Phase 2	\$16,000,000
UNM GALLUP – Construction Technologies Career Center Phase 1	\$ 2,500,000
UNM LOS ALAMOS – Infrastructure and Classroom Updates	\$ 300,000
UNM TAOS – College Pathways to Careers Center	\$ 4,200,000
UNIVERSITY OF NEW MEXICO TOTAL	\$23,000,000

➤ **Proposed Legislation of Interest.**

- Please visit the Office of Government Relations website at <http://govrel.unm.edu/>, and click on 2018 Legislative Session for a list of all bills that impact UNM. For daily legislative updates. Please sign up to join our listserv for updates.