

2019 Legislative Session – Briefing: February 25, 2019

The 2018 legislative session started on a very high note compared to the previous. In December, the Consensus Revenue Estimate predicted \$1.1 billion in new money for FY20 and an additional \$1 billion in non-recurring revenue. The Severance Tax Bonds are estimated at \$212 million, \$40 million more than the previous year. The following summarizes how UNM fared in the various budget recommendations.

➤ DFA – Department of Finance and Administration – Executive

- I&G budget recommendation starts from the FY19 operating base:
 - Main Campus: \$187,338,500, a \$4,086,700 increase or 2.24%
 - Medical School: \$58,264,100, flat funding recommendation
 - Branch Campuses:
 - Gallup: \$8,509,700, a \$23,500 increase or 0.28%
 - Los Alamos: \$1,790,900 a \$33,900 increase or 1.93%
 - Taos: \$3,494,400, a \$83,800 increase or 2.46%
 - Valencia: \$5,403,000, a \$93,300 increase or 1.76%
- Research and Public Service Projects
 - Main Campus: \$10,802,000, flat funding
 - Health Science Center: \$32,828,000, flat funding
 - Branch Campuses: \$571,500, flat funding
- One-Time Higher Education Funding
 - College Affordability Scholarship \$25,000,000
 - Teacher Loan Repayment \$25,000,000

➤ LFC – Legislative Finance Committee

- I&G budget recommendation starts from the FY19 operating base:
 - Main Campus: \$187,423,100, a \$5,130,300 increase or 2.82%
 - Medical School: \$59,429,400, a \$1,165,300 increase or 2%
 - Branch Campuses:
 - Gallup: \$8,500,600, a \$14,400 increase or 0.17%
 - Los Alamos: \$1,799,300, a \$42,300 increase or 2.41%
 - Taos: \$3,519,200, a \$108,600 increase or 3.18%
 - Valencia: \$5,426,900, a \$117,200 increase or 2.21%
- Research and Public Service Projects
 - Main Campus: \$9,919,100, an increase of \$300,000
 - Health Science Center: \$30,980,900, an increase of \$150,000
 - Branch Campuses: \$571,500, flat funding
- One-Time UNM Funding
 - Cancer Center 340B \$2,000,000
- One-Time Higher Education Funding
 - College Affordability Scholarship \$50,000,000
 - Teacher Loan Repayment \$25,000,000
 - Higher Education Endowment Fund \$25,000,000

➤ **HB2 – House Appropriations and Finance Committee**

- I&G budget recommendation starts from the FY19 operating base:
 - Main Campus: \$187,338,500, a \$4,086,700 increase or 2.24%
 - Medical School: \$58,242,200, a \$21,900 decrease
 - Branch Campuses:
 - Gallup: \$8,509,700, a \$23,500 increase or 0.28%
 - Dual Credit Adjustment, \$4,400
 - Los Alamos: \$1,790,900 a \$33,900 increase or 1.93%
 - Dual Credit Adjustment, \$16,600
 - Taos: \$3,494,400, a \$83,800 increase or 2.46%
 - Dual Credit Adjustment, \$98,200
 - Valencia: \$5,403,000, a \$93,300 increase or 1.76%
 - Dual Credit Adjustment, \$79,300
- Research and Public Service Projects
 - Main Campus: \$11,052,000
 - NEW, Veteran Student Resources, \$250,000
 - Health Science Center: \$32,978,000
 - NEW, Child Abuse Evaluation Services, \$150,000
 - Branch Campuses: \$571,500, flat funding
- One-Time Higher Education Funding
 - College Affordability Scholarship \$25,000,000
 - Cancer Center 340B, \$1,000,000

➤ **Lottery Scholarship:**

- **Senate Bill 283, Lottery Tuition Decrease and Operational Expenses, Senator Candelaria**
 - Removes 30% mandate for transfer of gross revenues to the scholarship fund
 - No less than a \$41 million transfer to the fund by 2022 (as lobbied by students)
 - Operations expenses must be reduced to 15% of revenue for next three years
 - Unclaimed prizes go to the scholarship fund by 2022
 - Should all that not materialize within three years, we go back to the 30% mandate.

➤ **Compensation:**

- The LFC and DFA both recommended a pay increase for state employees this session. The LFC recommended a 2% pay increase and DFA recommended a 3% pay increase. However, the actual dollar amount recommended for the pay raises is below the actual cost to provide the full 2% and 3% compensation.
- HB2 – House Appropriations and Finance
 - 4% compensation increase funding at the “I&G Rate”

➤ **Pension Reform:**

- **Senate Bill 14 and House Bill 360, Educational Retirement Changes, Senate Stuart Ingles**
 - Increases Employer Share by 1% per year for the next three years
 - Removes all return-to-work exceptions
 - Increases retirement age for future members

- **HB2 – House Appropriations and Finance**
 - 0.5% increase for employer share, funded at “I&G Rate”

➤ **Capital Outlay, LFC Recommendation:**

UNM – Learning Environment Critical Safety and Technology Upgrades	\$ 6,000,000
UNM HSC – Movement Disorders Specialized Center	\$ 3,500,000
UNM HSC – OMI CT Scanner	\$ 1,400,000
UNM GALLUP – Campus Infrastructure Upgrades	\$ 700,000
UNM LOS ALAMOS – Infrastructure Upgrades	\$ 500,000
<u>UNM TAOS – Site Repair and Improvements</u>	<u>\$ 1,000,000</u>
UNIVERSITY OF NEW MEXICO TOTAL	\$13,100,000

➤ **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.