Institution: The University of New Mexico

Chief Executive Office: President Garnett Stokes

Date Submitted: August 9, 2021

Action: An institutional report in support due 8/9/2021 in support of Focused Visit on institutional response to the implementation of corrective action regarding fiscal mismanagement issues with Athletics and the Board of Regents governance issues.

Areas of Focus:

- 1. Fiscal Mismanagement with Athletics
- 2. Board of Regents Governance Issues



August 9, 2021

Dear Colleagues,

The Higher Learning Commission site visit in March 2019 occurred a little over a year after my appointment at UNM. Overall, the visiting team's report affirmed the University's commitment to its education, research, and service missions, and the high quality of our academic programs. The visiting team also corroborated the University's awareness of and efforts to address areas of weakness.

We have responded to the concerns expressed in the report and appreciate this opportunity to explain the measures we have taken to improve the working relationships with the current Board of Regents under Board President Doug Brown and to reorganize and strengthen athletics financial management.

Regarding Board of Regents governance, I can personally attest to the improvements in working relationships and shared governance with the current Board, the autonomy of the Regents, and the establishment of appropriate working boundaries. For example, the annual development of university-level goals is a process in which the Board exercises and, at the same time, delegates responsibility for the day-to-day administration of the University to my office, my leadership team, faculty governance, and all others who contribute to the success of the institution. Over the past two years, this process has delivered a clearly defined set of goals that give direction to University leadership while also respecting the roles and responsibilities of those who carry out the operations of the University.

Similarly, the management of athletics finances had already been placed on a positive path during the 2019 comprehensive evaluation, and that path has continued in the last two years. The Director of Athletics and Director of Financial Operations, who oversees Shared Fiscal Services, have worked together to complete the set of recommendations made by UNM's internal auditor. All twenty of the recommendations have been completed, and no further action has been required. That completes a process that we undertook with an emphasis on direct, timely action and transparency.

Overall, I believe the Focus Visit will make it clear that the University has shown the institutional capacity and will to complete the improvements begun prior to 2019 and requested by the Site Visit team. The following report and the evidence provided illustrate this improvement, and we welcome the opportunity to demonstrate this improvement for the Focus Visit team.

Sincerely,

Garnett S. Stokes

Harrett S. Stokes

President



Introduction

The University of New Mexico underwent its most recent comprehensive evaluation in March 2019. In the Reaffirmation Review Final Report, the Higher Learning Commission's (HLC) evaluation team concluded that the University fully met eighteen of twenty-one core components, and three core components were met with concerns. Two of those core components will be addressed in this focused visit. The third will be addressed in an embedded report during the mid-term evaluation next year.

The two core components addressed in this report are 2.A. and 2.C. The concern with 2.A. originated with a "crisis in fiscal management in the Department of Athletics." The concern with 2.C. centered on the Board of Regents and issues with its autonomy, protocols related to Board activity and institutional interaction, systematic board development, and the Board's understanding and implementation of best practice as part of Board culture.

For fiscal mismanagement in Athletics, the review team concluded as follows:

The team determined that the threshold for core component 2a was met; however, interim monitoring by HLC was warranted due to the relative short time that the internal control measures, administrative changes, and monitoring regarding Athletics' fiscal management have been implemented. Thus, the team's final determination for core component 2a is MET with CONCERNS. (Reaffirmation Review Final Report, hereafter "RRFP," pg. 20)

Similarly, for the Board of Regents governance issues, the review team concluded as follows:

Therefore, the team concluded UNM meets the threshold for compliance with the core component 2c. However, considering the prior persistence of the issues and the limited time of the current BoR's authority, HLC interim monitoring is warranted to verify systematic implementation of governance best practices and on-going BoR development. (RRFP, pg. 27)

For both 2A and 2C, the review team concluded that UNM had demonstrated awareness of the issues, and both the institutional will and capacity to address these concerns; however, given the limited amount of time that the corrections had been in place, the team judged that a focus visit should be conducted within two years to address the continuing effectiveness of UNM's efforts to resolve the challenges.

In both cases, the University will demonstrate that the issues identified by the institution and evaluated by the review team have been resolved by continuation and fulfillment of corrective actions begun prior to the March 2019 comprehensive evaluation.

Evidence supporting the University's arguments will be provided in greater detail in the sections below, in the appendices, and further supporting evidence, which will be listed below, can be provided at the request of the Focus Visit Team. In some cases, hyperlinks to URLs have been



provided for the reviewers' convenience, when these documents are already part of the HLC's record for the University, or in several cases in which a supplemental reference is in a format not suitable for placement in the appendices.

For your convenience, below is a list of links to more general University evidence:

- Faculty Handbook
- University Administrative Policies and Procedures Manual (UAPPM)
- Regents Policy Manual
- Student Handbook
- Institutional Catalog
- UNM Final Report to HLC
- Reaffirmation Review Final Report



Area of Focus 1: Fiscal Mismanagement with Athletics:

Athletics emerged as an institutional issue beginning in 2017, after the 2009 comprehensive evaluation and before the 2019 evaluation by the HLC. The HLC sent <u>a letter</u> to UNM on August 15, 2017 stating that the HLC had been notified by the NM Higher Education Department of an ongoing comprehensive audit of UNM by the NM State Auditor. The audit was specific to the University's financial oversight of athletics, though the Higher Learning Commission indicated a more general concern for financial management practices at the university on the basis of the audit.

In response to the letter, Interim President Chaouki Abdallah wrote <u>a statement</u> to the UNM campus concerning the audit the following day. That letter provided assurance that UNM leadership was addressing the concern and that the university was financially sound, as shown by all recent independent university-wide audits.

On September 14, 2017, UNM issued <u>a formal response</u> to the HLC letter. That response described the basis for the audit, actions taken by the auditor and attorney general, and actions taken by the University in response to the audit and concerns regarding financial management.

On March 21, 2018, HLC requested an interim report about the issues in athletics.

The University provided the interim report on July 30, 2018. The interim report laid out UNM's plan to address the issues in athletics.

On November 29, 2018, the HLC accepted the interim report and plan.

During the 2019 HLC Comprehensive Evaluation, the HLC peer review team followed up on the issues from the interim report. The following is a summary from the 2019 comprehensive evaluation site visit team of the efforts undertaken by UNM to that point:

UNM leadership has worked with multiple units in the university to resolve a crisis in fiscal management in the Department of Athletics. The University addressed findings from an investigation by the NM Attorney General and the NM State Auditor. Upon discovery of the issue in Athletics, the University took multiple corrective actions to strengthen and centralize athletics fiscal management. Action included (1) administrative staffing changes, (2) development of a plan and processes to control costs, (3) a comprehensive internal audit of athletics business processes by UNM Internal Audit yielding corrective action plans, (4) transfer of financial oversight for athletics to an independent and autonomous unit, the Academic Affairs Fiscal Shared Service Center, (5) establishment of a realistic debt reduction plan, and (6) program changes to some sports to increase overall participation slots for women to reflect the gender composition of the UNM student body. The Office of Planning, Budget and Analysis is collaborating with Athletics in implementation of the deficit reduction plan. (RRFP, pg. 19)

The review team noted areas in need of continued monitoring as well as areas of improvement. Related to both 2A and 2C, for instance, the team found increased oversight by the BoR of the financial issues in Athletics. Recorded in minutes of regular meetings, the BoR



was more closely monitoring the deficit reduction plan and monthly reporting and review, by the Director of Athletics and the Director of Financial Operations for Academic Affairs, of athletic revenue, expenditures and compliance.

Additionally, "The team found that transparency and responsiveness have been a hallmark of the institution's current leadership's response to the challenging issues surrounding institutional integrity" (RRFP, pg. 19). To provide one salient example of this, President Garnett Stokes links all monitoring reports related to athletics on the Office of the President website to increase transparency.

In response to the HLC's concern that issues in athletics were a sign of more widespread financial mismanagement, UNM leadership initiated a wide review of financial controls and accountability. After a review of evidence, "the team determined that the lack of internal controls documented in the AG investigation of the Department of Athletics was not systemic but rather isolated to that ancillary unit" (RRFP, pg. 19).

Consequently, the HLC removed UNM from governmental investigation status on March 25, 2020, as described in a letter to the University on the same date, stating that:

Because the investigation by the New Mexico Office of Attorney General pertains to past conduct of a former employee within a discrete component of the University, HLC has determined that any findings by that body are unlikely to have a material impact on HLC's determinations of the University's present compliance with the Criteria for Accreditation or other HLC requirements. Thus, while the Commission will continue to monitor the University's compliance with the Criteria for Accreditation as reflected in the Institutional Action Council's action, the Governmental Investigation designation is no longer necessary."

Overall, as the 2019 review team concluded, it was "determined that the threshold for core component 2a was met; however, interim monitoring by HLC was warranted due to the relatively short time that the internal control measures, administrative changes, and monitoring regarding Athletics' fiscal management have been implemented" (RRFP, pg. 20).

The aspects of financial mismanagement in Athletics in which the University was charged with continuing to show improvement were:

- Evidence that the corrective action plans specified in the Internal Audit Report dated May 2018 have been fully implemented
- Evidence of the progress on the debt reduction plan
- Evidence of effective oversight by the Board of Regents
- Evidence that the Athletic Department's fiscal management activities and procedures are in compliance with University and appropriate external agencies' policies



To demonstrate that the University has fully implemented corrective action plans and addressed financial management issues as specified in the Internal Audit Report, we will proceed with the findings raised in that audit report one by one.

Finding #1:

<u>Fiscal Management</u>: An Internal Audit of Athletics Administration for fiscal years 2016 and 2017 determined that Athletics:

- A. did not have a comprehensive business manual that covers the key operational processes;
- B. reconciled certain revenue accounts at fiscal year-end rather than monthly and based budgeting on projected revenues and accruals that were not adjusted throughout the year to reflect shortfalls;
- C. engaged in a "practice of untimely account reconciliation [that] increase[d] the risk of over expended budgets, misstatement of revenues for financial reporting, and year-end deficits"

Corrective Actions Taken:

- 1. May 3, 2018: Centralization of core fiscal functions and the Fiscal Shared Service Center of Academic Affairs has an on-going service agreement for managing athletics budgeting and financial operations.
- May 16, 2018: Completion of an Internal Audit of Athletics Administration, including 20 specific recommendations. All 20 recommendations have been implemented and completed, and no further action for the department is recommended.
- The department has developed a business manual that covers key operational processes and is updated consistently in order to reflect on-going changes to NCAA compliance requirements and University policies and procedures.
- 4. The department has developed multi-year plans to forecast future revenues and expenses in order to build realistic budgets and plan ahead for resource needs.

Response: The Department of Athletics has addressed and implemented all twenty of the Internal Audit findings, including the development of the business operations manual. Since the engagement of the Fiscal Shared Service Center (FSSC) in 2018, all accounts have been reconciled on a monthly basis and monitored daily to ensure accurate reporting, budget management and compliance with policies and procedures. Forecasting revenues are datadriven, utilizing realistic projections based on attendance projections, conference distribution reports, planning efforts with multimedia rights partnerships and established fundraising goals. These planning efforts are documented through the department's multi-year planning efforts, which are updated on a year-to-year basis.



Evidence Documentation in the Appendix:

- A. Most Recent Quarterly Financial Report to the Board of Regents, FY21, quarter 3, March 31, 2021 (YTD)
- B. Most Recent Fiscal Shared Service Agreement, FY22
- C. Internal Audit Recommendation Follow-up Report
- D. Department of Athletics Audit Recommendation Follow-up Memo
- E. Department of Athletics Multi-year Financial Plans (Budget Leadership Team, President's Units'-Financial Planning Form (FY21-FY25)

Additional Materials, as Requested:

- A. Updated version of the Department of Athletics Business Manual
- B. Monthly reconciliation workbooks for FY19, FY20 and FY21 (YTD)
- C. Annual general ledger reconciliations for FY19, FY20 and FY21 (YTD)
- D. Quarterly financial reports to the Board of Regents and Higher Education Department for FY19, FY20 and FY21 (through quarter 3)
- E. Fiscal Shared Service Agreements FY19, FY20, FY21 and FY22
- F. Department of Athletics Multi-year Financial Plans (Main Campus-Financial Planning Form (FY22-FY24)

Finding #2:

<u>Deficit</u>: The Analysis and Review by the Department of Intercollegiate Athletics states, "Prior to the infusion of institutional funds and land-sale proceeds, the Athletics Department's projected deficit for FY18 stood at approximately \$2.1 million. If the Department continues down its current path, the projections in future years will only increase the annual deficit. In addition, these annual deficits do not consider a cumulative deficit over the past 10 years of approximately \$4.7 million, which Athletics is tasked to pay back at a \$500,000 annual cost beginning in FY21, as outlined in the New Mexico Higher Education Department financial master plan approved by the UNM Board of Regents.

Corrective Actions Taken:

- April 17, 2018 and June 12, 2018: Determination by a UNM Athletics Budget Task Force
 of adequate expenditure authority for the FY18 budget, followed by development of a
 balanced FY19 budget and a sustainable deficit reduction plan to address the
 department's recurring and accumulated deficit.
- 2. July 9, 2020 the accumulated deficit of \$4,520,856 was moved centrally and will be monitored and paid down per the 10-year deficit reduction plan. The first payment for this plan was made on June, 30, 2020, which is in alignment with the plan.



Response: The department, in conjunction with university administration, has implemented the 10-year deficit reduction plan and will continue to manage any anticipated shortfalls to prevent future accumulated deficits. In FY18 and FY19 the department ended with positive net margins. The department anticipated ending FY 20 close to the projected budget; however, with the pandemic putting sporting and special events on hold there was an overall impact to the ending balance. The institution provided CARES (HEERF I) funding to help mitigate the budget shortfall for FY20 and has provided continued support through HEERF II funding for the fiscal challenges the pandemic has had on the department in FY21.

Evidence Documentation in the Appendix:

- A. FY19 Financials (demonstrating balanced budgets, positive net balance)
- B. FY20 Deficit Reduction Plan
- C. FY20 Confirmation Memo of Payment to Reduction Plan
- D. CARES (HEERF I) and HEERF II memos

Additional Materials, as Requested:

A. FY18 Financials (demonstrating balanced budgets, positive net balance)

Finding #3:

Gender Equity in Athletics Participation: An independent review of equity in UNM Athletics by Helen Grant Consulting revealed that "there is a minus 11.6% difference, favoring men, between the male and female participation rates [in athletics] and the male and female full-time, undergraduate enrollment rates, which is equivalent to approximately 145 participation opportunities"

Corrective Actions Taken:

- May 18, 2018: Completion of an assessment of Title IX compliance through a comprehensive, independent review by Helen Grant Consulting of the Athletics Department's Title IX practices.
- 2. July 17, 2018: Completion of an "Analysis and Review" by the Department of Intercollegiate Athletics.
- 3. July 19, 2018: Elimination of several athletics programs in a decision of the Board of Regents with President Garnett Stokes (elimination of men's soccer, men's and women's skiing, women's beach volleyball, women's diving, reduction in men's track and field participation slots, and increases in participation opportunities in some women's programs in compliance with Title IX through careful roster management).
- 4. The department has made significant progress decreasing the participation gap between males and females through the reduction of several sports programs and roster management. Since the independent equity review, the department has increased



female participants from 2017-18 to 2020-21 by 10.39%, bringing the females closer to direct proportionality with the general undergraduate female full-time population.

The progress the department has made is summarized in the table below:

Prior Academic		Academic		Net
Year	Rate	Year	Rate	Change
2016-17	43.80%	2017-18	45.44%	1.64%
2017-18	45.44%	2018-19	47.32%	1.88%
2018-19	47.32%	2019-20	52.55%	5.23 %
2019-20*	52.55%	2020-21	55.83%	3.28%

*From Fall 2017 to Spring 2020 the general undergraduate female full—time population was an average of 56.36%; however, in Fall 2020 the general undergraduate female full-time population jumped to 58.19%. Had the previous average been in place for Fall 2020 Athletics would have only had a difference of .53% between the general undergraduate population and the female athletics participants.

The department also conducts internal reviews to evaluate possible Title IX compliance disparities between male and female student athletes. Through this review, efforts were made to ensure equity on the following support functions:

- Scheduling of games and practice times
- Opportunity to receive tutoring and assignment and compensation of tutors
- Opportunity to receive coaching, and assignment and compensation of coaches
- Provision of medical and training services and facilities

The department has worked diligently to advocate for funding through the legislative process to address facilities needs for Title IX compliance. Since 2018, \$3,316,400 has been funded through state funding to support multiple women's sports facilities. The department has also raised \$1,138,179 through fundraising to support these facility improvements.

Additional Materials, as Requested:

- A. Participant Rates Summary (2017-2021)
- B. Squad Lists (2017-2021)
- C. EADA Reports (FY17-FY20, FY21 is not submitted until October 2021)
- D. State funded capital outlay spreadsheet
- E. Training Center fundraising budget spreadsheet



Finding #4:

Governance and Accountability: The report of the NM Office of the State Auditor emphasized that the specific findings with respect to "weaknesses in internal controls" in the Department of Athletics were "indicative of a historical tone-at-the top that resulted in failure to address findings and improve controls, creating an environment susceptible to fraud, waste, and abuse." The State Auditor continues: "Ultimately, it falls upon the Regents of the University of New Mexico, as the governing body, to ensure that UNM in general, and Athletics in particular, maintain the highest level of financial accountability and inspire confidence in donors, students, alumni and the public. As the Higher Learning Commission accreditation criteria explain, the governing board must 'make decisions in the best interest of the institution and to assure its integrity."

Corrective Actions Taken:

- 1. Quarterly presentations of financial statements to the Board of Regents.
- 2. May 16, 2018: Completion of an Internal Audit of Athletics Administration, including 20 specific recommendations. All 20 recommendations have been implemented and completed, and no further action for the department is recommended.

Response: The Department of Athletics addressed and implemented all 20 of the Internal Audit findings and recommendations. Through these audit findings, the department has implemented procedure changes to ensure internal controls are in place and effective. Some of the major procedure changes included: limiting cash advances, timely p-card reconciliations, management of sports enhancement accounts through the Lobo Club, payroll process for on-call staff, and a written process for awarding and disbursing financial awards from endowment funds. The day-to-day fiscal management is overseen by the Academic Affairs Fiscal Shared Service Center, which reports directly to the Provost and has a dotted line to the Director of Athletics. This reporting structure not only strengthens internal controls, but allows the fiscal oversight to be effectively managed by staff who are experts in fiscal policies, procedures and best practices.

To ensure transparency, the department presents quarterly financial statements to the Board of Regents, which are also sent to the Higher Education Department in order to stay compliant with the enhanced fiscal oversight of the department. The department also actively participates on the Budget Leadership Team (BLT) to present its multi-year fiscal plan and to request additional funding when needed. The BLT is composed of faculty, staff, and student representatives, which allows for continuous constituent input and feedback on the department's budget, a practice that the department had not participated in prior to 2018.

Evidence Documentation in the Appendix:

- A. Most Recent Quarterly Financial Report to the Board of Regents, FY21, quarter 3, March 31, 2021 (all other Quarterly Financial Reports to BoR available upon request)
- B. Internal Audit Recommendation Follow-up Report and Memo



Area of Focus 2: Board of Regents Governance Issues:

Board of Regents governance issues constitute the second area of focus, related to Core Component 2.C. in the 2019 Comprehensive Evaluation. Historical context for the issues recorded in 2009 and 2019 will clarify which issues have been resolved and which are to be addressed in this Focus Visit.

In 2019, the review team for the comprehensive evaluation expected to follow up on governance issues that had arisen in 2009, specifically related to turnover in executive leadership and overreach of the Board of Regents into day-to-day operations. Additionally, it had also come to HLC attention prior to the 2019 visit that there were governance issues separate from those identified in 2009. These included two issues raised by the New Mexico Attorney General's Office: 1. A 2018 Transparency Report; and 2. The financial mismanagement issues concerning Athletics (see Area of Focus 1, above).

In 2018, the New Mexico Attorney General's Office wrote a Transparency Report brought on by 11 complaints over a three-year period that possibly indicated two patterns within the University: 1. Neglecting responsibility to allow access to public information (IPRA compliance), and 2. Providing meaningful access to "discourse and deliberation on public business (Open Meeting Act)" (RRFP, pg. 19).

In the Reaffirmation Review Final Report, the review team concluded that the issues related to IPRA compliance had been resolved satisfactorily. In particular, they concluded that, "...UNM demonstrated institutional integrity in its policies and practices, responses to corrective action and updating its professional development efforts in response to the report," and that "transparency and responsiveness have been a hallmark of the institution's current leadership's response to the challenging issues surrounding institutional integrity" (RRFP, pg. 20).

The conclusion regarding meaningful access to discourse and deliberation was similar. The review team acknowledged that a review of BoR minutes and discussions with BoR members demonstrated that opportunities for comment and consideration of external constituencies' views had occurred. No further action was recommended.

The particular governance issues brought out during the 2019 comprehensive evaluation and that constitute the governance concerns of this Focus Visit are centered on shared governance, systematic board development, and autonomy, as described in the Review Team's final report under section 2C.

Along with BoR minutes, and interviews performed by the Review Team during the Comprehensive Evaluation, a series of self-studies were provided to the 2019 Review Team in the interest of transparency and to give as full an account as possible of governance issues related to the Board as it existed up until the evaluation in March 2019. Those studies were performed by two former members of the Board, and by the Faculty Senate, Staff Council, and the Committee on Governance. The issues documented in those self-studies, along with information provided in interviews and meeting records, included the following, as summarized by the Review Team:



The following dynamics were identified from triangulation of these conversations, review of minutes and examples provided from internal constituent group accreditation self-studies: (1) public perception of the BoR as a political vehicle following directives from the Governor's Office, (2) a Regents leadership style marginalizing specific Regents from discussion and decisions, (3) lack of understanding of higher education governance and unwillingness of leadership to address this through offered board development, (4) decisions determined by 3 Regents representing the "majority" due to the open positions, and (5) use of a "rolling quorum" for major decisions (i.e., HSC governance restructuring) which characterized the Board during this period. The team determined that although the BoR continued to fulfill its basic constitutional role and advance and preserve the institution, the dynamics characterizing the Board during this period did not reflect a cohesive unit demonstrating best practice in higher education governance. (RRFP, pg. 25)

In addition to the issues of lack of autonomy, disruptions in shared governance, and underqualification described by the Review Team above, overreach by the Board of Regents into day-to-day administration of the University was noted in both 2009 and 2019. This challenge is rooted in an ambiguous characterization of the Board's role and purpose, as described in the New Mexico Constitution, to "control and manage" state universities. The University of New Mexico, including former Boards, have clarified the role of the Board of Regents within the Regent Policy Manual (RPM), particularly within policies 3.1 and 5.1, that outline the Regents' powers to affirm delegation of "effective operation of the University" to the president whom the Regents appoint, and the role faculty play in implementation of the academic mission. The Review Team recognized that while the policy is clear, "specific behaviors attributed to a subset of Regents" (RRFP, pg. 25) indicated troubling patterns.

Finally, the Review Team recognized that a lack of systematic board development and a lack of willingness to engage with opportunities for development provided by the institution contributed to patterns of behavior that were observed during that period. There was, as the Review Team stated, a "lack of understanding of higher education governance and unwillingness of leadership to address this through offered board development" (RRFP, pg. 25).

The review team concluded that "although the BoR continued to fulfill its basic constitutional role of advancing and preserving the institution, the dynamics characterizing the Board during this period did not reflect a cohesive unit demonstrating best practice in higher education governance" (RRFP, pg. 25).

The election of a new governor in the fall of 2018, the implementation of a new regent selection process, and the ultimate appointment of four new, highly-qualified regents improved the outlook for university governance considerably, but within only months of the evaluation. In fact, the first meeting of the Board with its new president coincided with the dates of the Review Team's on-campus visit.

As the Review Team noted:



The changing political landscape in Fall 2018 resulted in a nonpolitical process leading to the appointment of 4 highly qualified and vetted new Regents and a student Regent in February 2019. The process for appointment of Regents to all NM institutions was the formation of advisory groups that would interview candidates, evaluate them based on criteria for what each institution needs and make recommendations. The process was developed by the Governor's higher education transition team with input from the institution regarding needs. The UNM advisory group, chaired by a former UNM Regent, recommended 8 names for the 4 open positions. The Governor forwarded her selection to the Senate which confirmed the appointments unanimously within a week of receipt. The process led to appointment of individuals who did not have the political conflicts (i.e., spousal appointments to State office following Regents appointment, ongoing financial contracts with State agencies, and expressed loyalty to the Executive Branch) attributed to prior Board members. The student Regent was selected through a separate process that followed proscribed procedures. (RRFP, pg. 25-26)

During the Review Team's opportunity to engage with the newly formed Board of Regents, the Review Team noted its "potential for a cohesive governance structure grounded in the principles of shared governance and understanding of its governance role" (RRFP, pg. 24). The Review Team acknowledged the thorough and rigorous appointment process and its result in a Board composed of highly qualified members, that the Board participated in an initial orientation, and had already scheduled a 2019 training with the Association of Governing Boards. Conversations between the Review Team and incoming leadership team revealed "a strong incoming leadership team grounded in the principles of effective higher education governance, prior experience on effective higher education governing boards, emerging clarity of the expectations of shared governance, a clear understanding of the UNM mission and priorities, commitment to continued board development, familiarity with Association of Governing Boards resources and opportunities, and commitment to acting in the best interests of the institution" (RRFP, pg. 26).

Further, the President and new Board President committed themselves to implementing "appropriate BoR boundaries" and to "changing the Board culture to reflect best practice in shared governance and responsible board membership" (RRFP, pg. 26).

In March 2021 the Governor <u>nominated three new members</u> to replace outgoing Regents, and these nominations were unanimously confirmed by the New Mexico Senate. New members received an orientation that again focused on developing shared understanding of the governance role of regents in the context of the management role of the administration, in shared governance with faculty, student, and staff representative bodies.

The Review Team concluded, therefore, that UNM met the threshold for compliance with core component 2C, but that additional monitoring, in the form of a Focus Visit, would be necessary



in two years given the "limited time of the current BoR's authority" to "verify systematic implementation of governance best practices and on-going BoR development" (RRFP, pg. 27).

The next section will examine in detail the actions of the Board of Regents over the past 24 months and will demonstrate that issues of BoR autonomy and overreach have been addressed. Specifically, and as outlined by the Review Team, we will provide evidence of the following:

- Evidence of processes and actions that demonstrate Board autonomy
- Evidence of protocols relative to Board activity and institutional interaction confirming appropriate boundaries and adherence to these protocols by all Board members
- Evidence of systematic board development and participation of all Board members
- Evidence of the Board's understanding and implementation of best practice as a part of the Board culture

Finding #1: Board Autonomy

Corrective Actions Taken:

Soon after the comprehensive evaluation, the new Board created an Ad Hoc Governance Committee to address issues raised by the Review Team, including aspects of governance related to autonomy, regular and systematic review of policies (for example policies on appeals to the Regents, settlement authority of the President, and Presidential and Health System executives authority over the Health Sciences Center and UNM Health System), structural issues regarding Board officers and committees, ongoing education, and other "matters essential to the effective operation of the Board of Regents." One subcommittee provides review and scrutiny of relationships with affiliated entities of the University, specifically, consistency of bylaws and Conflict of Interest policy, and delegation of authority.

Governor Lujan Grisham has continued the 2018 practice of appointing to the Board of Regents qualified individuals with experience higher education and who are selected through a thorough state vetting process that is advisory to the Governor, whose nominations are then subjected to an independent confirmation by the NM Senate. Newly appointed regents meet the Review Team standard of qualification in that, as the Review Team stated, they "have documented success in careers aligning with UNM aspirational initiative areas." Regents appointed by Governor Lujan Grisham take on their role with the expectation that Regent practice will comport with explicit policies.

General Counsel Loretta Martinez has shepherded systematic Board development focused on adopting best practices in governance in the best interests of the University. Prior to joining UNM, she served in the capacity of Board Secretary for two educational institutions where she structured Board orientations, retreats and training. Current Regents have all attended a



comprehensive orientation shortly after appointment which emphasized their constitutional and statutory role and obligations as well as their fiduciary responsibilities; have membership in and access to Association of Governing Boards (AGB) conferences and resources; and all participated in the 2021 AGB Virtual National Conference on Trusteeship. They also participate in annual UNM Regent Retreats as well, where the topic of best practices in board governance is always on the agenda.

Regent actions to adopt best practices of Board governance has also sought to better establish effective boundaries and to constrain Board influence in matters of day-to-day operation. Many of the examples that created suspicion of conflict of interest were also examples of intrusive governance into detailed matters of university administration. The current board is committed to establishing policies and practices that serve the interests of the university and not those that give greater power to the Board over administrative and operational issues.

Evidence Documentation in the Appendix:

- A. Unofficial Minutes, Regents' Ad Hoc Governance Committee, September 17, 2019
- B. Establishment of Ad Hoc Governance Committee and Charge
- C. Email: "FW: 2021 Virtual National Conference on Trusteeship Confirmation"
- D. Statement from the Provost and EVP for Academic Affairs
- E. Regent Retreat agendas for 2019, 2020, and 2021

Additional Materials, as Requested:

A. Official Minutes of the Board of Regents – August 13, 2019 (Creation of Ad Hoc Governance Committee, discussion with AGB senior consultant)

Finding #2: Appropriate Boundaries and Adherence to Protocols

Corrective Actions Taken:

The clearest indication that the current Board is dedicated to the creation of effective boundaries between the role of the Board and the role of University leadership in the administration of day-to-day activities is the Board's adoption of a change to Regent Policy 1.3.2 on regular meetings of the BoR, and its move from monthly meetings to fewer meetings timed with academic and financial cycles where Board approvals were essential. This governance best practice was recommended by AGB senior consultant Dr. Kevin Reilly at the 2019 Regent Retreat, and the issue was subsequently taken up by the Regents, voted on, and put into place. During the August 13, 2019 meeting of the Regents, Regent President Doug Brown said that reducing the frequency of meetings would lessen the burden on administration and staff, noted that the AGB consultant confirmed that reducing the frequency of meetings is viewed favorably from a best practices point of view, and added that the quarterly meetings reduce the propensity for intrusive and meddlesome board activity.



One of the specific charges of the Ad Hoc Governance Committee is to examine best practices around the role of the Board. At the January 28, 2020 meeting, the committee discussed the immediate priority of due process issues, and Regents' involvement in appeals processes on campus, noting that most governing boards do not take appeals. Although the Board ultimately deferred action, it demonstrated its respect for shared governance by specifically inviting the constituents who would be affected by a change to such policy (faculty, staff and student) to comment and discuss at length the potential repercussions of changes to the policy.

The Ad Hoc Governance Committee examines and reviews the definition of BoR authority with respect to UNM President authority, how that definition is made in the constitution and statutes, and what best serves the University (August 31, 2020 - Unofficial Minutes). At its October 12, 2020 meeting and its December 9, 2020 meeting, the Committee discussed Regent Policy 7.8 regarding the authority of the President to settle litigation without Regent authorization, and the Board ultimately adopted the Committee's recommendation to increase the President's authority from \$400,000 to \$1,000,000. Additionally, at its October 12, 2020 meeting, the Committee recommended and the Board ultimately adopted the Committee's recommendation to change eight existing Regent policies (see the list in the minutes) pertaining to UNM's HSC and Health System to clarify the authority of the President versus the Regents over the executive leader of HSC and other conforming changes.

One of the subcommittees of the Ad Hoc Governance Committee is the Structural Issues and Formal Processes Task Force. In collaboration with University Counsel, this subcommittee is examining possible adoption practices and norms around the country related to formal processes, and consideration of "accessibility of Board meetings to the community and orientation of new members."

UNM Provost James Holloway, in a memo dated August 5, 2021, describes his interactions with the Board, including participations in discussions specific to appropriate governance, and with respect to the provost's role as chief budget officer for the academic enterprise of the university. In all the examples cited by Provost Holloway, the Board has demonstrated respect of key governance principles and appropriate oversight of the institution.

Evidence Documentation in the Appendix:

- A. Unofficial Minutes, Regents' Ad Hoc Governance Committee, January 28, 2020
- B. Unofficial Minutes, Regents' Ad Hoc Governance Committee, August 31, 2020
- C. Unofficial Minutes, Regents' Ad Hoc Governance Committee, October 12, 2020
- D. Statement from the Provost and EVP for Academic Affairs

Additional Materials, as Requested:

A. Official Minutes of the Board of Regents - August 13, 2019 (Discussion and adoption of policy 1.3.2)



- B. Official Minutes of the Board of Regents December 9, 2020 (Recommendations of the Ad Hoc Governance Committee and adoption of policy changes)
- C. Official Minutes of the Board of Regents February 18, 2020 (Discussion of the formation and charge of subcommittees of the Ad Hoc Governance Committee)

Finding #3: Systematic Board Development

Corrective Actions Taken:

All current Regents have participated in a Regent Orientation prepared by UNM General Counsel, Chief of Staff, Senior Leadership and the President. The most recent Regent appointees participated in the Orientation held virtually on March 29, 2021.

After the Comprehensive Evaluation in 2019, the newly appointed Regents attended a Regent Retreat and discussed Systematic Board Development, along with the senior consultant from AGB. All Regents attended the virtual AGB conference in 2021.

The Ad Hoc Committee on Governance has looked specifically at continuing education for the Board.

At the most recent meeting of the Ad Hoc Governance Committee, Regent Schwartz raised the topic of continuous improvement of the Regent orientation process. Regent Committee members discussed elements of the current orientation that worked well, and those they would like to improve. Chief Counsel Martinez suggested several AGB best practices as models for improvements. These conversations are clear demonstrations of the Board's investment in continued, regular development of the Board and pursuit of improving practices in the future.

For the past three years, Regent Retreats have been comprehensive, lasting two days, have covered a variety of topics, and have brought in experts to discuss governance, educational delivery models and higher education trends, challenges and opportunities. Two of the last three Regent Retreats also have been or will be held on UNM branch campuses (Taos-2019 and Gallup-August 12-13, 2021), thereby enhancing Regent knowledge and understanding of the overall UNM System and providing opportunities for Regents to interact with a broader group of UNM constituents.

Evidence Documentation in the Appendix:

- A. Email: "FW: 2021 Virtual National Conference on Trusteeship Confirmation"
- B. Unofficial Minutes, Regents' Ad Hoc Governance Committee, November 30, 2020
- C. Regent Retreat agendas for 2019, 2020, and 2021



Additional Materials, as Requested:

- A. eBook: March 29 Regent Orientation
- B. Official Minutes of the Board of Regents August 13, 2019 (Regent retreat and conversation with AGB senior consultant)

Finding #4: Adoption of Governance Best Practices

Corrective Actions Taken:

The corrective actions described relative to Findings 1-3 obtain for Finding 4. One example of a corrective action is the Board's adoption of a revised policy reducing frequency of meetings of the Board of Regents, from monthly meetings to fewer meetings, that was adopted after consultation with a senior consultant with AGB. Similarly, the examples described above related to consideration of appeals to the Board and the deliberations of the Structural Issues and Formal Processes Task Force, have demonstrated that the Board is considering models from governing boards across the country and adopting them where appropriate.

Evidence Documentation in the Appendix:

A. Unofficial Minutes, Regents' Ad Hoc Governance Committee (November 30, 2020; the full set of minutes is available upon request)

Additional Materials, as Requested:

A. Official Minutes of the Board of Regents - August 13, 2019 (Adoption of policy 1.3.2 after recommendation by AGB senior consultant and discussion with full Board)

Findings # 1-4: Summary Improvement on Budget Actions

Corrective Actions Taken:

The HLC Review Team identified broad concerns about past Board of Regents' intrusiveness in the daily operations of the university, an intrusiveness complicated by lack of transparency and lack of political independence. Advance notice of UNM Board of Regents meetings, agendas, and minutes are regularly posted for the public at the following site: https://regents.unm.edu.

Agendas and minutes related to Budget approval provide one of the clearest demonstrations of positive improvement. Regents consider the rationale for budgetary allocations and decisions, as deliberated upon by the Budget Leadership Team and as presented to the Board through a collaboration of the Senior Vice President for Finance and Administration Teresa Constantinidis (appointed in 2019), President Garnett Stokes (appointed in 2018), Provost James Holloway (appointed in 2019) and Executive Vice President and UNM Health System CEO Doug Ziedonis (appointed in 2020). Minutes reveal a careful advisory and deliberative process unencumbered by individual Regent protection of or control over special interests or projects. The new model



and platform for financial forecasting introduced by SVP for Finance and Administration Constantinidis in Spring 2021 will further facilitate transparent and balanced financial decision-making at the University of New Mexico supported by Board of Regents advisement.

The Board's role in approving the University budget can be seen most clearly in minutes of the Finance and Facilities Committee and the minutes and meeting recordings of the full Board of Regents, from February-May in 2020 and 2021. For example, see the recording from May 2021, April 2021, or May 2021.

Evidence Documentation in the Appendix:

- A. Official Minutes of the BoR Finance and Facilities Committee, February 11, 2020
- B. Official Minutes of the BoR Finance and Facilities Committee, March 2, 2020
- C. Official Minutes of the BoR Finance and Facilities Committee, May 5, 2020
- D. Official Minutes of the BoR Finance and Facilities Committee, February 9, 2021
- E. Official Minutes of the BoR Finance and Facilities Committee, April 6, 2021
- F. Statement from the Provost and EVP for Academic Affairs

Additional Materials, as Requested:

A. Official Minutes of the Board of Regents, March-May, 2020 and 2021



Athletics' FY21 Budget and Actuals (Exhibit P21)

Updated through March 31, 2021 (YTD)

Schedule A: (FY21 Budget and Actuals)- This schedule details out pooled revenues and directed revenues by sport for FY21 budget and actuals year-to-date through March 31, 2021. Please note that a majority of revenues are pooled centrally into Athletics and are not distributed by sport, however ticket sales and game guarantees are distributed by sport.

This report also compares FY21 budget to quarterly actuals, and FY21 year-to-date actuals to prior year-to-date actuals. Major variances are due to timing on when revenue accruals and expenses were posted in the prior year and differences in institutional transfers.

Schedule B: (Expenses by Sports)- This schedule details out the FY21 expense budget and year-to-date expense actuals through March 31, 2021. Please note grant-in-aid expenses have been budgeted centrally and then reallocated based on FY21 year-to-date actuals, which will be allocated to individual sports as expenses post throughout the fiscal year.



FY21 Budget and Actuals by Exhibit P21

Schedule A

				Fiscal Year 2	020-21 (FY21)						
Revenue/Expense Description (2)	FY21 Original Budget	FY21 Revised Budget	Quarter 1 (7/1-9/30/20)	Quarter 2 (10/1-12/31/20)	Quarter 3 (1/1-3/31/21)	Quarter 4 (4/1-6/30/21)	FY21 YTD	FY21 Budget to Projected Actuals Variance	Actuals % of Revised Budget	FY20 YTD Actuals	FY21 YTD vs. FY20 YTD Actuals
Pooled Revenues											
NCAA/Mountain West Conference	6.364.846	6.364.846	1.594.556	787.290	787.290		3.169.136	(3,195,710)	49.8%	3.617.659	(448,523)
Media Rights/Sponsorship/Licensing	3,400,000	3,400,000	861,681	191,704	172,121		1,225,506	(2,174,494)	36.0%	2,562,003	(1,336,497)
Commissions	680,000	680,000	169,997	170,001	-		339,998	(340,002)	50.0%	643,331	(303,333)
Naming Rights	800,000	800,000	-	-	_		-	(800,000)	0.0%	525,000	(525,000)
Student Fees	3,285,556	2,682,377	1,697,536	_	984,841		2,682,377	(000,000)	100.0%	3,571,257	(888,880)
Scholarship Fund (Fundraising)	2.200.000	2.200.000	549.999	483.333	553.334		1.586.666	(613,334)	72.1%	1.649.997	(63,331)
State Appropriation	4.063.600	3.776.900	960.800	938.700	938.700		2.838.200	(938,700)	75.1%	2.857.600	(19,400)
Facility Rental/Merchandise/GIK	1,716,900	1.716.900	375.000	455.415	383.982		1.214.397	(502,503)	70.7%	1.173.987	40.409
Special Events and Other Revenues	3,193,500	3,193,500	1,972	3,050	272,656		277,678	(2,915,822)	8.7%	1,173,967	(1,078,821)
CARES Act Distribution	3, 193,300	10,470,382	1,972	3,030	10,470,381		10,470,381	(2,915,622)	0.0%	(180,720)	10,651,101
Transfers to/from Campus	606.064		- E44 000	(00.047)			, ,		76.8%	(100,720)	
	606,964	573,133	541,823	(82,217)	(19,530)		440,076	(133,057)		-	440,076
Budgeted Use of Reserves Sub-total	26,311,366	(10,453,655) 25,404,383	6,753,365	2,947,276	14,543,774		24,244,415	10,453,655 (1,159,968)	0.0% 95.4%	17,776,614	6,467,801
Directed Revenues (by Sports)	20,311,300	25,404,565	6,733,363	2,941,210	14,545,774	-	24,244,413	(1,139,900)	33.4 /6	17,770,014	0,407,001
Men's Basketball Tickets	3,250,000	3,250,000					_	(3,250,000)	0.0%	3,132,733	(3,132,733)
Football Tickets	, ,	800.000	299,933	(440.644)	(450,664)		4,631		0.6%	805.072	. , , ,
	800,000		299,933	(142,641)	(152,661)		4,631	(795,369)	0.6%		(800,441)
Women's Basketball Tickets	350,000	350,000	-	-	40.000		-	(350,000)		358,327	(358,327)
Other Sports Tickets (1)	20,000	20,000	-	-	12,839		12,839	(7,161)	64.2%	29,228	(16,389)
Football Game Guarantees	2,200,000	2,200,000	-	175,000	(175,000)			(2,200,000)	0.0%	1,050,000	(1,050,000)
Sub-total	6,620,000	6,620,000	299,933	32,359	(314,822)	-	17,470	(6,602,530)	0.3%	5,375,360	(5,357,890)
Total	32,931,366	32,024,383	7,053,298	2,979,635	14,228,952	-	24,261,885	(7,762,498)	75.8%	23,151,974	1,109,911
F									1		
Expenses	40.070.044	40.007.000	0.400.050	0.575.774	0.070.405		7.040.047	(0.570.400)	07.00/	7.044.007	(500.040)
Salaries	10,976,644	10,927,399	2,402,252	2,575,771	2,370,195		7,348,217	(3,579,182)	67.2%	7,941,037	(592,819)
Payroll Benefits	3,096,269	3,082,827	696,601	663,955	803,911		2,164,467	(918,360)	70.2%	2,257,362	(92,895)
Communication Charges	86,768	86,768	13,768	13,738	15,416		42,921	(43,847)	49.5%	58,500	(15,578)
Other Expense	2,876,677	2,026,881	432,118	425,946	430,631		1,288,694	(738,187)	63.6%	1,732,378	(443,684)
Patient Care Costs	179,861	179,861	8,713	13,839	198,721		221,272	41,411	123.0%	85,007	136,266
Plant Maintenance	214,849	214,849	29,429	17,806	131,429		178,664	(36,185)	83.2%	230,476	(51,812)
Services	4,138,925	4,138,925	141,332	110,507	226,073		477,913	(3,661,012)	11.5%	2,418,751	(1,940,838)
Student Costs (includes Grant-in-Aid)	5,397,328	5,397,328	2,797,922	406,900	1,664,730		4,869,553	(527,775)	90.2%	5,133,280	(263,727)
Supplies	1,819,693	1,825,193	170,451	385,981	514,808		1,071,239	(753,954)	58.7%	1,496,683	(425,445)
Travel	3,569,688	3,569,688	22,814	1,516,987	1,028,307		2,568,108	(1,001,580)	71.9%	3,652,801	(1,084,693)
Utilities	574,664	574,664	57,045	129,491	106,866		293,402	(281,262)	51.1%	396,605	(103,203)
Total	32,931,366	32,024,383	6,772,445	6,260,920	7,491,086	-	20,524,451	(11,499,932)	64.1%	25,402,880	(4,878,430)
									-		
Net	-	-	280,853	(3,281,285)	6,737,866	-	3,737,434	3,737,434	11.7%	(2,250,906)	5,988,341
					<u> </u>						

⁽¹⁾ Other sports tickets include women's soccer, track, baseball, softball, and volleyball

⁽²⁾ Actuals through March 31, 2021



Schedule B

FY21 Budgeted Expenses and Actuals by Sport Exhibit P21 (1)

	Football		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	2,572,693	1,844,005	728,688
Payroll Benefits	755,029	493,883	261,146
Communication Charges	25,050	8,494	16,556
Other Expense	72,847	49,126	23,721
Patient Care Costs	18,000	6,173	11,827
Plant Maintenance	35,300	121,519	(86,219)
Services	984,733	158,112	826,621
Student Costs/Grant-in-Aid (2)	1,944,886	1,828,519	116,367
Supplies	90,600	55,023	35,577
Travel	1,501,000	1,485,357	15,643
Utilities	25,000	-	25,000
Total	8,025,138	6,050,211	1,974,927

Me	n's Baseball		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	394,672	276,501	118,171
Payroll Benefits	106,168	79,781	26,387
Communication Charges	-	405	(405)
Other Expense	7,379	3,996	3,383
Patient Care Costs	-	-	-
Plant Maintenance	3,900	548	3,352
Services	51,200	21,410	29,790
Student Costs/Grant-in-Aid (2)	174,135	173,930	205
Supplies	35,155	16,732	18,423
Travel	185,675	50,554	135,121
Utilities	-	-	-
Total	958,284	623,856	334,428

Won	nen's Softball		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	183,000	124,091	58,909
Payroll Benefits	58,376	43,436	14,940
Communication Charges	540	608	(68)
Other Expense	4,209	2,525	1,684
Patient Care Costs	-	-	-
Plant Maintenance	2,422	705	1,717
Services	29,360	556	28,804
Student Costs/Grant-in-Aid (2)	147,992	145,992	2,000
Supplies	19,016	12,714	6,302
Travel	146,900	49,265	97,635
Utilities	-	-	-
Total	591,815	379,892	211,923

Men	Men's Basketball				
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance		
Salaries	1,582,594	1,087,723	494,871		
Payroll Benefits	348,629	245,339	103,290		
Communication Charges	12,750	3,848	8,902		
Other Expense	32,284	15,930	16,354		
Patient Care Costs	5,000	685	4,315		
Plant Maintenance	39,140	14,354	24,786		
Services	724,790	49,652	675,138		
Student Costs/Grant-in-Aid (2)	306,716	264,944	41,772		
Supplies	58,550	46,496	12,054		
Travel	544,500	423,624	120,876		
Utilities	-	-	-		
Total	3,654,953	2,152,594	1,502,359		

Wome	en's Basketba	II	
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	804,741	559,169	245,572
Payroll Benefits	244,723	175,494	69,229
Communication Charges	1,550	1,148	403
Other Expense	17,927	8,979	8,948
Patient Care Costs	-	-	-
Plant Maintenance	15,700	4,273	11,427
Services	288,852	34,078	254,774
Student Costs/Grant-in-Aid (2)	222,341	186,453	35,888
Supplies	44,941	9,769	35,172
Travel	452,375	244,474	207,901
Utilities	-	-	-
Total	2,093,150	1,223,837	869,313

Wor	Women's Soccer					
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance			
Salaries	201,900	139,088	62,812			
Payroll Benefits	65,115	49,681	15,434			
Communication Charges	1,060	450	610			
Other Expense	3,599	3,110	489			
Patient Care Costs	-	1,560	(1,560)			
Plant Maintenance	-	-	-			
Services	9,600	6,309	3,291			
Student Costs/Grant-in-Aid (2)	287,475	290,080	(2,605)			
Supplies	6,650	6,900	(250)			
Travel	127,100	32,523	94,577			
Utilities	-	-	-			
Total	702,499	529,700	172,799			

ı	Men's Golf		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	168,500	126,375	42,125
Payroll Benefits	55,606	51,010	4,596
Communication Charges	-	203	(203)
Other Expense	2,182	1,864	318
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	2,680	3,650	(970)
Student Costs/Grant-in-Aid (2)	84,920	86,038	(1,118)
Supplies	(2,000)	14,518	(16,518)
Travel	69,568	17,907	51,661
Utilities	600	550	50
Total	382,056	302,115	79,941

We	omen's Golf		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	151,726	113,794	37,932
Payroll Benefits	50,069	46,776	3,293
Communication Charges	-	-	-
Other Expense	3,137	1,756	1,381
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	12,600	5,590	7,010
Student Costs/Grant-in-Aid (2)	114,077	113,509	568
Supplies	3,150	5,983	(2,833)
Travel	51,850	13,972	37,878
Utilities	600	550	50
Total	387,209	301,931	85,278

Me	en's Tennis		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	103,000	68,150	34,850
Payroll Benefits	33,991	27,289	6,702
Communication Charges	290	203	88
Other Expense	3,214	1,043	2,171
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	18,810	1,095	17,715
Student Costs/Grant-in-Aid (2)	48,619	45,896	2,723
Supplies	13,300	4,022	9,278
Travel	48,700	17,121	31,579
Utilities	-	-	-
Total	269,924	164,819	105,105

Wor	men's Tennis		
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance
Salaries	103,000	70,350	32,650
Payroll Benefits	33,991	21,549	12,442
Communication Charges	610	52	558
Other Expense	1,924	1,158	766
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	17,910	357	17,553
Student Costs/Grant-in-Aid (2)	96,288	94,353	1,935
Supplies	11,615	2,712	8,903
Travel	50,500	12,004	38,496
Utilities	-	-	-
Total	315,838	202,536	113,302

Cross Country (M/W) (3)						
Expense Description	Expense Description FY21 Revised Budget		FY21 Budget to Actuals Variance			
Salaries	110,325	82,744	27,581			
Payroll Benefits	36,406	28,567	7,839			
Communication Charges	-	-	-			
Other Expense	1,648	1,128	520			
Patient Care Costs	111	-	111			
Plant Maintenance	487	-	487			
Services	3,314	-	3,314			
Student Costs/Grant-in-Aid (2)	51,405	52,350	(945)			
Supplies	1,855	190	1,665			
Travel	55,060	20,429	34,631			
Utilities	-	-	-			
Total	260,611	185,406	75,205			

Track (M/W) (3)						
Expense Description	Expense Description FY21 Revised Budget		FY21 Budget to Actuals Variance			
Salaries	196,825	147,101	49,724			
Payroll Benefits	70,877	59,652	11,225			
Communication Charges	560	203	358			
Other Expense	4,864	3,673	1,191			
Patient Care Costs	-	493	(493)			
Plant Maintenance	-	-	-			
Services	725	1,251	(526)			
Student Costs/Grant-in-Aid (2)	376,289	368,451	7,838			
Supplies	(2,187)	4,133	(6,320)			
Travel	227,950	25,217	202,733			
Utilities	-	-	-			
Total	875,903	610,175	265,728			

Return to page 10

Women's Volleyball					
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance		
Salaries	237,007	177,496	59,511		
Payroll Benefits	78,212	65,668	12,544		
Communication Charges	330	248	83		
Other Expense	4,646	3,323	1,323		
Patient Care Costs	-	59	(59)		
Plant Maintenance	23,300	-	23,300		
Services	38,100	998	37,102		
Student Costs/Grant-in-Aid (2)	216,332	218,394	(2,062)		
Supplies	28,437	11,765	16,672		
Travel	111,253	54,606	56,647		
Utilities	-	-	-		
Total	737,617	532,555	205,062		

Swimming/Diving						
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance			
Salaries	146,810	110,108	36,702			
Payroll Benefits	48,448	41,725	6,723			
Communication Charges	-	-	-			
Other Expense	2,975	1,646	1,329			
Patient Care Costs	-	-	-			
Plant Maintenance	-	-	-			
Services	500	70	430			
Student Costs/Grant-in-Aid (2)	164,247	162,282	1,965			
Supplies	22,725	4,632	18,093			
Travel	107,700	299	107,401			
Utilities	-	-	-			
Total	493,405	320,762	172,643			

Spirit						
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance			
Salaries	-	-	-			
Payroll Benefits	-	-	-			
Communication Charges	-	-	-			
Other Expense	508	171	337			
Patient Care Costs	-	-	-			
Plant Maintenance	-	-	-			
Services	-	-	-			
Student Costs/Grant-in-Aid (2)	-	7,500	(7,500)			
Supplies	33,900	8,924	24,976			
Travel	-	-	-			
Utilities	-	-	-			
Total	34,408	16,596	17,812			

Administration/Events/Other Operating (4)						
Expense Description	FY21 Revised Budget	FY21 YTD Actuals	FY21 Budget to Actuals Variance			
Salaries	3,970,606	2,421,524	1,549,082			
Payroll Benefits	1,097,187	734,617	362,570			
Communication Charges	44,028	27,062	16,966			
Other Expense	1,863,538	1,189,265	674,273			
Patient Care Costs	156,750	212,302	(55,552)			
Plant Maintenance	94,600	37,265	57,335			
Services	1,955,751	194,785	1,760,966			
Student Costs/Grant-in-Aid (2)	1,161,606	830,860	330,746			
Supplies	1,459,486	866,724	592,762			
Travel	(110,443)	120,759	(231,202)			
Utilities	548,464	292,302	256,162			
Total	12,241,573	6,927,467	5,314,106			

Total 32,024,383 20,524,451 11,499,932

⁽¹⁾ Does not include special events and bowl games

⁽²⁾ FY21 Grant-in-Aid actuals will be allocated to individual sports as expenses post

 $[\]hbox{(3) $\it MW$ track and cross-country coaches salaries split 50/50 between sports. } \\$

⁽⁴⁾ Includes Events Management, Special Events, Bowl Games, Championships, Gifts-in-Kind, Parking, Concessions, Ticket Office, Administration, Business Office, Leagues and Clubs, Compliance, Advisement, Facility Rentals, Sports Camps, Utilities, Student Assistance Funds, Life skills, Pre Season Training, Athletic Vans, Insurance, Marketing and Media Relations



Memorandum of Understanding

TO:

Eddie Nunez, Director of Athletics

FROM:

Nicole Dopson, Director of Financial Operations

CC:

Ryan Berryman, Associate A.D. for Business Operations

Kara Moeller, Financial Analyst for Academic Affairs Fiscal Shared Service

DATE:

5/26/21

SUBJECT:

FY22 Athletics' Fiscal Shared Service Agreement

This MOU is to finalize the agreement that the Department of Athletics will participate in the Academic Affairs Fiscal Shared Service Center for FY22. This agreement includes the following duties and responsibilities, which are summarized below and detailed in Attachment A. The fiscal advisor assigned to support Athletics is **Kara Moeller** who will act as the primary contact for this unit. However, within the Fiscal Shared Service team additional accounting staff will help with fiscal processing and the director of the center will advise on high level reporting, strategic planning and fiscal analysis; therefore the unit will have access to the entire Fiscal Shared Service team.

Fiscal Duties and Responsibilities:

- 1. **Fiscal transactional processing**: includes purchasing, reimbursements, payments, collections, money lists and other transactions directly related to fiscal processes
- 2. Account reconciliations and forecasts: multi-year forecasts will be built for each index, monitored and reconciled on a monthly basis
- 3. Financial reporting efforts: includes both internal reporting efforts such as budget development, mid-year projections and categorization of reserves; and external reporting efforts such as the NCAA and EADA annual reports
- 4. Fiscal analysis and strategic planning with program leadership: provide trend analysis, investigate opportunities for new revenue sources and expenditure controls, etc.

Please note the Fiscal Shared Service team acts only as advisors to the department's leadership team and does not make managerial decisions, nor is responsible for the decisions made by the leadership within the unit. The ultimate fiscal responsibility resides within the department's leadership team and director of the unit.

Annual Evaluation of Performance:

The Fiscal Shared Service team's goal is to provide quality services, therefore the unit will have the opportunity to provide annual feedback on the performance of the fiscal advisor and the effectiveness of the entire Fiscal Shared Service team during annual staff performance reviews. The fiscal advisor reports directly to the Director of Financial Operations for Academic Affairs, however has responsibility



to the director and/or designee of the unit. The director and/or designee will have direct input on the fiscal advisor's annual performance evaluation. If the director is not receiving the support and/or quality of service expected the director of Fiscal Shared Services can assign another fiscal advisor to the unit per approval from the unit director.

Annual Service Fee:

Given the scope, size and the current fiscal challenges of the Athletics department, the annual service fee for FY22 will be limited to \$50,000. The funding for this fee will be transferred to the Fiscal Shared Service Center at the beginning of FY22. At the end of the fiscal year the agreement will be open for renegotiation based on the needs of the unit.

I acknowledge the terms of this agreement, and any changes made to this agreement must be renegotiated between both the parties authorizing this agreement.

Eddie Nunez, Director of Athletics

Nicole Dopson, Director of Financial Operations

Date

Date



Fiscal Shared Services

Athletics (ADC/Ivl. 3) all exhibits in this org.

Accounting Duties

Monthly reconciliations and monthly meetings with program leadership

Monthly AR reconciliations

Multi-Year forecasts

Journal and budget entries

Reimbursements and payments in Chrome River

Fiscal related EPAFs

Labor redistributions

Finance approval queues (Banner, Lobomart and Chrome River)

Fiscal guidance and strategic planning with program leadership

Fiscal communications, guidance and training

Purchasing Duties

Purchasing with Lobomart (PO processing)

Internal purchasing (PR processing)

Purchasing with UNM pcard (1)

Internal Reporting-

Budget Development (Budget and Salary Planner)

-Budget development for all program indices

Categorization of Reserves (CAR)

- Development and presentation of CAR

Mid-Year Projections

- Development and presentation of projections

Telecom/cell phone review (annual review)

Fiscal Analysis, special projects and other reporting efforts

External Reporting-

Athletics Annual Reporting

- EADA report (financial part)
- NCAA report (financial part)

(1) This duty will be dependent on the pcard holder review and final recommendation

				Estimated			
Recommendation State:	Recommendation Title	Executive Recommendation	Management Response	Implementation Date	Recommendation Action		Contributor
Closed	Recommendation 2 - General Activies Financial Management	review of expenses throughout the year to ensure	All budgets will be closely monitored throughout the year to ensure expenses are within budget at year end. This process will include: (1) at thorough review of expenses throughout the year to ensure expenses, by budgeted line item, are within budget; (2) budgeted expenses will be adjusted at least quarterly to reflect adjustments to actual revenues; and (3) a cost savings analysis will be conducted on a quarterly basis to determine where management-controlled expenses can be reduced.	9/1/2018	The Shared Service Center Director of Financial Operations indicate that expenses are monitored daily by the Fiscal Shared Service Center and reported to Athletics' leadership team; examples of cost efficiencies include the review of the ticketing operations, security and event staffing reductions and the review and approval process for every vacant or new position. In addition, all contracts are discussed in detail to assure budget availability for the current year and accounted for in future years. The Director of Financial Operations believes there has been identified saving in all these efforts detailed above. Internal Audit reviewed the Athletics budget vs. actual report for December 31, 2018 and the cost savings analysis for the proposed ticketing system prepared by the Fiscal Shared Services department.	Robert David Robinson Fiscal Opns Director/Division	
Closed	Recommendation 4 - Fundraising	The Director of Intercollegiate Activities should consult with the University of New Mexico Board of Regents and University Counset to revise and update the May 17, 2015 Memorandum of Agreement between the Board of Regents, UNM Foundation, and the UNM Lobo Club to clearly define roles and responsibilities of all parties in the agreement.		9/30/2018	Internal Audit obtained and reviewed the executed MOU signed by Lobo Club President and UNM President.	Eduardo Nunez,Dir,Intercollegiate Athletics	
Closed	Recommendation 5 - Enhancement Funds	The Athletics Chief Financial Officer should ensure that sports enhancement fundraising and donor cultivation activity is charged to the enhancement funds within Lobo Club. Reserves remaining in the Sports Enhancement Funds recorded in Banner should be expended on goods or services that is not a fundraising or donor cultivation activity.	All sports enhancement fundraising and donor cultivation activity is currently charged to the enhancement funds within Lobo Club. Following the conclusion of each fundraising event, the net profits raised will only be transferred from the Lobo Club to Athletics for public use as funds are needed. Otherwise, monies generated from fundraising events will remain at the Lobo Club.	5/18/2018	Internal Audit has verified fundraising and donor cultivation activities are now recorded using the Lobo Club sports enhancement funds. Internal Audit has also verified the remaining reserves in the UNM sports enhancement indices are being reduced with expenses for valid sports activities not related to fundraising and donor cultivation	Robert David Robinson, Fiscal Opns Director/Division	
Closed	Recommendation 6 - Agency Fund Written Procedures	The Athletics Chief Financial Officer should develop formal fund establishment documentation for the Agency fund that outlines the purpose and use of the fund.	Formal fund establishment documentation for the Agency fund outlining the purpose and use of the fund will be developed and implemented. In addition, written procedures will be developed to clearly explain and support the financial activity that flows between the Lobo Club, Agency fund, and unrestricted athletics accounts.	9/1/2018	Internal Audit has received and reviewed the formal written process for the Lobo Club agency fund. In addition, Internal Audit verified Athletics is preparing fund establishment documentation for all new funds.	Robert David Robinson, Fiscal Opns Director/Division	
Closed	Recommendation 7 - Financial Reporting by Athletics Program	The Athletics Chief Financial Officer should complete a thorough assessment of financial reporting in the Banner Accounting System and determine which transactions are not being recorded correctly by Athletics program.	A thorough assessment of financial reporting in the Banner Accounting System will be conducted to determine which transactions are not being recorded correctly by Athletics program. Following the completion of this assessment, Athletics accounts will be properly organized in Banner to ensure that transactions such as fundraising, payroll, and financial awards are recorded in the applicable Athletics program. Further, budgeted salaries for Athletics stiff will be properly organized in the Banner index that corresponds to their Athletics program using the "Salary Planner" budget module. This measure will ensure salary and benefits are budgeted and recorded in the correct Athletics program as they occur.	9/1/2018	The Fiscal Shared Service Center has completed a thorough assessment of Athletics financial reporting in the Banner Accounting System and organized Athletics indices to ensure all transactions are recorded in the applicable index, by Athletics program. The tracking financial reporting of Athletics activity, by program is presented to the Board of Regents during scheduled meetings. Internal Audit has reviewed detailed spreadsheets and has verified that financial reports are being presented to the Board of Regents during scheduled meetings.	Robert David Robinson, Fiscal Opns Director/Division	
Closed	Recommendation 8 - Account Coding	Card reviewers are conducting thorough reviews of P-Card	A thorough review of all P-Card activity will be conducted to ensure that reviewers of P-Card activity are following all applicable policies and procedures and all P-Card transactions are recorded to the appropriate expense account.	9/1/2018	Athletics entered into a shared service agreement with the Academic Affairs Shared Service Center. As part of the agreement, the Shared Service Center conducts a review of P-Card transactions. Internal Audit performed testwork and determined the shared service center is adequately reviewing transactions and ensuring expenses are recorded to the correct account code.	Robert David Robinson, Fiscal Opns Director/Division	
Closed	Recommendation 9 - Cash Advances	The Athletics Chief Financial Officer should ensure that supporting documentation submitted for cash advances clearly supports the business purpose, and identifies how cash advance needs are calculated.	A thorough assessment of all activities related to cash advances will be completed. Following the completion of this assessment, best practices will be implemented and internal controls will be strengthened and enforced to ensure that all cash advances are for a valid business purpose, the documentation submitted for each cash advance clearly supports the business purpose, and excess cash is deposited in a timely manner.	9/1/2018	Card office to determine Athletics is very rarely obtaining cash advances, as only one advance for \$50 was taken since June 2018. Supporting documentation was adequate for this advance. Athletics management indicated the only exception an advance would be requested is for host money for recruiting purposes. Such advances would be minimal. In addition, cash advances on a P-Card are now tightly restricted by the UNM P-Card office.	Robert David Robinson, Fiscal Opns Director/Division	
Closed	Recommendation 10 - Cash Management Training	The Athletics Chief Financial Officer should require all Athletics P-Cardholders to take the Cash Management training and enforce cash management policies and procedures requiring timely deposit of excess cash not used from cash advances.	All Athletics P-Cardholders will be required to complete Cash Management training and all cash management policies and procedures will be enforced, such as requiring timely deposit of excess cash not used from cash advances. In addition, any excess cash will be deposited by the next working day upon completion of the business activity.	9/1/2018	Internal Audit reviewed Athletics P-Card activity and received communication from the P-Card office to determine Athletics is very rarely obtaining cash advances, as only one advance for \$50 was taken since June 2018. Supporting documentation was adequate for this advance. Athletics management indicated the only exception an advance would be requested is for host money for recruiting purposes. Such advances would be minimal. In addition, cash advances on a P-Card are now tightly restricted by the UNM P-Card office. Internal Audit determined that considering the rare use of cash advances, it is not necessary for Athletics P-Cardholders to complete the cash management training.	Robert David Robinson. Fiscal Opns Director/Division	
Closed	Recommendation 11 - Chrome River Approvers	an assessment of P-Cardholders, P-Card transactions, and reimbursements by each Athletics area Assign Chrome River reviewers and approvers responsible for the review and approval of P-Cardholders and	A thorough assessment of P-Cardholders, P-Card transactions, and reimbursements by each Athletics area will be completed to determine the number of Chrome River reviewers and approvers needed for each Athletics area. Chrome River reviewers and approvers responsible for the review and approval of P-Cardholders and reimbursements will be assigned according to official duties and areas of oversight. All reviewers and approvers will be required to complete the Chrome River online training.	9/1/2018	Athletics entered into a shared service agreement with the Academic Affairs Shared Service Center. As part of the agreement, the Shared Service Center is responsible for conducting the review of Athletics P-Card transactions. Internal Audit tested Athletics P-Card transactions and verified Athletics P-Card transactions are reviewed in Chrome River by the Shared Service Center.	Robert David Robinson, Fiscal Opns Director/Division	

Closed	Recommendation 12a - Coaches Overpayments	The Vice President for Human Resources should address identified payroll weaknesses, make sure extra compensation payments are not duplicated in the future; and, review the data entry process for Non-Standard Payments.	The Division of Human Resources worked with the Office of University Counsel to modify the current employment contract/addendum amendment process for Athletic staff, Previously, when a portion of a coach's contract was changed, an amendment to the addendum is issued addressing only the terms that have changed. Currently, the Division of Human Resources now creates a new addendum in its entirety whenever there is a change in the terms of employment beyond a change in salary, duration, or other minor revision. 2. The UNM Division of Human Resources will review the NSP form upon receipt and prior to processing into UNM's Banner System. They will be responsible for verifying the accuracy of the data on the form and ensuring there is no duplication of NSP payments. They will also review existing NSP payments already in Banner, and terminate as needed. A standard operating procedure and corresponding checklist has been developed to ensure a consistent process by Central HR when entering and reviewing NSP forms.	5/17/2018	The Vice-President for Human Resources implemented standard operating procedures for the non-standard payment process for Athletics coaches. Internal Audit reviewed the SOP for the implemented process in place.	Dorothy Terese Anderson Vice President, Human Resources	Michael Brown
	Recommendation 12b - Coaches Overpayments	The Senior Associate Athletics Director for Administration should ensure that Non-Standard Pay (NSP) forms accurately reflect contract terms; provide the Payroll Department copies of both the NSP forms and the coaches' contracts, and monitor payments to coaches for three (3) months after contracts are initially executed, changed, or renegotiated.	Effective FY 18, Athletics HR will create a spreadsheet that includes all compensation -related details for coaches' contracts. Athletics HR will continue to update and send spreadsheet for contract employees at least annually (send by July 1 each year) and then if there were to be mid-year changes will send updates on an as-needed basis to HR consultant and Athletics CFO. Athletics HR will review be responsible for monitoring the encumbrances compared to coach's pay on a quarterly basis against the contract termsBeginning July 1, 2018 Athletics Business office, primarily the Senior Associate Athletics Director - CFO, unless otherwise delegated, will be responsible for monitoring the encumbrance compared to coaches' pay on a monthly basis during account reconcilation. This will ensure payments made to coaches are consistent with the terms of the contract. In conjunction with Athletics HR quarterly review, any errors will be identified in a timely manner to ensure collection of overpayment or payment of underpayment.	7/1/2018	Athletics entered into a shared services agreement with Human Resources, which has assumed the maintenance of the Athletics contract staff tracking spreadsheet. HR indicated the spreadsheet will be updated at least annually and for any mid-year changes. Human Resources will share the spreadsheet with the Senior Associate Athletics Director - CFO on a regular basis. Internal Audit reviewed the shared service agreement and spreadsheet developed by HR for tracking Athletics contracts.	Kaley Espindola,HR. Administrator 3	Robert David Robinson
Closed	Recommendation 13 - Courtesy Car Program	A signed agreement should be obtained for every courtesy car issued to an Athletics employee, and mileage should be closely reviewed to ensure personal vs. business miles are accurately reported. In addition, courtesy cars should only be assigned to Athletics' employees if provided by their contract.	The outlined recommendations have been implemented. All personnel within the courtesy car program have completed and reviewed all policies and procedures prior to obtaining the courtesy vehicle. Athletics staff members and the Athletic Business Office will continue to monitor all aspect of the program with all employees.	5/17/2018	Internal Audit reviewed mileage reported by selected courtesy car recipients and determined mileage is accurately being reported. In addition, Athletics management indicated they will continue to ensure all courtesy car recipients have a signed agreement on file.	Nunez, Dir, Intercollegiate	Ed Manzanares Robert David Robinson
	Recommedation 14 - Leaffield Coommunications Agreement	The Director of Intercollegiate Athletics should a.) work with UNM Legal Coursel and Learfield Communications to determine a path forward to payment from Lobo Sports Properties, which may take the form of an amended or new contract, and b.) work with Learfield Communications and Pepsi to ensure that credits due Learfield pursuant to the contact are properly transacted.	Athletics worked with UNM Legal Counsel and Learfield in amending the 2013 Marketing and Media Rights agreement with Learfield Communications. The amended agreement was signed by the appropriate UNM officials on May 10, 2018 and Learfield on May 11, 2018. Pepsi money allocated to sponsorship will be deducted from the annual rights fee in fiscal year 2019	5/17/2018	June 30, 2019. In addition, Learfield applied credits for the Pepsi contract from its second	Eduardo Nunez,Dir,Intercollegiate Athletics	
	Recommendation 15 - Contract Execution and Compliance	The Director of Intercollegiate Athletics should ensure all Athletics contracts are reviewed by a designated Contract Review Officer and ensure contracts/agreements are not entered by an Athletics employee who is not authorized to enter contracts/agreements.	All Athletics contracts are reviewed by a designated Contract Review Officer. In addition, all contracts initiated by the Director of Intercollegiate Athletics are reviewed and approved by the Purchasing Department and the President All Athletics contracts/agreements are entered by an Athletics employee who is authorized to enter contracts/agreements	5/17/2018	Internal Audit reviewed four contracts entered during FY 2019 and noted they were all authorized by the UNM Purchasing department.	Eduardo_ Nunez,Dir,Intercollegiate_ Athletics	
	Recommedation 16a- Endowment. Disbursements	The Athletics Chief Financial Officer should a. Develop a formal process for the awarding and disbursement of financial awards from endowment funds. b. Implement a scholarship committee. c. Perform a detailed review of disbursements from endowed funds to ensure activity charged to endowments are in compliance with donor intent. d. Reimburse endowments that were incorrectly charged for disbursements that did not meet donor restrictions.	A formal process will be developed for the awarding and disbursement of financial awards from endowment funds. A scholarship committee will be formed to review student qualifications to ensure financial awards disbursed from endowments meet donor restrictions. A detailed review of disbursements from endowed funds will be performed to ensure activity charged to endowments are in compliance with donor intent. Endowments that were incorrectly charged for disbursements due to the failure to meet donor restrictions will be reimbursed. Athletics administration will work with donors to broaden restrictions on certain endowments if current restrictions are difficult to meet.	9/1/2018	a. Implemented: Internal Audit reviewed the formal written process for awarding and disbursing financial awards from endowment funds. b. Implemented: Athletics implemented a scholarship committee for awards disbursed from endowments, which consists of the Associate AD of compliance, Associate AD for Academic Services, Deputy Director for Internal Operations, and the Athletics CFO. Athletics also developed a Scholarship Endowment Form for formally selecting and documenting award disbursements and recipients. c. Implemented: Internal Audit reviewed disbursements from endowments and verified the implemented process was used for scholarship disbursements.d. Implemented: Athletics entered a shared service agreement with the Academic Affairs Shared Service Center. The Fiscal Shared Service department provided Internal Audit with the JVs recorded to reimburse endowments charged for disbursements that did not comply with donor restrictions. Internal Audit reviewed the JVs to verify they were properly recorded. e. Athletics management does not believe it is necessary to work with donors to broaden restrictions for any endowments. Management believes thields will be able to comply with all current donor restrictions for all endowments.	Robert David Robinson, Fiscal Opns Director/Division	Janice Ruggiero
	Recommedation 16b - Endowment Disbursements	The University Controller should ensure expenses recorded by Unrestricted Accounting to endowment accounts are only made if adequate supporting documentation has been reviewed.	Effective immediately, no journal vouchers submitted for approval that are transferring costs from athletic operation indexes to endowment accounts will be processed or approved without adequate supporting documentations indicating the specific transaction being transferred and must include supporting documentation indicating that the transaction being transferred is compliant with donor intent for the index receiving the transaction.	5/17/2018	Internal Audit reviewed endowment account detail for June 2018 and did not identify any JVs to charge expenses to endowment accounts that were posted by unrestricted accounting. The Controller's office further indicated that unrestricted accounting will no longer record JVs to endowment accounts unless adequate supporting documentation is provided that supports compliance with donor intent.	Elizabeth Metzger,University Controller	Marty Desautels

	Suite and Club Seat Sales and Collection	The Interim Executive Director of the Lobo Club should a continue to ensure formal documentation such as contracts or sales invoices is obtained for every Pit Suite and Club Seat sale; b. enforce implemented collection procedures; c. ensure receivables are reconciled on a regular basis to ensure balances are accurately reported; and d. work with UNM's Legal Counsel and/or the Director of Intercollegiate Athletics to develop a formal agreement that clearly defines the roles and responsibilities pertaining to UNM and the Lobo Club for the sale and collection of Pit Suites and Club Seats.	Recommendations (A), (B), and (C) have been implemented. Recommendation (D) - The Interim Executive Director of the Lobo Club is currently working with UNM's Legal Counsel as well as the Director of Intercollegiate Athletics to develop a formal agreement that clearly defines the roles and responsibilities pertaining to UNM and the Lobo Club for the sale and collection of Pit Suites and Club Seats	9/30/2018	Internal Audit reviewed a newly developed suite agreement and invoice used for the 2017-2018 basketball season and reviewed written processes for pit suite and club seat sales. Athletics sales and collection procedures resulted in 100% collection of sales for the 2018-2019 season. Internal Audit also reviewed a copy of a draft agreement between Lobo Club, Foundation, and Board of Regents. Athletics management indicated a recommendation for the restructuring of the Lobo Club has been presented to the President and further action, including finalizing the MOA, will take place once an official decision has been made. Follow-up procedures to verify final signed MOU are being completed within Recommendation 4: Fundraising. Therefore, Internal Audit considers this recommendation "implemented".	Jalen Ivan Dominguez, Executive Director, Lobo Club	
Closed		Athletics should purchase NCAA and MWC tournament tickets only for UNM officials with such a provision for tickets in their employment contract. The Director of Intercollegiate Athletics should require NCAA and MWC tournament tickets to be purchased through the Lobo Club.	Athletics purchases NCAA and MWC tournament tickets only for UNM officials who are attending to conduct official university business and/or have such a provision for tickets in their employment contract. The Director of Intercollegiate Athletics requires NCAA and MWC tournament tickets to be purchased through the Lobo Club, which may then sell or distribute tickets as it deems necessary.	9/30/2019	Athletics has implemented processes for the purchase and distribution of MWC and NCAA tournament tickets. The department has drafted an internal policy to document the purchase and distribution of MWC and NCAA tournament tickets, which has been incorporated in Athletics Business Operations Manual. Internal Audit verified that the 2020 MWC tournament tickets were purchased and distributed in accordance with Athletics policy and its Business Operations Manual.	Eduardo_ Nunez.Dir,Intercollegiate_ Athletics	
Closed	Recommedation 19 - Event Management Parking Fee Collections	The Assistant Athletics Director for Events should enforce compliance with UAP 7200: Cash Management and ensure that cash deposits from parking fee collections are made by the next working day and separate cash reconciliation and deposit duties.	The Events Planner is responsible for acquiring, counting and reconciling all monies collected for each event. This individual will count all monies collected and then place the funds in the safe after each event. The following working day, the Assistant AD - Events will count the funds in the safe and initiate a deposit in accordance with UAP 7200. Thus, the Assistant AD - Events will be responsible for cash deposits to reduce the risk of misappropriation and/or lost cash.	7/1/2018	Internal Audit completed additional reconciliation and deposit of parking fee cash collections for a men's basketball and football game and noted deposits were made timely, and responsibilities were adequately separated between cash reconciliation and deposits. Athletics has hired a new events manager who provides adequate oversight and review for the reconciliation and deposit of parking fee collections.	Eduardo_ Nunez,Dir,Intercollegiate_ Athletics	
Closed		The Director of Intercollegiate Athletics should add additional resources to assist in the payroll process for part-time and on-call employees to ensure payroll processing is complete by the pay period deadline	The Senior Associate Athletics Director - Administration will work with the Assistant Athletics Director - Events to change the current payroll tracking process to include the final Friday of the payroll cycle. Individual timesheets with both employee and supervisor signatures will be used. The Senior Associate Athletics Director - Administration will key timesheets, and prior to approval by the Senior Associate Athletics Director - CFO, will send the list of all inputted employees on Monday morning of the payroll deadline to ensure all time has been keyed properly and in advance of the deadline. The Senior Associate Athletics Director - CFO will then approve time and submit for processing prior to the payroll deadline.	9/30/2019	HR has implemented Lobo Time (Kronos) to process payroll for the on-call Special Events workers. The implementation of Lobo Time for on-call special events workers ensures that payroll processing is completed by payroll deadlines. Internal Audit verified the implementation of Lobo Time for Events Management Special Events workers.	Eduardo Nunez, Dir. Intercollegiate Athletics	Kaley Espindola Michael Haggerty Robert David Robinson
Implemented, but being monitored	Recommendaiton 1 - Business Processes	The Athletics Fiscal Operations Director should: a. The Fiscal Operations Director should also consider adding resources to the business office, such as an additional fultime employee, to strengthen internal controls within the accounting function. B. Budgeted expenses should also be closely monitored on a regular basis and adjusted to reflect actual revenues generated. This will decrease the risk of inaccurate revenue accruals, over-expended budgets, and year-end deficits. c. Amortize the \$500,000 additional investment received from Levy Restaurants over the term of the contract.d. Record funds intended for specific purposes and their corresponding expenses in their own index.	A comprehensive business operations manual detailing policies and procedures for specific business functions, including, but not limited to: journal vouchers, accounts payable, purchasing, cashiering, payroll, financial award processes, compliance with endowment restrictions, etc., will be developed and implemented. In addition, a comprehensive assessment of the business operations within Athletics will be completed in order for a determination to be made as to the most efficient use of the current resources within the office and whether additional resources are necessary in order for the best practices outlined in the comprehensive business operations manual to be implemented. Moving forward, account reconciliations will be performed on a regular basis throughout the year. In addition, revenue accruals will be adjusted on a quarterly basis to recognize actual revenues earned for the period. Further, budgeted expenses will also closely monitored on a regular basis and adjusted to reflect actual revenues generated, thereby addressing and minimizing the risk of inaccurate revenue accruals, over-expended budgets, and year-end deficits. Moving forward, the additional investments received from Levy Restaurants will be amortized over the term of the contract. Moving forward, funds intended for a specific purpose (as well as the corresponding expenses) will be recorded in its own index.	9/30/2019	The Athletics department has completed a working draft of its business operations manual. The business manual is being continuously updated as Athletics updates procedures and streamlines processers through its ARMS system. The manual has been disseminated to senior management at Athletics. While the document may continue to update, Athletics management provided a copy of the current business operations manual to Internal Audit for review. Internal Audit reviewed the drafted business operations manual and noted it includes all key operations processes. Internal Audit considers this recommendation implemented, but will continue to monitor the manual as it is being until management finalizes the manual.	Robert David Robinson, Fiscal Opns Director/Division	
Recommendation State:	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Owner	Contributor
Implemented, but being monitored	Recommendation 3 - Deficit Reduction Plan	The Director for Intercollegiate Athletics should ensure the approved deficit reduction plan is implemented.	The Athletics Department will work in conjunction with the Office of Planning, Budget and Analysis in implementing the approved deficit reduction plan.	5/18/2018	Athletics has maintained its approved ten-year Deficit Reduction Plan. Athletics and the UNM Shared Services report on Athletics financial status at regular scheduled meetings. COVID-19 has had a significant impact on Athletics financial situation and its deficit. Internal Audit will continue to monitor the deficit for FY 21.	Eduardo Nunez, Dir, Intercollegiate Athletics	



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Hotline: 888-899-6092; unm.ethicspoint.com

To: The HLC Focus Visit Team

From: Victor Griego, Interim Director of Internal Audit

Date: July 26, 2021

Subject: Department of Athletics Audit Recommendation Follow-up

This memo is to report the status of the Department of Athletics' (Athletics) internal audit recommendations. The Athletics' internal audit report dated May 16, 2018 reported a total of 20 audit recommendations. Corrective action has been fully implemented and verified by UNM Internal Audit for all 20 recommendations. Internal Audit has continued to monitor two (2) recommendations related to Athletics Business Processes (Recommendation 1) and Deficit Reduction Plan (Recommendation 3).

The University has moved the accumulated deficit of \$4.5M out of Athletics' operational budget, and has taken responsibility to pay down the deficit over 10 years centrally. In addition. Athletics had an accumulated deficit from FY20 of \$1.6M, which has been fully paid off. This resulted in the department having a positive \$1.4M ending balance for FY21. Given that the department no longer has an accumulated deficit, Internal Audit intends to close Recommendation 3 - Deficit Reduction Plan for reporting at the upcoming August 5. 2021 Audit and Compliance Committee meeting.

Furthermore, Internal Audit has verified continued improvements in business processes and updates to its business operations manual. Therefore, Internal Audit also intends to close Recommendation 1 - Business Processes. Athletics' business operation manual is updated frequently and reflects NCAA and University compliance requirements and procedures. This manual has been utilized by the department since 2019. In addition, the department's fiscal operations were moved to UNM Fiscal Shared Services within Academic Affairs in 2018. Athletics provides quarterly financial reports to the UNM Board of Regents to ensure transparency and demonstrate fiscal management. If you have any questions or would like further information, feel free to contact me at 505-710-0561.

cc: Eddie Nunez, Director of Intercollegiate Athletics Nicole Dopson, Director of Financial Operations





UNM Athletics Multi-Year Financial and FY21 Funding Request

Budget Leadership Team February 7, 2020

Current Budget Review

	UNM (Current FY20)	UNM (FY21 Projected)	MWC Average (Current)
Student Fees	\$3.57*	\$3.29M	\$4.91M
Direct State/Government Support	\$3.79M	\$3.79M	\$4.18M
Total Institutional Support, Government & Fees	\$14.63M	\$14.34M	\$18.37M
Number of Sports	18	18	18.5*

- Athletics total budget ranks 8th of 11 in MWC
- Total financial support ranks 9th of 11 in MWC
- Total institutional support of Athletics budget is the 2nd
 lowest in MWC

^{*}Excluding Air Force

Multi-Year Financial Assumptions

Revenues-

- NCAA/MWC distribution- \$384K decrease in F21 forward due to sports elimination in FY20
- Media Rights/Sponsorship- estimated a \$1.1M incremental increase over 5 years from the FY20 budget
- Student Fees- estimated an incremental increase over 4 years from the proposed FY21 amount of \$3.3M to \$4M (FY21 based on current SFRB recommendation)
- State Appropriation- estimated an incremental increase over 4 years from the proposed <u>FY21 amount of \$3.8M (same as FY20)</u> to \$4.2M (current conference average)
- Fundraising- estimated a \$200K incremental increase over 5 years
- Game Guarantees- varies per contract over 5 years (\$1.2M average per year)
- Pit Suite revenues- estimated a 6.3% increase over 5 years
- Merchandise revenues- estimated a 10% increase over 5 years
- Ticket Sales-
 - Men's basketball- estimated an incremental increase of 5% over 5 years
 - Football- estimated an incremental increase of 10% over 5 years
 - Women's basketball- estimated an incremental increase of 10% over 5 years

Multi-Year Financial Assumptions

Expenses-

- Compensation and benefits estimated increase of 4% for FY21-22, and 3% for FY23-25 (on non-contract staff only)
- Incentive pay for current employee contracts
- Pit Suite debt service payments varies over 5 years, average per year \$1.9M (\$800K increase from current year)
- Student costs, which include tuition and fee expenses include a 3.5% increase per year
- Travel expenses include the \$200K increase and an inflationary
 2% increase per year over 5 years
- All other expenses include a 2% inflationary increase per year over 5 years

Other Assumptions-

 Proposal to possibly extend the HED mandated deficit reduction plan to 15 years, decreasing the payment from \$487K to \$299K per year

Funding Requests Summarized

Recurring Requests- \$1.1M

Priority	Description	FY21	FY22	FY23	FY2	24	F	Y25
1	Football Equipment Budget	\$ 275,000						
2	Additional Cost of Attendance	\$ 350,000	\$ 150,000					
3	Basketball Coach's salary backfill	\$ 60,000						
4	Additional Travel		\$ 100,000					
5	Basketball budget backfill		\$ 80,000					
6	Facilities maintenance		\$ 41,000					
_	Total Recurring Request	\$ 685,000	\$ 371,000	\$ -	\$	-	\$	-

Non-Recurring Requests \$9.7M

Priority	Description	FY21	FY22	FY23	FY24	FY25
1	Debt Service Waiver	\$ 1,805,613	\$ 1,861,331	\$ 1,860,701	\$ 2,168,144	\$ 2,025,360
	Total Non-Recurring Request	\$ 1,805,613	\$ 1,861,331	\$ 1,860,701	\$ 2,168,144	\$ 2,025,360

Multi-Year Financial Plan Summary

	FY20	FY21	FY22	FY23	FY24	FY25
Revenue		_				
Pooled Revenue	26,001,527	26,823,048	27,675,909	28,488,770	29,037,631	29,475,742
Directed Revenue	6,078,300	6,437,000	5,945,260	6,058,515	6,435,768	6,846,920
Total Revenue	32,079,827	33,260,048	33,621,169	34,547,285	35,473,399	36,322,662
Evnanças						
Expenses		I				
Salaries and Benefits	13,062,092	13,443,334	13,632,201	13,796,684	14,003,634	14,213,688
Other Expenses	19,017,735	19,676,842	20,151,887	20,739,285	21,241,384	21,856,582
Total Expenses	32,079,827	33,120,175	33,784,087	34,535,969	35,245,018	36,070,270
Net	-	139,873	(162,918)	11,316	228,381	252,392

^{*}The table above is a summary of the Athletics' operating budget based on the multiyear revenue and expense assumptions, as well as fully funding the proposed funding requests.



Updated Aug-2019

President's Units'-Financial Planning Form (FY21-FY25)

Department Name: Department of Athletics

Department Contact Name: Eddie Nunez, Athletic Director

Instructions: Please complete the following sections of this document, including the each requested schedule that can be found in the **Financial Planning Template** excel workbook. Please submit this form, along with the requested schedules and any additional attachments (narrative documents in one PDF and the excel workbook separately) to Terry Babbitt tbabbitt@unm.edu by November 1, 2019.

Part I: Prior-year Outcomes and Achievements

1. Briefly describe significant achievements over the past 5 years, including completion of strategic initiatives, programmatic changes, service improvements, new or enhanced revenue streams, and collaborations.

The Athletic department supports 18 varsity sports and over 400 student-athletes both academically and athletically. Athletic accomplishments in the last few years include an NCAA National Championship in Women's Cross Country, Mountain West Championships in men's golf, women's soccer, men's tennis, and women's cross country. Academically, the department achieved a cumulative 3.28 GPA during the 2018-19 academic year while also earning first place out of eleven Mountain West Conference schools with 135 scholar-athletes.

Athletics self-generated revenues from ticket sales are highly volatile, but the department has placed emphasis on both external marketing and fundraising employees to attempt to enhance existing revenue streams. A new multi-media rights partner also offers potential for new revenue streams as the partner looks to leverage athletics' inventory for sponsorship opportunities and income. The department may initially suffer from "switching costs" from one multi-media rights partner to the next, but the revenue share model is favorable to the department.

The department has partnered with Fiscal Shared Services in the Provost's office to reduce overhead and improve efficiency of its business operations and accounting. A shared services model has also been adopted for Human Resources of the department, reducing overhead and salary. Additionally, the department has also placed an emphasis on increasing the number of employment and intern opportunities for students. As of the Fall of 2019, over 60 positions were made available to students to both reduce overhead and provide valuable work experience for UNM students.

 Describe how these achievements have contributed to the institutional goals and the potential challenges to sustaining these outcomes and achievements (if any). Include benchmarking data, if available.



The Athletic department is proud of the University's commitment to diversity and serves as a direct stakeholder in the UNM 2020 strategic plan. The UNM 2020 plan strives to "engage people of all identities, and from all backgrounds, cultures, and communities. This is evident in the make-up of the student-athlete body. Amongst the athletic department's 400+ student-athletes, 39 states are represented as well as 29 countries by 64 student-athletes. Academically, the athletic department led the Mountain West in Academic All-Conference honorees for the eighth straight year, placing first out of eleventh member institutions.

These goals, paired with our athletic goals of being a premier institution in the Mountain West, are threatened by benchmarking data that places the department at a disadvantage comparative to its peer institutions. The Mountain West conference average for student fees contributed to athletics is over \$4.9 million, whereas student fees for athletics at UNM have been suggested to be cut to \$3.28 million, a \$300,000 cut from the prior year.

Benchmarking data regarding State Support and Direct Institutional Support also show athletics at UNM to be behind its peer institutions. The Mountain West Conference average for State/Government support is \$4.2 million annually (UNM - \$2.6M) and the conference average for Institutional support for FY 19 was \$9.3M (UNM - \$7.3M).

- 3. If you received additional resources for these activities in prior years please briefly give an update on how these resources have been used.
 - The department made an additional request to the state during the last legislative session to obtain additional funding to address Title IX equity concerns amongst the student-athlete population. Since that time, roster size goals for female sports have been increased, with some budgets being addressed accordingly.

Part II: Goals and Initiatives (multi-year planning)

- Please briefly outline your unit's long-term goals and describe how they align with the
 institutional goals of the university. Please number your goals in priority order, so these goals
 are easily referenced when reviewing other questions in this document.
 The athletic department aspires to be the premier institution in the Mountain West Conference
 and recognized as a national leader in intercollegiate athletics with an international reputation
 for excellence. Our long-term goals are as follows: 1) educate and develop "Lobos for Life", 2)
 compete for Mountain West championships, 3) serve as a vehicle of pride and publicity for the
 University, City of Albuquerque, and State of New Mexico.
- 2. Describe strategic initiatives, along with areas of challenges/concerns. Include plans to address initiatives and challenges/concerns, which could include proposed changes in services, program and/or enrollment growth, reorganization plans, and other revenue generating opportunities.



Strategic initiatives of the department, in addition to the department's long-term goals include achieving Title IX equity and compliance and addressing the mental health and well-being of the student-athlete population. The department is currently deficient in these areas, primarily due to a lack of resources.

Additional revenue opportunities will always be explored by athletics as one of the few areas that can self-generate funds from a variety of areas. Marketing and fundraising staffs will be challenged to exceed expectations each fiscal year, with the volatility of college athletics being understood.

As mentioned previously, administrative reorganization and campus partnerships have been launched to improve efficiency and reduce costs. In 2018, the department, with approval from the President and Board, reduced its number of sport offerings in a long-term reorganization plan.

- 3. Describe the following key areas for your unit, including the completion of the **Financial Planning Template** for each key area:
 - a. **Faculty and Staff hiring** outline any changes in faculty and staff, and describe areas to expand, reduce or eliminate, which should align with your unit's long-term plan. Please complete **Schedule A- Hiring** template.
 - Staff vacancies are reviewed by HR, Fiscal Shared Services, and the Director of Athletics prior to being filled. Non-critical positions are held vacant for longer periods, if possible. Vacancy savings are swept centrally to offset volatile revenues and/or increased expenses. Some positions are held vacant based on timing of athletic seasons, if possible.
 - A shared services model has been adopted for both HR and fiscal operations to reduce overhead and salaries in those two areas.
 - b. Curriculum- outline plans for new or changes to existing academic programs. Detail the
 resources needed for these plans and the fiscal impact associated with these plans.
 Please complete Schedule B- Enrollment/Student template for academic program
 planning (for most Provost Units this section will not be applicable)
 N/A

Part III: Resource Planning (aligned with goals and initiatives)

1. Please briefly describe your unit's primary revenue resources, as well as how these revenues are expensed. Explain how these resources support the key functions of your unit.



The department of Athletics is funded through multiple sources of revenues, all of which can fluctuate based on the economy, university student enrollments, state budget, NCAA and MW conference revenues, sponsorship and licensing agreements, fundraising efforts and attendance for both sporting and special events. Each revenue source is critical to the department and is fully utilized to pay for the department's expenses. Most of the revenues for the department are pooled centrally to the department and then allocated out to the sports and administrative units based on the annual needs of the sports/units. Operating budgets can fluctuate based on travel schedules, coaching and staff changes, roster sizes, student costs, scheduling, and other inflationary expense changes.

- 2. Briefly outline your unit's resource needs and describe how they align with the goals and initiatives for your unit. Please align these resource needs in priority order, as described in the Part II section of this document. Include a brief description of the following key resources used in your resource planning document:
 - a. Instruction and General (I&G) includes base allocation and other I&G revenues.

 The department will continue to rely on I&G support for the Advising Office for both salary and benefit increases, as well as increased costs associated with advisement. The I&G allocation for the department currently only includes funding for advising and south campus facilities management.

Given the projected revenues for the department and the overall projected expenses, the department will need additional institutional support from the University in order to sustain current operations. It is important to note that the additional support does not add additional resources to the department, as the revenue forecast is bringing in less revenue than the forecasted expenses. The additional recurring institutional support the department is requesting amounts to \$1,056,000 bridged over two years (FY21 \$685K and an additional \$371K add in FY22). The current direct institutional support for the department amounts to \$7.2M and the conference average is \$9.3M, adding the additional \$1.3M, will still bring the department to \$8.3M which is still below the conference average.

b. *Facilities*- describe you unit's facilities challenges and plans for expansion and/or renovations.

There is currently no deferred maintenance funding in the department's budget or reserves balances set aside to deal with unforeseen facilities' needs. At this time the department does have earmarked capital funding, however it is limited to be directed to selected projects. The department transfers \$41K of the operating budget to help manage south campus grounds and rising facilities costs, therefore as part of the institutional request we are seeking this funding to be backfilled by I&G.



Additionally, the department is responsible for debt service payment for both the Pit Suite renovations and the End Zone. The department would like to request a 5 year waiver on these debt service payments, which will give the department time to reassess revenue funding streams in hopes that revenues will increase over time to help offset these payments.

A critical facility need for the department is the construction of an Olympic Sports Weight Room. Just over \$600K has been allocated from capital outlay for a project with an estimated construction cost of \$3-4M. Currently, all sports teams outside of the basketball and football programs work out in a temporary pop-up tent. The tent costs the department over \$60K per year to rent from a local vendor. The tent is not insulated and drops to frigid temperatures in the winter and scorching heat in the summer, significantly impacting the training conditions for student-athletes.

- c. **Non-I&G Revenues** if applicable describe your unit's non-I&G revenue goals and how those goals contribute to the overall budget of your unit.
 - 1. Fundraising plan to increase by \$200K from FY21-25
 - 2. Media Rights/Sponsorship plan to increase by \$1.1M from FY21-25
 - 3. Student Fees Request to increase Student Fee allocation incrementally to a minimum of \$4M by FY25. \$4M was the FY15 base amount and is still less than the current day conference average of \$4.9M.
 - 4. Request to increase State Appropriation incrementally to \$4.2M by FY25, which is the current day conference average.
 - 5. Request to expand the current deficit reduction plan from \$487K per year over 10 years to \$299K per year over 15 years.
- d. **Reserve Balances** describe your unit's current balances and your plan to utilize these reserves.

The department had a minimal \$116K carry forward in FY20, which amounts to less than .4% of the FY20 budget. In FY20 the department will be held responsible to pay down the accumulated \$4.4M deficit, therefore the ability to accumulate reserves is not possible until the deficit has been resolved.

- Describe any opportunities for cost efficiencies, reallocation of resources, new or enhanced revenue streams and/or cost reduction strategies that have been implemented in recent years or could be implemented in future years.
 - The department has eliminated multiple administrative staff positions from FY18-FY20, and has moved to shared services for both finance and HR. In additional, the sports have used approximately \$1.5M of fundraising efforts and gift-in-kind to supplement decreased operating budgets. Fundraised dollars are vital to the success of the athletic department, but require additional work and duties of coaches who must commit time to these endeavors which could



be spent with their sports and respective student-athletes. Without further impacting the quality of the sporting programs and compliance there really are no additional costs or reallocations that can be made.

4. Complete the **Schedule C- Multi-Year Financial Planning** template, which should reflect the forecasted resource needs for your unit. This projection should include planned revenue increases/decreases, as well expense increases/decreases. Please use the <u>Financial and Enrollment Planning Assumptions</u> documents as guides for this forecast, and detail any additional assumptions used to develop this forecast.

Please see attached template.

Part IV: Funding Request and Justification

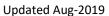
If requesting one-time and/or recurring funds, please complete this section of the form. Please be sure to align all funding requests with institutional goals of the university, as well as information documented in this planning document. Details of the funding request and justification should be outlined in **Schedule D- Funding Request** template for this section of the form.

Amount Requested	FY21	FY22	FY23	FY24	FY25
Total Recurring	\$685,000	\$371,000			
Total Non-Recurring	\$1,925,613	\$1,901,331	\$1,900,701	\$2,168,144	\$2,025,360

Please briefly summarize your unit's funding request below:

Recurring funding requests were commitments made by prior executive leadership and funded in prior years on a one-time basis. The department would like to request these commitments become part of the department's recurring budget. The current south campus I&G expenses has a shortfall of \$41K, which the department has been backfilling with other I&G funding due to one-time vacancy savings. The department would like to request this funding get backfill on a recurring basis. Please note the department is requesting an increase in state appropriation support, as well as an increase in mandatory student fees. The requested amounts will bring both revenue line items closer to the current (FY20) conference peer averages. These requests will be scaled increases over 4 years; state appropriations FY21-24 and MSF FY22-25.

Non-recurring funding will be used to offset debt service for both the Pit Suites and End Zone for FY21 through FY25. After this duration of time the department will reassess revenue forecast to determine if the ability to contribute to future debt service obligations are possible. In FY21 the Athletic Director per contract should receive a retention bonus of \$120K and \$40K for FY22 and FY23 (through end of contract). The department would like to align practices like other administrators to cover incentive pay, bonuses and deferred compensation centrally.





If this request is approved please explain the impact of the funding to the unit and the institution. Please include how the outcomes of the impact of the funding will be measured.

If the entire funding request is approved the department will be able to fiscally stabilize, which will help the department increase its competitive advantage on sporting programs, thus increase attendance and University recognition. This could help with student enrollments, campus morale and other University-wide revenue opportunities, such as commission deals, sponsorships, licensing, etc.

If this request is denied please describe the impact to the unit and institution. Please include what other measures could be put in place to mitigate the impact to the institutional mission.

If this funding request is not approved the department will potentially have to reassess sport programing, conference affiliation, and the ability to service the current student population in a manner that is compliant with NCAA, Title IX and conference standards. Without additional funding, the department will not be able to honor the current deficit reduction plan, and will increase the accumulated deficit without make huge changes to the programing and structure of the department.



Department of Athletics FY22-FY24 Multi-Year Financial Plan

Attachment A *DRAFT Projections

	FY22 (Option 1)	FY22 (Option 2)	FY23	FY24
Revenue	(Option 1)	(0)	1123	1127
Pooled Revenue				
NCAA/Mountain West Conference	6,364,846	6,364,846	6,364,846	6,364,846
Media Rights/Sponsorship	3,900,000	3,900,000	4,250,000	4,500,000
Licensing	400,000	400,000	400,000	400,000
Commissions	680,000	680,000	680,000	680,000
Naming Rights	-	-	-	-
Student Fees	3,471,257	4,000,000	4,000,000	4,000,000
Fundraising	2,200,000	2,200,000	2,300,000	2,400,000
State Appropriation	3,776,900	4,000,000	4,000,000	4,200,000
Facility Rental/Merchandise/GIK	1,716,900	1,716,900	1,816,900	1,916,900
Special Events and Other Revenues	3,193,500	3,193,500	3,193,500	3,193,500
Allocations and Transfers				
Pit Suite Revenues	600,000	600,000	600,000	600,000
Travel (recurring from central)	200,000	200,000	200,000	200,000
GIA Subsidy (recurring from central)	250,000	250,000	250,000	250,000
Debt Service Transfer	(1,869,542)	(1,869,542)	(1,868,552)	(2,170,971)
Band Transfers	(97,412)	(97,412)	(97,412)	(97,412
New Funding Recurring Requests				
Football Equipment Budget	275,000	275,000	275,000	275,000
Additional Cost of Attendance	500,000	500,000	500,000	500,000
Additional Travel	100,000	100,000	100,000	100,000
Facilities maintenance	50,000	50,000	50,000	50,000
New Funding Non-Recurring Requests	30,000	30,000	30,000	30,000
Debt Service	1,869,542	1,869,542	1,868,552	2,170,971
AD Retention	40,000	40,000	40,000	2,170,371
Basketball backfill	140,000	140,000	-	_
Backfill projected tuition increase	210,000	210,000	_	_
Pooled Revenue Sub-Total	27,970,991	28,722,834	28,922,834	29,532,834
Directed Revenues by Sport	, , , , , ,	-, ,	, , , , , , , , , , , , , , , , , , , ,	
Men's Basketball Tickets	3,502,000	3,502,000	3,572,040	3,643,481
Football Tickets	980,000	980,000	1,029,000	980,450
Women's Basketball Tickets	390,000	390,000	397,800	405,756
Other Sports Tickets	30,000	30,000	30,000	30,000
Football Game Guarantees	515,000	515,000	1,275,000	1,125,000
Directed Revenue by Sport Sub-Total	5,417,000	5,417,000	6,303,840	6,184,687
Total Revenue	33,387,991	34,139,834	35,226,674	35,717,521
Expenses				
•	10.026.270	10.026.270	40.505.270	40.000.070
Salaries	10,936,270	10,936,270	10,606,270	10,606,270
Payroll Benefits	3,280,881	3,280,881	3,181,881	3,181,881
Communication Charges	86,768	88,503	90,273	92,079
Other Expense	2,876,677	2,934,211	3,092,895	3,254,753
Patient Care Costs	179,861	183,458	187,127	190,870
Plant Maintenance	264,849	270,146	275,549	281,060
Services	4,138,925	4,221,704	4,306,138	4,392,260
Student Costs (includes Crant in Aid)				
Student Costs (includes Grant-in-Aid)	5,607,328	5,607,328	5,719,475	5,833,864
Supplies	1,819,693	1,956,087	1,995,209	2,035,113
Travel	3,769,688	3,845,082	3,921,983	4,000,423
Utilities	574,664	586,157	597,880	609,838
Expenses Total	33,535,604	33,909,827	33,974,680	34,478,411
Net	(147,613)	230,008	1,251,994	1,239,110
Estimated reserve contingency	-0 44%	በ 68%	3 60%	3.59%
Estimated reserve contingency	-0.44%	0.68%	3.69%	3

FY22 Option 1- Includes current SFRB recommendation and state appropriation, and no inflationary

increases on expenses



Athletics' FY19 Revised Budget and Preliminary Actuals (Exhibit P21)

Updated through June 30, 2019 (Fiscal Year-End)

FY19 Preliminary Actuals:

- 1. **Net balance** FY19 preliminary actuals in projected to end the fiscal year with a positive net balance of \$116,546. This accounts for slightly less than .5% of the total Athletics' budget, which demonstrates that Athletics stayed within the targeted revised budget approved in May. Positive ending balances can be attributed to the following
 - a. Land proceeds subsidy
 - b. Additional Grant-in-Aid subsidy
 - c. Vacancy savings on administrative positions
- 2. **Stayed within expenditure authority-** FY19 preliminary actual expenses is projected to end \$601,389 less than total revised budget expenses, therefore is within the HED approved expenditure authority. All pending expenses and posted expenses were reviewed in detail to ensure expenses were paid and appropriately booked in the correct fiscal year.

Although, the department is projected to end the fiscal year with a positive balance, this is primarily due to the additional University one-time subsidies made in FY19. Additional revenues and/or additional expenditure reductions will be necessary in order to maintain a balanced budget forward.

Schedule A: (FY19 Revised Budget and Preliminary Actuals)- This schedule details out pooled and directed revenues by sport for the FY19 budget and FY19 preliminary year-end actuals.

Schedule B: (FY19 Expenses by Sports)- This schedule details out FY19 revised expense budget and FY19 preliminary actuals by sport.



FY19 Revised Budget and Preliminary Actuals by Exhibit P21

Schedule A

				Fiscal Year 20	018-19 (FY19)						
Revenue/Expense Description (2)	FY19 Original Budget	FY19 Revised Budget	Quarter 1 (7/1-9/30/18)	Quarter 2 (10/1-12/31/18)	Quarter 3 (1/1-3/31/19)	Quarter 4 (4/1-6/30/19)	FY19 YTD	FY19 Budget to Projected Actuals Variance	Actuals% of Revised Budget	FY18 YTD Actuals	FY19 YTD vs. FY18 YTD Actuals
Pooled Revenues											
NCAA/Mountain West Conference	4,750,000	4,850,000	1,324,305	1,187,499	1,050,696	1,355,928	4,918,428	68,428	101.4%	4,811,244	107,185
Media Rights/Sponsorship/Licensing	5,625,000	5,134,000	1,239,126	1,239,126	1,239,126	1,239,122	4,956,500	(177,500)		4,808,500	148,000
Commissions	800,000	880,000	220,000	219,999	219,998	219,999	879,996	(4)	100.0%	800,000	79,996
Naming Rights	200,000	200,000	-	-	200,000	-	200,000	-	100.0%	200,000	-
Student Fees	3,681,708	3,387,171	1,936,355	-	1,450,816	-	3,387,171	-	100.0%	3,851,603	(464,432)
Fundraising	2,400,000	2,400,000	600,000	600,000	600,000	600,000	2,400,000	-	100.0%	2,200,000	200,000
State Appropriation	2,641,500	2,641,500	666,500	654,300	666,400	654,300	2,641,500	-	100.0%	2,617,300	24,200
Facility Rental/Merchandise/GIK	2,400,000	2,305,379	14,121	996,407	475,655	370,783	1,856,966	(448,413)	80.5%	1,893,895	(36,930)
Special Events and Other Revenues	2,035,000	2,899,990	320,778	590,189	829,202	1,622,005	3,362,174	462,184	115.9%	2,836,016	526,158
Transfers to/from Campus	974,000	1,358,009	957,737	68,672	363,097	(433,146)	956,360	(401,649)	70.4%	1,588,632	(632,271)
Land Proceed Transfer	789,039	789,039	-	-	789,039	-	789,039	-	100.0%	814,207	(25,168)
Sub-total	26,296,247	26,845,088	7,278,922	5,556,192	7,884,028	5,628,992	26,348,134	(496,954)	98.1%	26,421,396	(73,262)
Directed Revenues (by Sports)											
Men's Basketball Tickets	3,800,000	3,595,290	-	1,783,226	1,812,064	(1,641)	3,593,649	(1,641)		3,653,733	(60,084)
Football Tickets	1,200,000	884,995	323,610	557,485	3,900	38,376	923,371	38,376	104.3%	1,539,833	(616,462)
Women's Basketball Tickets	375,000	397,606	-	189,055	208,551	(824)	396,782	(824)	99.8%	398,630	(1,848)
Other Sports Tickets (1)	115,000	120,161	32,750	46,873	40,538	(23,799)	96,362	(23,799)		144,832	(48,470)
Football Game Guarantees	1,100,000	1,100,000	1,100,000	-	-	-	1,100,000	-	100.0%	1,600,000	(500,000)
Sub-total	6,590,000	6,098,052	1,456,360	2,576,639	2,065,053	12,112	6,110,164	12,112	100.2%	7,337,028	(1,226,864)
Total	32,886,247	32,943,140	8,735,282	8,132,830	9,949,082	5,641,104	32,458,298	(484,842)	98.5%	33,758,424	(1,300,126)
Expenses											
Salaries	11,272,844	10,568,753	2,604,690	2,742,567	2,666,308	2,579,464	10.593.029	24,276	100.2%	11.240.784	(647,755)
Pavroll Benefits	3.271.643	3.157.687	718.224	687,688	863,670	651,955	2.921.537	(236,150)	92.5%	3,167,131	(245,594)
Communication Charges	110,268	95,909	17,535	18,038	23,450	15,040	74,062	(21,847)	77.2%	86,663	(12,601)
Other Expense	782,164	1,970,733	218,423	1,252,401	777,248	412,990	2,661,061	690,328	135.0%	2,495,040	166,022
Patient Care Costs	98,300	88.721	56,778	19,074	25,368	17,966	119.186	30,465	134.3%	158.631	(39,444)
Plant Maintenance	250,457	259,277	51,597	56,267	126,337	97,520	331,722	72,445	127.9%	200,961	130,762
Services	4,967,038	4,125,858	507,645	1,077,855	1,085,107	1,165,438	3,836,045	(289,813)		4,216,582	(380,537)
Student Costs (includes Grant-in-Aid)	5,694,190	6,117,420	2,653,964	706,028	2,600,487	(317,315)	5,643,164	(474,256)		6,164,950	(521,786)
Supplies	2,055,696	1,760,780	742,211	395,514	494,766	82,191	1,714,682	(46,098)		1,380,376	334,307
Travel	3,809,977	4,237,042	1,017,809	1,299,734	1,065,730	503,684	3,886,957	(350,085)	91.7%	3,864,523	22,434
Utilities	573,670	560,960	89,871	133,092	156,989	180,352	560,305	(655)	99.9%	561,162	(858)
Total	32,886,247	32,943,140	8,678,747	8,388,259	9,885,459	5,389,285	32,341,751	(601,389)	98.2%	33,536,802	(1,195,051)
			=0 =C=	(055.400)	22.052	054.010	110.512	110 5:0	0.404	204.051	(405.055)
Net	-	-	56,535	(255,429)	63,622	251,819	116,546	116,546	0.4%	221,621	(105,075)

⁽¹⁾ Other sports tickets include men's and women's soccer and track, baseball, softball, and volleyball

⁽²⁾ Preliminary fiscal year-end actuals (through June 30, 2019) pending final audited actuals

⁽³⁾ Does not include accumulated deficit



Schedule B

FY19 Revised Budgeted Expenses and <u>Preliminary</u> Actuals by Sport Exhibit P21 (1)

	Football								
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance						
Salaries	2,615,585	2,616,080	(495)						
Payroll Benefits	804,797	663,312	141,485						
Communication Charges	28,550	22,185	6,365						
Other Expense	79,908	73,394	6,514						
Patient Care Costs	18,000	16,516	1,484						
Plant Maintenance	83,407	103,347	(19,940)						
Services	703,600	699,720	3,880						
Student Costs/Grant-in-Aid (2)	1,826,392	2,032,863	(206,471)						
Supplies	305,350	249,481	55,869						
Travel	1,275,550	1,236,323	39,227						
Utilities	7,800	23,793	(15,993)						
Total	7,748,939	7,737,015	11,924						

Mer	Men's Baseball									
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance							
Salaries	357,672	389,264	(31,592)							
Payroll Benefits	107,609	94,570	13,039							
Communication Charges	1,460	540	920							
Other Expense	7,852	9,001	(1,149)							
Patient Care Costs	-	1,920	(1,920)							
Plant Maintenance	3,900	3,993	(93)							
Services	55,760	97,356	(41,596)							
Student Costs/Grant-in-Aid (2)	214,083	211,140	2,943							
Supplies	78,230	86,416	(8,186)							
Travel	168,100	148,778	19,322							
Utilities	-	-	-							
Total	994,666	1,042,978	(48,312)							

Wom	en's Softball		
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	183,000	174,557	8,443
Payroll Benefits	65,294	59,773	5,521
Communication Charges	2,400	810	1,590
Other Expense	3,942	5,273	(1,331)
Patient Care Costs	-	-	-
Plant Maintenance	-	1,103	(1,103)
Services	28,800	27,589	1,211
Student Costs/Grant-in-Aid (2)	177,793	200,045	(22,252)
Supplies	27,300	44,763	(17,463)
Travel	140,100	132,453	7,647
Utilities	-	=	-
Total	628,629	646,366	(17,737)

Men's Basketball								
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance					
Salaries	2,009,737	1,865,674	144,063					
Payroll Benefits	296,792	329,615	(32,823)					
Communication Charges	5,759	5,988	(229)					
Other Expense	42,418	41,841	577					
Patient Care Costs	9,421	8,278	1,143					
Plant Maintenance	38,468	46,125	(7,657)					
Services	634,267	710,045	(75,778)					
Student Costs/Grant-in-Aid (2)	334,743	359,885	(25,142)					
Supplies	109,708	107,605	2,103					
Travel	508,147	466,763	41,384					
Utilities	2,684	3,556	(872)					
Total	3,992,144	3,945,375	46,769					

Wome	n's Basketbal	I	
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	808,486	814,606	(6,120)
Payroll Benefits	273,663	249,054	24,609
Communication Charges	2,920	1,530	1,390
Other Expense	16,596	18,113	(1,517)
Patient Care Costs	-	1,377	(1,377)
Plant Maintenance	7,400	29,125	(21,725)
Services	290,250	286,178	4,072
Student Costs/Grant-in-Aid (2)	290,871	337,389	(46,518)
Supplies	48,850	39,742	9,108
Travel	403,598	385,273	18,325
Utilities	-	1,354	(1,354)
Total	2,142,634	2,163,741	(21,107)

Me	Men's Soccer								
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance						
Salaries	225,969	214,590	11,379						
Payroll Benefits	84,310	72,151	12,159						
Communication Charges	2,420	1,332	1,088						
Other Expense	5,628	4,651	977						
Patient Care Costs	1,000	1,886	(886)						
Plant Maintenance	-	-	-						
Services	34,025	22,213	11,812						
Student Costs/Grant-in-Aid (2)	156,631	166,388	(9,757)						
Supplies	19,825	20,244	(419)						
Travel	120,750	113,686	7,064						
Utilities	<u>-</u>	92	(92)						
Total	650,558	617,231	33,327						

Women's Soccer			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	196,000	196,400	(400)
Payroll Benefits	70,889	67,955	2,934
Communication Charges	1,060	581	479
Other Expense	3,491	5,516	(2,025)
Patient Care Costs	-	152	(152)
Plant Maintenance	-	252	(252)
Services	4,200	13,966	(9,766)
Student Costs/Grant-in-Aid (2)	266,129	232,865	33,264
Supplies	15,250	17,708	(2,458)
Travel	127,100	121,929	5,171
Utilities	-	89	(89)
Total	684,119	657,413	26,706

Men's Golf			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	163,000	165,346	(2,346)
Payroll Benefits	50,816	59,185	(8,369)
Communication Charges	320	496	(176)
Other Expense	2,534	3,169	(635)
Patient Care Costs	-	-	-
Plant Maintenance	1,300	-	1,300
Services	450	317	133
Student Costs/Grant-in-Aid (2)	76,658	73,201	3,457
Supplies	2,475	28	2,447
Travel	61,250	92,611	(31,361)
Utilities	520	874	(354)
Total	359,323	395,228	(35,905)

Women's Golf			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	144,905	146,360	(1,455)
Payroll Benefits	41,064	56,918	(15,854)
Communication Charges	560	0	560
Other Expense	6,119	3,119	3,000
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	-	16,505	(16,505)
Student Costs/Grant-in-Aid (2)	113,465	121,005	(7,540)
Supplies	8,560	17,974	(9,414)
Travel	56,000	44,810	11,190
Utilities	350	728	(378)
Total	371,023	407,419	(36,396)

Men's Tennis			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	103,000	94,155	8,845
Payroll Benefits	24,253	23,669	584
Communication Charges	290	270	20
Other Expense	3,195	2,832	363
Patient Care Costs	-	100	(100)
Plant Maintenance	-	-	-
Services	15,810	18,032	(2,222)
Student Costs/Grant-in-Aid (2)	62,811	63,782	(971)
Supplies	15,300	13,342	1,958
Travel	48,700	52,440	(3,740)
Utilities	-	=	-
Total	273,359	268,623	4,736

Women's Tennis			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	105,000	84,485	20,515
Payroll Benefits	31,174	28,689	2,485
Communication Charges	610	660	(50)
Other Expense	2,036	2,755	(719)
Patient Care Costs	-	-	-
Plant Maintenance	-	-	-
Services	12,910	18,475	(5,565)
Student Costs/Grant-in-Aid (2)	125,761	149,887	(24,126)
Supplies	13,615	20,224	(6,609)
Travel	50,500	46,889	3,611
Utilities	-	=	-
Total	341,606	352,065	(10,459)

Cross Country (M/W) (3)			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	111,538	112,426	(888)
Payroll Benefits	39,731	37,039	2,692
Communication Charges	-	-	-
Other Expense	2,885	2,883	2
Patient Care Costs	-	111	(111)
Plant Maintenance	-	487	(487)
Services	4,036	4,311	(275)
Student Costs/Grant-in-Aid (2)	255,717	241,747	13,970
Supplies	1,900	1,853	47
Travel	55,255	55,064	191
Utilities	-	-	-
Total	471,062	455,922	15,140

Track (M/W) (3)			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	197,678	198,296	(618)
Payroll Benefits	71,737	68,118	3,619
Communication Charges	560	600	(40)
Other Expense	3,078	6,887	(3,809)
Patient Care Costs	-	890	(890)
Plant Maintenance	12,350	-	12,350
Services	6,750	3,581	3,169
Student Costs/Grant-in-Aid (2)	258,427	244,896	13,531
Supplies	17,813	34,318	(16,505)
Travel	170,397	207,722	(37,325)
Utilities	-	=	-
Total	738,790	765,309	(26,519)

Women's Volleyball (4)			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	132,914	172,623	(39,709)
Payroll Benefits	42,351	52,805	(10,454)
Communication Charges	1,605	1,180	425
Other Expense	3,372	5,095	(1,723)
Patient Care Costs	-	-	-
Plant Maintenance	15,300	9,376	5,924
Services	52,950	41,263	11,687
Student Costs/Grant-in-Aid (2)	201,815	245,300	(43,485)
Supplies	33,650	20,756	12,894
Travel	94,650	116,049	(21,399)
Utilities	-	-	-
Total	578,607	664,449	(85,842)

Sand Volleyball (4)			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	113,514	76,419	37,095
Payroll Benefits	42,351	23,446	18,905
Communication Charges	-	-	-
Other Expense	1,174	976	198
Patient Care Costs	-	-	-
Plant Maintenance	3,000	3,000	-
Services	-	1,000	(1,000)
Student Costs/Grant-in-Aid (2)	17,317	19,601	(2,284)
Supplies	500	481	19
Travel	32,250	22,775	9,475
Utilities	-	-	-
Total	210,106	147,699	62,407

Skiing (M/W)			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	132,162	116,928	15,234
Payroll Benefits	49,310	46,510	2,800
Communication Charges	350	330	20
Other Expense	14,874	3,745	11,129
Patient Care Costs	-	-	-
Plant Maintenance	9,600	5,811	3,789
Services	7,000	7,804	(804)
Student Costs/Grant-in-Aid (2)	143,061	180,051	(36,990)
Supplies	21,260	10,046	11,214
Travel	102,950	111,169	(8,219)
Utilities	-	=	-
Total	480,567	482,394	(1,827)

Swimming/Diving			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	146,000	148,112	(2,112)
Payroll Benefits	54,473	51,522	2,951
Communication Charges	350	330	20
Other Expense	3,251	4,644	(1,393)
Patient Care Costs	-	525	(525)
Plant Maintenance	-	-	-
Services	1,200	1,150	50
Student Costs/Grant-in-Aid (2)	244,709	267,898	(23,189)
Supplies	26,195	17,517	8,678
Travel	95,900	112,244	(16,344)
Utilities	-	-	-
Total	572,078	603,942	(31,864)

Spirit			
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance
Salaries	-	-	-
Payroll Benefits	-	-	-
Communication Charges	-	-	-
Other Expense	960	576	384
Patient Care Costs	-	-	-
Plant Maintenance	500	-	500
Services	850	4,810	(3,960)
Student Costs/Grant-in-Aid (2)	-	-	-
Supplies	4,458	(21)	4,479
Travel	32,200	33,595	(1,395)
Utilities	-	=	-
Total	38,968	38,960	8

Administration/Events/Other Operating (5)				
Expense Description	FY19 Revised Budget	FY19 YTD Actuals	FY19 Budget to Actuals Variance	
Salaries	2,822,593	3,006,709	(184,116)	
Payroll Benefits	1,007,073	937,204	69,869	
Communication Charges	46,695	37,229	9,466	
Other Expense	1,767,420	2,466,590	(699,170)	
Patient Care Costs	60,300	87,432	(27,132)	
Plant Maintenance	84,052	129,102	(45,050)	
Services	2,273,000	1,861,731	411,269	
Student Costs/Grant-in-Aid (2)	1,351,037	495,220	855,817	
Supplies	1,010,541	1,012,206	(1,665)	
Travel	693,645	386,383	307,262	
Utilities	549,606	529,819	19,787	
Total	11,665,962	10,949,624	716,338	

Total 32,943,140 32,341,751 601,389

- (3) M/W track and cross-country coaches salaries split 50/50 between sports.
- (4) Women's volleyball and sand volleyball's coaches salaries split 50/50 between sports.

⁽¹⁾ Does not include special events and bowl games; Preliminary fiscal year-end actuals (through June 30, 2019) pending final audited actuals

⁽²⁾ Grant-in-Aid was budgeted based on FY18 actuals, FY19 actuals will be allocated to individual sports as expenses post

⁽⁵⁾ Includes Events Management, Special Events, Bowl Games, Championships, Gifts-in-Kind, Parking, Concessions, Ticket Office, Administration, Business Office, Leagues and Clubs, Compliance, Advisement, Facility Rentals, Sports Camps, Utilities, Student Assistance Funds, Life skills, Pre Season Training, Athletic Vans, Insurance, Marketing and Media Relations



To: Teresa Costantinidis, Senior Vice President for Finance and Administration

From: Norma Allen, Director, Office of Planning, Budget and Analysis

Date: May 14, 2020

Subject: FY 20 UNM Athletics Deficit (Historical and Current Year)

Historical Deficit

As you know, UNM Athletics began the year with a deficit of \$ 4,520,856.60 on 7/1/19. This historical deficit and the plan for Athletics to pay it off originates from the FY 18 proposal to the Board of Regents addressing the deficit at 7/1/17 and the recurring deficit in the Athletics FY 18 Budget. The proposal included a 10 year payoff plan of \$487,329 starting in FY 20 and ending in FY 29. The Regents approved this plan and the Higher Education Department has been monitoring its progress.

During the 2020 New Mexico Legislative Session House Bill 2 included language which restricts <u>all</u> Athletic revenues from reducing this deficit. Below is the actual language in House Bill 2.

The general fund appropriation and the other state funds appropriation to the athletics department of the university of New Mexico shall not be used to repay the athletics department budget deficit reduction plan with the board of regents of the university of New Mexico.

Therefore, UNM has no option but to use institutional funds to eliminate the deficit at 7/1/19. Central plant discretionary/unrestricted funding would be an option to fund the payoff plan for the time being. With the President's and your approval, I recommend that the Controller's Division move the deficit out of the Athletics Exhibit in FY 20 to the Capital Outlay exhibit in a central monitoring org with a 10 year payoff plan of \$452,086 starting in FY 20 from central plant discretionary/unrestricted funding. This is consistent with past practices for dealing with organizational deficits such as Popejoy and the Golf Course. Keeping the historical deficit and its yearly payoff co-mingled with the Athletics operations in Exhibit 21 will not provide enough transparency that shows UNM has taken responsibility for paying off the historical deficit because of the continued budget shortfalls in Athletics. Further, the Regents approved the movement of the deficit to capital outlay detailed in the Main campus FY 20 Budget Adjustment Request (BAR).

FY 20 Current Year Deficit

During mid-year reviews, the Athletics Department reported a current year deficit of \$1.425M primarily due to revenue shortfalls in Multi-Media Rights and fundraising that are not COVID-19 related. However, since the onset of the pandemic, Athletics is projecting additional shortfalls in NCAA, MWC and special event revenues that are directly related to COVID-19. The current year deficit is now projected to be approximately \$3.464M. It is still yet to be determined if this is a recurring deficit. In the meantime, my office will be working with Athletics to get reimbursement from insurance and/or the Federal government for COVID related lost revenues and/or costs.



Financial Services, Main Campus 1 University of New Mexico MSC 01 1300 Albuquerque, NM 87131-0001 Phone: (505) 277-5111

July 9, 2020

New Mexico Higher Education Department 2044 Galisteo St #4 Santa Fe, NM 87505

RE: Confirmation of annual repayment #1 of 10 towards UNM Athletics accumulated deficit

To whom it may concern:

Last fiscal year, the University of New Mexico enacted a deficit reduction plan to address the \$4,520,856.60 accumulated deficit that was incurred through fiscal year 2019 by the UNM Athletics department. Due to the fact that the New Mexico Higher Education Department is monitoring the progress of this deficit, I wanted to confirm that the first of ten equal, annual, internal payments was made to reduce the deficit on May 27, 2020 via accounting journal entry into our Banner Finance system (please see attached).

UNM Athletics Accumulated Deficit Summary

Accumulated Deficit as of 6/30/19:

\$ 4,520,856.60

Less - FY20 Journal Entry Payment:

\$ 452,086.00

Remaining Deficit Balance at 6/30/20:

\$ 4,068,770.60

Please let me know if you have any questions or concerns.

Marty Desautels, CPA, CGFM

Associate Controller (505) 277-0156

mdesaute@unm.edu

Index: 514009 - FY20 HB2 Athl Accum Deficit

Balance Pct	%00.	%00`	%00`	%00 °	%00.	%00.	%00:
Balance Available	\$4,520,856.60	\$.00	(\$452,086.00)	\$4,068,770.60	\$4,068,770.60	\$.00	(\$4,068,770.60)
Encumbrances	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	8.00
Actuals Pct	%00`	%00.	%00.	%00 °	%00°	%00:	%00.
Actuals Fiscal YTD	(\$4,520,856.60)	\$.00	\$452,086.00	(\$4,068,770.60)	(\$4,068,770.60)	\$.00	(\$4,068,770.60)
Actuals Pct	%00`	%00`	%00`	%00 ·	%00°	%00:	%00.
Actuals Current Month	\$.00	\$.00	\$.00	\$:00	\$.00		\$.00
Budget (FYTD) Accumulated	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
Budget (FYTD) B Adjustments	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
Budget (FVTD) Budget (FVTD) Adopted Adjustments	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00
B. Account Description	Revenue 11T0 - Trsfr To Athletics Gen	1600 - Allocations Earned Re!	1660 - Allocations Other Gen	*TOTAL Revenue	Total Revenue:	l otal Expense:	Net:

Parameters: Index: 514009 - FY20 HB2 Athl Accum Deficit

Groupings:

Warning: These reports will show fiscal year activity. For inception to date activity for Grants please use the FRRGLDS - Grant Ledger Detail Summary report.

Page 1 of 1 Date/Time: 07/09/2020 3:57PM Version 1.4



July 31, 2020

TO:

Eddie Nunez, University Athletic Director

Nicole Dopson, Financial Operations Director

FROM:

Elizabeth Metzger, University Controller

SUBJECT:

Distribution of U.S. Dept. of Education CARES Act fund

Distribution of CARES Act Funding:

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, is an economic stimulus bill passed by Congress in order to offset some of the lost revenues and expenses associated with the COVID pandemic. Although there are ongoing discussions in Congress and we are hopeful for additional funds, the current distribution to the University from the U.S. Department of Education for the CARES Act was not sufficient to cover all expenses and revenue lost by the University.

A distribution of the CARES Act Higher Education Emergency Relief Funds has been made to 'holding' index 925502 for the Athletics Department in the amount of \$2,046,871. This distribution was entered as FY20 activity via Banner Journal Entry J0679320, and covers a portion of Athletics' COVID related expenses and lost revenues through June 30, 2020. In order to provide flexibility on internal distribution of these funds within Athletics, the funds have been distributed into a new index at Organization Level 3, to allow you to distribute funds further based upon those units that have been affected the most. You can re-distribute amount(s) from the 'holding' index immediately. Please contact me for further instructions on the process for re-distribution.

Supporting Documentation Requirements, Due by August 31, 2020:

To meet the federal compliance requirements of the CARES Act funding, supporting documentation is required in order to substantiate the receipt of these funds. Please send me the attachments that may have been included on the UNM Main Campus Smartsheet tracking log for COVID related costs, and also include any supporting documentation for amounts entered into the Smartsheet that did not include attached

backup. This information is due no later than August 31, 2020. Examples of supporting documentation for COVID related expenses are copies of Chrome River reports, Purchase Orders, receipts, etc. Examples of supporting documentation for lost revenues are backup or reports for refunds issued, or a three year comparison of revenue normally earned compared to actual revenue earned in FY20, with the FY20 loss of revenue due to the COVID pandemic. Your supporting documentation will likely exceed the amount of this current distribution, and any documentation provided in excess of this current distribution will be used as supporting documentation if there are any future distributions of COVID relief funds.

The supporting documentation submitted must be for expenses or lost revenues that occurred during the fiscal year ended 2020, and must be within the federal CARES Act Use and Restrictions of Funds Guidelines, which are as follows:

- Institutions of higher education receiving funds under this section may use the funds received to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus so long as such costs do not include payment to contractors for the provision of preenrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.
- Institutions may use the funds for Recipient's Institutional Costs to provide refunds to students for room and board, tuition, and other fees as a result of significant changes to the delivery of instruction, including interruptions in instruction, due to the coronavirus.

Further re-distribution within your organization of the amount referred to in this memo shall be completed in Banner by use of the 0415 revenue account code for both the debit and credit, debiting index 925502 which received the current distribution.

Thank you, and please contact me via email at emetzger@unm.edu with any questions.

Cc: Teresa Costantinidis, Sr.VP for Finance and Administration Norma Allen, University Budget Director Vahid Staples, University Budget Officer



April 8, 2021

TO: Eddie Nunez, University Athletic Director

Nicole Dopson, Financial Operations Director

FROM: Elizabeth Metzger, University Controller

SUBJECT: Distribution of U.S. Dept. of Education HEERF II funds

Distribution of HEERF II Funding:

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (the CRRSAA,) was signed into law which authorized the Higher Education Emergency Relief Funds II. The University is a recipient of additional HEERF funds under this Act.

A second distribution of the HEERF funds under the CRRSAA has been made to holding index **925512** for the Athletics Department in the amount of **\$10,470,381**. This distribution was entered as March FY21 activity via Banner Journal Entry **J0699334**, and covers a portion of the Athletics' COVID related expenses and lost revenues that were entered through March 31, 2021 into the COVID-19 Fiscal Impact Form. You can redistribute amount(s) from the 'holding' index immediately. Please contact me for further instructions on the process for re-distribution.

Supporting Documentation Requirements, Due by May 31, 2021:

To meet the federal compliance requirements of the HEERF II funding, supporting documentation is required in order to substantiate the receipt of these funds. Please send me the attachments and supporting documentation that were used to support the numbers entered on the UNM Main Campus Financial Impact Form for COVID related costs, and lost revenues. This information is due no later than May 31, 2021 and should support the total amount submitted as indicated on the attached summary document. Examples of supporting documentation for COVID related expenses are copies of Chrome River reports, Invoices, Banner transactions showing proof of payment, etc. Examples of supporting documentation for lost revenues are backup or reports for refunds issued, or a three-year comparison of revenue normally earned

compared to actual revenue earned in this current fiscal year (FY21) with the FY21 loss of revenue due to the COVID pandemic. The supporting documentation submitted must be for expenses or lost revenues that occurred during the current fiscal year ending June 30, 2021, and must be within the federal Use and Restrictions of Funds Guidelines, which are as follows:

- Institutions of higher education receiving funds under this section may
 use the funds received to cover any costs associated with significant
 changes to the delivery of instruction due to the coronavirus so long as
 such costs do not include payment to contractors for the provision of preenrollment recruitment activities; endowments; or capital outlays
 associated with facilities related to athletics, sectarian instruction, or
 religious worship.
- Institutions may use the funds for Recipient's Institutional Costs to provide refunds to students for room and board, tuition, and other fees as a result of significant changes to the delivery of instruction, including interruptions in instruction, due to the coronavirus.

Further re-distribution within your organization of the amount referred to in this memo shall be completed in Banner by use of the **0417** revenue account code for both the debit and credit, debiting index 925512 which received this second distribution.

Thank you, and please contact me via email at emetzger@unm.edu with any questions.

Cc: Teresa Costantinidis, Sr.VP for Finance and Administration Norma Allen, University Budget Director Vahid Staples, University Budget Officer

COVID-19 Report University of New Mexico 7/12/20 to 3/22/21

Organization Level 3	Amount	Description	Proposed Amount to Distribute	Reserve as a % of Budget	Amount to Distribute Excludes above 30%
	Fixed Amount Allocations:				
		Main Campus (Student Retainment)	\$1,000,000.00		\$1,000,000.00
		Disability-related Remote Learning (COVID Costs)	\$300,000.00		\$300,000.00
		Gallup Branch Campus CARES Allocation based on I&G	406,266.00		406,266.00
		Los Alamos Branch Campus CARES Allocation based on I&G	87,040.00		87,040.00
		Taos Branch Campus CARES Allocation based on I&G			173,285.00
		Valencia Branch Campus CARES Allocation based on I&G	· · · · · · · · · · · · · · · · · · ·		263,633.00
		Subtotal of Predetermined Allocations	\$2,230,224.00		\$2,230,224.00
ABA : Provosts Admin Units	\$373,791.00 Lost Revenue and Expenses - Con	tinuing Education	\$233,880.07	44.27%	\$0.00
ABG : College of Fine Arts CFA	\$335,591.36 Lost Revenue and Expenses/Supplies	- Art, Music, Film and Digital Arts	\$209,978.66	24.86%	\$212,371.09
ABH : College of Arts & Sciences A&S	\$79.95 Lost Revenue and Expenses/Supplies	- Chemistry and Chemical Biology	\$50.02	25.09%	\$0.00
ABL : School of Law LAW	\$900.00 Lost Revenue and Expenses/Supplies	- Student Bar Association	\$563.13	47.26%	\$0.00
ABN : College of Univ Lbry & Learning Sci	\$97,332.52 Lost Revenue and Expenses/Supplies	- Libraries, University Press	\$60,900.71	12.92%	\$61,594.59
ABQ : Vice President for Research	\$982.19 Lost Revenue and Expenses/Supplies	- GPS	\$614.55	92.26%	\$0.00
AC : VP Student Affairs	\$744,794.19 Lost Revenue and Expenses/Supplies	- Student Union Building, Student Health and Counseling(SHAC), Career Services	\$466,015.82	14.07%	\$471,376.76
ADA : SR VP Finance & Administration	\$23,355.02 Lost Revenue and Expenses/Supplies	- Bursars Office	\$14,613.18	146.56%	\$0.00
ADC : Intercollegiate Athletics	\$16,545,423.45 Lost Ticket Revenue multiple sports an	d additional expenses	\$10,352,429.21	-7.24%	\$10,470,381.86
ADD : Controller	\$771,898.31 Lost Revenue Copy and Mailing system	ns	\$482,974.80	5.12%	\$488,477.68
ADG : VP Institutional Support Services	Lost Revenue and Expenses/Supplies \$15,894,520.18 Popejoy/Public Events; Ticketing; Facil	- Housing, Food Service, Catering, Bookstores, Golf Course, Lobo Card Office; Parking; tities Management	\$9,945,160.69	8.30%	\$10,058,473.05
ADJ : Information Technologies	\$632,134.51 Computer and Equipment to support st	udents, staff and faculty working from home	\$395,524.95	4.23%	\$400,031.45
FEMA Reimbursable Expenses					
Supplies (Various)	\$403,160.50 Emergency Supplies	(FEMA Unallowable Reimbursment 40%)	\$161,264.20		\$161,264.20
Total Other Expenses	\$403,160.50		\$161,264.20		\$161,264.20
All Lost Revenue and Exp.	\$35,823,963.18				
		Amount to Claim or Reimbursed	\$24,554,194.00		\$24,554,194.69



UNIVERSITY OF NEW MEXICO UNOFFICIAL MINUTES OF THE MEETING REGENTS' AD HOC GOVERNANCE COMMITTEE

Tuesday, September 17, 2019
(Time: Directly Following the Board of Regents' Meeting)
Margaret & Turner Branch Benefactors Lounge
Center for the Arts Building, Main Campus

The Regents' Ad Hoc Governance Committee met on Tuesday, September 17, 2019 for the purposes of discussing the committee's charge and issues that the committee will review and consider. The meeting commenced at 2:10 PM.

Regent Committee Members in attendance: Rob Schwartz, Chair Kim Sanchez Rael Marron Lee Administrators in attendance: Terry Babbitt, President's Chief of Staff Loretta Martinez, Chief Legal Counsel

Others in attendance:
Doug Brown, Regent President
Mallory Reviere, Sp. Asst. to the Board of Regents

Regent President Brown delivered the Charge to the Committee [see ATTACHMENT A] and left the meeting after a brief discussion. Committee members and administrators discussed further details about areas the committee would address:

- Prioritize issues
- Affiliated Entities: consistency/coherence among similar-type; consistent bylaws and COI policy; IPRA; delegation of authority to affiliated entities
- General Governance/Best Practices: roles and responsibilities of Regents; Officers; meeting structure; committees/structure-scope; resources; regent orientation and education
- Financial Matters: overall budget process; accountability; delegation; regent endowments
- Compliance Matters: IPRA/OMA; constitution and statutes
- Guiding statement of purpose: what the role of the regents is.....

There was discussion about the date for the next meeting. There being no further discussion, the meeting adjourned at 4:06 PM.

Establishment of Ad Hoc Governance Committee and Charge

Regent Policy Manual Section 1.2 concerns Ad Hoc Committees of the Board of Regents, and provides that from time to time the President of the Board may appoint ad hoc committees consisting of two or three Regent members to gather information and make recommendations to the Board of Regents about specified matters.

Accordingly, an Ad Hoc Governance Committee is established to review and make recommendations regarding Board operations and institutional governance, including but not limited to Regent policies, Board meetings, retreats and orientation, the Board budget, Regent responsibilities and opportunities for continuing education, and any other policy matters essential to the effective operation of the Board of Regents.

The Committee shall be composed of at least two members of the Board of Regents appointed by the President of the Board and other such individuals with knowledge useful to the effective discharge of the Committee's duties. The President of the University shall assign staff to assist the Committee in its work. The Committee shall meet as necessary in accordance with RPM 1.2, and shall report its recommendations to the Board.

Joseph Suilmann

From: Mallory Reviere

Sent: Monday, July 19, 2021 4:00 PM

To: Joseph Suilmann

Subject: FW: 2021 Virtual National Conference on Trusteeship Confirmation

Follow Up Flag: Follow up Flag Status: Flagged

Hi John,

All of the regents signed up for the April 12-14, 2021 virtual AGB Conference on Trusteeship. Let me know if you'd like me to send any of the topics that were covered at the conference.

Best, Mallory

From: registrar@agb.org <registrar@agb.org>
Sent: Wednesday, March 31, 2021 5:48 PM
To: Douglas Brown

browndm@unm.edu>

Cc: Denise Garcia-Pogzeba < dgpogzeba@unm.edu>

Subject: 2021 Virtual National Conference on Trusteeship Confirmation

[EXTERNAL]

We're delighted you'll be joining us on **April 12 - 14, 2021 for the Virtual National Conference on Trusteeship**. Please see your registration details below.

Access to Virtual Platform: Several weeks prior to the event, you will receive an email with instructions on how to access and navigate the virtual platform, accept your profile and upload your photo, download the mobile app and create your personal agenda.

Registration Details:

2021 Virtual National Conference on Trusteeship Confirmation

Thank you, Doug. We appreciate your registration for our 2021 Virtual National Conference on Trusteeship on 04-12-2021.

What: 2021 Virtual National Conference on Trusteeship

When: 04/12/2021 12:00 PM - 04/14/2021 05:00 PM Eastern Standard Time (Mexico)

Where: Virtual

Attendees

Registrant Name: Doug Brown University of New Mexico Main Campus

Sincerely,

Association of Governing Boards of Universities and Colleges

MEMORANDUM

To: HLC Visiting Team

From: James Paul Holloway, Provost and Executive Vice President &

Professor of Nuclear Engineering

Date: August 5, 2021

Re: Board of Regents and Shared Governance at the University of New Mexico

This memo describes UNM Academic Affairs experience of interactions with the Board of Regents and with the individual members of that board, over the period July 2019 to July 2021. This memo is based on my experience with the board since my appointment as Provost on July 1, 2019, having come to UNM at that time from the University of Michigan.

My interactions with the UNM Board of Regents occurs in a number of venues: at full board meetings, in which as provost I have a privileged position "at the table," and also attend executive session and brief the Regents on confidential matters of significance. I organize and set the agenda for The Regents' Subcommittee on Student Success Teaching and Research (SSTAR). The Regents also contact me by phone, email, and in person to discuss any questions they may have or ideas they wish to share. I also attend the Regents' retreats, and have participated in the discussions over the appropriate governance role of Regents in concert with the management and operational roles of the President and her team. An important theme in all of these interactions is that the Regents have authority as a body, and no authority as individuals – individual Regents have said that to me numerous times. In my experience with them over the last two years, this key principle has been respected.

To provide a small by concrete example: this year several prominent New Mexico citizens contacted a board member to express concern about the reduction in funding for an archival program in the UNM library. The board member gathered information from the UNM President and from me to inform these constituents of the status of the program, and even made a personal donation in support of the program. Never in this engagement did I feel any pressure to revise our funding decision within Academic Affairs, and the budget reduction on that program remains in place.

I serve as the chief budget officer for the academic enterprise on our "main campus" in Albuquerque, and work closely with the CFO on building the overall budget for the Albuquerque campus. I also oversee our branch campuses, whose budgets are set by the branch chancellors, who report to me. Consistent with their constitutional mandate to "control and manage" the university, the Board is properly engaged with the development of the budget of the university at a high level and have the authority to approve the budget of the entire enterprise. They exercise this engagement through asking deep questions about revenues and expenditures at a high level, focusing on state allocations and tuition revenues, as well as research revenues. A regular report

to SSTAR committee by the Vice President for Research provides the Regents with an update on research activity. Regular updates (both weekly email reports including the Regent President and regular in-person reports at SSTAR) on enrollment provide Regents with information on enrollment numbers, movement towards enrollment goals, and, by extension, tuition revenues. The budget at the highest level is brought to the Regents at a set of meetings in the Spring term, defined by the timing of the legislative session and the deadline for budget upload to the State Higher Education Department. The Regents do not approve budgets at the level of individual units.

As Provost, I set the budgets of individual schools and colleges through a (largely) incremental base budgeting model. The Regents do not engage at this level of the process. They ask questions, seek information, and respect my authority to budget within Academic Affairs. Much of our budgeting process is informed by the Budget Leadership Team (BLT), a large and broadly representative group (faculty, students, and staff) who hear, for example, any incremental requests that I as provost make on behalf of the academic mission, consider tuition changes, and make recommendations to the president on the allocation of core funds. I have increased the faculty membership of this group by including the chair of the faculty senate budget subcommittee as a voting member, which also includes the faculty senate president, several deans, and economics faculty with expertise in higher education finance; the Regents are not involved in establishing the membership of this group. In the two complete budget cycles (including an extra full budget approval for FY22 in response to Covid) that I have undergone at UNM, the Regents have asked questions, shared ideas, and in each case approved the recommendations of the president that came to her via the BLT.

The Board's primary mechanism for directing the development of the university comes, appropriately, through the president's annual goals. These goals are developed by the president first seeking input from her leadership team as to what our goals should be over the next year or two. This input, along with her own thoughts about key institutional goals, is assembled by the president into a coherent set of goals and presented to the Regents in an iterative discussion in which they also shape the goals. This process is very effective – it gives the academic leadership a clear set of priorities that have been endorsed by the board, and it operates at a high level to steer the institution without getting into the details. The Board is also very interested in the university developing its next strategic plan, to be called UNM 2040: Opportunity Defined. The development of this plan is led by the president and managed by a leadership group comprised of the Provost, EVP for Health Sciences, CFO, and President of the Foundation, and informed by a broadly representative steering committee on which the Regents have one seat. This allows the Regent's voice, responsible as fiduciaries of the state we serve, to be heard as part of the critical chorus of faculty, students, staff, and alumni in the planning process.

Board of Regents Retreat: El Monte Sagrado Living Resort and Spa, Taos, NM

Monday, July 8, 2019

11:30 AM – 12:30 PM	Working Lunch – Retreat Goals (Dr. Kevin Reilly, President Emeritus, University of Wisconsin System) - <i>El Monte Sagrado, De La Tierra Restaurant</i>
12:30 – 2:30 PM	Session 1 – Effective Board Governance/Culture (Dr. Kevin Reilly, President
	Emeritus, University of Wisconsin System) - El Monte Sagrado, The Gallery
2:30 – 2:45 PM	Break
2:45 – 3:45 PM	Session 2 – HLC Governance Concerns, Response, Remedial Plan (Dr. Kevin
	Reilly, President Emeritus, University of Wisconsin System) - El Monte Sagrado
3:45 – 4:00 PM	Hotel Check-in
4:00 – 5:00 PM	Strategic Planning Discussion (David Paul), El Monte Sagrado, The Gallery
5:15 – 6:45 PM	Tour of Harwood Museum and Reception
7:00 PM	Dinner (Continuation of Strategic Planning Discussion), El Monte Sagrado,
	Terrace & El Grande Foyer

Tuesday, July 9, 2019

7:30 AM	Breakfast Buffet Available, The Gallery
8:00 – 9:00 AM	Breakfast & Session 3 – Regents Endowment Allocation Process - El Monte
	Sagrado, The Gallery
9:00 – 10:30 AM	Session 4 – Enrollment Planning and Recruitment - El Monte Sagrado, The Gallery
10:30 – 10:45 AM	Hotel Check-out
10:45 – 11:45 AM	Open Discussion
11:45 AM – 12:15 PM	Regents-President's Only – Performance Evaluation – El Monte Sagrado
12:30 – 2:00 PM	Lunch and UNM-Taos Campus tour (UNM Taos Campus)

Board of Regents 2020 Retreat Program

UNM in Unprecedented Times: Taking Stock, Pivoting, Looking to the Future

DAY 1, August 3, 2020 8:30 a.m. - 12:45 p.m.

> 8:30 - 8:45 a.m.

Welcome and Opening Remarks: Regent President Doug Brown and President Garnett Stokes

> 8:45 - 9:55 a.m. Session 1

The Latest on COVID-19 and its Impact on New Mexico and Higher Education

James Holloway, Mike Richards and other experts discuss the current and projected state of COVID-19 in New Mexico including health-centered outlooks and reopening higher education

- > 9:55 10:00 a.m. Chair's choice of participants to share a story or joke
- > 10:00 11:10 a.m. Session 2

The Pandemic and Social Unrest Relating to Systemic Racism – What are the Strengths and Weaknesses of University Communities to Meet these Challenges?

Assata Zerai, Finnie Coleman and senior leaders facilitate discussion around on-line learning, remote work, campus climate, diversity of faculty and staff, campus policing and safety, programs for enhancing equity and inclusion, and Board of Regent responsibilities on these matters

- > 11:10 11:30 a.m. Break
- ➤ 11:30 11:35 a.m. Chair's choice of participants to share a story or joke
- > 11:35 12:45 p.m. Session 3
- > Higher Education Challenges Relating to Changing Student Demographics and the Changing Industry of College Athletics
 - Enrollment Dan Garcia
 - Athletics Eddie Nuñez

DAY 2, August 4, 2020 1:00 - 5:15 p.m.

> 1:00 - 2:10 p.m. Session 4

Top Governance/Policy Issues for Boards 2020-2021 (including Legislative Advocacy in Difficult Times)

Government Relations Barbara Damron and General Counsel Loretta Martinez will discuss governance and policy challenges and opportunities as well as Regent legislative advocacy for their universities

- ➤ 2:10 2:15 p.m. Chair's choice of participants to share a story or joke
- > 2:15 3:25 p.m. Session 5

Project Echo and the Future of On-Line Delivery of Higher Education and Health Services

Sanjeev Arora to present on the potential of Echo to contribute to the capacity and access challenges of health education across multiple disciplines

- > 3:25 3:45 p.m. **Break**
- ➤ 3:45 3:50 p.m. Chair's choice of participants to share a story or joke
- > 3:50 5:00 p.m. Session 6

What Does the Campus of the Future Look Like? How Do We Get There From Here?

Teresa Costantinidis – potential topics include the facilities Master Plan, TIDD, Public Private Partnerships, URPEDA corporations, Innovation zones and athletic facilities

> 5:00 - 5:15 p.m.

Wrap Up and Thanks: Regent President Doug Brown and President Garnett Stokes

> 5:15 p.m. ---

Virtual Toast/Dinner Delivered

Regent Retreat 2020 Attendees/Presenters/Staff

Regents:

- 1. Regent President Doug Brown
- 2. Regent Kim Sanchez Rael
- 3. Regent Rob Schwartz
- 4. Regent Marron Lee
- 5. Regent Rob Doughty
- 6. Regent Sandra Begay
- 7. Regent Melissa Henry

President Stokes and Leadership Team:

- 8. President Garnett Stokes
- 9. Dorothy Anderson, VP of Human Services
- 10. Terry Babbitt, Chief of Staff
- 11. Cinnamon Blair, Chief Marketing & Communication Officer
- 12. Teresa Costantinidis, SVP for Finance and Administration
- 13. James Holloway, Provost and EVP of Academic Affairs
- 14. Loretta Martinez, General Counsel
- 15. Eddie Nuñez, Athletic Director
- 16. Dr. Michael Richards, Interim EVP for Health Sciences
- 17. Assata Zerai, VP Equity and Inclusion

Guest Presenters for Various Sessions:

Dr. Michelle Harkins, Division Chief Pulmonary, Critical Care of Internal Medicine Finnie Coleman, faculty Senate President Dan Garcia. VP Enrollment Management

Barbara Damron, Chief Government Relations Officer Dr. Sanjeev Arora, Director of Project ECHO

Ava Lovell, Exe Officer Finance & Administration, HSC

Stephanie Spong, Senior Operations Management for Center for Teaching and Learning Kimberly Fournier. Associate Director, Center for Teaching Excellence

Staff:

Mallory Reviere Mitch Garrity Marlene Armijo Dean Bernardone

UNM Board of Regents 2021 Retreat UNM Gallup Campus Conference Center August 12-13, 2021

Higher Education Trends: Responding to COVID-19 and other Disruptions

Thursday August 12th

Welcome and Working Lunch	11:30-12:30 p.m.	
(UNM Gallup Chancellor James Malm, President Stokes, Regent Begay and Brown)	Regent President	
Working Lunch Topic: <i>The Changing Landscape of College Athletics, Part I</i> AD Nuñez and staff		
Session 1:	12:30 - 2:30 p.m.	
Mega Trends in Higher Education, Anticipated Long-Term Effects of COVID-19 on Public Colleges and Universities, and Thinking about Where We Go from Here		
Thought Leader—The Honorable Joseph A. Garcia, current Chancellor of the Community College System of Colorado and former Colorado Lieutenant Governor/Executive Director of the Colorado Department of Higher Education, President of Colorado State University Pueblo and President/CEO of the Western Interstate Commission for Higher Education (WICHE). See full bio in materials.		
BREAK		
Session 2:	2:45 – 4:15 p.m.	
Academic Excellence: Designing the New Normal in Student Learning, Teaching and Research		
EVP and Provost Holloway and staff		
Tour of UNM Gallup Campus	4:15 – 4:45 p.m.	
BREAK Check-in at Hotel (Hilton Garden Inn)	5:00 – 5:45 p.m.	
Reception & Dinner at Fratelli's Bistro	6:00 – 8:30 p.m.	
<u>Friday August 13th</u>		
Hotel Check-Out		
Session 3:	8:30 – 10:00 a.m.	

Getting Governance Right: What Regents Must Do, Can Do or Should Do in These
Times and the Information/Support/Infrastructure They Need To Do It

GC Martinez and staff

UNM Board of Regents 2021 Retreat Schedule Continued:

Session 4:	10:00 11:30 a.m.	
UNM 2040: Opportunity Defined: Identifying And SVP and CFO Costantini	_	
Working Lunch:	11:45 a.m.–12:45 p.m.	
Working Lunch Topic: The Changing Landso AD Nuñez and s	•	
Session 5:	12:45 – 2:15 p.m.	
HSC: Bold New Frontiers in Health Care Education and Delivery EVP and CEO Ziedonis and staff		
Wrap Up and Farewell (President Stokes and Board Pre	esident Brown)2:15 2:30 p.m.	
ATTIRE:		
Business casual – Lobo wear encouraged!		
MASKS/VACCINES:		

Due to updated CDC updated data for McKinley County, UNM / UNM-Gallup require masks to be worn indoors by all individuals, vaccinated and unvaccinated. Masks must be worn in any indoor group setting, including classrooms.

All students, faculty, staff and visitors should wear their masks at all times in UNM-Gallup buildings unless they are eating, drinking, or in an office alone. Please help us continue good public health practices (hand-washing; staying home when ill; physical distancing, when possible; mask wearing, etc.) so we all stay safe and healthy.

Vaccinated individuals do not need to wear masks outdoors.



UNIVERSITY OF NEW MEXICO UNOFFICIAL MINUTES OF THE MEETING REGENTS' AD HOC GOVERNANCE COMMITTEE

January, 28, 2020; 11:30 AM Conference Rm.141; Scholes Hall

Regent Members in attendance:

Rob Schwartz, Chair

Kim Sanchez Rael (telephonically)

Marron Lee

Others in attendance:

Pat Allen, UNM Foundation

Administrative Members in attendance:

Loretta Martinez, Chief Legal Counsel

Staff in attendance: Lisa Kuuttila, CEO & Pres. STC.UNM

Mallory Reviere, Sp. Asst. to the BOR Members of the press

Agenda

I. Call to Order: Regent Rob Schwartz called the meeting to order at 11:36 AM.

II. Discussion

- a. Prioritize Committee Projects & b. Key Priorities
 - Financial Subcommittee: Kim Rael, Chair; Marron Lee; Teresa Costantinidis; "Financial matters are a high priority"; address fiduciary responsibility; overall UNM budget and Regents' involvement; look at ways the Regents can evaluate the University budget [Talk to former Regents? What are best practices?]; Regents obligations to other financial decisions; separate out statutory obligations; which powers can Regents delegate; Regents' Endowment fund RPM7.19; financial decisions policy
 - Affiliated Entities Subcommittee: Loretta Martinez; Marron Lee; Kim Rael; Pat Allen to assist; types of affiliated orgs; comprehensive list; coherence [bylaws; leadership, etc.]; "normalize and regularize how we treat them"; best practices [AGB fall conference]
 - BOR administrative and procedural issues: Rob Schwartz; renaming of officers; committee structure; executive committee; BOR responsibilities [eg. Mission Statement]; Role of Regents vs. Role of Administration; Regent resources, [eg. AGB fall and spring conferences]
 - RPM 1.5 Appeal Policy: "Due Process issues seem like immediate issues": structure of appeals, best practices; Regents' involvement in appeals vs. over the policies that govern appeals
 - Discussion on RPM 3.3; Regent Lee recommends deletion on one-line provision re HSC Chancellor dismissal; Chief Counsel Martinez will address revised wording.
 - BOR bylaws: to replace RPM section 1? Chief Counsel Martinez said she would do a mock-up and solicit Regents' input.
- III. Adjourn: there being no further discussion, the meeting adjourned at 12:48 PM



UNIVERSITY OF NEW MEXICO UNOFFICIAL MINUTES OF THE MEETING REGENTS' AD HOC GOVERNANCE COMMITTEE

August, 31, 2020; 10:00 AM

Virtual (*Livestreamed*: https://live.unm.edu/board-of-regents)

Regent Members in attendance: Rob Schwartz, Chair Kim Sanchez Rael Marron Lee Administrative Members in attendance: Terry Babbitt, President's Chief of Staff Loretta Martinez, Chief Legal Counsel

Staff in attendance:

Mallory Reviere, Sp. Asst. to the BOR Dean Bernardone, Assoc. Dir., Core IT Srvcs

Agenda

- I. Call to Order: Regent Rob Schwartz called the meeting to order at 10:06 AM.
- II. Set Fall Meeting Dates
 - Monday, October 12 and Monday, November 30: meetings that lead into BOR
 - Monday, September 14: review language for Appeal Policy revision
 - Monday, September 21: public hearing on proposed revised Appeal Policy
- III. Subcommittees: restarting subcommittee work
 - a. Financial Subcommittee: discussion about plans to meet and address issues
 - b. Affiliated Entities Subcommittee: diverse group of entities [eg. health care, real estate, other URPEDA, etc.]; focus on the policy; challenge is Regents' Policy 7.17 does not meet the Regents' needs
- IV. Policy Discussions
 - a. Appeals: draft a new policy to bring to BOR; Title IX regulations carve out student appeals; tenure appeals; survey national norms and best practices; Regents' making decisions on specific appeals (adjudication) vs. setting policies and ensuring well-defined processes are in place for handling appeals; get public input on proposed wording of a new policy before taking to BOR for approval; get input from former Regents; Regents' job is to ensure there is a fair process; do not leave room for Regents' to do adjudications; Loretta will have best practices available at next meeting
 - b. IPRA; follow IPRA state law, but there is an element of interpretation; problem is current policy goes into more detail than what law states; hold public hearing to get input on IPRA; call for legislative reform? Hold meetings similar to appeal policy steps; more complicated than appeals so will take longer
 - c. BOR Authority vs UNM President Authority: constitution and statutes; what best serves the University; dividing line as a principled matter/where the line ought to be drawn; eg. what kind of contracts Regents should approve; how do Regents know what they are supposed to do? Start with a general principle to apply and then fit the case; a question for the BOR as a whole; put on BOR agenda; best practices on roles - private vs public institutions
- V. Board of Regents Advocacy: Skills and Contacts Matrix/Inventory
 - Smart governance involves self-evaluation of competencies, etc.; on-going process to monitor the board and hold it up to best practices
 - Barbara Damron will meet with Regents to narrow down areas/opportunities for advocacy
- VI. Discussion on AGB Best Practices re. Meetings; Committees; Regent Orientation; and Board Education
 - This committee is an Ad Hoc committee, established to deal with a few problems that had built up, with a limited agenda and a short lifespan [eg. changes to RPM]; plan on another Regent orientation in March, after new Regents are confirmed
- VII. Adjourn: there being no further discussion, the meeting adjourned at 11:14 AM



UNIVERSITY OF NEW MEXICO UNOFFICIAL MINUTES OF THE MEETING REGENTS' AD HOC GOVERNANCE COMMITTEE October 12, 2020; 10:00 AM

Virtual (Livestreamed: https://live.unm.edu/board-of-regents)

Regent Members in attendance:
Rob Schwartz, Chair
Marron Lee
Kim Sanchez Rael

Members from Administration in attendance:
Loretta Martinez, Chief Legal Counsel
Terry Babbitt, President's Chief of Staff

Others in attendance:

Michael Richards; Dorothy Anderson; Carol Suzuki; Nancy Shane; Ari Vazquez; Scot Sauder; Chamiza Pacheco de Alas; Don Godwin; Tracie Collins; Martha McGrew; Christine Kasper

- I. Call to Order and Adoption of the Agenda
 - Regent Schwartz called the meeting to order at 10:07 AM
 - All committee members were present
- II. Comments on Subcommittee Activities
 - Financial Subcommittee: (Regent Rael gave an update)
 - Working on defining policy matters areas of focus for the committee: 1) longterm financial strategy; 2) the annual budgeting process; 3) oversight & accountability; and 4) delegation of authority
 - Next step would be review of best practices; then gap analyses; then bring back recommendations to the committee
 - Affiliated Entities Subcommittee: (Regent Lee gave an update)
 - The subcommittee has met and is working on getting a comprehensive list of all affiliated entities to UNM
- III. Discussion on Proposed Regents' Policy Manual Revisions:
 - a. Regents' Policy 1.5, "Appeals to the Board of Regents"
 - Regent Schwartz said he had received input from the faculty senate policy committee and from AF&T
 - Efforts to redraft language for the policy were underway
 - Any proposed revision would be made available for comments before the committee makes a decision to send it to the full BOR
 - o Carol Suzuki and Nancy Shane provided comments
 - b. Policies Related to the Health Sciences Center (RPM: 3.3, 3.4, 3.5, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9, 7.14)
- IV. Summary Remarks
- V. Adjournment; there being no further discussion, the meeting adjourned at 11:06am.



November 23, 2020

Agenda REGENTS' AD HOC GOVERNANCE COMMITTEE November 30, 2020; 10:00 AM Virtual

Livestream: https://live.unm.edu/board-of-regents

Regent Members: Rob Schwartz, Chair Marron Lee Kim Sanchez Rael Members from Administration: Loretta Martinez, Chief Legal Counsel Terry Babbitt, President's Chief of Staff

Others in attendance: Scot Sauder; Martha McGrew; Amy Levi; Dorothy Anderson; Teresa Costantinidis; Pat Allen; Provost Holloway; Michael Richards; Chamiza Pacheco and others

- I. Call to Order and Confirmation of a Quorum
 - Regent Schwartz called the meeting to order at 10:01 AM
 - All committee members were present
- II. Adoption of the Agenda
- III. Introductory Remarks from the Committee Chair

Public Comment² – no comments

- IV. Action Item: Discussion on proposed Regents' Policy Manual (RPM) revisions and Decision on which policies to move to the December 9th Board of Regents for Approval
 - RPM: 3.3, 3.4, 3.6, 3.8, 5.3, 5.5, 5.18, 7.6, 7.8, 7.9, 7.14 (see attached)
 - The Regent members approved sending the proposed revisions (with the exception of adding in that all settlements be included in the settlement report) to the Board of Regents
- V. Discussion on New Regent Orientation for incoming Regents, Fall 2021
 - Regent Schwartz said it would be good to start thinking about what a good orientation looks like; he liked parts of the orientation that he received; some parts were better than others. Chief Counsel Martinez mentioned AGB best practices. Regent Lee said that not all new Regents need the same information; for example, someone may have been a Regent before; she recommended the orientation be organized by the Regents themselves. Everyone agreed that the last Regent Retreat was useful and would be beneficial.
- VI. Summary Remarks no remarks
- VII. Adjournment the meeting adjourned at 10:47 AM

THE UNIVERSITY OF NEW MEXICO Board of Regents' Finance and Facilities (F&F) Committee February 11, 2020 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz

Administration Present: Garnett Stokes, University President, and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPF&A)

Presenters in Attendance: Elizabeth Metzger, Financial Services Division; Nicole Dopson, Financial Operations; Eddie Nunez, Athletics; David Williams, Athletics; Ryan Berryman, Athletics; Lisa Marbury, Institutional Support Services (ISS); Dorothy Anderson, Human Resources; Joey Evans, University Benefits; and Kenny Stansbury, UNM Foundation.

ACTION ITEMS:

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda. Regent Begay called the meeting to order at 12:33 p.m. in Scholes Hall, Roberts Room, and confirmed that a quorum was established. Regent Brown moved to adopt the agenda and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 2. Approval of Finance and Facilities Committee Meeting Summary from December 3, 2019. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 3. Approval of 2nd Quarter Financial Actions Report and Certification through December 31, 2019 and 2nd Quarter Informational Financial Report through December 31, 2019.

Approval of 2nd Quarter Financial Actions Report and Certification through December 31, 2019. Elizabeth Metzger gave the presentation. Regents' approval was requested for the second Quarter Financial Actions Report and Certification through December 31, 2019. The Quarterly Financial Actions Report is a one-page report submitted to the New Mexico Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED. Question 6 was answered "yes".

By responding "yes" to Question 6, the additional information reported to HED will indicate an enrollment decrease of 7% in student credit hours and 6.56% decrease in student headcount for Fall 2019. Tuition and fees are expected to come under budget by approximately \$4.2M or 2.6%. The short fall will be covered by central reserves. The detailed report is in the E-book. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 2nd Quarter Informational Financial Report through December 31, 2019. Elizabeth Metzger presented the second quarter consolidated financial reports through December 31, 2019. The detailed report is in the E-book.
- 4. Approval of 2nd Quarter Athletics' Enhanced Fiscal Oversight Program (EFOP) Report and Certification through December 31, 2019 and 2nd Quarter Information on Athletics' Report by Sport through December 31, 2019.
 - Approval of 2nd Quarter Athletics' Enhanced Fiscal Oversight Program (EFOP) Report and Certification through December 31, 2019. Nicole Dopson and Eddie Nunez gave the presentation. Regents'

approval was requested for the Athletics' EFOP Report and Certification instituted by the Higher Education Department (HED). This report covers the FY20 second quarter financial status and budget exhibits for the Athletics' department. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

2nd Quarter Information on Athletics' Report by Sport through December 31, 2019.

Nicole Dopson and Eddie Nunez gave the presentation. The report describes the pooled revenues and directed revenues by sport for FY20 budget and actuals year-to-date through December 31, 2019. This report also compares FY20 budget to quarterly actuals, and FY20 year-to-date actuals to prior year-to-date actuals. The detailed report is in the E-book.

- 5. Approval of Multi-Media Rights Contract for Athletics. Eddie Nunez, David Williams, and Ryan Berryman gave the presentation. Regents' approval was requested for the multi-media rights contract for Athletics'. Mr. Williams provided an overview of the draft UNM Multi-media, Sponsorship Rights, and Privileges contract for Athletics. The key difference from the prior contract and the draft contract is that UNM and OUTFRONT have the opportunity to increase revenues through sales. Budget forecasting will most likely occur once a baseline has been established after the first year of the contract. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 6. Approval of Request for Project Construction:
 - a. Clark Hall #22 Reibsomer Wing Lab Waste System Replacement (Re-approval). Lisa Marbury gave the presentation. Regents' re-approval was requested for the Clark Hall #22 Reibsomer Wing Lab Waste System replacement. Ms. Marbury explained when there is a 10% increase or decrease in a project's budget, the project is to be presented to the Regents for reapproval in accordance with the Board of Regents Policy and as required by the New Mexico HED and New Mexico State Board of Finance. The revised total estimated project budget is \$475, which is a decrease from the initial project budget estimate of \$970K, and \$350K is funded from Facilities Management (FM) reserves and \$125K from minor capital reserves. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
 - b. Johnson Center: Fire Alarm Upgrade. Lisa Marbury gave the presentation. Regents' approval was requested for the Johnson Center fire alarm upgrade. The total estimated project budget is \$420K and is funded by FY20 building renewal and replacement (BR&R) funds. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 7. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda. Regent Begay recommended items 3, 4, and 6 be placed on the full Board of Regents' consent agenda. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

INFORMATION ITEMS:

8. FY 21 Budget Leadership Team. Teresa Costantinidis gave the presentation on the FY21 Budget Leadership Team (BLT) milestone timeline. Regent Begay recommended adding language "upon final approval of the state budget" to the timeline. The timeline is in the E-book.

- 9. UNM Medical Plan Update and FY 21 Cost Projections. Dorothy Anderson and Joey Evans gave the presentation. The report describes projected premium health coverage cost increases for FY 21. Regent Begay suggested a footnote be added to the FY 2020 Full-Time Employee Cost table on page 7 of the presentation. The footnote should indicate employees covered by LoboHealth with a salary of \$50K and above in the "Employee Only" category are projected to have an increase of \$10 in premiums. The detailed report is in the E-book.
- **10. UNM Foundation Budget and Investment Performance Report.** Kenny Stansbury gave the presentation. The detailed report is in the E-book.

COMMENTS:

Carol Pierce, City of Albuquerque Family and Community Services Director, provided brief comments about the proposed Gateway Center, and the services needed to promote the safety and security of individuals experiencing homelessness. She also thanked UNM leadership for their collaboration in the development of a comprehensive system to address homelessness.

EXECUTIVE SESSION:

A. Vote to close the meeting and proceed into executive session.

Regent Brown moved to close the meeting at 1:59 p.m. and proceed into executive session and Regent Schwartz seconded. The motion was passed by unanimous vote with a quorum of committee members present and voting.

- B. Discussion and determination where appropriate of potential purchase, acquisition, or disposal of real property, *Pursuant to Section 10-15-1. H (8), NMSA (1978).*
- C. Vote to re-open the meeting.

Regent Schwartz moved to re-open the meeting at 2:42 p.m. and Regent Brown seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

D. Certification that only those matters described in paragraph B above were discussed in executive session, and any matter discussed in executive session will, if necessary, be subsequently ratified in the open session of the public meeting.

Regent Schwartz moved to adjourn at 2:43 p.m. and Regent Brown seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

THE UNIVERSITY OF NEW MEXICO Board of Regents' Finance and Facilities (F&F) Committee March 2, 2020 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz

Administration Present: Garnett Stokes, University President, and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPF&A)

Presenters in Attendance: Bruce Cherrin, Purchasing; Elizabeth Kuuttila, STC.UNM; James Holloway, Academic Affairs; Norma Allen, OPBA; Dr. Alice Letteny, UNM-Valencia; and Adam Biederwolf, ASUNM.

ACTION ITEMS:

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda. Regent Begay called the meeting to order at 12:30 p.m. in Scholes Hall, Roberts Room, and confirmed that a quorum was established. Regent Schwartz moved to adopt the agenda and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- **2.** Approval of Finance and Facilities Committee Meeting Summary from February 11, 2020. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 3. Approval of Disposition of Surplus Property for December 2019 and January 2020. Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for December 2019 and January 2020. Items listed in the E-Book are obsolete or beyond repair. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- **4.** Approval of Contract for UNM Print Management. Bruce Cherrin gave the presentation. Regents' approval was requested for the UNM Print Management contract. There were 10 respondents, and the committee recommended awarding the contract to Document Solutions, Inc., Pacific Office Automation, Inc., RICOH USA, and Southwest Office Solutions, Inc. The agreements will be effective March 22, 2020 through March 31, 2030 with an approximate annual cost of \$450K to \$950K. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- **5.** Approval of Reappointments and Appointment to the STC.UNM Board of Directors. Elizabeth Kuuttila gave the presentation. Regents' approval was requested for the reappointment of two members of the STC.UNM Board that are set to expire on June 30, 2020. Maria Griego-Raby and Robert Nath have agreed to serve another four-year term, July 1, 2020

through June 30, 2024. Regents' approval was also requested for the appointment of Christos Christodoulou to the Board of Directors for a four-year term, beginning upon approval by the Board of Regents and ending June 30, 2024. The biographies are detailed in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

6. Approval of President's FY 21 Budget Recommendations. Regents' approval was requested for the approval of the President's FY 20 Budget recommendations. The detailed reports are in the E-book.

A. Branch Campuses-Gallup, Los Alamos, Valencia, Taos:

i. Tuition, Fees, and Compensation Proposal. Dr. Alice Letteny gave the presentation. Branch campuses do not intend to increase tuition and fees, and they are in support of 4% compensation increase. Regent Begay suggested the title on page two of the presentation to read, "Branch Campuses Propose No Increases."

B. Main Campus:

i. Core Financial Plan and Fees

Overall Budget Scenario
Teresa Costantinidis gave the presentation and explained main campus' overall budget for FY 21.

2) Tuition and Fees

James Holloway gave the presentation on the main campus' proposed tuition increases, changes to the block discount structure and rates, and differential tuition. Regent Begay recommended adding a footnote to the proposed tuition changes portion of the presentation located on pages seven and eight. The footnote should state the proposed tuition increase of 2.6% is based upon the higher education price index. Regent Brown suggested taking steps to connect tuition increases to the Consumer Price Index (CPI).

Adam Biederwolf gave the Associated Students of the University of New Mexico (ASUNM) presentation. Mr. Biederwolf described the undergraduate mandatory student fee conversion from a pro-rated to a headcount model for undergraduate students regardless of the number of hours the student is enrolled for, and the proposed rate increase from \$20 to \$25. Mr. Biederwolf noted 400 undergraduate students from 40 student organizations supported the headcount model and the fee increase. In addition, Mr. Biederwolf explained if the proposed headcount model and fee increase were passed, the constitution would have to be changed, and he noted the proposed changes to Article V, Section 2. Authorization of ASUNM fees. Students will vote on the proposed changes next week. Regent Begay recommended outreach to familiarize undergraduate students about ASUNM's role at the University and the resources available to them.

3) Compensation

Teresa Costantinidis gave the presentation on the compensation proposal for FY 21.

C. <u>Health Sciences Center (HSC):</u>

i. Tuition, Fees, and Compensation Proposal

The proposed HSC tuition changes and compensation budget proposals were presented at the Regents' HSC Committee meeting held at 8:30 a.m. on March 2, 2020. The presentation is scheduled to be presented at next full Board of Regents meeting. Teresa Costantinidis gave a summary presentation for this item. Discussion was held on the possible benefits for rounding up to the nearest dollar and the necessity for consistency. Regent Begay requested to have an explanation about the advantages and disadvantages of rounding up or down to the nearest dollar at the next full Board of Regents' meeting.

The detailed reports are in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

7. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda. Regent Begay recommended items 3, 4, and 5 be placed on the full Board of Regents' consent agenda. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

INFORMATION ITEMS:

There were no information items.

COMMENTS:

Alden Reviere, College of Public Health student, commented on the need for more student outreach to undergraduate students for tuition and fee changes. He also recommended other funding sources be explored to offset costs before increasing tuition and fees.

Gabriel Gaarden, Public Health Student Association President, commented on the importance of undergraduate student engagement on matters such as differential tuition and fees. In addition, he requested clarification on the method that will be used to apply the differential tuition. The Regents asked the Provost to provide a response on how the tuition differential will be applied before the next full Board of Regents' meeting.

Ilan Jaffe, ASUNM Senator, expressed his concerns regarding the student fee increase from \$20 to \$25.

EXECUTIVE SESSION:

Executive session was not held.

Regent Schwartz moved to adjourn at 1:37 p.m. and Regent Brown seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

THE UNIVERSITY OF NEW MEXICO Board of Regents' Finance and Facilities (F&F) Committee May 5, 2020 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz

Administration Present: Garnett Stokes, University President, and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPF&A)

Presenters in Attendance: Bruce Cherrin, Purchasing; Paul Cassidy, UNM Foundation; Elizabeth Metzger, Controller; Eddie Nuñez, Athletics; Nicole Dopson, Financial Operations; Elizabeth Kuuttila, STC.UNM; Lisa Marbury, Institutional Support Services (ISS); and Vahid Staples, Office of Planning, Budget and Analysis (OPBA).

ACTION ITEMS:

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda. Regent Begay called the meeting to order at 12:37 p.m. in Scholes Hall, Roberts Room, and confirmed that a quorum was established.
- 2. Approval of Finance and Facilities Committee Meeting Summary from March 2, 2020. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 3. Approval of Disposition of Surplus Property for February and March 2020. Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for February 2020 and March 2020. Items listed in the E-Book are either obsolete or beyond repair. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 4. Approval of UNM Foundation Recommendation for Consolidated Investment Fund (CIF) Consultant. Paul Cassidy gave the presentation. Regents' approval was requested for the NEPC to serve as the investment consultant for the University. The annual fee for NEPC's services is less than the current consultant's fee, and the savings will reduce expenses of the CIF. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 5. Approval of 3rd Quarter Financial Actions Report and Certification through March 31, 2020 and 3rd Quarter Informational Financial Report through March 31, 2020.

Approval of 3rd Quarter Financial Actions Report and Certification through March 31, 2020. Elizabeth Metzger gave the presentation. Regents' approval was requested for the third Quarter Financial Actions Report and Certification through March 31, 2020. The Quarterly Financial Actions Report is a onepage report submitted to the New Mexico Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED. Question 6 was answered "yes". By responding "yes" to Question 6, the additional information reported to HED will indicate an enrollment decrease of 7% in

student credit hours and 6.56% decrease in student headcount for Fall 2019. Tuition and fees are expected to come under budget by approximately \$4.2M or 2.6%. The short fall will be covered by central reserves. Auxiliaries and Athletics revenues are down approximately \$7.7M due to a combination of COVID-19, the enrollment decline, media rights shortfall, and a shortfall in ticket sales. The impact of COVID-19 and the CARES Act on FY 20 revenues and expenses are continually being assessed, and at this point, the University will receive approximately \$17.2M from the CARES Act. All changes will be included in the FY20 Budget Adjustment Request (BAR). UNM's consolidated BAR, including Main Campus, HSC, Branches and UNMH, will be prepared and submitted on May 15, 2020. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

Third Quarter Informational Financial Report through March 31, 2020. Elizabeth Metzger presented the Third Quarter Consolidated Financial Reports through March 31, 2020, and Teresa Costantinidis gave the presentation on the impact of COVID-19 on the University's revenues and expenses as of May 1, 2020. The detailed reports are in the E-book.

6. Approval of 3rd Quarter Athletics' Enhanced Fiscal Oversight Program (EFOP) Report and Certification through March 31, 2020 and 3rd Quarter Information on Athletics' Report by Sport through March 31, 2020.

Approval of 3rd Quarter Athletics' EFOP Report and Certification through March 31, 2020. Eddie Nuñez and Nicole Dopson gave the presentation. Regents' approval was requested for the Athletics' EFOP Report and Certification instituted by the Higher Education Department (HED). This report covers the FY20 second quarter financial status and budget exhibits for the Athletics' department. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

Third Quarter Information on Athletics' Report by Sport through March 31, 2020. Eddie Nuñez and Nicole Dopson gave the presentation. The report describes the pooled revenues and directed revenues by sport for FY20 budget and actuals year-to-date through March 31, 2020. This report also compares FY20 budget to quarterly actuals and to FY20 year-to-date actuals to prior year-to-date actuals. The detailed report is in the E-book.

7. Approval of STC.UNM Items:

- a. Appointments to the STC.UNM Board of Directors. Elizabeth Kuuttila gave the presentation. Regents' approval was requested for the appointment of Joe Christian and Riis Gonzales to the Board of Directors for a four-year term, beginning upon approval by the Board of Regents and ending June 30, 2024. The biographies are detailed in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- b. Name Change for the Science and Technology Corporation at the University of New Mexico (STC.UNM). Elizabeth Kuuttila gave the presentation. Regents' approval was requested of the STC.UNM name change. STC's Board of Directors approved the name change from STC.UNM to UNM Rainforest Innovations at its April 24, 2020 meeting. The request is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

8. Approval of Project Construction:

- **a. Redondo Court Parking and Circulation Project.** Lisa Marbury gave the presentation. Regents' approval was requested for the Redondo Court Parking and Circulation Project. The total estimated project budget is \$820K, and \$450K is funded from Parking and Transportation Capital Reserve funds and \$370K is funded from FY20 building renewal and replacement (BR&R) funds. The detailed report is in the E-book. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- **b.** UNM Taos College Pathways to Careers Center. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Taos College Pathways to Careers Center. The total estimated project budget is \$5.575M, and \$430M is funded from NM General Obligation Bonds, \$1M is funded from Taos Campus 25% EGRT, and \$200K is funded from 2019 State General Fund appropriation D3540 (SB 280). The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- c. UNM Valencia: Infrastructure Project. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Valencia Infrastructure Project. The total estimated project budget is \$4.9M and is funded by UNM Valencia Local 2018 County Bond. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 9. Approval of Capital Outlay Submission to the Higher Education Department (HED):
 - **a.** Capital Outlay Request Package for FY 2020-21. Teresa Costantinidis gave the presentation. The Capital Outlay request package for 2020-21 lists projects which must be approved by the Board of Regents and be submitted to HED by July 1, 2020. The report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
 - b. Five Year Capital Plans, Detailing Projects Which Will Construct and/or Significantly Improve and Renew Numerous Facilities on The University of New Mexico Campuses. Teresa Costantinidis gave the presentation. The Five Year Capital Plans detail projects which will improve and/or renew numerous facilities on the University's campuses. The five-year plan also contains the projects that exceed \$300,000 and must be approved by the Board of Regents for submission to HED by July 1, 2020. The report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 10. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda. Regent Begay recommended items 3 through 9 be placed on the full Board of Regents' consent agenda and information item 11 be placed in the Regents' E-book for informational purposes. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

INFORMATION ITEM:

11. Results of Advanced Refunding of UNM Series 2012 Bonds. Vahid Staples gave the presentation. The report is in the E-book.

Finance & Facilities May 5, 2020

COMMENTS:

There were no public comments.

EXECUTIVE SESSION:

None

Regent Schwartz moved to adjourn at 1:48 p.m. and Regent Brown seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

THE UNIVERSITY OF NEW MEXICO

Board of Regents' Finance and Facilities (F&F) Committee February 9, 2021 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz

Administration Present: Garnett Stokes, University President, and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPF&A)

Presenters in Attendance: Bruce Cherrin, Purchasing; Elizabeth Metzger, Controller; Eddie Nuñez, Athletics; Maria Dion, Planning Design & Construction (PDC); Lisa Kuuttila, Economic Development and Rainforest Operations; Vahid Staples, OPBA; Kelly Ward, Lobo Development Corporation (LDC); Jason Strauss, Lobo Energy, Inc. (LEI); Jon Bocock, IT Academic Technologies; Elisha Allen, IT Academic Technologies

ACTION ITEMS:

1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda. Regent Begay called the virtual meeting to order at 12:30 p.m. and confirmed that a quorum was established with Regent Begay, Regent Brown, and Regent Schwartz present. Regent Brown moved to adopt the agenda and Regent Schwartz seconded. The motion passed unanimous vote with a quorum of committee members present and voting.

COMMENTS:

There were no public comments.

ACTION ITEMS (continued):

- 2. Approval of Finance and Facilities Committee Meeting Summary from December 1, 2020. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting. The minutes are in the E-book.
- 3. Approval of Disposition of Surplus Property for November and December 2020. Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for November and December 2020. Items listed in the E-Book are either obsolete or beyond repair, except for one item (Kodak, Carestream 8000 Panorex) which is included in the report. Bruce Cherrin noted that this item will be listed on auction sites to obtain the maximum dollar amount possible. The detailed report is in the E-book Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

- 4. Approval of UNM Learning Management System (LMS). Bruce Cherrin, Duane Arruti, Elisha Allen, and Jon Bocock gave the presentation. Regents' approval was requested for the UNM LMS. Based upon recommendations from the Provost's Taskforce, the Academic Technology Advisory Board, and a notification giving an end-of-life date for the self-hosted system, Blackboard Learn, in 2023, the University issued a request for proposal (RFP) to replace Blackboard Learn. The total seven-year cost is \$2.49M, and the source of funding is from a portion of the student technology fee structure for annual costs, one-time funds to cover the gap year, and reuse of funds allocated to Blackboard Learn licensing and hosting. The committee recommended awarding the contract to Instructure Inc. and their product Canvas. The contract has been awarded on a contingent basis pending the Board of Regent's approval. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 5. Approval of 2nd Quarter Financial Actions Report and Certification through December 31, 2020 and 2nd Quarter Informational Financial Report through December 31, 2020. Elizabeth Metzger gave the presentation. The Quarterly Financial Actions Report is a one-page report submitted to the New Mexico Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED. Question 6 was answered "yes". By responding "yes" to Question 6, the additional information reported to HED will indicate that mid-year reviews are in process for Main Campus and Branches to further assess the estimated impact of the pandemic on auxiliary and athletic operations. Based on current projections, the Institutional Support Service Auxiliary Enterprise could end the year with a \$8.9M deficit. Athletics could see a current year deficit from \$12.4M to \$13.8M. The extent of the loss and any possible recovery will depend on the progression of COVID-19 in NM over the next several months. The University is eligible for additional CARES ACT funds that could potentially be used to offset a portion of the deficits due to COVID-19. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

2nd Quarter Informational Financial Report through December 31, 2020. Elizabeth Metzger gave the presentation. The report covers the current fund operations for the University including Main Campus, Branch Campuses, and Clinical Operations including the Health Sciences Center (HSC) Campus. The detailed reports are in the E-book.

6. Approval of 2nd Quarter Athletics' Enhanced Fiscal Oversight Program Report and Certification through December 31, 2020 and 2nd Quarter Information on Athletics' Report by Sport through December 31, 2020. Eddie Nunez gave the presentation. Regents' approval was requested for the Athletics' EFOP Report and Certification instituted by the Higher Education Department (HED). This report covers the FY20 the second quarter financial status and budget exhibits for the Athletics' department. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

2nd Quarter Information on Athletics' Report by Sport through December 31, 2020. Eddie Nunez gave the presentation. The report describes the pooled revenues and directed

revenues by sport for FY21 budget and actuals year-to-date through December 31, 2020. This report also compares FY21 budget to quarterly actuals, and FY21 year-to-date actuals to prior year-to-date actuals. The detailed report is in the E-book.

7. Project Construction Approval:

- a. Centennial Engineering Center, 3rd Floor Civil Engineering Computer Lab Expansion. Maria Dion gave the presentation. Regents' approval was requested for the Centennial Engineering Center computer lab expansion. The total estimated project budget is \$393K and \$3.7K is funded from the B.G. Taylor Laboratory Endowment Fund, \$114K is funded from the Civil Engineering Labs Fund, \$146K is funded from the Dana C Wood CE Labs, and \$129K is funded from FY19 General Fund Appropriation. The detailed report is in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- b. Student Union Partial Roof Replacement. Maria Dion gave the presentation. Regents' approval was requested for the Student Union partial roof replacement. The total estimated project budget is \$334K and is funded by the Provost Office BR&R. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 8. Approval of Reappointments and Appointments to UNM Rainforest Innovations Board of Directors. Elizabeth Kuuttila gave the presentation. Regents' approval was requested for the re-appointments of Terri Cole, Gregg May, Robert Fisher, Julie Coonrod, and John Stormont to its Board of Directors. The appointments are for a four-year term beginning July 1, 2021 and ending June 30, 2025 subject to approval by the Board of Regents. The biographies are detailed in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

Regents' approval was requested for the appointments of Mitzi Montoya, Richard Luarki, Alex Romero, and David Foster to its Board of Directors. These new appointments are for a four-year term, beginning upon approval by the Board of Regents and ending June 30, 2025. Dr. Montoya, Dr. Luarki, Mr. Romero and Dr. Foster were recommended for appointment by the UNMRI Nominations Committee and approved by the UNMRI Board of Directors at its January 29, 2021 board meeting, subject to Board of Regents' approval. The biographies are in the E-book. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

9. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda. Regent Begay recommended items 3, 5, 6, 7, and 8 be placed on the full Board of Regents' consent agenda. Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

INFORMATION ITEM(S):

- **10. Results of Advanced Refunding of UNM Series 2014A and 2014C Bonds.** Vahid Staples gave the presentation. On February 3, 2021 the Taxable Refunding Revenue Bonds -Series 2021 bond issue was priced and marketed to refund the University's outstanding series 2014A and 2014C bonds. The results of the refunding were favorable as the University was able to benefit from refunding the issue during continued historically low interest rates. The refunding achieved total present value savings of 11.23% of the refunded principal amount which was \$64,290,000. The detailed report is in the E-book.
- 11. Report on UNM 2021 Business & Economic Summit. Lisa Kuuttila gave the presentation. The summit was held on January 12, 2021 and focused on the NM Chamber of Commerce study focusing on what New Mexico needs to do to move the economy forward. There were 260 attendees and a number of requests for access to the video presentations. The video presentations can be found at:

https://innovations.unm.edu/unm-business-and-economic-summit-a-success/

- **12. UNM Rainforest Innovations 2020 Annual Report and Audit Report.** Lisa Kuuttila and gave the presentation. Regents' approval was requested for the UNM Rainforest Innovations 2020 Annual Report and the annual audit results. The committee voted to accept these items and recommended that they be advanced to the Board of Regents for approval. The detailed reports are in the E-book.
- **13. Lobo Development's Annual Meeting of the Members.** Kelly Ward gave the presentation. Regents' approval was requested for a) the summarized minutes of the December 10, 2019 meeting and b) the acceptance of the FY 2019-20 audit. The committee voted to accept these items and recommended that they be advanced to the Board of Regents for approval. The detailed reports are in the E-book.
- **14. Lobo Energy Inc. Annual Meeting of the Members.** Jason Strauss gave the presentation. Regents' approval was requested for a) the summarized minutes of the December 10, 2019 meeting, and b) the acceptance of the FY 2019-20 audit. The committee voted to accept these items and recommended that they be advanced to the Board of Regents for approval. The detailed reports are in the E-book.

EXECUTIVE SESSION:

Executive session was not held.

Regent Begay moved to adjourn at 1:48 p.m. and Regent Brown seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

THE UNIVERSITY OF NEW MEXICO

Board of Regents' Finance and Facilities (F&F) Committee April 6, 2021 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent William Payne, and Regent Rob Schwartz

Administration Present: Garnett Stokes, University President, and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPFA)

Presenters in Attendance: Bruce Cherrin, Purchasing; Chad Cooper, Alumni Association; Connie Beimer Alumni Relations; Lisa Marbury, Campus Environments and Facilities; James Holloway, Academic Affairs; Norma Allen, OPBA; Alice Letteney, UNM-Valencia; Ava Lovell, Health Sciences Center (HSC) Finance and Administration; Kelly Ward, Lobo Development Corporation (LDC): and Kenny Stansbury, UNM Foundation

ACTION ITEMS:

1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda. Regent Begay called the virtual meeting to order at 12:47 p.m. and confirmed that a quorum was established with Regent Begay and Regent Payne present. Regent Payne moved to adopt the agenda and Regent Begay seconded. The motion passed unanimous vote with a quorum of committee members present and voting.

COMMENTS:

Mia Amin, Associated Students of the University of New Mexico (ASUNM) President, opposed the proposal for the Athletics Department moving to a headcount model that bypasses the Student Fee Review Board (SFRB) and review of tuition increases. She recommended more student involvement and transparency before implementing financial increases or changes that will have negative effects on students.

Nikhil Paddy, Graduate Professional Student Association (GPSA) President, opposed the Athletics Department's proposed changes of moving to a headcount model and tuition increases, and the collection of a fee from medical students.

Regent Begay acknowledged receipt of an email with the medical student survey from Regent Ko, and she will forward the results to the University's Administration.

***Regent Schwartz entered the meeting during this presentation, the full committee with three regents were present. ***

ACTION ITEMS (continued):

2. Approval of Finance and Facilities Committee Meeting Summary from February 9, 2021. Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by

unanimous vote with a quorum of committee members present and voting. The minutes are in the E-book.

- 3. Approval of Disposition of Surplus Property for January and February 2021. Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for January and February 2021. Items listed in the E-Book are either obsolete or beyond repair. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 4. Approval of Bylaw Amendments for the University of New Mexico Alumni Association. Chad Cooper and Connie Beimer gave the presentation. Regents' approval was requested for the Bylaw amendments for the University of New Mexico Alumni Association. On February 26, 2021, the UNM Alumni Association Board of Directors voted to approve the three amendments which address the number of directors, board appointments, and Chapters. The detailed changes to the amendments are in the E-book. Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

5. Approval of Projects:

- a. UNM Taos Klauer Campus Water Tank. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Taos Klauer Campus water tank. The total estimated Project Budget is \$2.5M. \$2M is funded by the 2020 General Obligation Bond and \$500K is funded by the UNM-Taos Campus Educational Gross Receipt Tax (EGRT) funds. The detailed report is in the E-book. Regent Schwartz moved to approve and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- b. Re-Approval of the Reserve Officer Training Corps (ROTC) Renovation.

 Lisa Marbury gave the presentation. After clarifying the bond funding language, Regents' re-approval was requested for the ROTC renovation. The total estimated budget is \$9.5M. \$6.8M is funded by UNM Plant Fund Reserves, \$2M is funded by University Income Fund, and \$7.14K is funded by 2019 State General Funds. The detailed report is in the E-book. Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- **6.** Approval of the Proposed Fiscal Year (FY) 2021-22 Budget Planning Assumptions. Regents' approval was requested for the proposed FY 2021-2022 Budget Planning assumptions. Teresa Costantinidis gave an overview of the presentations.
 - A. Branch Campuses Gallup, Los Alamos, Valencia, Taos:
 - i.) Tuition, Fees, and Compensation Proposal. Regents' approval was requested for the branch campuses proposed FY 2021-2022 budget planning assumptions. Dr. Alice Letteny gave the presentation. Branch campuses do not intend to increase tuition and fees and support a 1.5% compensation increase for faculty and staff. The detailed reports are in the E-book. **Regent Payne moved to approve and Regent Schwartz seconded.**

The motion passed by unanimous vote with a quorum of committee members present and voting.

B. Main Campus:

i.) Core Financial Plan and Fees

1.) Overall Budget Scenario

Regents' approval was requested for the proposed FY 2021-2022 budget assumptions. Norma Allen gave the presentation and explained the main campus' budget for FY 2021-2022.

2.) Tuition and Fees

Norma Allen gave the presentation on the main campus' proposed revenue and expenses assumptions. Discussion was held on the various fees, the purpose of the assumptions, and the budget development process.

3.) Compensation

Norma Allen gave the presentation on the compensation proposal for FY 2021-2022 and summarized the proposed compensation increase of 1.5% for faculty and staff.

President Stokes thanked the Budget Leadership Team (BLT) and the branch campuses for their work on the budget assumptions. She then summarized the reasons for her support of the proposed budget assumptions. Regent Payne moved to approve the main campus budget planning assumptions and Regent Schwartz seconded the motion to allow for discussion (1st Payne, 2nd Schwartz). Regent Schwartz shared his views, and while he does support Athletics' as a whole, he does not believe students should be burdened with supporting Athletics' by paying a \$100 fee in a headcount model. Regent Schwartz recommended excluding the Athletics' fee proposal from the overall budget assumptions. Regent Begay and Regent Payne agreed to remove Athletics' from the budget assumptions. Discussion was held on the proposed fees and the role of Athletics. Regent Begay and Regent Payne were in favor of the assumptions. The detailed presentation is in the E-book. The motion passed by a vote of 3-0. Regent Payne moved to reinsert the Athletics' proposal into the campus budget assumptions and Regent Begay seconded (1st Payne, 2nd Begay). The motion to reinsert the Athletics' fee change in the budget assumptions passed by a vote of 2-1; Regent Payne and Regent Begay voted for; Regent Schwartz voted against.

C. <u>Health Sciences Center (HSC)</u>:

i.) Tuition, Fees, and Compensation Proposal

Ava Lovell gave the presentation. The proposed HSC tuition changes and compensation budget proposals were presented at the Regents' HSC Committee meeting held on April 6, 2021. Ava Lovell summarized the main points of the budget assumptions that include a proposed 2.5% increase for undergraduate and a 5% increase for graduate in-state tuitions. For out-of-state students, HSC is proposing a 2.5% increase for undergraduate and 5% increase for graduate tuitions. The tuition increases exclude the School of Medicine (SOM) Doctor of Medicine (MD) and the PharmD programs. Additionally, Ms. Lovell

summarized the proposed tuition fee increases and the proposed 1.5% faculty and staff salary increase. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Schwartz seconded.** The motion passed by unanimous vote with a quorum of committee members present and voting.

- 7. Approval of Project Development Proposal and Agreement Between the Regents of the University of New Mexico and Lobo Development Corporation for the Real Estate Development and Management of Innovate ABQ Project Real Estate. Kelly Ward gave the presentation. Regents' approval was requested for the project development proposal and agreement between the Regents of the University of New Mexico and the Lobo Development Corp. for the real estate development and management of Innovate ABQ Project Real Estate. The detailed agreement is in the E-book. Regent Payne moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.
- 8. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda. Regent Begay recommended items 3, 4, and 5 be placed on the full Board of Regents' consent agenda. Regent Schwartz moved to approve and Regent Payne seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

INFORMATION ITEM:

9. UNM Foundation Second Quarter Finance & Endowment Portfolio Report. Kenny Stansbury gave the presentation. Regent Begay recommended the presentation be given at next Board of Regents meeting. The detailed report is in the E-book.

EXECUTIVE SESSION:

Executive session was not held.

Regent Schwartz moved to adjourn at 3:05 p.m. and Regent Payne seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.