MEMORANDUM

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

DATE: January 10, 2022

FROM: UNM Office of Government and Community Relations

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

<table>
<thead>
<tr>
<th>Institution</th>
<th>I&amp;G</th>
<th>Compensation</th>
<th>RPSP</th>
<th>Capital</th>
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<tr>
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<td></td>
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### 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).