

**MEMORANDUM**

**SUBJECT: 2022 Pre-Session State Budget Recommendations (UNM Highlights)**

**DATE: January 10, 2022**

**FROM: UNM Office of Government and Community Relations**

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The Legislative Finance Committee (LFC) and Department of Finance and Administration (DFA) released their FY2023 budget recommendations on Jan. 6, 2022. Below is a high-level summary and comparison of the recommendations followed by additional information grouped by key areas.

- For UNM Main Campus and branches (excluding HSC), LFC recommended a total of \$241.2 million, or a 4 percent (\$9.4 million) increase, for **I&G funding and RPSPs**. DFA is recommending \$236.6 million, or a 2.1 percent (\$4.8 million) increase.
- For UNM HSC, LFC recommended a total of \$110.9 million, or a 3 percent (\$3.5 million) increase, for **I&G funding and RPSPs**. DFA recommended \$109.1 million, or a 2 percent (\$1.8 million) increase.
- Additionally, LFC is recommending a 7.12 percent salary increase for higher education faculty and staff at 70 percent I&G (all institutions: \$56 million).

**2022 State Budget Recommendation Summary**

		<b>I&amp;G</b>	<b>Compensation</b>	<b>RPSP</b>	<b>Capital</b>
UNM-Main	LFC	+3.0%	+7.12%	-0.4%	\$45M CCAAT
	Exec	+2%		6.8%	
UNM-HSC	LFC	0.0%	+7.12%	7.0%	\$38M CPC; \$4 IHSC
	Exec	0.0%		2.8%	
UNM-G	LFC	+1.7%	+7.12%	0.0%	\$4M Gurley
	Exec	+0.2%		3.1%	
UNM-LA	LFC	+2.6%	+7.12%	0%	\$1.3M Infrastructure
	Exec	+0.9		0%	
UNM-T	LFC	+2.2%	+7.12%	0%	\$3M Peralta
	Exec	-0.6%		0%	
UNM-V	LFC	+2.1%	+7.12%	0%	\$900k LRC
	Exec	+0.1%		0%	

**Instruction and General Funding (Attachment A)**

- For Main Campus and branches, LFC recommended a 3 percent (\$5.9 million) “new money” increase, while DFA is recommending 2 percent (\$3.9 million). These increases match LFC and DFA’s average I&G funding increases respectively across higher education institutions.
- For HSC, LFC and DFA recommended a flat budget for I&G (\$66.6 million).

## Research and Public Service Projects (Attachment B)

- For Main Campus and branches, LFC recommended a 0.4 percent (\$31.8 thousand) total decrease for RPSPs, while DFA recommended a 6.8 percent (\$549.5 thousand) increase.
- For HSC, LFC recommended a 7.0 percent (\$2.9 million) total increase for RPSPs, while DFA recommended 2.8 percent (\$1.2 million).
- LFC and DFA recommended a flat budget for Athletics (\$4.4 million).

## Categorical Funds

- For Main Campus, HSC, and branches, LFC recommended \$3.1 million for 4 categorical projects: NM tribal education initiatives (Main: \$1.1 million), NM teacher pipeline initiatives (Main: \$100 thousand), student support services (Main, branches, and HSC: \$1.8 million), and NM tribal education initiatives (UNM-Gallup: \$100 thousand).

## Capital Outlay (Attachment C)

- LFC recommended seven capital projects (\$96.2 million) for UNM. In October, the Higher Education Department (HED) recommended nine capital projects (\$86.1 million). DFA did not publish a detailed capital recommendation.
- LFC recommended funding the **Center for Collaborative Arts & Technology (CCAT)** at the same level as HED (\$45 million) and the **Child Psychiatric Center (CPC)** \$8 million higher than HED (\$38 million LFC recommendation total: \$34 million in general obligation bond capacity and \$4 million in severance tax bond capacity).
- LFC recommended \$88.2 million for UNM from general obligation bond capacity. This amount is 42.6 percent of the amount recommended for higher education institutions (\$206.9 million) and 34 percent of total capacity (\$259.7 million). LFC recommended an additional \$8 million in severance tax bond capacity for UNM projects.

## Special Appropriations (Attachment D)

- LFC recommended \$2.5 million (\$5.2 million request) to finish, equip and furnish the shelled third floor of the HSC's College of Nursing/College of Population Health Building.
- For the Higher Education Department, DFA recommended \$17.4 million for building renewal and replacement, and \$1.7 million for cyber security.

## Major Scholarship Programs and Initiatives

- LFC recommended \$191 million for the Lottery Scholarship, including \$150 million in nonrecurring funds. In FY23, LFC estimates \$65 million will be required for Lottery awards and \$40 million in lottery revenues will be available for the program. The proposed nonrecurring appropriation would cover the gap in funding in FY23 and subsequent years.

- The LFC recommended \$12 million in recurring for the opportunity scholarship and a one-time \$43 million appropriation for “long-term stability” of the program. DFA recommended \$85.5 million for the opportunity scholarship. The Higher Education Department had requested \$48 million.
- LFC recommended an additional \$62.5 million for the educator pipeline, residencies, faculty endowments, Grow Your Own program, and evaluations. Additionally, LFC recommended funds for the teacher preparation scholarship fund (\$20 million) and teacher loan repayment fund (\$5 million). DFA recommended \$10 million for higher education programs that pay off teacher loans, and \$10 million for dual-credit programs.
- LFC recommended the following nonrecurring funds:
  - \$50 million for the Technology Enhancement Fund (Section 21-1-27.2) for state matching funds on federal research and development grants to close funding gaps,
  - \$50 million for endowed faculty positions in teacher preparation programs (included in the \$62.5 million in the previous bullet),
  - \$50 million to endowed social worker faculty positions,
  - \$35 million in endowed nursing positions,
  - \$15 million to the HED’s development enhancement fund for endowed nursing faculty positions,
  - \$25 million for work study for students in high-demand fields.

### **Tobacco Settlement Funds**

- LFC recommended increasing HSC appropriations from the Tobacco Settlement Funds \$898.7 thousand to a total of \$2.9 million. These proposed appropriations include I&G (\$581.5 thousand), Research in Genomics and Environmental Health (\$937.4 thousand), Poison Control Center (\$590.2 thousand), Pediatric Oncology Program (\$250 thousand), Specialty Education in Trauma (\$250 thousand), and Specialty in Pediatrics (\$250 thousand).