

University of New Mexico

**Monitoring Report Response
Addressing Issues Related to
UNM's Governance and Administrative Structures**

**Prepared for the Higher Learning Commission
Of the North Central Association of Colleges and Schools**

**Submitted June 9, 2011
By President David J. Schmidly**



UNM OFFICE *of the* PRESIDENT

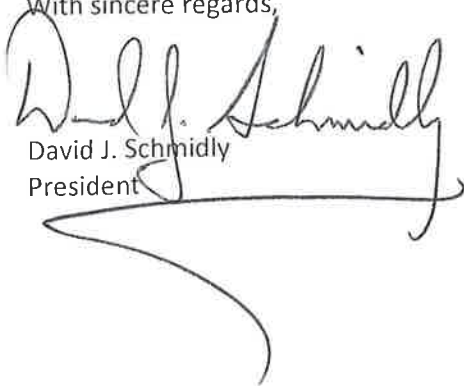
June 8, 2011

Robert R. Appleson
Vice President for Accreditation Relations
Higher Learning Commission (North Central Association)
230 South LaSalle Street, Suite 7-500
Chicago, IL 60604-1411

Dear Dr. Appleson,

With this letter, I am formally submitting the University of New Mexico's monitoring report on governance and administrative structures. I will look forward to your feedback on our progress. In the meantime, please do not hesitate to contact me if you have any questions.

With sincere regards,



David J. Schmidly
President

University of New Mexico

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Introduction

Background

In April of 2009, the University of New Mexico (UNM) underwent a comprehensive 10-year accreditation visit from the Higher Learning Commission. Following that visit, 10-year accreditation was granted. However, the Accreditation Team identified some concerns related to Criterion One: Mission and Integrity, and recommended that a Monitoring Report be submitted on January 11, 2011. An extension was requested to allow time for some of the strategies UNM employed to address these concerns to come to fruition, and an extension until June 13, 2011 was granted. This report reviews the concerns the HLC team identified, and UNM's strategies and activities to address them.

Review of HLC's 2009 Findings

"Two fundamental issues identified"

In the Assurance Section of the HLC's Report of a Comprehensive Evaluation Visit, the HLC Team identified two fundamental issues relating to Criterion One:

"The first is that the Board of Regents should operate within the constitutional and statutory authority without intruding upon – or appearing to intrude upon – university operations."

"...the current atmosphere at the university suggests strongly that the president's success depends critically on the Regents honoring his authority and supporting his position with regard to his operational roles." (p. 11, Assurance Section)

"The second is that academic interests, represented by the office of the provost, should guide financial decisions – as opposed to allowing financial decisions to drive academic decisions." (p. 12, Assurance Section)

Monitoring report – Recommended Strategies

The HLC report went on to recommend specific strategies for addressing and resolving these concerns:

"Strategies in the report should focus:

- a. on seeking clearer understanding of appropriate board roles through consultation with a recognized advisory authority,

- b. on the collaborative clarification of protocols with regard to board member activity and visibility, and
- c. on reconsideration of the current organization chart and executive position descriptions so as to clarify the authority of the provost and deans, as delegated by the president, to guide the pursuit of institutional authorities.”

“The monitoring report shall incorporate actions such as but not limited to:

- a. a reinstatement of orientation sessions for the Board of Regents including protocols of policy management and best practices for board membership,
- b. revised budgetary process(es) to ensure that the strategic and academic goals of the university are the basis for the fiscal planning, and
- c. defined and validated means by which deans, department chairs, faculty, and staff are engaged in mission critical decisions of the university.”

“UNM should include in the report the results of a survey and/or other assessment measures of campus constituents intended to assess perceptions of the campus climate regarding progress in shared governance and communication.” (p. 27, Assurance Section)

Overview of UNM’s Strategic Approach to Improvement

UNM has taken the HLC’s findings very seriously. To address the concerns, six strategies were identified, developed, and employed:

1. Deployment of inclusive budget development processes over two budget cycles – FY 11 and FY12.
2. Development of campus-wide surveys and focus groups on shared governance and communications.
3. Enhanced communications and campus engagement activities from the Offices of the President and Provost.
4. Review of organizational structure resulting in reduction in the number of Vice Presidents over the past two years.
5. Reinstatement of annual orientation sessions for members of the UNM Board of Regents.
6. Strengthen implementation of inclusive search processes for key high-level administrative positions.

Discussion of Improvement Strategies

1. Strategy #1 - Deployment of inclusive budget development processes over two budget cycles – FY 11 and FY12.

Over the past few years, establishing a more inclusive process for developing the University's annual budget has been a top priority for the University of New Mexico. This has been especially critical given the diminishing financial support from the State of New Mexico as a result of the economic downturn. Serious cost containment and reduction decisions have been required, both in FY11 and FY12. The only way to successfully address these challenges was through inclusive and thoughtful strategic conversations about alternatives to reduce expenditures while preserving the core academic mission of the University.

FY11 Process

To launch the FY11 process, President Schmidly commissioned a diverse group of faculty, staff, administrators, and students - the "President's Strategic Advisory Team" (PSAT) - to identify opportunities for cost containment that would help to address the necessary budget reductions. Half of the members selected for this team were recommended by the faculty. The team was initially charged with exploring efficiencies that would reduce spending and/or enhance revenues in eight key areas. In the end, PSAT identified short, mid, and long term opportunities for cost containment. **(Exhibit 1 – President's Strategic Advisory Team FY11)**

To further engage faculty, staff and students in soliciting and testing ideas on how to approach the FY11 budget, President Schmidly scheduled a series of meetings with leaders of the various campus constituency groups, including Faculty Senate, the Deans, Staff Council, the Graduate and Professional Student Association (GPSA), and the Associated Students of UNM (ASUNM). Two rounds of meetings were scheduled and held with each group throughout the budget development process. **(Exhibit 2 – President's FY11 Budget Prep Meetings with Campus Groups)** Several of the recommendations made by these groups were formally adopted into the FY11 budget. **(Exhibit 3 – Adopted Constituency Budget Recommendations FY11)**

An informal assessment of the FY11 budget process concluded that, while some progress had been made in engaging the campus in budget development, processes could – and would – be further improved as UNM looked ahead to preparing for FY12.

FY12 Process

The first significant lesson learned from FY11 was that the process of developing the budget should begin in the early fall, rather than waiting until the winter. The second

was that, in addition to continuing the work of the PSAT, the Office of the Provost would be best positioned to drive several activities that would more fully engage the academic enterprise in some of the early discussions. The third lesson learned was that a team should be formed to review all of the budget related recommendations from the various task forces and constituency groups, and to make recommendations to the President. All of these lessons learned were then applied as UNM's FY12 budget development process was developed. **(Exhibit 4 – FY12 Budget Development Flowchart)**

Once again, PSAT was called into action to identify cost saving and revenue generating opportunities, with the ultimate goal of protecting the academic mission of the University as much as possible. PSAT then presented its FY12 recommendations on December 10, 2010. **(Exhibit 5 – PSAT FY12 Recommendations)**

At the same time PSAT was engaging in its work, several additional budget-related initiatives were underway through the Office of the Provost, including a white paper process to identify cost containment opportunities in academic areas; a comprehensive degree program review; an evaluation of academic and student support units, and a Deans' "Trigger Point" study to assess the point at which budget reductions would begin to seriously impact the ability of schools and colleges to carry out their missions. All reports generated by these various groups can be found on UNM's **Budget Impact Website**: <http://www.unm.edu/budgetimpact/>

One of PSAT's recommendations involved an immediate next step: To take a more comprehensive look at IT processes and services across campus to identify further opportunities for efficiencies and cost savings. As a result, the IT Cost Containment/Process Improvement Team with diverse campus representation was formed to identify \$2 million in potential savings to apply to the FY12 budget. This team began its work in January of this year, and submitted its report on March 1, 2011. **(Exhibit 6 – IT Cost Containment)**

As all of the various constituency and task force reports were being finalized, the Cost Containment Task Force (CCTF) began meeting to review the recommendations, and then to determine the most rational combination of elements to recommend to the President. The CCTF submitted its final report at the end of March. **(Exhibit 7 – Cost Containment Task Force Final Report)**

All of the FY12 budget work then culminated on March 28, 2011 with the UNM Budget Summit, during which the budget recommendations were presented to the Board of Regents for their consideration. **(Exhibit 8 – FY12 Budget Summit)** During the Summit, each of the campus constituency groups had the opportunity to speak. In his prepared remarks, Richard L. Wood, President of the Faculty Senate, had this to say about the FY12 budget process:

"Regarding the budget process this year: What we have called the "Cost Containment" process has been a major advance in shared governance of the University -- that is, it is a model for the future of how the University of New Mexico can recommend budgetary decisions to the Regents that will best serve our students and our academic mission. I want to credit this administration, my faculty colleagues, the staff that developed budget scenarios, and student leaders, as well as the Regents for fostering that process within your authority. Let's be sure to use this year as a model for future budget development, in good budget years as well as bad. So let's call it the "Strategic Budget Process," and keep its best aspects while improving on its weaknesses." **(Exhibit 9 – Faculty Senate President's Comments to the Board of Regents)**

Strategy #2 – Campus-wide surveys and focus groups on shared governance and communications.

As was recommended in the HLC Accreditation report, UNM launched an initiative to survey campus constituents to assess perceptions of the campus climate regarding shared governance and communication. In the fall of 2009, the Provost's Office, with the approval of President Schmidly, contracted with Research and Polling Inc. to design and conduct a comprehensive survey of university faculty and staff.

Research and Polling Inc. conducted a baseline survey in March of 2010. The survey results would establish a benchmark and provide insight on how to move the institution forward. The University also contracted with Research and Polling Inc. for a series of focus groups that included the deans, senior faculty, junior faculty, staff leadership and university vice presidents. These were conducted during May and June of 2010. As a result of the data derived from the survey and focus groups, Research and Polling submitted several recommendations for future action. The firm presented its final report to the University on September 1, 2010. **(Exhibit 10 – 2010 Campus Climate Survey)** The report can be found in its entirety at:

<http://www.unm.edu/president/communication-survey/>

The 2010 survey provided a baseline of information from which to accomplish three objectives:

1. Better understand current campus climate.
2. Identify and design strategies for improving the climate.
3. Provide a starting point from which to monitor and assess improvements over time.

While the time frame for conducting a follow-up survey was rather short, UNM wanted to see if, even in a period of a few months, strategies to improve inclusivity of budget

processes and enhance communications could result in some improvement in campus climate.

Follow-up Focus Groups

Research and Polling Inc. conducted three additional focus groups during late February and early March of this year, one each with senior faculty/Faculty Senate, department chairs and program directors, and members of the Staff Council. The results indicate that faculty and staff leadership feel there has been a “thawing” of the cold and tense relations between themselves and Central Administration compared to one year ago, and that improvements have been made in communication between faculty/staff leadership and Central Administration. Unfortunately, these focus groups needed to be scheduled prior to the completion of the FY12 budget process. As a result participants felt it was premature to form an opinion on actual shared governance until after that process was actually completed.

Follow-up Survey

In addition to the focus groups, Research and Polling Inc. conducted follow-up online surveys of faculty and staff between March 24 and April 13, 2011. A total of 670 faculty members (36%) and 1,486 staff members (46%) completed their respective surveys, with the following results:

- On the faculty survey, 33 of the 39 questions showed an improvement in results from the previous year. Of those showing improvement, 14 were statistically significant.
- On the staff survey, 19 of the 22 questions showed improvement. Thirteen of the questions showing improvement were statistically significant.

One of the key findings is the observation that 23% of faculty and 20% of staff responding feel that positive changes in communication between their respective group and Central Administration have occurred in the past six months.

It is important to acknowledge that the improvements over the previous year were fairly small. However, incremental improvement was nonetheless demonstrated in less than one year's time, and UNM has made an institutional commitment to build on this progress to continuously improve. **(Exhibit 11 – 2011 Campus Climate Focus Groups and Survey - Executive Summaries)**

Complete reports on the results of the 2011 Campus Climate Focus Groups and Surveys can be found on the President's Website: <http://www.unm.edu/president/>

Strategy #3 – Enhanced communications and campus engagement activities from the Offices of the President and Provost.

After the HLC visit and team report, it was determined that concerted efforts would be made to improve and increase communications and opportunities for faculty and staff to interact with the Provost and also with the President. Toward that end, Provost Suzanne Ortega developed a comprehensive communications plan for academic affairs, beginning in the fall of 2009. Regular and proactive communications were outlined as a major goal for the Provost's office, and the following specific methods were used to distribute information to UNM's diverse academic community.

- An "Academic Mission Report" which laid out the Provost's Vision for Excellence and analysis of key metrics to measure the strength of the academic mission: <http://www.unm.edu/~acadaffr/SupportingFiles/Academic%20Mission%20Report%209-3-10.pdf>
- Quarterly letters to the Faculty, Provost's newsletters, and Provost's Notes that have focused on updates to all major academic initiatives and recognizing the excellent work that is being accomplished by faculty, staff and students within Academic Affairs: <http://www.unm.edu/~acadaffr/Correspondence.html>
- Meetings with school/college faculty to provide an opportunity for open dialogue on issues of major concern
- Open office hours with the provost in every school/college
- Monthly lunches with the Provost for interested faculty
- Annual school/college reviews held each year allowing each dean to communicate their own set of challenges and opportunities to leadership
- The Academic Affairs website which is fully functional and updated regularly <http://www.unm.edu/~acadaffr/> (**Exhibit 12 – Communications Efforts in Academic Affairs – Fall 2009 through Spring 2011**)

Additionally, President Schmidly decided in the summer of 2009 to expand his annual summer Executive Cabinet strategic planning "Advance" to include Deans and leadership from the Health Sciences Center who do not regularly attend Executive Cabinet. (**Exhibit 13 – President's Adelante Advance 2009**) The 2010 "Advance" was further expanded to include members of the President's Strategic Advisory Team, as well as leaders of the Faculty Senate, Staff Council, GSPA, and ASUNM. (**Exhibit 14 – President's Adelante Advance 2010**)

Upon returning to campus in January 2011 following an extended medical leave, President Schmidly delivered a live web address to update the campus on the financial situation, to outline the process for developing the FY12 budget, and to invite everyone to participate by sending in their comments, questions, and budget ideas. (**Exhibit 15 – President Schmidly's Web Address 1/19/11**)

Strategy #4 – Review of organizational structure resulting in reduction in the number of Vice Presidents over the past two years.

To address a criticism by both faculty and staff that UNM had become “top heavy” with administration over the past few years (Exhibit 16 – 2008-09 organizational chart), the determination was made that any Vice President position that might become vacant moving forward would be evaluated to determine if filling the position was actually necessary, or if a reorganization might instead meet the need. Since the HLC accreditation visit in April 2009, three such vacancies have occurred and, as a result of careful evaluation, have not been filled. These positions are as follows:

- Summer 2009: Vice President for Rio Rancho Operations (The current Director of the Rio Rancho Campus assumed responsibilities for Rio Rancho, and the Executive Directors of the other four UNM Branch Campuses began reporting directly to the President)
- Summer 2010: Vice President for Institutional Support Services (The Associate Vice President for Institutional Support Services assumed most of the duties, with the remainder delegated to other managers in that area.)
- Summer 2011: Vice President for Enrollment Management (The Associate Vice President for Enrollment Management will assume these duties.)

By mid-summer 2011, the net result will have been a series of division-based reorganizations over approximately a two-year period, with minimal negative effect to the core missions of the university and some cost savings realized. (Exhibit 17 – 2010-11 organizational chart) As UNM moves into FY12, further examination of the organizational structure will occur, this time to further refine reporting structures and titles.

Strategy #5 – Reinstatement of annual orientation sessions for members of the UNM Board of Regents

The HLC Report specifically requests that orientation sessions for UNM’s Board of Regents should resume, and that these should include protocols of policy management and best practices for board membership. These sessions were reinstated, to be held on a yearly basis, beginning with a retreat in 2010, when Dr. Marlene Strathe (then Provost and Senior Vice President at Oklahoma State University), was retained to lead the Regents through dialogue and discussion about principles and standards of good practice, as identified by the Association of Governing Boards of Universities and Colleges. Dr. Strathe’s presentation included the following topics:

- Forces of change and conflicting perceptions
- Institutional governance and decision-making
- Board responsibilities
- Trustee responsibilities
- UNM structure and responsibilities
- Institutional accreditation **(Exhibit 18 – Regents’ Retreat)**

During the first quarter of 2011, two new Regents were appointed by newly-elected New Mexico Governor Susana Martinez. The annual Regents’ orientation retreat was then held in May, following the confirmation of both by the New Mexico Legislature. The session was once again facilitated by Dr. Strathe.

Strategy #6 – Strengthen implementation of inclusive search processes for key high-level administrative positions.

Closely related to Strategy #5 is the strategy to ensure that all high-level administrative searches conducted at UNM are characterized by processes that are sound and inclusive. The opportunity to implement this strategy in a significant way came this spring, when Provost Suzanne Ortega announced that she would be leaving UNM to assume the position of Senior Vice President for Academic Affairs for the University of North Carolina system. The internal search for an Interim Provost provided a high-profile opportunity to apply principles of shared governance to this important selection.

The search committee was led by the President of the Faculty Senate, who, in consultation with President Schmidly populated the team with two Deans, three Department Chairs, eight faculty members, two administrators, and the incoming Presidents of the Staff Council, GPSA, and ASUNM. After careful consideration, three finalist candidates were identified and thoroughly vetted with the campus community through a series of interviews with the general public and specific campus groups. **(Exhibit 19 – Interim Provost Search Process Documents)**

In typical searches, the hiring official explicitly asks for a specific “output,” typically in the form of a ranked or unranked list of candidates, a list of candidates with strengths and weaknesses, etc. In this case, the President (who was the hiring official) imposed no such requirements, allowing the search committee complete discretion in the format of their recommendation. Given this, the Search Committee recommended only a single candidate for consideration to the President – Professor Chaouki Abdallah - to whom he offered the position.

In UNM’s press release announcing Professor Abdallah’s appointment, Search Committee Chair Richard Wood was quoted as follows:

“President Schmidly made an outstanding choice in selecting Dr. Chaouki Abdallah as our interim provost,” said Professor Rich Wood, chair of the Provost’s Search Committee. “Abdallah will provide vision, leadership and a new beginning as UNM continues to build our mission as a research university.” **(Exhibit 20 – Chaouki Abdallah Press Release 5/23/11)**

Professor Abdallah will assume his new role on July 1, 2011.

UNM's Ongoing Processes to Continuously Improve Governance and Campus Climate

UNM leadership is committed to ongoing assessment of shared governance, campus climate, communications, and the effectiveness of our strategies to improve all three. As the follow-up climate survey shows, even the most positive and well-planned interventions do not necessarily result in the immediate, wide-spread changes we would like to see. Therefore, we must be diligent about monitoring, assessing, and improving our efforts to ensure that the members of the UNM community have the opportunity to engage in dialogue and decision making that will enhance our collective ability to fulfill our core missions of teaching, research, patient care, and community service. Here are three examples of processes UNM is utilizing to facilitate continuous improvement:

1. Formal and Informal Assessment of Lessons Learned

At the conclusion of the budget planning cycle for FY12, the Faculty Senate President and the Associate Vice President for Planning, Budget, and Analysis prepared a joint memo to the Finance and Facilities Committee of the Board of Regents, through the President and Executive Vice President for Administration, to formally communicate the reflections of the Faculty Senate and Administration on this year's process. **(Exhibit 21 – May 5, 2011 Memo from Dr. Wood and Mr. Cullen)** These reflections include the positive attributes of this year's process, as well as opportunities for improvement, as illustrated in the following regarding shared governance:

"Process represented the most serious engagement in memory of joint university governance by the Office of the EVP for Administration, the Deans' Council, Office of the Provost, and the Faculty Senate structure, all within the authority of the President and Regents – an imperfect process on which we can improve, but a vital step forward."

UNM's commitment is to both formally and informally assess the efficacy of our budget development process, as well as other vital decision making processes (i.e. selection of leaders), as an ongoing element of our continuous improvement cycle.

2. Regents' Annual Goals for the President

For the past four years, the Board of Regents has held an annual meeting with the President to set goals for the coming year. For the last two years, those goals have included elements specifically related to issues of governance and communications. The following are examples:

Goals for FY 2009-2010 (Exhibit 22 – President’s Work Plan for FY10)

- Evaluate and align UNM’s yearly planning cycle to ensure that the challenges, opportunities, and goals related to the core missions are key drivers of the legislative agenda, budget development, and administrative priorities.
- Establish the expectation and requirement that leaders within the academic enterprise (Provost, Deans, Department Chairs, etc.) shall take on primary accountability throughout the schools and colleges for the regular and rapid exchange of accurate information, as well as ongoing conversation and feedback related to emerging issues, opportunities, and challenges.
 - Develop and apply processes and practices to ensure that faculty has regular and meaningful access to Administration to share ideas, challenges, and concerns.
 - Hold all-school/college faculty meetings, with the faculty setting the agenda, to help administration understand the opportunities, challenges, and concerns that are unique to individual schools and colleges.
 - Hold a yearly schools and colleges review to allow deans to communicate with the administration their strategic plans, as well as progress made and challenges encountered.
- Engage the Association of Governing Boards to provide coaching and training on the roles, practices, and behaviors of highly effective boards.

Goals for FY 2010-2011 (Exhibit 23 – President’s Work Plan for FY11)

- Develop and implement an inclusive process (using best practices of shared governance) to strategically assess UNM’s programs, campus-wide. This endeavor shall include the following:
 - Determination of key performance indicators for both academic and operational areas.
 - Development of the criteria and process for determining programs and activities that are core to the academic mission of the university and, therefore, must be preserved.
 - Development of the criteria and process for determining programmatic cuts that could be required due to financial exigency.
 - Development and implementation of a budget for FY12 that employs the above indicators, criteria, and processes.

On May 31st, the President and the Board of Regents met for their preliminary discussion on goals for FY 2011-12. During that discussion, President Schmidly proposed the following goals specifically intended to further move ahead with improving governance, communications, and climate:

- Complete the development of an ongoing Strategic Budgeting Process to guide budget development and management into the future.
 - Articulate and document lessons learned from the FY12 process.

- Design modifications that will improve the process for FY13.
- Apply improvements to the FY13 process.
- Create a Strategic Budgeting Template that will serve as a process guide for the future.
- Revise the UNM organizational structure and executive roles and titles.
- Develop strong, efficient, mission-centric operations within the Office of the Provost.

The President's goals will be discussed with the Regents and campus leadership over the summer and will be formally approved at the August 2011 meeting of the Board of Regents.

3. Ongoing Monitoring of Campus Climate

The campus climate surveys and focus groups conducted in back-to-back years have provided UNM with valuable information that will guide the institution's efforts to make improvements, well into the future. UNM commits to continuing this momentum through ongoing monitoring and assessment to ensure that initiatives intended to enhance communications and shared governance are both effective and sustained.

Concluding Statements

During a Special Faculty Meeting of the entire UNM faculty in November 2009, a Faculty Commission on University Governance (FCUG) was created with representation from the general faculty, the Committee on Governance, and the Faculty Senate leadership. We have invited the FCUG to review and comment on this report. Here are their comments:

"In reviewing this report, the FCUG endorses the efforts that have been made in the areas discussed above. The FCUG particularly recognizes improvement in the budget process and the implementation of a search process for the interim Provost position that reflected shared governance. These steps – along with efforts to strengthen communications and campus engagement activities from the Offices of the President and Provost, beginning to review UNM's organizational structure, and reinstatement of annual Regent orientations – have advanced shared governance at UNM in important ways. Even so, we have a ways to go. If reinforced in daily decision-making processes at the level of the Board of Regents, central administration, the Colleges, and faculty governance structures, and if sustained over the long term, such measures hold promise to make a substantial difference at the University of New Mexico. The FCUG celebrates the initial steps taken this year and documented in this report, but also notes that great challenges remain. In particular, the campus climate survey shows that recent governance improvements have not yet affected the day-to-day experience of most faculty or staff members to a sufficient degree to show substantial improvements in most areas. Real impact on the campus climate will take time and occur only as these changes are institutionalized and spread to all levels of university life. The central challenge lies in creating and consistently implementing systematic changes that, over time, reshape both the culture and structure of university governance. These steps must include changes in how the faculty, the administration, and the Board of Regents build upon recent changes in how decisions are made. In Exhibit 24, we suggest the kinds of structural and cultural changes that are needed." **(Exhibit 24 – Faculty Commission on University Governance Comments)**

In closing, the University of New Mexico has taken the issues identified during the 2009 HLC accreditation visit very seriously. In a relatively short period of time, UNM implemented six strategies to address these concerns. While there is still work to be done, survey results, formal statements from campus leaders, and anecdotal feedback all indicate that incremental progress is being made to improve campus climate in the areas of communications, administration, and shared governance.

UNM commits to building on the sincere and diligent efforts of countless faculty, staff, students, and administrators over the past two years, as we continue to improve how we work together for the sake of our mission, our campus community, and the students we serve.

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Exhibit 1

President's Strategic Advisory Team FY11

February 8, 2010

President's Strategic Advisory Team

Objectives, Parameters, and Principles for this Project

Objective:

To design and evaluate possible scenario models for cost containment, process improvement, and an evolved organizational structure for UNM that will:

- *Provide the greatest levels of efficiency, communications, and accountability within operational processes, both in academic and administrative areas;*
- *Optimize UNM's ability to carry forth its mission and abide by its core values;*
- *Create tangible savings; and*
- *Aspire to create a model organizational structure for the modern public research university in the post-economic meltdown world of the 21st century.*

Project Parameters:

1. Focus should be twofold:
 - Identify a broad range of strategies to achieve systemic process improvements, cost reductions, and long-term efficiencies.
 - Develop the most effective and resource-efficient organizational structure to carry out the core processes of university operations, in service to the mission.
2. Explore our current state and cost containment opportunities in eight key areas:
 - Purchasing
 - Energy efficiency
 - Health benefit strategies
 - Leveraging information technology
 - Leveraging the talents, capabilities, and productivity of our faculty and staff
 - Efficiency in the utilization of space and facilities
 - Generation of revenue from other sources
 - Communications and marketing
3. Models must include efficiencies in both academic and non-academic areas.
4. The pros, cons, and potential unintended consequences (i.e., shifting the cost burden to other areas) of each strategy and scenario must be developed and analyzed as part of the process.
5. Determine an appropriate level of reduction and reallocation in each year's I&G fund budget proposal.

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6. Should one or more of the strategies and scenario models exceed the targeted amount, the Design Team is encouraged to develop entrepreneurial proposals on how those resources might be invested to enhance the core missions of the university.
7. Indicators for monitoring the success of strategies and models must be developed.
8. Full implementation of proposed strategies and scenarios must be able to be completed within a two-year time frame.

Project Principles:

In seeking efficiencies from our units, we will follow the following principles:

- Protect and invest in our core educational and research missions.
- Remain competitive for faculty, staff, and students.
- Leverage UNM's size and scale.
- Maintain high quality essential services.
- Eliminate duplicate and lower priority activities.
- Identify new funding possibilities.
- Avoid short-term, politically reactionary "fixes" that could create unintended negative consequences.
- Introduce centralization and greater sharing of resources in cases where this will result in higher quality services and/or more effective use of high quality facilities.
- Consider insourcing and outsourcing when that leads to improvements in service at the same or lower costs.
- Take advantage of advanced technologies to achieve efficiency of operations.

Executive Sponsor:

- David J. Schmidly, President

President's Strategic Advisory Team (Will serve as the members of the Scenario Design Team for this initiative):

(TBA – 15 to 20 members)

President's Strategic Advisory Team Members

Name	Title	Department
Martha Bedard	Dean	University Libraries
Ann Brooks	Lecturer	Anderson School of Management, Accounting
Pug Burge	Associate Vice President	HSC Administration
Teresa Cordova	Director, Community & Regional Planning	Architecture & Planning
Mike Dougher	Associate Vice President	Office of Research
Stephanie Forrest	Chairperson	Computer Science
LM Garcia y Griego	Director	SW Hispanic Research Institute
Helen Gonzales	Vice President	Human Resources
Dick Howell	Dean	College of Education
Ava Lovell	Vice President	Finance – HSC/UNM
Julia Maccini	Graduate Student	Law School
Kevin Malloy	Professor	Physics/Astronomy
Alfred Mathewson	Acting Director	School of Law Administration
Kate Moore	Financial Officer	Provosts Office
Janice Ruggiero	Associate Athletic Director	Intercollegiate Athletics
Beverly Singer	Associate Professor /Acting Director	Anthropology Native American Studies
Doug Thomas	Assistant Dean	Anderson School of Management
Carolyn Thompson	President's Office – Strategic Planning	Office of the President
Chris Vallejos	Associate Vice President Business Planning & Services	Institutional Support Services
Jake Wellman	Undergraduate Student	Political Science

**President's Strategic Advisory Team – “Kick-Off” Meeting
Wednesday, February 10, 2010**

President Schmidly's Remarks

I mentioned in my message to the campus last week that fear and anger are both understandable reactions, given both the economic meltdown and unrest on campus we have experienced over the past year.

This fact is one of the reasons I have formed this advisory group. Each one of you brings unique perspective, experience and knowledge to the table, and of course that is important as to why I have asked for your help. But I believe that another set of attributes is at least as important, including enthusiasm, good will, openness to learning, and the desire to build something positive for UNM's future that is bigger than any one person's ego or agenda.

You are in this room this afternoon because you, like the vast majority of your faculty, staff, administrative, and student colleagues, possess those attributes.

As you can see from the “Objectives, Parameters and Principles” document, the charge to this team is a big one. I know it is complex, and will not be achieved overnight. That's why I am asking for a commitment from each of you to stick with this group and to serve as my advisors for at least through this calendar year.

Having said that, I also want to ask you to immediately go to work on a short-term goal to identify \$2-3 million of I&G savings. I would like to have your recommendations ready to present to me by Friday, March 12. This will give me time to evaluate your proposals and incorporate them into my presentation at the Regents' Budget Summit on March 23rd.

That only gives you a little over four weeks to quickly bring yourselves up to speed on the current state, to develop and test ideas, to do some financial due diligence, identify any unintended consequences, and determine how to measure the success of your approaches.

Now, to support your work, I have begun the process of identifying a group of subject matter experts who have particular knowledge related to the eight key areas I have identified. These individuals will be available to provide education to the team, as well as to help you to analyze the efficacy of your ideas.

I have asked one of your team members, Carolyn Thompson, to take the lead on helping all of you to think through the process that will help to most effectively achieve your objectives. I know that this can't be done in a once-a-week meeting, so please be prepared to devote two or more full days and several half days to this effort over the short term.

I have also asked Peggy Davis and Mitch Garrity from my office to help with any logistical support you may need to get your work done. University House will be available for your use.

I will plan to check in with this group at least once a week and will do so in person at your meetings as my schedule allows. And, I expect you to check in with me, whenever you feel you need guidance or just want to bounce around an idea.

I have confidence in you and especially in the integrity each of you brings to this team. So, go to work! Enjoy each other. Do the university proud. And, don't forget to have fun in the process.

CONFIDENTIAL UNTIL RELEASED BY
PRESIDENT SCHMIDLY

University of New Mexico

***Cost Containment/
Revenue Generation
Recommendations***

Submitted to President David J. Schmidly

On March 11, 2010

By the

President's Strategic Advisory Team

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Preamble

On February 10, 2010, President David Schmidly held a meeting to invite a group of 20 members of the University of New Mexico Community (listed on page 49) to serve as members of his newly formed “President’s Strategic Advisory Team” (PSAT). During that meeting, President Schmidly presented the following overarching charge for the work of this new advisory group:

To design and evaluate possible scenario models for cost containment, process improvement, and an evolved organizational structure for UNM that will:

- *Provide the greatest levels of efficiency, communications, and accountability within operational processes, both in academic and administrative areas;*
- *Optimize UNM’s ability to carry forth its mission and abide by its core values;*
- *Create tangible savings; and*
- *Aspire to create a model organizational structure for the modern public research university in the post-economic meltdown world of the 21st century.*

President Schmidly also identified project principles and parameters that included a two-fold focus to:

- Identify a broad range of strategies to achieve systemic process improvements, cost reductions, and long-term efficiencies; and
- Develop the most effective and resource-efficient organizational structure to carry out the core processes of university operations, in service to the mission.

The President then outlined eight key areas for initial investigation, including purchasing; energy efficiency; health benefit strategies; leveraging information technology; leveraging the talents; capabilities; and productivity of our faculty and staff; efficiency in the utilization of space and facilities, generation of revenue from other sources; and communications and marketing. He also charged the team with identifying potential efficiencies in both academic and non-academic areas. One of the President’s goals for this endeavor is to identify savings over time that can be invested in UNM’s core missions of teaching and research.

While the President’s intention is for the PSAT to serve as an ongoing work group, an initial “milestone” task was given to the team to identify recommendations for \$2m to \$3m of I&G cost savings and/or new revenue for implementation during the FY11 budget cycle, along with initial ideas for longer-term opportunities to pursue over the next couple of few years.

After hearing the President’s charge, all 20 individuals accepted the President’s invitation to serve.

Since that initial meeting, the Team has worked diligently to meet their first milestone. This report is the result of four weeks of thoughtful, focused, and committed work on the part of the Team.

The Team's Process

The members of the team immediately began preparing for the task at hand. An organizing meeting was held on February 15th to launch the work. Documents describing the President's charge to the team were placed on the "Office of the President" web page. A web form that would allow members of the UNM community to submit their ideas was designed and posted. "Subject Matter Experts" (SMEs) with specialized experience and information were identified to come and talk to the team in order to build a common platform of knowledge for the Team members. And, the first full workday was scheduled for February 18th.

The first workday was largely devoted to learning and listening. SMEs representing Budget and Planning, Facilities, Purchasing, IT, Utilities, Marketing and Communications, and Human Resources came to talk to the group about their respective processes and ideas for cost containment. At the end of the first workday, the Team divided into three sub groups for deeper exploration on ideas that were emerging and to further investigate those that seemed to hold promise. These sub groups included the following:

- I&G Spending, and Academic Programs
- IT, Purchasing, and Conservation
- HR and Revenue Generation

Groups began meeting immediately to continue learning and develop initial recommendations to present to the team at its next full workday, on February 26th.

In the meantime, and almost immediately upon posting the web form, ideas for cost savings and revenue generation began arriving. To date, more than 115 ideas have been received and reviewed by members of the team. While optional, a number of individuals identified themselves by name and status. Ideas were submitted by faculty, staff, students, alumni, and concerned members of the community. Review of suggestions and ideas will be an ongoing task for this Team.

The Team's February 26th workday began with 12 faculty and staff members who had submitted and signed their names to their recommendations for cost containment joining the group to talk about their ideas. This discussion was followed by a presentation by the UNM Foundation, and then presentation from the three sub groups on what they had learned during their week of deeper investigation, followed by their recommendations. The team then created a matrix of the most promising ideas, as follows:

- Short Term: For implementation in FY11
- Mid Term: For exploration and study during FY11, and implementation in FY12
- Long Term: For exploration and development in FY11 and 12, and implementation in FY13

The sub groups were then assigned items from the matrix to further study, identify true cost savings, and to begin the process of writing narratives for the final report.

The Team's final workday for their "phase one" task occurred on March 5th. The day began with a meeting with the Deans to learn about their priorities, concerns, and respective cost containment activities. This was followed by a final SME presentation from Alumni Relations. The Team then focused the work required to organize and produce the final report.

The week of March 8th was completely devoted to writing and testing language for the recommendations, culminating in the production and delivery of this report.

Throughout the process, the President's Strategic Advisory Team has been committed to listening, learning, and transforming ideas into sound, implementable recommendations, in service to the mission of the University of New Mexico.

Short-term Recommendations – For FY11 Implementation

Recommendation	Estimated Total Amount to be Saved	Estimated I&G Savings
Negotiate Accounts Payable Terms	\$173,184	\$51,950 (Recurring)
Post Capital Project Blueprints & Project Manuals in .pdf Format	\$315,000	\$0 (Savings realized in capital funding)
Eliminate Bottled & Water Cooler Water	\$83,000	\$14,940 (Recurring)
Obtain Furniture Quotes	\$198,532	\$59,560 (Recurring)
Negotiated Dell Contract Pricing	\$1,000,000	\$300,000 (Recurring)
Shift Printing from Desktop Printers to Copier Fleet	\$280,000	\$84,000 (Recurring)
Microsoft Campus Licensing Agreement	\$1,000,000	\$300,000 (Recurring)
Benefits Dependent Audit	\$500,000	\$165,000 (Recurring)
Contributions to Educational Retirement Board	\$360,000	\$160,000 (Recurring)
Hold Staff Positions for Two Months	\$1,000,000	\$1,000,000 (Non-recurring)
Academic Program Review Operating Budget	\$20,000	\$20,000 (Recurring)
Provost Office Reorganization	\$70,000	\$70,000 (Recurring)
Freshman Family Day Budget	\$40,000	\$40,000 (Recurring)
Extended University's Reduction in I&G Allocation	\$300,000	\$300,000 (Recurring)
Elimination of Paper Flyers	TBD	TBD (Recurring)
Reduced Frequency of Office Cleaning	\$269,532	\$269,532 (Recurring)
UNM Foundation's Reduction of Reliance on I&G Funds	\$200,000	\$200,000 (Recurring)
TOTAL	\$5,809,248	\$3,034,982

Recommendation:
Accounts Payable Payment Terms

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

Current UNM payment terms on Invoices is “net 30 days.” This means that UNM will pay the vendor the total invoice amount within 30 days of the invoice. This recommendation is to negotiate with vendors that UNM will pay 99% (1% discount) of the invoice amount within 10 days of the invoice date.

Total eligible payments for FY2009 was \$173,184,502, if we save 1%, the savings is \$173,184.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings? *	Owner (for implementation, metrics development, and tracking purposes)
\$173,184	est. 30% or \$51,950	Yes	Captured	Bruce Cherrin

Discussion of Implications and/or Cautions:

This process should be transparent to users, as all UNM Invoices are required to be sent directly to the Accounts Payable department.

* Please see definitions of “centralized,” “captured,” and “unit-based” savings on page 51.

Recommendation:

Post Capital Project Blueprints and Project Manuals in .pdf Format

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

UNM Purchasing and Office of Capital Projects (OCP) have adhered to the practice of providing printed blueprints and project manuals for all contractors/bidders on all projects. This recommendation is to provide the documents in .pdf format on the Purchasing Department website for contractors/bidders to download and utilize their own print resources. Possible savings are \$315,000 per year in printing/paper costs combined with reduced administrative labor and reduced paper usage and landfill waste along with energy savings.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$315,000	None, capital funding savings	Yes	Centralized	Bruce Cherrin

Discussion of Implications and/or Cautions:

None identified.

Recommendation:
Eliminate Water Coolers in Offices

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation recommends eliminating the purchase of bottled or “water cooler” water in departments. Over \$80,000 is spent per year on bottled water, when water fountains are prevalent in every UNM facility. Currently, the University is paying for the Physical Plant to maintain water fountains and provide drinking water services, while also paying for bottled water. By eliminating bottled water and water coolers, the University will stop paying twice for drinking water and eliminate the waste associated with bottled water. This is an easy and responsible way to contain costs.

Exceptions would have to be routed through the UNM Purchasing Department.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$83,000 (FY 09 Expenditures)	\$14,940 (18%)	Yes	Unit-based	Bruce Cherrin

Discussion of Implications and/or Cautions:

-The UNM Purchasing Department will have to enforce this rule and decide on appropriate exceptions (i.e., satellite facilities, departments with no access to potable water).

-Departments would lose control over the option to buy bottled water.

-The adoption of this recommendation would encourage PPD to install water refill mechanisms at water fountains as seen in the Student Union Building.

Recommendation:
Furniture Quotes

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation requires all furniture purchases of \$20,000 or greater on GSA/SPD contracts to obtain 2 bids prior to purchase. For instance, in FY2009 UNM issued 37 purchase orders for a combined total spend amount of \$1,201,321 for capital equipment-furniture (1400 account code); and 325 purchase orders for a combined spend amount of \$3,136,160 for non-capital equipment-furniture. The estimated cost savings is based upon saving 10% overall. Total estimated savings for one year \$198,532.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$198,532	Estimated 30% - \$59,560	Yes	Unit-based	Bruce Cherrin

Discussion of Implications and/or Cautions:

The benefits of this recommendation are increased competition among furniture vendors, and possible increased business for local small/minority vendors.

The negative aspect could be increased time to complete orders and resistance from departments due to perceived lack of control over vendor choice.

Recommendation:
Negotiated Dell Contract Pricing

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is the result of a significant collaboration between UNM Central IT Division, Departmental IT Agents and UNM Purchasing Department. These collaboration efforts resulted in 15% to 40% savings (depending on computer model) in deeper discounts than was previously offered through the Western States Contracting Alliance. In addition, the current Dell contract waives certain certification fees for up to 30 active UNM Technicians. Last year UNM purchased approximately 4000PC systems and the average savings using the Dell contracts is \$250/computer. If all PC systems (non-Mac) were purchased from the new Dell contract, the savings to UNM is \$1,000,000. The waived certification fees could save an additional \$230,000.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,000,000	Estimated at 30% or \$300,000	Yes	Unit-based with some Central IT Division savings	Bruce Cherrin

Discussion of Implications and/or Cautions:

The positive implications of this effort are to take advantage of standardization of computers that will increase our ability to service and make computers more interchangeable, perhaps extending the useful life as computers can be “passed-down” as they age to users with less power needs.

At the very least, all computers that attached to our ERP software system, Banner should be purchased from the Dell Contract to facilitate security software loading and monitoring.

Specialized teaching and research needs should be considered.

Security and supply chain risks related to depending on any single vendor should be investigated.

The cautions and/or negative implications are that many individuals/departments prefer certain brands and/or configurations for which they will sacrifice cost savings and university-wide economies of scale.

Many department heads/directors will see a requirement to purchase from the Dell Contract as a loss of control/self determination.

Recommendation:

Shift Printing from Desktop Printers to Copier Fleet

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to encourage university departments to eliminate or significantly reduce the use of desktop printers and shift printing to departmental copiers.

The current fleet of University copiers is networked to allow printing from all networked computers. The cost savings comes from the elimination of desktop printer cartridges. Estimated savings is \$.0121/page, or a conservative University-wide 1st year savings of \$280,000. Additional savings will be realized from lower on-site maintenance costs for desktop printers, decreased electrical consumption, and reduced desktop printer replacement and disposal costs.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$280,000	Estimated at 30% or \$84,000	Yes	Unit based	Bruce Cherrin

Discussion of Implications and/or Cautions:

- There will be some reluctance on the part of users and 100% implementation will not be practical.
- Costs associated with maintaining copier network capability should be assessed.
- Some situations require high-quality printing capability not available on copiers.
- Sending documents to a public copier may not be appropriate if the information is sensitive or confidential.

Recommendation:
Microsoft Campus Licensing Agreement

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to centrally purchase all Microsoft software licenses. This includes licenses, for HSC, UNMH, Branches, and Main Campus. The savings will accrue from original purchases and version upgrades, for example, Windows XP to Windows 7.

Estimated Total Amount to be Saved (desktops)	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Operating Systems: \$1,000,000	Estimated 30% or \$300,000	Yes	Centralized, with Departments retaining the savings	Gil Gonzales

Discussion of Implications and/or Cautions:

- UNM would incur a higher level of risk for software piracy.

Recommendation:
Benefits Dependent Audit

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

A dependent eligibility audit is a process designed to identify incorrectly enrolled participants in the employer insurance plans. Incorrectly enrolled or ineligible dependents can result in significant and unnecessary costs as well as create a compliance/fiduciary violation on the part of the employer.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$500,000	\$165,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

This can be perceived as a disruptive and invasive process. We will research potential back-pay liability for employees.

Recommendation:
Contributions to Educational Retirement Board

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

UNM currently makes the employer contribution for on-call and temporary employees from their initial employment date. The recommended change would begin contributions to the plan once the employee reaches 520 hours of employment (.25 FTE). State Statute & UNM policy specifically exclude employees at less than .25FTE. However, since the implementation of Banner, the contribution has been made to the ERB since initial employment. The employee contribution also poses a significant hardship on many of the temporary and on-call employees of the University.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$360,000	\$160,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

Some temporary employees may want service credit for their part-time service. This is mitigated by the fact that any employee who has made contributions through UNM will continue to participate in the retirement plan.

Recommendation:

Hold Staff Positions Vacant for a Minimum of Two Months

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

Over the course of the first 8 months of FY10, there has been approximately \$4 million dollars in vacancy savings (difference between budgeted and actual salary) for staff employees on I&G. If this amount is divided into monthly savings, there would be approximately \$500,000 each month that could be captured from individual departments. This recommendation could result in \$1 million of I&G savings.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,000,000	\$1,000,000	No	Captured and Unit-based split	Helen Gonzales

Discussion of Implications and/or Cautions:

It is impossible to determine how much of this savings is a result of the current Pause & Hold strategy. Some amount will be recurring, as there is always turnover with an average of 10%.

Historical practice has been that some units have balanced their budgets using vacancy dollars. This will need to be addressed.

Care must be taken to evaluate any potential negative impact on academics and research, as well as the operations of the University.

Recommendation:
Academic Program Review

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

The recommendation is to reduce the Academic Program Review operating budget by \$20,000. The current operational budget is \$60,000 and resides in the Office of the Provost. The savings will be found by reducing the number of external reviewers from three to two, and by reducing the number of yearly reviews from eight or nine per year, to seven or eight per year.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$20,000	\$20,000	Yes	Centralized	Curt Porter

Discussion of Implications and/or Cautions:

This reduction will require attention to potential accreditation issues, since the original schedule and budget was set to complement professional accreditation cycles. Finding external reviewers may become more difficult due to increased workload. Additionally, care must be taken to ensure that there is not a decrease in thoroughness and/or quality due to the reduction of the number of outside reviewers.

Recommendation:
Provost Office Reorganization

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation involves reducing the I&G budget for the Office of the Provost by \$70,000. This savings was offered to the committee by Provost Office. As part of its “discovery” process, a sub-group of The President’s Strategic Advisory Team met with Provost Office AVP Curt Porter, who indicated that a reorganization of the Provost’s office was doable and advisable. A retirement has occurred within the office, and the resulting position vacancy will not be filled. Reorganization has resulted in a restructuring of the duties of the vacated position so that current staff and student employees will cover them.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$70,000	\$70,000	Yes	Centralized	Curt Porter

Discussion of Implications and/or Cautions:

The Provost’s Office was able to effectively reallocate workload so little if any impact on services will occur.

Recommendation:
Freshman Family Day

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to reduce the Freshman Family Day budget from \$80,000 to \$40,000. The remaining funding is enough to support the costs attributed to the convocation, but will eliminate the Duck Pond activities for freshmen and their families.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$40,000	\$40,000	Yes	Centralized	Curt Porter

Discussion of Implications and/or Cautions:

This recommendation would preserve the formal Freshman Convocation ceremony but would eliminate the Duck Pond activities for their families and guests. The Freshman Convocation is a ceremonial event held at most colleges and universities in America today. Typically, this symbolic and traditional event marks the beginning of the academic year, and most importantly, welcomes incoming students to the institution, to its culture and environment, to its history and traditions, and to its leaders, faculty, and staff.

By preserving the ceremony, the University will continue to have the avenue to send this message and connect to our Freshmen and their families in a formal way. However, what we will potentially lose by eliminating the Duck Pond activities are the opportunities for engagement and sense of community that we provide our freshmen and their families. This event has served to welcome the community and to signal that they are welcome on this campus, that we expect to partner with the family to ensure student success, and that the University values the family and does not seek to separate students from their familial, cultural, and communal roots. It is also possible that the loss of the Duck Pond activities could adversely impact attendance at the ceremony.

Recommendation:
Extended University's Reduction in I&G Allocation

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation involves reducing Extended University's FY10 Instruction and General allocation from \$1,699,300 to \$1,399,300, resulting in a reduction of \$300,000 for fiscal year 2011.

The present Extended University model is based on tuition generation from ITV and online course offerings. These offerings have seen unprecedented growth over the past few years and will allow Extended University to reduce a majority of their I&G allocation over the next few years.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$300,000	\$300,000	Yes	Centralized	Jerry Dominguez

Discussion of Implications and/or Cautions:

Extended University must continue to maintain/increase current level of student credit hour (SCH) production. The issues of performance based budgeting, revenue sharing, the incentive model, faculty compensation, and other financial and programmatic issues must be addressed going forward.

Recommendation:
Elimination of Paper Flyers

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation asks that every office on campus make a concerted effort to communicate activities or announcements to the University community through electronic means as opposed to the current standard of paper flyers. Many of the web submissions of community ideas for cost containment that were received by the President's Strategic Advisory Team stated that paper flyers should be eliminated. Doing so would reduce the amount of paper used by the University, and the reduced need for paper would result in cost savings. Additional savings could be realized from the reduction in the amount of time needed for mailroom sorting and delivery. Facilities Services would also have less recycling to pick up each day from the paper bins. This is also an environmentally conscious step to take to reduce the University's use of paper resources.

One suggested approach involves creating a UNM "electronic bulletin board" where advertisements of upcoming events, newsletters, etc. could be posted.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
Unknown	Unknown	Yes	Unit-based savings	Provost's office (tentatively)

Discussion of Implications and/or Cautions:

Communicating University events to members of the general public may still require paper notification in some cases. Flyers posted off campus or available for distribution from centralized locations on campus (i.e. bookstore keeping a stack of sales notices at the checkout) should be expected. It is unlikely that a complete elimination of paper flyers can be done, but a serious reduction in their use can be accomplished. Some units may have to brainstorm creative ways to advertise without paper flyers. Overall, this recommendation should not be met with substantial obstacles.

Recommendation:
Reduced Frequency of Office Cleaning

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation proposes to implement reduced levels of custodial services (less frequent cleaning) over the next 18 to 24 months, to include cleaning offices twice per week as opposed to the current level of every day office cleaning. Other areas such as restrooms, common areas, and classrooms will continue to be cleaned every day. Due to current staffing levels due to rescissions, PPD has already begun to implement this program.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$269,532	\$269,532	Yes	Captured Savings	Physical Plant Dept.

Discussion of Implications and/or Cautions:

PPD estimates a 10% reduction (through attrition) in labor needed for this new level of service. Historically, Maintenance and Operations have had deficits in operating budgets since FY '06 (totaling \$2,285,392) that have been covered with PPD vacancies. The savings from the new custodial services program will be reallocated to support Maintenance and Operations.

Recommendation:

UNM Foundation's Reduction of Reliance on I&G Funds

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation involves reducing the UNM Foundation's FY10 Instruction and General (I&G) allocation from \$1,693,000 to \$1,493,000, resulting in a reduction of \$200,000 for fiscal year 2011.

The UNM Foundation is an independent foundation, which allows for a more centralized, better-coordinated and cost efficient fund-raising organization. The UNM Foundation's long-term goal is to become completely self-funded with no reliance on Instruction and General funds.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$200,000	\$200,000	Yes	Centralized	Mike Kingan

Discussion of Implications and/or Cautions:

As a result of assuming expenses from the UNM Foundation reorganization and in combination with the effects of declining financial markets, the Foundation has already requested an increase for the Development Funding Allocation from 115 to 185 basis points. If market conditions do not improve and the Foundation is required to absorb costs previously paid for by I&G funds, this could potentially result in a further increase in the basis points.

President's Strategic Advisory Team - Cost Containment/Revenue Generation

**Mid-term Recommendations - For Study During FY11,
With FY12 Implementation**

Note that for many of these recommendations, determination of actual costs saved would be determined as part of the study period to better understand the cost versus benefit of moving forward with the concept.

Recommendation	Estimated Total Amount to be Saved	Estimated I&G Savings
Cell Phone Stipend	\$300,000	\$90,000 (Recurring)
Standardize University Edge Network Devices	\$1,386,000	\$415,000 (Recurring)
Evaluate Long-term Care Insurance	\$560,000	\$185,000 (Recurring)
Explore Tuition Remission for Continuing Education	\$1,000,000	\$300,000 (Recurring)
Administrative Fees from Revenue Producing Units	\$1,400,000	\$1,400,000 (Recurring)
Continued Reduction of I&G Support for Extended University	\$300,000 (in addition to \$300,000 saved in FY11)	\$600,000 (Cumulative and Recurring)
Evaluate I&G Support for Alumni Relations	TBD, knowing that \$733,040 is the full amount of I&G support currently given)	Up to \$733,040, over time
Evaluate a Reduction in Stop-loss Insurance	\$500,000	\$165,000 (Recurring)
Explore a Buyout of the Energy Educators Inc. Contract	TBD	TBD (Recurring)
Explore Creation of a Marketing and Communications "Service Center"	TBD	TBD (Recurring)
Explore Merging Office of Graduate Studies with the Office of the Vice President for Research	TBD	TBD
Evaluate Structure of the Office of Equity and Inclusion	TBD	TBD
Explore Consolidation of Offices of Student Affairs, Enrollment Management, and Equity and Inclusion	TBD	TBD
UNM Foundation's Continued Reduction of Reliance on I&G Funds	Potentially \$1,493,000	Up to \$1,493,000 (Recurring)
TOTAL	\$7,672,040	\$5,381,040

Recommendation:
Cell Phone Stipend

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

The basic premise of this recommendation is as follows:

An employee that requires a cellular phone in order to perform his/her duties, **and** is not being provided with a UNM cell phone may, with approval of the department head, receive a monthly reimbursement from the University for business usage of their personal cell phone, within approved limits. No employee will be granted a standard personal reimbursement if the University is already paying for a cell phone for their use.

Savings will accrue to the University when the employee provides their own phone and phone plan through their family plan and is only reimbursed the amount of business use, either \$30, \$50 or \$80/month. Cell phone charges for 100% business use through UNM Telecom can cost \$60 to \$200 per month including all charges (monthly fee, data charges and overages.) It is evident for most UNM employees that the UNM cell phone is not needed 24/7 and therefore some percentage of usage is personal or idle. Savings are variable based on the current UNM plan, but a conservative annual estimate is \$300,000.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$300,000	Estimated at 30% - \$90,000	Yes	Unit-based	Ava Lovell & Accounting Offices

Discussion of Implications and/or Cautions:

A serious caution is the problem of funding for the UNM Telecom Department that is funded through up-charges and/or administrative fees charged on UNM cell phones and land lines. If a significant number of UNM cell phones and landlines are terminated, alternate funding must be found for UNM Telecom Department operations.

A caution is for Department Heads and Directors to carefully determine whether an employee has a business need for a UNM cell phone and/or a standard reimbursement for their personal phone.

Recommendation:
Standardize University Edge Network Devices

Time Frame:

This is a **Short Term** recommendation, for implementation in FY11.

Overview:

This recommendation is to centrally purchase, operate and maintain network edge switches and routers that connect UNM buildings to the UNM IT Backbone. RFP # 1317-10 is available today.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,386,000	Minimum Estimated at 30% or \$415,000 Maximum Estimated at 64% or \$887,040	Yes	Recommend a 50/50 split on savings provided by units, 50% to units, 50% captured. Central IT units will generate improved security, savings on purchases, and service productivity.	Gil Gonzales Ava Lovell

Discussion of Implications and/or Cautions:

The positive implications are:

- Improved reliability and stability of the IT network.
- Improved security.
- Support and service delivery from central IT if all switches are the same.
- Reduced licensing costs for common software management tools.

The cautions are departmental IT staff loss of immediate control of departmental networks and firewalls.

Recommendation:

Evaluate Long-term Care Insurance

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

UNM provides, at no cost to the employee, a \$2,000 per month benefit to all full-time employees after one year of benefits-eligible employment. Premiums paid by UNM for fiscal year 2008-2009 totaled \$559,261. Premiums paid by UNM since July 1, 1999 totals approximately \$6,600,000. Eleven (11) claims totaling \$181,341 have been paid by UNUM since July 1, 1999.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$560,000	\$185,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

Last year, HR conducted meetings with the Faculty Staff Benefits Committee (FSB) to get input on employees’ perceived value of the Long Term Care benefit. Faculty Staff Benefits Committee members discussed the Long Term Care benefit with the various constituent groups that they represent, e.g. Faculty Senate, Staff Council, Retiree Association. Staff Council and Faculty Senate passed resolutions supporting retention of the Long Term Care benefit in its present form.

UNM employees value the Long Term Care benefit, especially as the UNM population ages (average age of UNM employees is approximately 50, and the number of claims is expected to rise). Employees need more education about Long Term Care insurance, and specifically about UNM’s Long Term Care benefit.

Given UNM’s current financial crisis, maintaining the annual premium for Long Term Care may result in the loss of 9 jobs at an average benefits eligible salary of \$62,082.

Recommendation:

Explore Tuition Remission Reduction for Continuing Education

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

UNM currently pays almost \$1.1 million each year to Continuing Education for non-credit professional and personal development. The details are as follows:

Total Use-\$1,064,171

Professional development-\$809,114

Personal Enrichment-\$255,057

Active Employees-\$871,391

Professional Development-\$728,530

Personal Enrichment-\$142,861

Retirees-\$192,780

Professional Development-\$80,584

Personal Enrichment-\$112,196

Continuing Education loses money on several areas, including professional development courses.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1 million	\$300,000	Yes	Captured	Helen Gonzales

Discussion of Implications and/or Cautions:

Employees attend Continuing Education for personal enrichment (leisure courses) or for professional development (e.g. computer courses). There may be more cost-effective options available. Continuing Education relies heavily on UNM’s contribution towards their budget.

Recommendation:

Administrative Fees from Revenue Producing Units

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

This recommendation is based on the premise that revenue producing and/or independent units should fund their portion of UNM's Institutional Support costs. Currently only the Health Sciences Campus and Auxiliaries fully fund their prorated share of Institutional support. Other units that under fund their prorated share are: Extended University, Athletics, Main Campus Research, Gallup Branch, Los Alamos Branch, Taos Branch and Valencia Branch.

The Shared Institutional Support Study for the year ended June 30, 2008 showed a total of \$1,414,752 of underfunding.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,400,000	\$1,400,000	Yes	Centralized	Various (Pres. Provost, EVP Admin)

Discussion of Implications and/or Cautions:

The cautions are many, not the least of which is the budget stress already being felt by the revenue producing and/or independent units. In addition, Branch Operating agreements would need to be revised on their annual renewal date.

Recommendation:

Continued Reduction of I&G Support for Extended University

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Extended University's (EU's) FY10 original I&G budget is \$1,699,300. Of this amount EU pays a flat administrative overhead fee of \$409,000 to the University, thereby EU's net I&G allocation is \$1,290,300. EU has agreed to reduce its FY11 I&G budget by \$300,000 for FY12 and an additional \$300,000 in FY13. These reductions will leave EU with \$690,300 of remaining I&G support. These remaining funds will continue to support areas not related to distance education, such as the Testing Center and support for instructional technologies on main campus.

EU is able to reduce their reliance on I&G funds due to unprecedented growth in ITV and online courses. EU will have to maintain/and or grow their School Credit Hours to maintain their current funding model, which includes revenue sharing with the Schools/Colleges.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$300,000 (in addition to \$300,000 saved in FY11)	\$600,000	Yes	Centralized	Jerry Dominquez

Discussion of Implications and/or Cautions:

Implementation must include careful monitoring of potential impact to the quality of services delivered and programs offered by Extended University.

Recommendation:
Evaluate I & G Support for Alumni Relations

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Currently, UNM Alumni Relations receives an Instruction & General allocation of \$733,040 each fiscal year. The committee recommends to evaluate I & G support for Alumni Relations and look for strategies to reduce the annual allocation. There are a number of support programs (i.e. Student Affairs fairs, Legislative Actions and Outreach for President to Travel) that Alumni Relations pays for out of their budget. Each program needs to be evaluated for its effectiveness, value to the university, and opportunities to seek funding from alternative sources.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD, knowing that \$733,040 is the full amount of I&G support given to Alumni Relations	Up to \$733,040, over time	Yes	Centralized	Karen Abraham

Discussion of Implications and/or Cautions:

Consideration must be given to maintaining quality services for UNM’s alumni.

Recommendation:

Evaluate a Reduction in Stop-loss Insurance

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Stop-loss coverage is initiated when a claim reaches \$300,000. Stop-loss pays claims up to the lifetime limit per employee for the self-insurance medical plan. This recommendation is to study the claims experience and cost-savings of raising the threshold to \$500,000.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$500,000	\$165,000	Yes	Centralized	Helen Gonzales

Discussion of Implications and/or Cautions:

We will need to study claims data and initiate an RFP for \$300,000 and \$500,000 thresholds to verify the actual amount UNM could save on the insurance. There is a risk that there will be more catastrophic claims than savings.

Recommendation:

Explore a Buyout of the Energy Educators Inc. Contract

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

The University of New Mexico entered into a four-year contract with Energy Educators Inc. that began in October 2008 to help implement an energy conservation program across all campuses. The contract is currently in its second year of four years and UNM has the option to buy-out the remaining two years. We recommend the Physical Plant Department Utilities Division to do a cost benefit analysis to determine if greater cost savings could be achieved by buying out the remainder two years of the contract.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	TBD	Physical Plant Utilities Division

Discussion of Implications and/or Cautions:

Care needs to be taken to ensure that accountability and knowledge for continuing the energy savings initiative is transferred to UNM leadership and staff. UNM staff members must gain and demonstrate the skills required to take on and continue the work of Energy Educators Inc. so that the cost avoidance the University has achieved as a result of this work will be continued.

Recommendation:

Explore Creation of a Marketing & Communication “Service Center”

Time Frame:

This is a **Mid Term** recommendation with planning to take place in FY11 and implementation to occur in FY12.

Overview:

This recommendation involves developing and piloting a “Service Center” model to provide high quality and cost effective marketing and communications services to units across the university.

The Service Center would operate as an institutionally subsidized, cost recovery unit that would expand cost recovery services to campus units. Services that could be provided could include creative planning, editorial services, design services, photography, and a digital library. This model would integrate and consolidate creative and visual service resources currently found in individual dispersed units.

Unit-based marketing could also be consolidated, including the coordination and facilitation of purchasing of marketing (including web related) contracts, services, software and licenses, or advertising media to assure best pricing and assist individual academic and programmatic units with specific projects for their audiences.

Integrating these resources would significantly expand the technologies and capabilities to the entire campus - cost recovery basis would provide for generation of resources to keep equipment updated and available.

This consolidation would contain costs, help ensure consistency of the University brand, provide efficiencies at the unit level and help create equity of services.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	Centralized and Unit-based	Cinnamon Blair Susan McKinsey

Discussion of Implications and/or Cautions:

- Areas of caution would include project and resource management, including time management, location, in-take, and deadline management.
- Another area of caution would be the loss of some autonomy at the unit level. This may be perceived as a negative by units used to decentralization of marketing and communication.
- Without proper management, there might also be the perception of loss of time and flexibility.

Recommendation:

**Explore Merging Office of Graduate Studies with the
Office of the Vice President for Research**

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

One challenge at UNM is that there are a variety of graduate-level interdisciplinary and multidisciplinary academic and research programs that do not have a single home, and the lack of coordination among them and inherent duplication of staff and resources that results is inefficient and confusing. In addition, the University increasingly is required to offer certain kinds of training to all or large numbers of graduate students, such as training in the responsible conduct of research, and the inability to provide course credit through OGS creates considerable logistical difficulties and duplication in complying with these requirements. At many universities, graduate colleges are combined with research offices. While there are challenges with this arrangement, there are also some advantages and potential efficiencies that UNM should explore.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	TBD	Dean of Graduate Studies

Discussion of Implications and/or Cautions:

To be explored during the FY11 planning process.

Recommendation:

Evaluate Structure of the Office of Equity and Inclusion

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

Two important questions must be asked that will require further, in depth study:

1. “Can the job that OEI does now be more effectively carried out under the umbrella of another VP’s structure, such as Student Affairs?”
2. “Is the benefit provided by OEI significant and effective enough to justify the costs expended for the separate VP structure?”

The Office of Equity and Inclusion oversees:

1. Office of Equal Opportunity,
2. El Centro de la Raza,
3. American Indian Students Services and
4. African American Student Services.

Many other units throughout Student Affairs are related or connected to OEI, but do *not* report to OEI. It also oversees a Recruitment and Retention of Minority Faculty unit, a Regent-charged program with a budget of \$440,000. OEI is composed of the VP, three staff members and three doctoral students with a budget of \$500,000.

A study of the ethnic programs’ benefits to students needs to be done. This will require the creation of data reporting system to measure effectiveness. In considering the need for a VP for Equity and Inclusion, data reporting on the effectiveness and benefits of the same programs when they reported elsewhere should be done. Many programs rely largely on legislative dollars appropriated through line item “special projects” in the state budget. Line items in the budget face the potential reduction in appropriation or elimination of the funding source. Having each ethnic program advocate for their funding interests sends a mixed message to legislators about UNM’s needs and priorities.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD		Yes	Centralized/Captured	

Discussion of Implications and/or Cautions:

Elimination of the OEI as a separate structure would go against the “pre-economic meltdown” trend in institutes of higher education to establish separate equity and inclusion offices. Community feedback may include the impression or assumption that “eliminating” the Office of Equity and Inclusion under a vice president means that the University is not focusing on diversity matters. It would need to be made especially clear that no programs are going away, but rather are merely reporting elsewhere for the sake of improved quality and cost savings. Additionally, the ethnic programs could lose the benefit and “clout” of having a VP’s direct involvement and support when it comes to securing their state funding if this is not addressed in the overall plan.

Recommendation:

Explore Consolidation of the Offices of Student Affairs, Enrollment Management, and Equity & Inclusion

Time Frame:

This is a **Mid Term** recommendation, with planning to take place in FY11, and implementation to occur in FY12.

Overview:

The offices of Student Affairs, Enrollment Management and Equity and Inclusion are all charged with serving the best interests of the students, from the time they first express interest in the University, through graduation. Each office manages an independent budget and is overseen by a Vice President. There appears to be some significant overlap in the services provided; for example each office manages various forms of scholarships, instead of having every available scholarship centrally managed.

Consolidating these three offices and Vice President positions into one would result in a significant and recurring cost savings, as well as potential improvements in the seamlessness and quality of services delivered. Consolidation would merely be a way to mitigate duplication of effort and program.

As this possibility is explored, a budget review should be undertaken. It appears that the funding given to the Offices of Enrollment Management and Equity and Inclusion when they were created to take over duties formerly in Student Affairs did not necessarily result in a correlated reduction in the Student Affairs' budget. A specific area for evaluation would be an audit of the efficiency of the multitude of organizations currently reporting to Student Affairs. The organizational chart in Student Affairs is vast and there may be a benefit from a close analysis of the effectiveness of the programs, and identification of where program duplication can be streamlined for better outcomes and efficiency.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	YES	Centralized	Provost Ortega

Discussion of Implications and/or Cautions:

This possibility requires careful scrutiny. Eliminating positions must be considered in accordance with the expiration of current contracts. There should be no interruption in the services currently provided by each unit.

Recommendation:

UNM Foundation's Reduction of Reliance on I&G Funds

Time Frame:

This is a **Mid Term to Long Term** recommendation, for implementation in FY12 and beyond.

Overview:

The committee recommended that the UNM Foundation's FY10 Instruction and General (I&G) allocation be reduced from \$1,693,000 to \$1,493,000, resulting in a reduction of \$200,000 for fiscal year 2011. Given that the Foundation is an independent foundation, the mid-term recommendation is to further reduce their I&G dependency

The UNM Foundation is an independent foundation, which allows for a more centralized, better-coordinated and cost efficient fund-raising organization. The UNM Foundation's long-term goal is to become completely self-funded with no reliance on Instruction and General funds.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	"Centralized" savings, "Captured" Savings, and/or "Unit-based" Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD, potentially \$1,493,000	Up to \$1,493,000	Yes	Centralized	Michael Kingan

Discussion of Implications and/or Cautions:

As a result of assuming expenses from the UNM Foundation reorganization and in combination with the effects of declining financial markets, the Foundation has already requested an increase for the Development Funding Allocation from 115 to 185 basis points. If market conditions do not improve and the Foundation is required to absorb costs previously paid for by I&G funds, this could potentially result in a further increase in the basis points.

President's Strategic Advisory Team - Cost Containment/Revenue Generation

**Long-term Recommendations - For Study and Development During
FY11, with FY13 Implementation**

Note that all of these recommendations will require broad and deep exploration to determine the full ramifications of moving forward with any given idea. For nearly all, determination of actual costs saved would be determined as part of an in-depth study and development period to better understand the cost versus benefit of any given concept.

Recommendation	Estimated Total Amount to be Saved	Estimated I&G Savings
Balance Quality and Price on Contract Bidding Processes	TBD	TBD
Evaluate Moving to a Trimester System	TBD	TBD
Evaluate Move to Incentive- and Activity-Based Revenue Generation and Budgeting	TBD	TBD (Recurring)
Evaluate Reducing Reliance on I&G Funds for Intercollegiate Athletics	Potential = \$975,053 (the full amount of current I&G support)	Up to \$975,053 (Recurring)
Consolidations of UNM Email and Calendaring Systems	\$854,991 to \$3,419,000	\$256,497 to \$1,025,700 (Recurring)
Central IT Desktop Image	\$90,000 to \$180,000	\$115,000 (Recurring)
Move the UNM Telephone System from analog to VOIP	\$1,000,000	\$300,000 (Recurring)
Evaluate Efficiency and Cost-effectiveness of UNM's Administrative Infrastructure	TBD	TBD
Evaluate Efficiency and Cost-effectiveness of UNM's Teaching Infrastructure	TBD	TBD
Evaluate Efficiency and Cost-effectiveness of UNM's Staffing Infrastructure	TBD	TBD
TOTAL	Total is TBD	Total is TBD

Recommendation:

Balance Quality & Price on Contract Bidding Processes

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

Over the last five years, UNM has experienced an abundance of Capital Outlay funds from the State, Feds and Institutional Bonds. During this period of abundance, the Capital Projects Review committees have given significantly greater weight to quality (qualifications & value) than they have to the price component.

We recommend to the Office of Capital Projects to evaluate the bidding process to better balance quality and price on all capital projects. This recommendation includes exploring the possibility of a two-step bidding process, which first evaluates qualifications, and then requires all contractors who qualify to bid their best price for the capital project. This will ensure UNM is attracting contractors who have the qualifications to complete the project, yet also encourages competition in order to keep the project costs down.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Not necessarily	Centralized	Office of Capital Projects

Discussion of Implications and/or Cautions:

Care must be taken to ensure that quality is not sacrificed to a “lowest bidder” mentality, resulting in shoddy, unsustainable workmanship that costs even more in the long term.

Recommendation:
Evaluate Moving to a Trimester System

Time Frame:

This is a **Long Term** recommendation, with planning to take place in FY11, pilot(s) to be launched in FY12, and broader implementation to occur in FY13.

Overview:

Several programs on main campus may find academic and cost benefits if they moved to a trimester system. The types of programs are largely in professional colleges and the most likely level of the courses would be at the graduate level. The College of Education is a likely candidate to take advantage of the possibility of having a complete (third) semester for some of its educator preparation programs, since this population is generally available during this time.

The potential benefits of moving to a trimester system might include the following:

- Higher retention and graduation rates.
- Ability of students to move more efficiently through their respective program(s).
- The program becomes a complete, high quality academic experience.
- The cost to educate each student is reduced for the Colleges, as well as for students.

To test these potential benefits, UNM could launch one or more pilot projects. The process for defining, planning, and implementing such projects would be much less complicated given that the College of Nursing moved to a trimester system last year. The lessons learned as a result of that effort are programmatic, structural, and organizational and will help greatly in conceptualizing another program's move to this system. A minimum of one academic year would be needed to appropriately present a complete implementation plan for testing.

This project may not result in major cost savings, but may generate more student credit hours, and improve retention and graduation. This would clearly be an experiment in whether this increase in efficiency provides both programmatic and fiscal benefits to the university. As such, it may end up being a re-investment strategy that has differential pay-offs to the students and university.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	Unknown	Provost

Discussion of Implications and/or Cautions:

Summer Funding: The funding for the summer session would have to change into stable, recurring I&G, as well as having tuition incentives for the program to move this direction. The program's overall profitability and meaningfulness to the strategic goals of the university can be merged successfully.

Faculty Status: This may also necessitate the creation of a “graduate faculty” as a subgroup of a larger multi-level faculty in order to function optimally.

Administrative Costs: The creation of another major instructional period will undoubtedly increase the load on all aspects of administration, advisement, and student support within the College.

Transfer Credits: Research will need to be conducted to ensure that transfer students will not be adversely affected by switching to a trimester system.

Recommendation:

Evaluate Move to Incentive- and Activity-based Revenue Generation and Budgeting

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

The University of New Mexico currently utilizes a historic or central budget to fund Colleges, Schools, and other units on the main campus. This approach to budgeting has advantages and disadvantages. We recommended that the Regents, President and Provost, in conjunction with faculty, staff and students, conduct a thorough analysis of the costs and benefits to this type of budget system. In addition, we recommend that an activity-based budget be analyzed. Such a budget is used at other universities (e.g., the University of Michigan) to fund some academic units: http://www.provost.umich.edu/budgeting/ub_model.html. Activity-based budgets link activities (e.g., teaching and research) with costs and revenues, allowing for different types of information to flow to decision-makers. At many universities a hybrid of both historic/central and activity-based is utilized so that units such as museums, libraries, and public safety are appropriately supported. In addition, there are different approaches to activity-based budget systems. Most universities that have implemented such systems link revenues with activities but also collect a “tax” to support centrally budgeted units.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	Centralized	Provost Ortega EVP Harris

Discussion of Implications and/or Cautions:

Moving to this type of budgeting system will require significant culture shift across the entire university.

Recommendation:

**Evaluate Reducing Reliance on I&G Funds
for Intercollegiate Athletics**

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

Currently the Athletics Department receives a portion of their budget from the university in the form of I&G funding. These are funds that could be used to support the academic programs of this institution. Athletics have revenue-generating possibilities that make this more possible. The phasing in of this funding shift over a three-year period should allow the Athletics Department time to adjust for the implementation of a self-sustained funding model.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD, knowing that \$975,053 is the full amount of I&G support given to Athletics	Potentially up to \$975,053, over time	Yes	Centralized	Paul Krebs David Harris

Discussion of Implications and/or Cautions:

The Intercollegiate Athletics budget is primarily funded from event revenue and conference revenues. However the I&G funds transferred to their budget funds a significant portion of the non-revenue producing sports and a long-term implementation will protect the many student athletes in these sports.

Recommendation:

Consolidations of UNM Email and Calendaring Systems

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM operates 40+ email / calendaring servers (main, branches, HSC/UNMH). This recommendation proposes to reduce/eliminate up to 37 email/calendaring systems.

Possible Benefits follow:

- Improved server management and support to University customers – Added features (e.g., Sharepoint, desktop backup, etc.) and improved uptime.
- Improved security for University confidential data.
- Improved access to directory information, identify management, and other.
- Reduced licensing costs.
- Possible outsourcing options (Microsoft, Google, etc.).

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Ranges between \$854,991 and \$3,419,000	Estimated at 30% of the total: Minimum = \$256,497 Maximum = \$1,025,700	Yes	Centralized and Unit-based	Gil Gonzales

Discussion of Implications and/or Cautions:

- Loss of immediate control of departmental email.
- Potential for service delivery improvements.
- Savings assumptions need to be tested, as they have not been studied in detail.

Recommendation:
Central IT Desktop Image

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

This recommendation proposes to require a common desktop image for University computers, especially those that access the Banner administrative systems. This common desktop image will ensure proper security software protects our production Banner system.

IT proposes a 3 yr adoption model @ 1,000 units per year.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
Between \$90,000 and \$180,000	\$115,000	Yes	Centralized and Unit-based	Gil Gonzales

Discussion of Implications and/or Cautions:

- Departments/Units would lose control of these desktop images.
- It is possible that, unless this recommendation is implemented using virtualization, some faculty and staff may need to purchase additional computers, increasing overall cost. More exploration regarding this is required.

Recommendation:

Move the UNM Telephone System from Analog to VOIP (Microsoft)

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM manages over 22,000 ports on 30+ phone systems (varying from carrier class to departmental for Main/HSC/Hospital). The current UNM phone system is based on old technology and requires a large investment in physical equipment and wiring. Moving to new digital & VOIP technology is primarily driven by software. Although the change over is costly and disruptive, the medium and long rang cost savings and productivity increases are favorable.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
\$1,000,000	\$50,000 to \$75,000 per Branch (savings over locally installed voice) Estimated at 30% or \$300,000	Yes	Centralized, with savings to the units	Gil Gonzales

Discussion of Implications and/or Cautions:

- Changeover would be costly and disruptive.
- Voice services to the University community would be improved.
- Costs for switches and wiring would be reduced.
- The potential exists that moving to such a system could weaken protections for the confidentiality of phone conversations. This needs to be further explored.

Recommendation:

Evaluate Efficiency and Cost-effectiveness of UNM's Administrative Infrastructure

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

During the past year, we have experienced an economic meltdown that has had many negative implications for the University of New Mexico and our community. Funding from the State has been reduced a number of times. Return on invested assets has diminished. And, while our employee population at UNM has so far been spared, many in New Mexico have lost their jobs.

These conditions beg these questions:

Given the realities of the post- economic meltdown world, what is the most efficient, cost-effective, and mission-centric administrative structure for the University of New Mexico, moving forward?

This recommendation proposes to begin with the core - Our mission, vision, and values – and to work thoughtfully and systemically to determine the most vibrant administrative structure for carrying the core work and spirit of our institution forward. We recommend that all current structures and assumptions be placed on the table, from EVP, VP, AVP, and Director positions, to entire divisions.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	All	President Schmidly Provost Ortega EVP Harris EVP Roth

Discussion of Implications and/or Cautions:

- Careful attention to the process used to move forward with this recommendation is critical.
- Everyone who cares about and is committed to the future of the University of New Mexico must be invited into this conversation.
- Care must be taken to ensure that this is about process, and not individual people.
- UNM's Core Values must serve as the behavioral touchstones for all interactions, deliberations, and decisions.

Recommendation:

Evaluate Efficiency and Cost-effectiveness of UNM's Teaching Infrastructure

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM has been very fortunate in that no system-wide layoffs (faculty or staff) have had to occur to date as a result of the economic crisis. However, many faculty (tenure and non-tenure) in Universities across the country have lost their jobs.

These conditions beg these questions:

Given the realities of the post- economic meltdown world, what is the most efficient, cost-effective, and mission-centric teaching structure (size of classes, teaching assignments, number of sections, etc) for the University of New Mexico, moving forward?

This recommendation proposes to begin with the core of our teaching and research mission and to work thoughtfully and systemically to determine the most vibrant but efficient and cost effective teaching structure for carrying the core work and spirit of our institution forward. We recommend that all current structures and assumptions be placed on the table.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	All	Provost Deans

Discussion of Implications and/or Cautions:

- Careful attention to the process used to move forward with this recommendation is critical.
- Everyone who cares about and is committed to the future of the University of New Mexico must be invited into this conversation.
- Care must be taken to ensure that while focusing on efficiencies and effectiveness that our teaching and research missions as well as our students’ educational needs are not negatively impacted.
- UNM’s Core Values must serve as the metric for all interactions, deliberations, and decisions.

Recommendation:

Evaluate Efficiency and Cost-effectiveness of
UNM's Staffing Infrastructure

Time Frame:

This is a **Long Term** recommendation, with study and development to take place in FY11 and FY12, and implementation to occur in FY13.

Overview:

UNM has been very fortunate in that no system-wide layoffs (faculty or staff) have had to occur to date as a result of the economic crisis. However, many staff in Universities across the country have lost their jobs.

These conditions beg these questions:

Given the realities of the post- economic meltdown world, what is the most efficient, cost-effective, and mission-centric staff structure (assignments [centralized versus decentralized], responsibilities, etc) for the University of New Mexico, moving forward?

This recommendation proposes to begin with the core of our teaching and research mission and to work thoughtfully and systemically to determine the most vibrant but efficient and cost effective staffing structure for carrying the core work and spirit of our institution forward. We recommend that all current structures and assumptions be placed on the table.

Estimated Total Amount to be Saved	Amount of I&G Savings	Recurring?	“Centralized” savings, “Captured” Savings, and/or “Unit-based” Savings?	Owner (for implementation, metrics development, and tracking purposes)
TBD	TBD	Yes	All	President Deans VPs

Discussion of Implications and/or Cautions:

- Careful attention to the process used to move forward with this recommendation is critical.
- Everyone who cares about and is committed to the future of the University of New Mexico must be invited into this conversation.
- Care must be taken to ensure that while focusing on efficiencies and effectiveness that our teaching and research missions as well as our students’ educational needs are not negatively impacted.
- UNM’s Core Values must serve as the metric for all interactions, deliberations, and decisions.

Conclusions and Hopes for the Future

As anyone who has ever worked as part of a team understands, it is not easy for 20 individuals to come to agreement, especially when the task is an important one and the time frame is short. With this in mind, the team determined early on to **not** strive for absolute agreement on everything, but to apply the “rule of 80%” – “Is this concept 80% there, and good enough to test? If not, what is the adjustment that could move it to that place?” We believe that these recommendations meet that standard.

As we move into the next phase of work, we understand that the stakes become higher and the tasks become more complex. In fact, nearly all of the team’s mid- and long-term recommendations will require serious exploration and deep understanding of the costs versus the benefits of implementing these ideas. Many would require significant cultural shift and substantive changes to UNM’s business practices. All would require a new level of trust within our own community, and an invitation to everyone to join in the conversation about how we can evolve into a strong, vibrant, and sustainable flagship research university that serves as a model for others to follow.

In closing, we believe that this University we all love is worthy of these efforts, and we stand ready to continue in her service.

Submitted by the members of the President’s Strategic Advisory Team, March 11, 2010.

Members of the President's Strategic Advisory Team

Name	Title	Department
Martha Bedard	Dean	University Libraries
Ann Brooks	Lecturer	Anderson School of Management, Accounting
Pug Burge	Associate Vice President	HSC Administration
Teresa Cordova	Director, Community & Regional Planning	Architecture & Planning
Mike Dougher	Associate Vice President	Office of Research
Stephanie Forrest	Chairperson	Computer Science
LM Garcia y Griego	Director	SW Hispanic Research Institute
Helen Gonzales	Vice President	Human Resources
Dick Howell	Dean	College of Education
Ava Lovell	Vice President	Finance – HSC/UNM
Julia Maccini	Graduate Student	Law School
Kevin Malloy	Professor	Physics/Astronomy
Alfred Mathewson	Professor Acting Director	School of Law Administration Africana Studies Program
Kate Moore	Financial Officer	Provosts Office
Janice Ruggiero	Associate Athletic Director	Intercollegiate Athletics
Beverly Singer	Associate Professor Acting Director	Anthropology Native American Studies
Doug Thomas	Associate Dean	Anderson School of Management
Carolyn Thompson	President's Office – Strategic Planning	Office of the President
Chris Vallejos	Associate Vice President Business Planning & Services	Institutional Support Services
Jake Wellman	Undergraduate Student	Political Science

Definitions

Centralized Savings:

The cost containment idea would result in savings in one (or more) central administrative office(s). For example if we can save cost by not printing blueprints and design documents for our capital project bids, the Office of Capital Projects (OCP) will save around \$315,000. The premise is that because OCP is a Central Administrative Office that was funded to operate on behalf of the entire University, we may be able to reallocate those funds.

Captured Savings:

The cost containment idea would result in savings that are transparent to the paying department. For example if we renegotiate our purchase order/Invoice payment terms from Net 30 to 1%/10, the end user (paying) department would not see the savings but the Accounts Payable Department would "capture" the savings to be available for reallocation.

Unit-based savings:

The cost containment idea would result in savings directly to the paying Unit. The paying Unit would "own" the savings. For example: If a Unit (Department, Dean's Office, etc.) switched from desktop printers to networked copier printing, the Unit would not buy toner cartridges and thus would have cost savings.

Exhibit 2

President's FY11 Budget Preparation Meetings with Campus Groups

Meetings President Schmidly Held with Campus Constituency Groups Prior to FY11 Budget Approval

UNM Constituent Meeting Schedule for Budgets

Monday, March 15, 1 -3 p.m. - Met with Strategic Advisory Committee (they presented their recommendations)

Monday, March 22, 2:30 p.m. – Met with Doug Fields, Rich Wood, Pam Pyle, Howard Snell, Tim Ross, Mary Lipscomb, Kevin Stevenson, Breda Bova

Monday, March 22, 3:30 p.m. – Met with Elisha Allen, Merle Kennedy, Breda Bova,

Tuesday, March 23, 9:30 a.m. - Met with Deans and Provost, Breda Bova

Tuesday, March 23, 11:30 a.m. –Met with Lissa Knudsen (GPSA)

Thursday, March 25, 4 p.m. – Met with Monika Roberts (ASUNM)

Monday March 28, 11:30 a.m – Met with Lissa Knudsen and ASUNM representative (re: student fees)

Wednesday, March 31, 3 p.m. – Met with Faculty Operations Committee (Doug Fields, Howard Snell, Tim Ross)

Second Set of Meetings Prior to Board of Regents, April 30, 2010

Friday, 4/23/10, 3:30 – 4:30 – Met with Doug Fields, Rich Wood, Ursula Shepherd, David Harris, Andrew Cullen, Breda Bova

Monday, 4/26/10, 2 – 2:30 p.m. – Met with Elisha Allen, Merle Kennedy, Mary Clark, Karen Mann, Shelley Rael, Bob Christner, Linda McCormick, Hollie Medina, David Harris, Andrew Cullen, Breda Bova

Wednesday, 4/28/10 – 9:30 – 10 a.m. Met with Lissa Knudsen, David Harris, Andrew Cullen, Breda Bova

Wednesday, 4/28/10 – 10:30 – 11 a.m. Met with Monika Roberts, Theresa Rogers, David Harris, Andrew Cullen, Breda Bova

Exhibit 3

Adopted Constituency Budget Recommendations

The University of New Mexico

Adopted Constituency Group Budget Recommendations

<u>Recommendation</u>	<u>Constituent Group(s)</u>
•Maintain Sabbaticals	FS, SC, GPSA
•Centralize service centers only in smaller departments	FS, SC, GPSA
•Carefully approach IT centralization	FS, SC, GPSA
•Show noticeable improvement in advising	ASUNM
•Focus I&G reductions in non-academic areas	Deans Council

Exhibit 4

FY12 Budget Development Flowchart

UNM FY12 Budget Development Flowchart

Considerations:

- Priority – Protect the academic mission (research & teaching)
- Cuts will not be implemented “across the board”
- Will plan for three year time horizon
- Maximize transparency
- Engage best practices of shared governance

Historical Context:

- 6th consecutive cut in 3 budget cycles , exceeding \$50M (Document A)
- Use of one-time money in handling cuts (Document B)
- History of tuition increases & application of tuition credits (Document C)
- Comparison of UNM tuition & cost of attendance (Document D)
- IPEDS Data Feedback Report 2010 (Document E)
- Five Myths About Tuition at UNM (Document F)
- Perspectives on UNM’s Organizational Structure & VP Salaries (Document G)

Phase I - Beginning of FY11/12 Budget



Phase II



Phase III - Consolidation of Recommendations

- Cost Containment Task Force** – Charged Fall 2010 to review all documents & make recommendations to President (Document 9)
- FY12 Fiscal Estimates - LFC, DFA, HAFC - (Document 10)
 - Recommendations (Document 11)

Phase IV - Consideration of Possible Option Scenarios

(February & March 2011)

- Revenue, Expenditure, and Cost Containment Scenarios - Andrew Cullen - (Document 12)
- Tuition Fact Sheet (Document 13)
- Other Issues - ERB (Document 14)

Phase V - Final Budget Decision

- Budget Summit Presentation (March 28, 2011)
- Board of Regents’ Decision

Exhibit 5

PSAT FY12 Recommendations

University of New Mexico

***Cost Containment/
Revenue Generation:
Recommendation of Strategies
For FY12 and Beyond***

**Submitted to Acting President Paul Roth
and
President David J. Schmidly**

On December 10, 2010

**By the
President's Strategic Advisory Team**

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Preamble:

Objectives, Processes, and Principles

The President's Strategic Advisory Team (PSAT) was established by President David Schmidly in February of this year (2010) and given the following charge:

To design and evaluate possible scenario models for cost containment, process improvement, and an evolved organizational structure for UNM that will:

- *Provide the greatest levels of efficiency, communications, and accountability within operational processes, both in academic and administrative areas;*
- *Optimize UNM's ability to carry forth its mission and abide by its core values;*
- *Create tangible savings; and*
- *Aspire to create a model organizational structure for the modern public research university in the post-economic meltdown world of the 21st century.*

President Schmidly also identified project principles and parameters that included a two-fold focus to:

- Identify a broad range of strategies to achieve systemic process improvements, cost reductions, and long-term efficiencies; and
- Develop the most effective and resource-efficient organizational structure to carry out the core processes of university operations, in service to the mission.

During the first phase of its work together, PSAT identified \$5,809,248 of potential short term savings for FY11. Additionally, the Team identified several areas believed to hold promise for future cost savings, revenue generation, and overall improvement of UNM's operational efficiency and effectiveness.

As the New Mexico's financial situation continued to worsen over the summer and into the early fall, PSAT was once again called into action in October, this time to explore and recommend strategies to address the potential of a further permanent reduction in state I & G support for FY12 of \$25 million, or even more. As the Team prepared to engage in this work, members began by learning from Andrew Cullen, UNM's AVP for Planning, Budget, and Analysis just how PSAT's March 2010 recommendations had been incorporated into the FY11 budget model, as well as the impact that those decisions have had on the mission of the university and the functionality of operations.

PSAT then began the task of identifying strategies for addressing the budget challenge, first by revisiting and evaluating the team's mid- and long-term recommendations, along with other recommendations that had been emerging from other groups, such as Faculty Senate, Staff Council, Legislative Finance Committee, and students. Review and discussion resulted in the identification of the following areas of major opportunity within non-academic areas (not intended to be in order of importance):

1. Explore potential for cost savings in IT in the following areas:
 - Consolidation of UNM e-mail and calendaring systems
 - Standardization of university edge network devices
2. Explore the potential for reduction of reliance on I&G funding in the following areas:
 - Extended University

- UNM Foundation
 - Alumni Relations
 - Athletics
3. Explore potential cost reduction and efficiencies to be gained by consolidation and/or realignment of the offices of Student Affairs, Enrollment Management, and Equity and Inclusion
 4. Explore the potential of surplus sharing from UNM's auxiliaries and other revenue generating enterprises.
 5. Explore efficacy of the following auxiliary enterprises:
 - UNM Press
 - Golf Courses
 - Museums
 - Popejoy Hall
 6. Explore tuition remission and I&G support for Continuing Education.
 7. Develop a strategy and plan focusing on tuition and fees.
 8. Explore a strategy to move to incentive- and activity-based revenue generation and budgeting.

PSAT then launched a “due diligence” process by inviting leaders of the identified enterprises to educate the Team on their respective units’ direct and indirect contributions to the core missions of the University; their cost containment/revenue generation strategies and results to date; strategies that unit owners are considering for the future given the extent of the budget challenge we are facing; and potential consequences of major reductions. PSAT members formed work groups to further review and analyze budgets, services, deficits or surpluses, reliance on I&G funding, any ongoing challenges and plans to address them, and, most importantly, the centrality and importance of the unit’s activities to the core missions of the University of New Mexico.

As PSAT went about the work of considering various approaches and recommendations, the following principles and assumptions began to emerge:

1. Everything must be on the table for consideration and discussion.
2. A combination of strategies, i.e. use of reserves, increases in tuition and fees, changes in state policies, budget reductions, and program/service elimination would need to be utilized to address the potential of \$25m+ in reduction of state support without doing irreparable damage to the core missions.
3. There should be no “across the board” budget reductions.
4. Those services that are most central to and supportive of the core missions of the university are the most important to preserve.
5. The mix of strategies to get to a new “water level” of funding reduced by \$25m+ that will be sustainable for the long term will need to change over the course of at least a three year period.
6. There should be no “shifting the burden” of deficits and inefficiencies from one unit to another, thereby hiding the problem and potentially weakening the effectiveness of healthy enterprises.
7. The emerging practice of internal units “charging” each other for services to offload costs from one unit’s budget to another should be closely scrutinized, as it may simply be another way to shift the burden without realizing any true savings.
8. However, “loss leaders” may exist, and any decisions to support them should be deliberate and transparent.
9. Adapting to the new reality of decreased state support for higher education will require commitment to a systemic strategy over a period of years.

10. Units that “dig in their heels” and do not authentically strive to identify strategies for efficiency and cost savings should not be rewarded by being allowed to maintain their status quo.
11. Recommendations reflect the PSAT’s judgment of the needs and the best interests of the university. Inevitably, these cost savings and cost containment measures have consequences for members of the UNM community. The recommendations were developed with consideration of those consequences, and where appropriate, attempts have been made to suggest ways of mitigating the impact on the people affected.
12. Our goal will always be to promote “data-driven passion”, rather than “passion-driven data.”

While these principles and assumptions emerged over the course of several weeks of the Team’s work, it is important to note that these are also in accordance with the budget guidelines that Acting President Roth announced in his Monday Morning Message to the campus community on November 15th:

- *“There will be no further across the board cuts after the current 3.2% rescission.*
- *The process we will follow will be transparent, fair, and involve broad input and consensus building between administration, faculty, staff and students prior to the Regents adopting our budget plan – which will be widely distributed and discussed with all constituents.*
- *We will phase this program in over a three-year period, and most importantly...*
- *All final decisions will be driven by our values as a premier academic institution.”*

Additionally, during its deliberations, PSAT considered two potential scenarios for approaching recommendations:

- **“Preserve the Current Core”** – Predicated on the assumption that cost reduction/revenue generation strategies should be geared toward doing everything possible to maintain the current state of the academic enterprise. In other words, after reductions are made, we would want UNM to look as much like it does today as possible.
- **“Prepare for the Future Flagship”** – Predicated on the assumption that the most valuable attributes of UNM as a “flagship university” in the future may be different from today’s current state. This means that strategic budgeting decisions would be made with an eye toward establishing a foundation upon which to meet new needs and take advantage of emerging opportunities.

The recommendations contained in this report are the result of the above-described process and the culmination of eight weeks of concentrated effort on the part of a diverse and committed team. Clearly, not every question has been definitively answered. However, the Team has continued with a decision it made early on to **not** strive for absolute agreement on everything, but to apply the “rule of 80%” – “Is this concept 80% there, and good enough to test? If not, what is the adjustment that could move it to that place?”

The President’s Strategic Advisory Team presents the recommendations in this report as a sincere and “good faith” effort to do its best to address this critical challenge, in the best interest of our students and our mission.

Summary of Recommendations

The following pages contain an overview of the Team's recommendations, organized into two categories: Recommendations for implementation in fiscal year 2012, and recommendations for opportunities/targeted activity in FY12 to prepare for FY13 & beyond. It is important to note that, due to the numerous budget rescissions and reductions over the past two years, most of the "low hanging fruit" has already been identified and picked.

Nonetheless, the Team has been able to identify a combination of cost cutting and revenue generating strategies to total \$13,822,951, or roughly half of the anticipated \$28m shortfall. It is important to note that this amount includes the maximum recommended net tuition increase of 10%, which PSAT strongly believes should be kept as low as possible, with no final decisions being made without full engagement of the student community. It is anticipated that additional areas of savings will be identified by March 1, 2011 if the Team's recommendations for further, concentrated "due diligence" efforts related to IT and surplus sharing from auxiliaries are adopted.

Additionally, this amount does not include cost cutting/revenue generating strategies that PSAT hopes will emerge through the budget work being conducted through the Office of the Provost and other entities on campus.

Finally, some of the Team's recommendations will not result in reducing costs or generating revenue, but rather will provide transparency about what units and activities UNM consciously chooses to subsidize, and at what levels. These are strategic recommendations intended to create further transparency about how UNM allocates resources.

Overview of Recommendations

Area of Opportunity and Focus	Recommendations for FY12	Recommendations for Opportunities/Targeted Activity in FY12 to Prepare for FY13 & Beyond
IT – <ul style="list-style-type: none"> • Consolidation of e-mail and calendaring systems • Standardization of network edge devices 	<p>Include both of these areas in the IT Redesign initiative that will launch in January 2011. (The target of this initiative is \$2m in savings, over time.)</p> <p>By March 1, 2011, identify and quantify initial savings for inclusion in the FY12 budget.</p>	<p>Due diligence in these areas resulted in the conclusion that while immediate savings are probably not huge, there is great opportunity for gaining efficiencies over time that will result in significant savings. PSAT recommends that the full \$2m target be realized through the “IT Cost Containment and Service Improvement Initiative” (One of the Regents’ Goals for the President) by FY14.</p>
Extended University	<p>Reduction of \$400,000 in recurring I&G funding (from FY11 allocation of \$1,254,127)</p>	<p>Extended University has developed a business model that is enabling the enterprise to reduce its I&G support by \$400,000 in FY11, and by an additional \$400,000 in FY12. EU currently has a fund balance of \$4m. The business model should be further explored to better understand how EU can become a sustainable revenue source for UNM through the generation of student credit hours, particularly for reinvestment in the academic enterprise.</p>
UNM Foundation	<p>Reduction of \$300,000 in recurring I&G funding (from current allocation of \$1.2m).</p>	<ul style="list-style-type: none"> • Develop a plan to eliminate all I&G support by FY16. • Explore ways to improve management of the remaining \$900,000 of I&G funds, including development of a performance management system that includes UNM employees, as well as those employed by the Foundation.
Alumni Relations	<p>Reduction of \$100,000 in recurring I&G funding (from FY11 allocation of \$703,519)</p>	<ul style="list-style-type: none"> • Explore the potential to merge the Alumni Association with Alumni Relations, since the Alumni Association currently generates some revenue that could support Alumni Relations functions and make up for further reductions in I&G support. • Consider converting one Alumni Relations position to a Development Officer position to raise funds for Alumni activities.

Area of Opportunity and Focus	Recommendations for FY12	Recommendations for Opportunities/Targeted Activity in FY12 to Prepare for FY13 & Beyond						
Athletics	Reduction of \$100,000 in recurring I&G funding (from FY11 allocation of \$1.2m)	<ul style="list-style-type: none">Some level of ongoing I&G funding for Athletics is warranted, due to the support Athletics provides to the core missions of UNM (see due diligence detail). However, further investigation is required to better understand what Athletics is generating in terms of formula dollars.Increasing rental rates charged to external users of Athletics facilities, as well as parking and ticketing fees, should be considered to offset reductions in I&G support.A plan should be developed for external events to become self supporting and to generate revenue over time.						
UNM Press	UNM must first determine if UNM Press is a service that is central enough to the core missions of the University to subsidize, since no university press in the country currently breaks even. If so: <ul style="list-style-type: none">Appropriate \$200,000 of I&G funding to provide transparent subsidy, rather than continuing the present deficit model.Develop a plan by March 1, 2011 that identifies a new operational model to reduce costs and live within those means beginning in FY12. Expectation is that there will be no deficit. Elements of the model may include: 1) outsourcing the warehouse element, 2) aligning operations with University Libraries, and 3) moving toward greater use of electronic media.							
Golf Courses	Due to market saturation, aging infrastructure, and no significant contribution to UNM's core mission, the Championship Golf Course should be closed, resulting in \$600,000 from fund balances (that would otherwise be used to cover growing deficit) to use for other purposes in FY12. No action is recommended on the North Golf Course at this time.	<ul style="list-style-type: none">Develop a comprehensive plan for land development.Proceeds from development and/or sale will provide unrestricted fund balances that will be available to:<ul style="list-style-type: none">Pay off the \$4.6m debt.Potentially provide some level of support for UNM's golf teams to practice at another location.Invest in other enterprises.						
Museums	Overall reduction in I&G funding to museums of 2%, or \$44,751. (Total I&G to all museums is over \$2.2m) This reduction is NOT intended to be across the board but should be allocated based on uncommitted surpluses and evaluation of each museum's contribution to the core mission.	Using the same principles of evaluation based on uncommitted surplus and contributions to the core mission, I & G funding should be reduced an additional 2%, each of the next two fiscal years for the following cumulative effect: <table><tr><td><u>FY13</u></td><td><u>FY14</u></td></tr><tr><td>4%</td><td>6%</td></tr><tr><td>\$89,502</td><td>\$134,253</td></tr></table>	<u>FY13</u>	<u>FY14</u>	4%	6%	\$89,502	\$134,253
<u>FY13</u>	<u>FY14</u>							
4%	6%							
\$89,502	\$134,253							

Area of Opportunity and Focus	Recommendations for FY12	Recommendations for Opportunities/Targeted Activity in FY12 to Prepare for FY13 & Beyond
Popejoy	Popejoy Hall should maintain its current I&G funding of \$149,730 for FY12, due to the support provided to the academic mission through the Department of Music and providing space for convocations and other university activities. However, the enterprise must break even and not add to the current deficit. This will result in \$220,000 of unrestricted fund balance that can be redirected to other purposes.	<ul style="list-style-type: none"> Currently, the New Mexico Symphony Orchestra (NMSO) owes \$242,000 in outstanding payment for hall usage, but utilizes 25% of Popejoy's usage days each year. Popejoy can no longer afford to continue with this arrangement. Beginning in early 2011 and continuing through FY12, Popejoy should develop a comprehensive plan to grow its programming to utilize the additional 25% availability, as well as to develop its private fundraising strategies.
Surplus sharing from UNM's Auxiliary Enterprises	In order to make a sound recommendation for FY12 and beyond, a benchmark study should be conducted by March 1, 2011 to compare UNM's auxiliary practices to those of other universities, including management models, administrative fees, reporting structures, degrees of self sufficiency, and best practices.	
Tuition remission and I&G support for Continuing Education	<ul style="list-style-type: none"> Eliminate the use of tuition remission for all non-academic programs, resulting in \$1.4m recurring savings to I&G. Insist upon "break even" results for Continuing Education. 	The recommendation for FY 12 will result in loss of UNM-generated revenue to Continuing Education of \$1.1m over the course of the next year. This means that the current business model for Continuing Education is unsustainable, and must be redesigned and scaled down to accommodate this reality. A new model should be developed over the winter through the "Rapid Redesign" process that is included in the Regents goals for the President for FY11.

Area of Opportunity and Focus	Recommendations for FY12	Recommendations for Opportunities/Targeted Activity in FY12 to Prepare for FY13 & Beyond
Consolidation of Student Affairs, Enrollment Management, & Equity and Inclusion	<p>Overall reduction in I&G funding to these three Divisions of 10%, or \$1,158,200*. This reduction is NOT intended to be across the board for each Division, but should be determined through collaborative exploration and conversation among all three units to identify the most appropriate ways to allocate the reduction. Some ideas to explore might include the following:</p> <ul style="list-style-type: none"> • Identify duplicative services to combine and/or eliminate. • Review vacant positions for potential permanent elimination, i.e. the “stand-alone” position of “Dean of Students” in favor of combining it with another existing position, for a savings based on previous salary information of \$97,000 <p>* Based on projected FY12 I&G base budgets after the 3.2% base adjustment, as follows: E.M. = \$6,020,310 S.A. = \$3,836,615 E.&I. = \$1,725,080 Total = \$11,582,005</p>	<p>Launch and complete a comprehensive initiative in FY12 to redesign, consolidate, and realign activities and functions in these three divisions. Exploration should include potential efficiencies, improvements, and savings of the following:</p> <ul style="list-style-type: none"> • Identifying/eliminating duplication of services, events and activities. • Recombining Enrollment Management and Student Affairs under one VP, but with a well defined mission, service portfolio, performance metrics, and appropriate resources. • Moving those auxiliary enterprises currently housed in Student Affairs including the SUB , student housing, and food services to Auxiliary Services, thereby streamlining the service portfolio of Student Affairs to be more directly targeted to serving students. • Redefining the VP Equity and Inclusion position to “Chief Equity and Inclusion Officer,” reporting to the Office of the President and assuming a coordination and champion role across all divisions. • Moving accountability for developing faculty diversity to the Office of the Provost. • Moving delivery of diversity training to the Division of Human Resources. • Moving marketing functions that currently exist in S.A. and E.M. to University Marketing. • Revisiting and improving the advising model to reduce fragmentation. • Consolidating accountability for all international programs under one unit.
Tuition and Fees	<ul style="list-style-type: none"> • 10% maximum NET tuition increase, pending broad discussion with students. Result of max. would be about \$9.5m. Tuition credit must be discontinued. Every effort should be made to keep tuition as low as possible. • No fee increase is recommended at this time. 	<p>Develop a comprehensive tuition plan in collaborative dialogue with students. The discontinuation of the tuition credit will enable such a plan to be formed.</p> <p><i>FY12 must be the <u>final year</u> of crisis tuition planning/lack of planning at UNM.</i></p>

Area of Opportunity and Focus	Recommendations for FY12	Recommendations for Opportunities/Targeted Activity in FY12 to Prepare for FY13 & Beyond
Incentive and Activity-based revenue generation and budgeting	<ul style="list-style-type: none"> • The Office of Institutional Research and the appropriate office of Financial Services should develop a comprehensive management information system that integrates student data with departmental and personnel expenditure data. • Continue to develop an academic prioritization process to guide decisions about financial and non-financial resource allocation, viability, relevance, maintenance, and development of academic programs. • Individual campus units should be tasked with developing both quantitative and non quantitative performance indicators that relate resources to outcomes. • Create incentives to help departments develop external resources consistent with their missions, as well as to monitor and reduce costs (where appropriate). • Identify a group of units to become “early adopters” of performance-based budgeting. • Form a performance-based budgeting “implementation force” (rather than task force), led by an outside consultant, to assist in the development of performance indicators and to provide campus units with the tools needed to carry out performance-based management. 	

Emerging Ideas and Important Considerations for the Future

As the Team went about its work, new questions and ideas began to emerge, some representing challenges, and others, opportunities. Still others relate to discoveries made about attributes of UNM's culture that the Team believes are important to consider – and potentially consider shifting – in order to sustainably improve our ability to meet both the challenges of today and to build for the future. Perhaps most important, we want to bring attention to issues that, when addressed, will help all of us to more effectively focus our actions and decisions on supporting our students and advancing our core missions. In that spirit, we offer the following brief overview to inspire further productive conversation and collaborative, coordinated efforts that will continue to improve our University.

1. Many services UNM provides to students suffer from a lack of coordination that results in both fragmentation and redundancy. This appears to be especially true in activities related to advising and mentoring. A high-profile strategic initiative aimed at truly understanding what our students need and how we might organize ourselves as an effective system to provide it could both improve student success and eliminate the costs of replication, duplication, and inefficiency.
2. A pattern seems to exist of creating new programs, services, and even divisions, rather than working to address and solve inefficiencies or issues of performance or service where they first emerge. Then, we tend to leave in place – and continue to fund – many of the artifacts of the old, even as we invest in the new. However, this pattern of behavior seems to be the result of well-meaning efforts to make improvements when finances were less constrained, making the avoidance of the difficult conversations about performance improvement easier.
3. Comfortable financial times seem to have made it easier for departments and divisions to “grow their own” service units, and this is particularly evident with regards to marketing, communications, and IT. Positions and budgets in these areas seem to have proliferated over the past several years, further contributing to fragmentation, redundancy, uncoordinated communication, budget inflation, and lack of adherence to University standards. There appears to be significant savings, efficiencies, and improvements still to be discovered by exploring a new service model for some of these areas.
4. We do not know what it costs to educate a student at the University of New Mexico. While we recognize that this is very complex and difficult to determine, we seem to have used this as an excuse not to try. If we hope to “sell” future tuition and fee increases to students as a way to address reductions in public funding, and ultimately to invest for the future, we must make a concerted effort to get our arms around this question. Students and the public deserve to know what they receive for their investment, and those managing complex budgets deserve to have this information to inform their decision making.
5. Incentives have not been consistently aligned with goals, often making it difficult to convince ourselves and others to “do the right thing.” Through interviews and the due diligence process, the Team discovered that while many – if not most – of our colleagues have done the difficult work of finding ways to become more efficient, streamline programs, build collaborations, and reduce spending, some have not. In some cases, the stalling strategy seems to have worked, as there appear to be no real consequences for some who elect to maintain the status quo. If we are serious about performance based budgeting, this must change, so that the behaviors and desired outcomes we say we value are those that are actually rewarded.

“Due Diligence” Detail of Recommendations

Explore potential for cost savings in IT in the following areas:
Consolidation of UNM e-mail and calendaring systems

Service/Activity/Owner? Information Technology (IT).

Current budget, including surplus/deficit and fund balances? This information was not provided to the team.

Who is served by the service/activity? Students, faculty and staff across all UNM campuses are served by the various email and calendaring systems.

Who will be affected by changes? Students, faculty and staff across all UNM Campuses who subscribe to the various email and calendaring systems for their use.

Impact on the mission? The impact of this change to UNM's mission is critical due to the inefficiencies and total costs associated with maintaining multiple email and calendaring systems. As funding to UNM shrinks, we must implement effective and cost efficient solutions to be able to meet our mission critical tasks.

Impact on the community? (Are there other options available to provide this service/activity?) There will be minimal impact to the community at large because they do not use UNM's email and calendaring systems.

Assessment of unintended consequences? UNM IT must continue with their goal of "consolidation of email and calendaring systems" to lower the maintenance costs over the long run and create an efficient delivery system. If this project is abandoned, the unintended consequences to the campus community will result in higher total costs and inefficient delivery of email and calendaring to the faculty, staff and students.

Likely community reaction to change? The change will be seen as very positive because the email and calendaring system will allow faculty, staff and students to communicate and schedule with one another better, lower costs to maintain, and the efficiencies gained due to the consolidation.

Projected amount to be saved or revenue to be generated? There are a total of 35-40 non-central email/calendaring systems across all UNM campuses. Currently, no costs associated with supporting these systems have been calculated. A "SWOT" team should be assigned to calculate total costs associated with supporting the multiple email/calendaring systems to determine potential cost savings centrally and departmentally. The potential cost savings could be in labor savings supporting the individual systems, hardware and software expenditures to implement these stand alone systems and possible utility savings by consolidating hardware into one central area.

Explore potential for cost saving in IT in the following areas:
Standardization of university edge network devices.

Service/Activity/Owner? Information Technology (IT).

Current budget, including surplus/deficit and fund balances? This information was not provided to the team.

Who is served by the service/activity? The entire campus community, including branch campuses, is served by the standardization of university edge network devices. Every building and IT closet has network devices that connect the desktop to the UNM Backbone for Internet service. These network devices direct internet and intranet traffic for the entire campus to the desktop. Also, this will allow IT to begin deploying the next generation of Voice over IP technology, which creates enormous value to the community.

Who will be affected by changes? All students, faculty, staff and visitors who connect to the Internet via the UNM Backbone.

Impact on the mission? The impact to UNM's mission is critical because education, research, public service and patient care all use some form of Information Technology. These network devices enhance the ability to deliver education, research, public service, and patient care to the desktop.

Impact on the community? (Are there other options available to provide this service/activity?) The impact on community is assessed as medium risk due to the vast constituents that use the UNM Backbone for education, research, public service and patient care as a community member. The community members have the option of finding other internet providers.

Assessment of unintended consequences? UNM IT must continue with their goal of "standardization of university edge network devices" to lower maintenance costs over the long run and create a consistent "service level" across all campuses. If this project is abandoned, the unintended consequences to the campus community will result in higher total costs of delivering IT to the desktop and inconsistent service levels.

Likely community reaction to change? The change will be seen as very positive because the new switches will allow better uplink between all UNM buildings, will be a lower cost to maintain, and the efficiencies gained on the standard equipment.

Projected amount to be saved or revenue to be generated? There are a total of 800 network switches across all UNM campuses. Before the standardization, each network device cost \$4,000 - \$5000 and now each device costs \$1,000 - \$2,000. If we replace all 800 network switches at a savings of \$3,000 per switch the accumulated total is \$2.4M. The underlying question is, are the savings captured centrally or departmentally? Before the standardization process, most departments were expending the funds to upgrade their network switch at a higher cost.

Explore the potential for reduction of reliance on I&G funding: Extended University

Service/Activity/Owner? Extended University, Vice Provost Jerry Dominguez

Current budget, including surplus/deficit and fund balances?

EU 2010-2011 Budget			
Revenues:		Expenses:	
Tuition	\$8,342,735	EU Operations	\$5,200,000
I&G	\$1,254,127	Distributions to Colleges	\$5,258,725
State Appropriation	\$579,000	5% Reserve	\$417,137
Fees	\$700,000		
	\$10,875,862		\$10,875,862
Projected Year-End Fund Balances (Reserves, July 2011: \$4,000,000)			

Who is served by the service/activity? EU provides distance-learning services to UNM's main campus faculty and students as well as to faculty and students from across the state. In addition, EU runs the Testing Center and Media Technology Services-Academic Technology Services (MTS-ATS). The Testing Center serves all main campus students, at an annual cost of \$152,000. MTS-ATS supports main campus instructional technology needs.

Who will be affected by changes? EU is currently building reserves for future investments in UNM's abilities to use technology in its delivery of educational programs. In addition, EU is returning much of its revenue to UNM's academic units; the academic units are then utilizing the financial resources to enhance their educational offerings. If EU's I&G allocation and reserves are reduced to zero, its ability to invest in the academic units will be decreased.

Impact on the mission? Technology is an increasingly important component in the delivery of educational offerings. Traditional pedagogical models are increasingly being adapted to include new technologies. Hence, EU plays a critical role in the future of learning on UNM's campuses. In addition, outreach to students outside of Albuquerque is central to UNM's mission. Therefore, a reduction in fund balances could impact UNM's ability to make critical investments for learning in the future and to reach additional distance students.

Impact on the community (Are there other options available to provide this service/activity?) Because EU has significant fund balances and returns revenue to the academic units, it likely will be able to absorb the reductions without a significant impact on the community. In addition, because of its incentive-based budget model, as online enrollment increases, EU will have increased revenue.

Assessment of unintended consequences? EU is one unit on campus that has an incentive-based budget model. EU is allowed to capture the tuition dollars that it generates. If fund balances are taken away, it may send a signal that performance is being punished. In addition, a reduction in fund balances could impact UNM's ability to make critical investments for learning in the future and to reach additional distance students.

Likely community reaction to change? None. It is unlikely that the external community will be made aware of any changes to the degree that there will be a significant reaction.

Projected amount to be saved or revenue to be generated? In FY 2012, EU will have its recurring I&G allocation reduced from \$1.2 million to \$800,000. Hence \$400,000 will be saved beginning in FY 2012. The remaining \$800,000 allocation is tied to EU's support of the Testing Center (\$152, 628) and Media Technology Services-Academic Technology Services (\$647,372). If EU's FY 2012 \$800,000 I&G allocation is further reduced, there would be additional savings of recurring funds. Finally, \$4,000,000 in fund balances is potentially available; of course, these are not recurring funds.

Explore the potential for reduction of reliance on I&G funding: UNM Foundation

Service/Activity/Owner? UNM Foundation, President Henry Nemcik.

Current budget, including surplus/deficit and fund balances?

Foundation 2010-2011 Projected Budget	
UNM I&G Allocation	\$1,204,207
Development Funding Allocation	\$5,774,648
Short-Term Investment Income	\$880,156
Unrestricted Gifts	\$500,000
UNM Unit Cost Sharing	\$690,519
Use of Reserve Balance	\$951,156
Total	\$10,000,686

The UNM Foundation currently has fund balance (reserves) in the amount of \$2,989,597. The Foundation has budgeted to use those balances to support budget deficits into the future including \$951,156 in 2010-2011.

Who is served by the service/activity? The UNM Foundation is responsible for all university related fund raising. The Foundation's fund-raising activities provide the financial support for the majority of student scholarships and endowed chair positions at UNM; in addition, private fundraising significantly contributes to the costs of building construction and other campus capital projects. The UNM Foundation is currently engaged in an eight-year campaign to raise \$675 million. Assuming a four percent annual return, the campaign is likely to contribute \$27 million in recurring funds to UNM.

Who will be affected by changes? The Foundation has submitted a detailed plan with four options for reducing its reliance on I&G funding. The plans range from reducing reliance on I&G over three to ten years.

The PSAT recommends that the Foundation reduce its reliance on I&G over four years. Beginning in FY2012, the Foundation's I&G allocation should be reduced by \$300,000. In FY2013, FY2014, and FY2015 the Foundation's I&G allocation should be further reduced by \$300,000 in each year; beginning in FY2016, the Foundation should no longer receive an I&G allocation.

The Foundation's current \$1.2 million I&G allocation is indirectly related to staff who work for the Foundation but are UNM employees. The Foundation became a separate 501(c)(3) entity in 2008. The majority of employees became employees of this separate entity. However, some remain on UNM's payroll even though they work for the Foundation; this is because of their desire to retain their retirement plan status. There was some confusion as to the relationship between the I&G allocation and the status of these employees; there is no link to the Foundation retaining the UNM employees and its receiving the I&G allocation. The Foundation could have chosen not to retain those employees and still received the I&G allocation. Now the Foundation is in a unique situation in which some of its employees work directly for "The UNM Foundation," while others continue to work for UNM.

Regardless of their status, all employees should be evaluated using the same set of performance metrics and be held to the same standards and expectations.

Impact on the mission? Private fundraising will play an increasingly important role in funding the university's core learning, research and outreach activities. The Foundation's \$675 million capital campaign has the potential to contribute at least \$27 million to UNM's recurring budget. The Foundation must find new sources of operational revenue in order to complete this capital campaign and maintain and increase fundraising activities. The Foundation has a variety of ideas for new sources of revenue to replace its I&G allocation and fund its operations; the most prominent of these ideas is to increase the gift fee on all new-endowment gifts.

Impact on the community? (Are there other options available to provide this service/activity?) Potentially, employees currently working in Alumni Relations could be redeployed to work as development officers to raise funds for alumni-related activities.

Assessment of unintended consequences? Private fundraising will play an increasingly important role in funding the university's core learning, research and outreach activities. Ideally, the Foundation will find new sources of revenue in order to increase the number of development officers. Delaying the hire of additional development officers will push fundraising opportunities further into the future. UNM is already "behind the curve" in endowment fundraising. If investments had been made in the 1980s to increase fundraising, UNM would now have a much larger endowment. It is possible that the Foundation will not replace its I&G allocation with other funding and that fundraising activities could decrease.

Likely community reaction to change? Positive. Given that the Foundation is a separate entity, the community will likely be happy to see the Foundation become financially self-sufficient.

Projected amount to be saved or revenue to be generated? \$1.2 million in annual I&G allocation. Beginning in FY2012, the Foundation's I&G allocation should be reduced by \$300,000. In FY2013, FY2014, and FY2015 the Foundation's I&G allocation should be further reduced by \$300,000 in each year; beginning in FY2016, the Foundation should no longer receive an I&G allocation.

Explore the potential for reduction of reliance on I&G funding: Alumni Relations

Service/Activity/Owner? Karen Abraham, AVP Alumni Relations. Two entities seem to be intertwined: Alumni Relations Office (ARO) reports they are 100% I&G funded, and UNM Alumni Association (AA) states they are all volunteer, generate all funds from licensing (perhaps some endowment, donor income unreported to PSAT). There is a strong interdependent relationship between these two entities, especially use of UNM paid ARO staff support. ARO I&G and all AA revenues from licensing appear under one Banner org code called the VP Inst. Advancement Alumni Relations.

This relationship should be evaluated to make use of some funds coming into the Alumni Association to support the UNM staff within Alumni Relations who facilitate this operation.

Current budget, including surplus/deficit and fund balances?

Alumni Relations Office 2010-2011 Projected Budget			
Revenue		\$755,909	
Less P & H	(\$30,049)		
Less Recission	(\$22,341)		
Net Revenue		\$703,519	
Expenses:			
Salaries	\$602,236		
Office supplies	\$83,475		
Travel	\$8,790		
Long Distances Calls	\$3,090		
Telephone	\$5,928	\$703,519	

ARO notes one part-time position paid outside of I&G; the source of funds is not shared. There is no information on the current fund balance. From the document dated 2/17/10 the fund balance from I&G was \$42,839.35.

Alumni Association Budget Information--Incomplete [operates as a 401(3)(c)]				
Collegiate Licensing	\$132,000			
license plates	\$130,000			
Total known revenue from licensing	\$262,000			
Donor Income	unknown			
Endowment Income	unknown			
Tax return (990) may provide a more comprehensive report of income and expenses.				

Who is served by the service/activity? Potentially all UNM alumni, the UNM Foundation through the CDOs, and University schools and colleges who rely upon Alumni Relations (More specific data would be useful here.) ARO provided a report regarding the amount and significance of alumni giving, but that revenue appears to be generated outside of ARO by UNM Foundation. There are no metrics on outcomes regarding ARO support for bringing in these donors.

Who will be affected by changes? All of the above groups including staff employed by Alumni Relations. The Director of Alumni Relations indicates a reduction from 13 to 10.5 FTEs over the past 25 years and presents a request for 4 new positions in one of her reports. The eliminated positions appear to still exist, but have been reassigned similar duties outside of ARO (for example, in the UNM Foundation). In any case, a reduction in I&G would likely mean fewer positions directly reporting within ARO.

Impact on the mission? The services currently provided will have to be cut back. It is unclear which ones would be chosen or if the initiatives described will be sufficient to offset reductions (increased affinity programs, sponsorships, Hodgkin Hall rentals). The proposed new programs are expected to yield relatively small dollar amounts which on the surface (no business plan) appear to be staff intensive for the ROI.

Alumni “dues” have come up repeatedly. There appears to be no willingness to pursue this again. UNM Foundation agrees this is not a model likely to generate sufficient income- not on the scale of allocating a CDO with a significant likelihood of ROI.

Impact on the community (Are there other options available to provide this service/activity?)

Other options: UNM Foundation, Enrollment Management/Student Affairs, Parent Association/Parent Relations, UNM Schools and Colleges.

1. Development in the form of cultivating alumni as donors, advocates for UNM, and raising funds for events/scholarships is at the heart of both the Alumni Relations Office and Alumni Association. The mission overlaps with the UNM Foundation, both the Alumni Association and the Foundation operate outside of UNM, and many of the technology services needed to track alumni are housed within the Foundation. After reviewing the documents provided, and incorporating the documents and discussion with the UNM Foundation, it seems appropriate to undergo an investigation into whether the ARO unit would be better supported under the oversight of the Foundation, and address the relationship of the Alumni Association to these entities.

2. Another suggestion is to reallocate a portion of the ARO positions to create a Development Officer position in order to raise funds for sustaining the operations. A smaller Alumni Relations staff could be retained to oversee certain overarching functions and to provide more in the way of support services for alumni activities conducted by the Schools and Colleges.

3. Areas of overlap in programs offered by ARO/Alumni Association to consider:
Recruitment fairs with Enrollment Management- ARO lists participation in 90 such fairs
Academic Affairs based advising/career services- ARO lists 1,080 students served through their office career networking and mentoring to students and alumni. UCAM for marketing, publications social media, and web development –ARO states need for additional support in these areas. These may be already carried out in partnership or coordinated with UNM units, but is the ARO the right place for these activities to be managed or carried out? This should be considered in the review of Student Services/Enrollment Management, and the role of UCAM in overall marketing and web support.

4. ARO does not report funding activities such as student fairs, legislative actions, recreational activities, so it is assumed they are funded by the Alumni Association out of their licensing and donor proceeds. The effectiveness of these should be evaluated.

Assessment of unintended consequences? Schools and colleges may not have the funds to mount alumni events or effectively cultivate and support these constituents if the ARO does not find a new source of revenue to replace I&G. UNM Foundation CDOs are already stretched thin and may be depending upon some services provided by ARO.

Likely community reaction to change? The Alumni Association may feel that UNM does not value its alumni or volunteer efforts. Recruiting and retaining alumni volunteers may become difficult. Donations for scholarships administered through the Association may be reduced (impact on students).

Projected amount to be saved or revenue to be generated? \$703,519 in I&G funding. The PSAT recommends that the I&G allocation to the Alumni Relations Office be reduced by \$100,000 by the next fiscal year. Consistent with the LFC recommendations, and the opportunities available to achieve this goal, a plan for eliminating I&G funding over a three year period should be developed jointly by the Alumni Relations Office, the Alumni Association, and the UNM Foundation. A variety of suggestions for meeting this goal have been presented using the data available. The Mid-Term recommendation, supported by the LFC recommendation, seeks to reduce the amount of I&G support (then \$730,040) to the Alumni Relations Office over time with planning in FY12, implementation in FY13.

Additional Issues: There is a joint proposal from Alumni Relations and Alumni Association to develop a University affiliated senior community. This needs significant review outside of PSAT, and it is not clear if this would provide a means of support for either group, ultimately creating the resources for Alumni Relations to be self-supporting.

Assumptions: The only metrics presented were the value of volunteers. Those are managed collaboratively by the ARO and the Alumni Association with assistance from the UNM units utilizing them. There is nothing that legally prevents the ARO from receiving funding for staff support from the Alumni Association. The Alumni Association Board, who receives operating money from its UNM affiliation exists solely to support UNM and creates its priorities with guidance from UNM Administration. Their operating budget is regularly reviewed.

Explore the potential for reduction of reliance on I&G funding: Athletics

Service/Activity/Owner? The Athletic Department, under the leadership of VP Paul Krebs, provides opportunities for academic support tailored to the needs of student athletes, maintenance of grounds for South Campus, and community use of facilities.

Current budget, including surplus/deficit and fund balances? We received information on I & G budget only. 86% of Athletics' budget is self-generated. In their presentation, they pledged transparency.

Athletics 2010-2011 I & G Budget

South Ground Account	\$713,871
Half of Athletics' Utilities (Physical Plant pays other half)*	\$400,000
Physical Plan Preventative Maintenance	<u>\$100,000</u>
Total I & G Budget	<u>\$1,213,871</u>
* Efficiencies have occurred in recent years to reduce the cost of maintenance of grounds and facilities.	

Who is served by the service/activity? Lobo Athletics serve student athletes, students, staff, faculty, and the community at large by providing opportunities for participation, community programming and support, and entertainment through attendance at athletic events. Athletics provides support to its student athletes through the Student Athlete Success Center and Community Service Opportunities. This support includes a clinical psychologist, learning specialist, computer assistance and six full time advisors. These activities are not currently supported by I & G funds, though potential cuts to I & G could potentially impact the ability of the Division to provide these services that are argued to be the basis of increases in the academic success of athletes. All indicators of student success point to the value of these services for 490 student athletes. 33% of all international students are student athletes.

Athletics provides maintenance of several facilities on South Campus including South Campus Parking lot. Several athletic facilities are also used for non-athletic UNM events.

Athletics provides the University Community or the Greater Community as a whole the following support through use of Athletics' facilities:

Zia Band Day – 100%	Susan G. Komen Run – 100%	APS HS Graduations – 73%
Spring Storm – 100%	CYFD Adoption Function—100%	CNM Graduation – 67%
UNM Graduation – 100%	D Granger Basketball Camp – 100%	Gathering of Nations – 66%
S.A.F.E. House – 100%	Brian Urlacher Football Camp	Special Olympics – 33%
Toys for Tots – 100%	St. Pius Graduation – 87%	HS NMAA events – (1%-45%)

All of these activities are subsidized between 11% and 100% by the Athletics department (for the cost of renting/using the facilities). These “Goodwill” gestures are outlined in terms of amount charged, typical rent fee for a non-profit, typical rent fee for standard rental rate, and the percent reduction in charge that Athletics gave to the organization.

Who will be affected by changes? Staff members employed by the Athletics department will feel the most immediate effects. Reduction or elimination of any one I&G line item would require the department to find other means of maintaining facilities and providing the services it currently provides to students. Students, staff and some faculty would presumably be affected by changes relating to maintenance of facilities on South Campus which they may use (including parking lots). Entities from the Community relying on the discounted use of facilities or the free use of facilities would be affected.

Impact on the mission? The impact on the mission would be minimal in terms of academics. There would not be a negative effect on the main campus academics, but there is potential for a negative impact on the student athletes' academics if reduced appropriations mean cuts to the Student Athlete Success Center. Similar services are available to student athletes through main campus student services, however those are not tailored to the potentially differing needs of student athletes.

Impact on the Community (Are there other options available to provide this service/activity?) Part of UNM community perception and participation includes giving back to the community, and if the Athletic Department was not able to subsidize use of its facilities to the community, there would be impact upon perception of UNM's commitment to the community at large. It is not likely that entities relying on the specific layout or amenities of the Pit would be able to find the service they have had at the Pit somewhere else in the community. Many of the other Athletics' facilities provide nicer amenities, but there are baseball diamonds, tracks and football fields in the greater Albuquerque area. That does not mean those facilities would meet all the needs of the renting entity, but the potential exists.

Assessment of unintended consequences? A potential unintended consequence could be job loss. There are numerous employees of Athletics employed to provide academic support to student athletes, employees to maintain facilities, and employees who provide support to community groups. There is the potential for loss of use of facilities by those entities which are only partially subsidized by Athletics if rental rates are set at market level without subsidy, thus removing a portion of income Athletics had previously been able to secure.

Likely community reaction to change? As the public frequently views Athletics as having too large a budget, a return of I & G money from its budget might initially be received fairly well. However, as the reality of what that means for the community (new or increased charges for use of facilities) and their history of reliance on Athletics and UNM's community support, the tenor of the community reaction may change.

Projected amount to be saved or revenue to be generated? If Athletics were to receive no I & G funds the amount that could be recouped from athletics totals \$1,213,871 annually. These funds currently pay for grounds, utilities, and preventative maintenance. Athletics currently provides maintenance for UNM facilities that serve non-athletes, such as the south campus parking lot. If Athletics charges UNM for this maintenance at the cost of providing it or at a revenue generating cost, then this is not an actual savings to the University. This also raises the question of whether UNM wants to begin the policy of internal charges, which in fact, may not provide savings to the University but could potentially, increase costs. Though it may not be wise to take away the I&G investment towards revenue generating activities or to charge other UNM units for the use of the facilities, it would, perhaps, be useful to determine the costs of providing the facilities to UNM events as a way to demonstrate the service to other units.

There is revenue potential from increased or market rate charges for usage of Athletics' facilities. However, there is also the possibility of losing large portions of that potential revenue if previously renting entities can no longer afford to use Athletics' facilities at the higher rates. Currently, Athletics charges significantly lower rental rates for non-profit entities, if they charge at all. There needs to be further research into the impact of raising rates with the Athletics Department to determine if this idea is feasible..

Essentially this means that if I&G funds were not appropriated to Athletics, Athletics (to maintain their current position) would not immediately be able to recoup that full amount of money just by instituting full rental rate for facility use. It can also be assumed that many entities would stop using Athletics facilities altogether, causing athletics to potentially lose even those monies which they partially subsidize.

Explore the efficacy of the following auxiliary enterprises:

UNM Press

Service/Activity: UNM Press services faculty, students and the community at large. There are approximately 60 to 70 books chosen to be printed each year, with about 10 of these books coming directly from UNM faculty. The remaining books are from individuals throughout the country. Students buy text books from the Press. It is the 4th largest press west of the Rockies. It currently has 28 staff members. Should it really be considered an auxiliary?

Current budget, including surplus/deficit and fund balances

UNM Press Budget Information	
Current Budget (no I&G funding)	\$3,273,973
Accumulated Deficit	
Accumulated Deficit up to FY 2006	\$1,188,613
FY 2007	\$191,884
FY2008	\$212,959
FY 2009	\$747,077
FY 2010	\$426,211
Accumulated Deficit through FY2010	\$2,766,744

Who is served by the service? It serves primarily faculty members, writers, and, to a small degree, students. Faculty members and writers from all over the country submit manuscripts to the faculty senate (certain faculty members read them and decide which ones will be printed) for approval. They are then sent out to be printed and then the books are sent back to the press for distribution. Students can order books from the press. The University Libraries make these available for loan and also house archived copies.

Who will be affected by the change? Faculty members hired in the Humanities and Social Science tend to utilize this venue to get published. New Mexico small agencies that use the Press services may also be affected. Scholarly work would now be sent elsewhere.

Impact on mission? Every faculty member needs to have their work published. This is essential to the faculty member's growth in order to reach tenure. Traditionally, all AAUP and Research I institutions have a Press.

Impact on the community? This will impact the individuals who would no longer be able to submit their works to the UNM Press to get published. Not having a press may mean some faculty have a harder time getting published. It will also affect student's ability to purchase books from the press.

Assessment of unintended consequences: Important scholarly and cultural books might not be published. Faculty members that we hire in the Humanities and Social Science areas will no longer have the direct ability to use our Press to get their works published. They will have to go to an outside press to be published. Prices on some publications by local authors may increase if there is no competition to keep prices down. Several university presses have been combined with libraries as both

have a mission of creating and disseminating scholarly knowledge; however, we want to make sure if we make such a move that we are not just moving deficits around but being more efficient. If the two are combined, there could either be a group that develops a formal collaboration of the two, or recommends the organizational reporting line be changed to the University Libraries.

Likely community reaction to change? The community at large may be mostly unaware that UNM actually has a Press, so reaction is difficult to predict. Depending on the nature of any changes, faculty and staff may react negatively.

Amounts to be saved or revenue to be generated? A new director has been hired and given the directive to run a zero balance for the year. The new director could also be given a direct subsidy with a very specific directive to stay within budget and be held accountable for the overall budget. This is an option that many universities use. In addition, fundraising will be an area of emphasis. They have begun talking with the foundation to explore this area. Many universities are combining their presses with the library.

If the Library and Press were combined, it could save on some duplication. They have a shared mission of making scholarly content available. There is potential overlap in the areas of marketing, printing, and website content delivery. These areas have the potential of being integrated. Other administrative functions could be shared such as budgeting, personnel management, purchasing, and IT support. In addition the Library and Press have expertise in licensing, copyright policies and author rights, which would further streamline any integration. Across the country, libraries and presses are both moving rapidly into electronic environments and each assist authors with various aspects of manuscript preparation, editing, electronic publishing, marketing, copyright, web content development, and use of sophisticated technologies to support scholarly communications. This all illustrates how aligning these two units could be an efficient fit.

Explore efficacy of the following auxiliaries and other revenue.
UNM Championship Golf Course

Due Diligence Detail:

Service/Activity Owner: Institutional Support Services. The Championship Golf course services the community, faculty, staff, and students. The course hosts approximately 80 tournaments a year including 2 intercollegiate tournaments, four National Junior Tournaments and three local junior tournaments. They also host charitable and fund raising events: UNM Golf Fiesta for the Faculty, Staff, Alumni and Retirees and The UNM Presidential Scholarship Tournament.

Current budget, including surplus/deficit and fund balances?

UNM Championship Golf Course Budget Information	
Current Budget (no I & G funding)	\$2,423,310
Accumulated Deficit	
Up to FY 2008	\$1,979,489
FY 2008	\$894,203
FY 2009	\$838,048
FY 2010	\$763,644
Total Deficit	\$4,475,384

Who is served by this service? The Championship Golf Courses serves the community, faculty, staff, Athletics, and students. The course provided 64,035 rounds of golf in 2009-2010. The men's and women's golf team practice and compete at the championship course. Many junior national players utilize the course as well and hold several of their tournaments at the course.

Who will be affected by changes? The community at large that utilizes the course will be affected. Faculty, staff and students that went to the course to play at a reduced rate will have to go elsewhere. The men's and women's golf teams will be displaced and have to seek another course to utilize for practice, competition and office space. Junior tournaments would have to seek an alternative course to hold their events.

Impact on mission? The Championship Golf Course has a rich history and is a great venue that the community, staff, faculty and students can enjoy. It continues to be a nationally respected golf course.

Impact on the community? The community will have to find another place to play golf that may not be as reasonable. Staff, faculty and students will have to play somewhere else without a discounted rate. The tournaments that are played at the course will have to go elsewhere and the charity events and fundraising will have to go elsewhere.

Assessment of unintended consequences: Financial impact on Presidential Scholarship if no there is golf tournament to raise funds. The decision to close the Championship Course would displace the men's and women's golf teams.

Likely community reaction to change? A decision to close the Championship Golf Course would most likely be met with mixed reaction from the community. The course has a long history and is valued in the world of golf. However, during these difficult financial times, continuing to subsidize it would most likely mean that cuts that would have greater impact on the core missions of the university would have to be made.

Amounts to be saved or revenue to be generated? The course in 2010 reduced \$75,000 in course maintenance by contracting with a third party vender. They are conducting a review to see if a price increase will bring in more revenue or push customers to the competition. The course's infrastructure is old. When the sprinkler system goes down it will cost approximately \$2,000,000 to replace. Athletics could be charged for their usage of the course, but this would only shift the expense burden. Closing of the course would stop the addition of approximately \$600,000 to the deficit in FY12.

Explore efficacy of the following auxiliaries and other revenue.

Museums:

Service/Activity: There are currently eight museums and galleries at UNM: Art Museum, Geology Museum, Hardwood Museum, Institute for Meteoritics, Masley Gallery, Maxwell Museum of Anthropology, Museum of SW Biology, and Tamarind Institute. The museums and galleries service faculty, staff, students and the community at large. These museums provide research, teaching opportunities and cultural development.

Current Budget/surplus/deficit:

Museums Budget FY 2010 - 2011					
	Budget for FY 11	FY 10 surplus/ (deficit)	Previous surplus/ (deficit)	Current Cumulated surplus/ (deficit)	FY 11 I&G Funding
Art Museum	\$745,252	\$28,965	\$195,623	\$224,588	\$524,033
Harwood	\$1,448,916	\$155,830	\$552,579	\$708,409	\$406,029
Institute of Meteoritics	\$302,270	\$29,325	(\$17,894)	\$11,431	\$302,270
Maxwell Museum of Anthropology	\$1,287,867	(\$46,656)	\$407,798	\$361,142	\$742,707
Tamarind Institute	\$724,599	\$130,732	\$375,141	\$505,873	\$262,511
Totals	\$4,508,904	\$298,196	\$1,513,247	\$1,811,443	\$2,237,550
Geology Museum	Included in Anthropology Department's Budget				
Masley Gallery	Included in College of Arts and Sciences Budget				
Museum of Southwest Biology	Included in Biology Department's Budget				
Proposed I&G Reduction (%)	Percent Reduction	Dollar Amount			
FY 2012	2%	\$44,751			
FY2013	4%	\$89,502			
FY2014	6%	\$134,253			
Total		\$268,506			
<p>NOTE - Much of the cumulative surplus is committed and therefore not available to reduce reliance on I&G. We also recommend that the cuts not be applied across the board, but be allocated based on uncommitted surplus and after an evaluation has been done to determine how each of the museums support UNM's teaching and research mission. Once UNM has determined programs'/units' level of prioritization, it is recommended that the Museums review their inventory and their donor agreements to ascertain what inventory does not support our current or future teaching and research missions per the UNM prioritization plan and those inventory if allowed by donor agreement be used to offset I&G funding. The reduction percentages can and should be increased once the prioritization and inventory determinations have been made, but without additional information, we believe these are fair reductions.</p>					

Who is served by this service? Students, faculty and staff are served directly by all museums and galleries. The museums primarily teach courses in the Anthropology, Biology, Earth and Planetary Science, Art and Art History departments, and contribute to the Museum Studies area. Also, faculty and staff serve as advisors for graduate students, served on graduate committees, chair or co-chair dissertation committees, supervise internships, practica, and individual research projects. In addition, each of the museums has research initiatives that generate millions of dollars.

Who will be affected by changes? Depending on the change many areas could be affected such as research, teaching, and preservation of artifacts. The research grants generate millions of dollars and need to be protected. Students would be affected directly as there are many courses taught in these areas by the museum's staff.

Impact on mission? The museums directly follow the university's mission. The assets within the walls of the museums are priceless and irreplaceable but are most valuable to teaching and research.

Impact on the community? The community would be impacted. They have many programs that involve primary and secondary school students. There are thousands of individuals that visit the various museums for pleasure or educational purposes.

Assessment of unintended consequences: Currently the museums generate enormous amounts of dollars from research grants awarded. If cuts impeded the museums, they could actually lose grant opportunities. Some of these collections are one of a kind and irreplaceable. If not taken care of properly, they could in fact devalue the assets or cause them to lose their worth.

Likely community reaction to change? The community impact is hard to judge at this time.

Amounts to be saved or revenue to be generated? The museums are aggressively pursuing research grants and opportunities with outside entities. Several of the museums will work to increase and enhance their fundraising efforts. In addition, there is a proposal for a Master of Arts, Master of Science, and undergraduate certificate program in Museum Studies. These programs will generate additional tuition dollars as well as increase opportunities for more grants within these disciplines. It also appears that some areas have the ability to generate larger amounts in grants. A shift in business model may help to place more resources in areas with larger grant potential (SW Biology) than in other areas that lag in research grants. Many of the collections are very expensive to preserve as they are one of a kind. However, pieces of the collection that are not restricted by donor agreements or other requirements could be sold in order to pay for the preservation.

Explore efficacy of the following auxiliaries and other revenue.

Popejoy:

Service/Activity: Popejoy Hall is the largest multidisciplinary performing arts center in New Mexico. Popejoy hosts touring Broadway shows, symphony concerts, musical soloists and artists of international caliber, world-renowned ballet and modern dance companies, and noted speakers from a broad spectrum of disciplines.

Current Budget/surplus/deficit:

Popejoy Hall 2010 -2011	
Current Budget (I&G funding - \$149,730)	<u>\$7,800,000</u>
Accumulated Deficit	\$2,679,871

Who is served by this service? Popejoy services the community and students in the music department. It conducts Broadway productions for the community, houses the New Mexico Symphony Orchestra (NMSO), and works closely with the music department providing them 21 performances opportunities that are associated with the student's classes.

Who will be affected by changes? The community, NMSO, and students. The students in the music department would be affected directly and unable to conduct their 21 performances in the venue.

Impact on mission? Popejoy is the largest multidisciplinary performing arts center in the state and contributes to teaching and community service.

Impact on the community? Popejoy is visited by 250,000 patrons per season. It works with 52,000 K-12 students each season conducting 32 performances as part of its Schooltime Series and provides a venue for the NMSO. There were 4,316 student tickets sold which generated \$95,000 for the 2009 - 2010 fiscal year. There were 9,924 faculty/staff tickets sold which generated \$220,000 for the 2009-2010 fiscal year. In addition, it is estimated that Popejoy will have a \$5,000,000 impact on our community this season. It also provides UNM convocations and free events totaling \$11,000 a year.

Assessment of unintended consequences: Could increase the cost to the music department if they now had to maintain Popejoy without having the revenue source to do so. A potential \$5,000,000 economic impact on local businesses. Decrease in faculty, staff and student morale due to loss of ticket benefits.

Likely community reaction to change? Any change that would reduce programs or access is likely to produce a negative reaction.

Amounts to be saved or revenue to be generated? Revenue will be generated by bringing in more productions such as Wicked and by increasing private fundraising. If NMSO ceases to use Popejoy, their current 25% of the usage days can be used to generate revenue by booking other performances of their own presentation (Broadway style) which should increase the current revenue of 4% brought in currently by the NMSO.

Explore the potential of surplus sharing from UNM's auxiliaries and other revenue generating enterprises.

Auxiliaries	Budget for FY 11	FY 10 surplus/ (deficit)	Previous surplus/ (deficit)	Current Cumulated surplus/ (deficit)
Parking Transportation Services	\$ 5,036,461 00	\$ (40,553 00)	\$ 1,553,784 00	\$ 1,513,231 00
Ticketing Services	\$ 1,001,643 00	\$ (6,398 00)	\$ 174,280 00	\$ 167,882 00
Housing Dining Services	\$ 20,072,637 00	\$ (182,447 00)	\$ 496,455 00	\$ 314,008 00
New Mexico Union	\$ 2,147,429 00	\$ 116,883 00	\$ (27,616 00)	\$ 89,267 00
Student Health and Counseling	\$ 6,816,764 00	\$ 226,599 00	\$ (35,823 00)	\$ 190,776 00
Bookstore Main Campus	\$ 15,847,198 00	\$ (26,982 00)	\$ 188,064 00	\$ 161,082 00
Public Events	\$ 8,011,112 00	\$ (224,077 00)	\$ (2,427,273 00)	\$ (2,651,350 00)
Total				\$ (215,104 00)
Currently all auxiliaries pay 6.5% of their gross profits to administrative overhead. They also report to three separate areas: Provost, Student Affairs, and Institutional Support Services. In addition, they must pay utilities at full rate as well some of them pay for rent on their space.				

Explore tuition remission and I&G support for Continuing Education

Service/Activity: UNM Continuing Education logs approximately 40,000 enrollments per year. They have not recorded the number of individuals that they serve. CE runs as an entrepreneurial self-sustaining business model that seeks to operate with course and contract revenues alone.

Current Budget/surplus/deficit:

Continuing Education FY 2010-2011	
Current Budget (not including state contracts)	<u>\$2,423,310</u>
Accumulated Deficit	
FY 2003 to FY 2010	\$797,000
FY 2010	<u>\$183,000</u>
Total Deficit	\$980,000

The Division of CE receives approximately \$1,100,000 in revenue from tuition remission which is billed to UNM Human Resources. The Division of CE receives NO direct Instruction and General support from UNM; however they do receive approximately \$250,000 in State Special Project funding for their Substance Abuse Program and Spanish Resource Center. These funds are directly appropriated by the state and may not be used for any other purpose or reduced without legislative approval. The Division of CE covers 90% of the maintenance and support of its Conference Building through generated revenues. The remaining 10% was deemed as Instruction and General space by the Higher Education Department and UNM receives direct state funding for the expenses. The South Buildings have been deemed by the state as 100% I&G space and maintenance of this area is provided by UNM Physical Plant as they receive state funding to do so.

Who is served by the service? The CE constituency base includes a variety of individuals from the community as well as those UNM employees who take advantage of tuition remission to access the entire CE catalog of courses. CE offers a variety of non-credit coursework in areas including Professional Development, Lifelong Learning, Community Enrichment, and specialized certificate programs for business and industry. Tuition Remission for Professional Development is limited to the value of eight credit hours per semester and personal enrichment is limited to 2 credit hours. Retirees receive unlimited tuition remission.

Who will be affected by the change? It depends on the locus of the proposed cuts. It is likely that cuts to tuition remission would result in a commensurate downsizing to the CE staff because of reduced revenues. If Tuition Remission were to be cut, then the general UNM community who take these courses would be faced with the decision of whether they wanted to pay for the courses on their own. UNM departments could pay, out of department funds, for professional development courses that directly relate to an employee's job. The UNM IT Department has prepared an RFP for on-line technical computer training for the UNM community. This training would be available to all employees on a variety of computer topics. This could seriously affect the instructor-led training programs at CE.

Impact on mission? The mission of CE is evolving into a stand-alone business that still utilizes subsidized funding from the main UNM I&G accounts, in that they have been allowed to carry a

deficit, no direct funding/subsidies of CE from I&G has occurred as of yet. As such, it is reasonable to assume that any cuts that would deplete 1/7th of its overall funding base would be dramatic and highly detrimental to its ability to adapt and survive a one-time cut of this magnitude.

Impact on the community? The community impact is harder to judge because of the presence of so much competition in the enrichment and lifelong learning areas that are available by a variety of city, county and state funded projects for seniors and other community members. This can be seen graphically in the funding declines in these areas that began in 2006 and continue unabated. In addition, a number of for-profit businesses have stepped into the professional development sphere and have reduced the number of options for CE, leading to a continuing gap in revenue versus expenses in that area.

Assessment of unintended consequences: There are any number of unintended consequences to a major, and precipitous, reduction in I&G funding for CE. They include internal issues with our faculty and staff that could result if the Tuition Remission were reduced dramatically or eliminated. Conversely, there could be a loss of community support if the reductions were felt in the Professional Development or Enrichment areas. However, there is a high quality management environment present in CE that is very capable of strategically planning and managing the challenging environment of the state, city and UNM.

Other issues to consider: Employees enroll in CE courses and tuition remission is paid even if the employee fails to attend or complete the training. Non-credit professional development courses are often also available as academic courses (foreign languages, etc.)

Likely community reaction to change? It is conjectural as to whether there would be any major community reaction to a reduction in services from CE. Given that there are so many different providers across so many dimensions, it is unlikely that there will be any major problems.

Amounts to be saved or revenue to be generated? The Division of CE has proposed one budget reduction scenario that reduces their budget by 5%. It is a complicated scenario that proposes, "... a 5% discount when billing the Human Resources Benefits Office for employees who have taken a course with Continuing Education. This cut would be absorbed fully by UNM Continuing Education, and while decreasing the dollar amount UNM pays in tuition remission benefits, it would not decrease the benefit the employee receives" (Martinez-Purson, communication to PSAT, 11/15/10). This would allow them to budget and track an anticipated \$50,000 reduction in funding from the Tuition Remission Program.

Explore potential cost reduction and efficiencies to be gained by consolidation and/or realignment of offices of Student Affairs, Enrollment Management, and Equity and Inclusion.

Enrollment Management:

PSAT met with UNM's VP of Enrollment Management to learn about the structure and services provided in her division, as well as national trends in enrollment management.

The VP reports that there is currently a trend to reconsolidate students affairs with enrollment management, specifically enrollment and student services. UNM's VP of Enrollment Management believes that doing so can serve to "build affinity," providing opportunities for moving out of silos, integrating activities, and working together to improve services to students. Already, the current practice in the Division of Enrollment Management is to "cross train" staff to provide greater flexibility and suggests that we need different job categories to build more flexibility.

Since becoming enrollment manager, the VP has worked to implement structure and systems improvements for admissions, registration, communications and general operations. She has set the expectation of a standard two-hour turnaround time from the point of contact with a student.

Efforts to date to reduce the division's budget have included streamlining operations, and cutting travel, postage, and supplies. She currently is in the process of reorganizing staff positions. In the first year, she saved \$800,000 and since has sustained an average of \$1,000,000 per year carry forward. The VP has put effort into improving the web site and has developed an array of publications for prospective and incoming students.

Issues that emerge: There is currently inconsistency in UNM marketing and branding. For example, Enrollment Management is not following the UNM Branding Standard and has entered into a contract with an outside vendor, independent of UNM Marketing, to do this work. More investigation is needed to determine the potential savings to be gained by greater integration of marketing efforts.

Student Affairs:

The VP for Student Affairs provided information on assessment and evaluation; revenue generation; departmental consolidation, redesign and reorganizations; and economic initiatives. This was supplemented with an organization chart; a summary page listing mission, goals, core values, and capital projects; and information on 2010-2011 funding sources. The budget includes:

Student Affairs Budget FY 2010 - 2011	
I&G Funding	\$3,951,577
Self-generated	\$30,687,897
Legislative Special Projects	\$956,700
SFRP	\$6,743,484
Contracts and Grants	\$4,730,705
Others	\$607,859
Total	\$47,678,222

While PSAT received information on funding sources, how those resources are spent will require further investigation.

Some questions that have arisen include the following:

- How is I & G money currently being spent, and what is the mission and assumptions that are driving those decisions?
- How are the nearly \$31 million generated through fee for service activities such as student housing, space rental, audio visual, child care center, pharmacy, and orientation, being spent? Could some of those funds be used to offset reductions in I&G spending? Furthermore, is Student Affairs really the most effective placement of these enterprises?
- What resources are allocated to off campus activities or organizations as mentioned by the VP and their staff as part of their outreach activities and economic initiatives, and how are these decisions linked to the core missions of the university?
- PSAT learned that the VP Office of Student Affairs has commissioned spending on the development of student surveys (Profile of the American College Student Study and Student Voice). Could the development of such surveys be done more cost effectively in conjunction with UNM's own Institutional Research?
- The VP for Student Affairs and his team also discussed "Economic Initiatives." Are these types of activities most appropriately housed in a division of student affairs?
- A number of international program activities seem to be conducted out of Student Affairs, as well as from many other locations on campus. Are there efficiencies and cost savings to be gained by combining these under one "International Programs" umbrella?
- Is Student Affairs the most appropriate placement for the Office of Institutional Support, whose mission it is to provide "seamless" support to faculty, students, staff and patrons of the University?

While more investigation is necessary, it appears that some activities conducted under the auspices of Student Affairs are duplicative of those conducted by other areas of the university. Additionally, the "portfolio" of services, activities, and events seems so broad and diverse that the core mission of the division has become clouded.

Equity and Inclusion:

The VP of Equity and Inclusion (E & I) spoke to the connection between her office and the University mission for diversity, including race, ethnicity, gender, disabilities, and any kind of exclusion. The VP's office addresses faculty, staff, students, and administration diversity issues including faculty recruitment and retention, and working with staff council for training staff.

The three ethnic centers report to the VP for Equity and Inclusion. In her supervision of the Centers, the VP encourages them to think of not just access, but success. She is working with the Centers to move from a focus on "coming to school and attending a lot of events" to a greater focus on mentoring, advising, and student success. She recommends implementing an Advisor Tracking System.

The VP also notes that her office could broaden the scope of services related to disabilities and accessibility, as well as the women's resource center, which is currently under Student Affairs and slated for possible reorganization.

Regarding budget, the VP began with a \$500,000 budget, which now stands at \$430,000 given the recent budget rescissions and cuts. The vast majority of the budget supports salaries of the VP and her staff.

When asked about potential consolidation of the division of E & I within another unit, she listed an array of Pro's and Con's. She spoke, for example, of her current collaboration with the VP of Enrollment Management as it relates to the recruitment of under-represented students. She sees the potential of the Ethnic Centers building relations with potential students and then increasing the yield. Transfer initiatives can and should be more targeted. She poses the question: why do we have similar activities that seem to target the same things? She also points out the amount of overlap and the need to not work in silos.

The arguments against consolidation begin with her point that she “would hate to see the momentum we have been building lost.” For underrepresented students to succeed, she highlights the importance of the campus climate and the need for there to be a higher number of underrepresented faculty. With respect to staff, the VP stressed the importance of a work environment that is respectful and therefore “would hate to see the training of staff go away.”

The VP for Equity and Inclusion expressed an interest in working with the Office of Alumni Relations to develop an “alumni of color” initiative. It is more likely that they might become donors after they graduate if they are more engaged as students.

A primary focus of discussion on students is the importance of investments connected to student success. The VP suggests that recruitment isn't the issue, but rather the achievement gap is. “In the 1960s, access was the civil rights issues, now success is the civil rights issue.” She asks, “How do we do things better so that we can reduce that achievement gap. How do we enhance their abilities to be successful? How are we going to do differently to ensure the success of students?”

Issue: There are some points of overlap. What are they and how should they be addressed? What are the cost savings associated with reducing the overlap, while either maintaining effective services and improving others?

While there is support for the activities of the Office of Equity and Inclusion, the question remains whether this position should be at a VP level. Exploring the potential for consolidation of the Vice Presidents for Students Affairs, Enrollment Management, and Equity and Inclusion may signal the beginning of true scrutiny of the number of Vice-Presidents and their associated operational and staff budgets. It is important, however, that any discussion of reducing the number of VPs be conducted in a mission-centric manner.

In sum, regarding consolidation

With respect to moving toward consolidating or realigning any of these three units, it will be important to more fully investigate and understand the current core missions, services, and outcomes of each, and then to determine if a different model would better serve our students, as well as produce greater efficiencies and cost savings.

Develop a strategy and plan focusing on tuition and fees.

The foremost principle determining a tuition strategy is to establish the means of providing a nationally and internationally competitive education for our students. As the State's contribution to the cost of education decreases, our tuition strategy must not only address replacing resources, but also encouraging incentives and quality improvements in the areas of advising and teaching. Merely using tuition increases for deficit solutions will lock UNM into a constant struggle to provide New Mexico students a quality education. A properly implemented tuition strategy will help manage class profiles (as measured by academic achievement, skills, and attributes), increase capacity utilization, increase retention and graduation rates, and maximize net revenue.

The NM State Legislature's Tuition Tax (tuition credit) results in regular tuition increases with no strategy or future plan for teaching and advising incentives. The tuition increase for fiscal year 2012 (academic year 2011/2012) must be a multi-year plan. Some elements that can be included in such a plan are included in the recommendation section.

Background

(Note that PSAT utilized the following resources in its discovery process, and that these can be provided upon request:

- Tuition and Fees History at UNM
- Breakdown of UNM Fees
- Tuition and Fees at Peer Flagship institutions – Washington State study)

UNM ranks 45th among the 50 state Flagship Universities for Resident Undergraduate Tuition and Required Fees. The national average resident undergraduate tuition for flagship universities is \$7,587 as of the 09/10 academic year. UNM charged \$5,101 in the same studied time period, however after adjusting for the State of NM Tuition Credit, the UNM charge falls to \$4,280. Over a four-year period Resident Undergraduate Tuition and Fees at UNM saw a net 19.4% (24.2% after Tuition Credit) increase in tuition and fees, while the national average increase was 29.0%. UNM's graduate resident tuition and fees was at \$5,597 (\$4,789 net after Tuition Credit) compared to the national average of \$9,160 in 2009-2010. Over four years, graduate resident tuition increased 17.2% (23.9% after Tuition Credit) compared to 20.9% nationally.

Recommendations

1. Incentivize on-time graduation: The 2010 Legislative Finance Committee Program Evaluation of UNM suggested funding Higher Education on performance based models. To anticipate this, the University can implement several revenue-generating mechanisms that incentivize on-time graduation while keeping the student share of UNM funding in a more fair range.

A. Block tuition for 4-6 years; cap blocked tuition at 150 earned hours, kick in annual increase after that time period: An idea promoted by President Schmidly, block tuition would provide a "tuition plan" for students enrolling in the University. While tuition may be increased annually, only the incoming freshman class would be affected, and they would be forewarned of the price and guaranteed it for a reasonable number of semesters. Students who take longer than average

to graduate will pay the current year's tuition, likely at a much higher rate than they previously paid.

B. Raise "full load" incentive to 15 hours per semester: At 12 hours, the current "full course load" is too small to facilitate on-time graduation. Eight semesters at 12 hours each is only 96 hours, while a normal degree requires 120+ hours. Moving the flat tuition rate to 15 hours would encourage higher course loads while continuing incentives to remain below overload amount (18 hours for undergrads). To accommodate for this shift the overload level should be raised to 21 hours. (Another way to incentivize is to offer a "rebate" for students who take and complete 15 credit hours. The rebate would be applied to their next semester of classes. Work with legislature to change Lottery Scholarship eligibility from semester to SCHrs. If Lottery Scholarship changes eligibility from semester to SCHrs, it will significantly increase our graduation rates since students will receive scholarship assistance for attending summer school.

C. Base tuition rates on class standing: Base tuition rates on number of SCHrs (similar to ability to register) to incentivize students to complete more SCHrs quickly to reach lower tuition rate. If students have more than 150 SCHrs incentivize students to graduate by increasing tuition rate.

D. Improve and Increase Articulation Agreements: The State needs stronger articulation agreements and a uniform numbering system to make it easier to advise students across NM higher ed institutions in order to minimize students taking classes not accepted for transfer to 4 year institutions.

E. Tuition/Fee Plan (as a response to the LFC's recommendation to justify large tuition increases): UNM needs to establish a collaborative discussion group that includes students, parents, Regents, faculty and administrators to develop an understanding of the tuition process and provide input to a tuition/fee plan that incentivizes on-time graduation.

2. Eliminate the Tuition Credit or Freeze the Tuition Credit Increment Increase

3. Incentivize all full-time faculty to provide excellent educational and advising services, whether tenured or otherwise, based on metrics: A revised model of advising students must be explored, possibly using technology, and not relying on schedule checking as the only means of advising.

4. Differential Tuition for specialized programs:

- UNM should increase tuition charges for students who desire to enroll in targeted programs (programs with high job placement/high placement in graduate/PhD programs/high graduation rates)
- UNM should charge a differential for programs that have low job placements/serve a small niche market/low graduation rates
- Units teaching these programs must keep the tuition differential revenue for these programs.

5. Fix Formula Inefficiencies: NM's I&G funding formula uses a 3 by 3 tier matrix based on Classification of Instructional Program (CIP) codes. The matrix needs to take into consideration the cost of providing a competitive, high quality, degree at a research university.

6. Evaluate Residency Requirements in NM

7. Tuition/Fee Plan and Impact:

A. President should form group of undergraduates and graduates to develop understanding of tuition process and provide input to a tuition plan including some of the above recommendations. This plan should extend 5 years from the date of its initiation. Once finalized, the plan should be widely distributed and referenced by students and administration. This dialogue must become a regular part of the annual budget planning process and extend the 5-year window every annum.

B. Use town halls with students (NMSU model) and media channels to educate and involve students in tuition plans and strategies.

C. Plan should include a strategy for fees including student activity fees through the Student Fee Review Board and other mandatory fees funding specific departments. Course fees and tuition differentials should have a place in the dialogue.

Recommendations for the FY2011/2012 Academic Year

1. PSAT recommends that the tuition increase for FY12 should not exceed 10%, and every attempt should be made to keep the amount as affordable as possible. Even with expenditure reductions and revenue enhancements, UNM will face a shortfall that increased tuition rates will need to fill. No tuition increase can be possible without a tuition plan that is developed in a collaborative dialogue with students. The discontinuation of the tuition credit will enable such a plan to be formed.
2. The approach for FY12 is a stop-gap measure to enable the 3-year strategic budget plan.
3. This must be the last year of crises tuition planning/lack of planning.
4. The tuition credit must be discontinued.
5. Given our national standing, net of tuition credit, as 49th out of 50 State Flagship Universities, tuition increase is strongly indicated. (See page 4, Washington State U. National Tuition and Fee Report)

Explore a strategy to move to incentive- and activity-based revenue generation and budgeting.

In order to develop transparency and accountability and to encourage activity that advances UNM's goals, some form of performance-based budgeting must be adopted. In this way, the University of New Mexico can begin to align resources with performance and outcomes reflecting the mission of the University and the goals of its departments or units.

Background Information:

Key pieces of performance-based budgeting already exist. Units already at least annually report their activities and their workloads. Many academic as well as non-academic units have formulated their core missions in ways that can be measured and evaluated, typically through a combination of quantitative and non quantitative measures. What was made starkly clear to the PSAT was the (almost?) universal absence of a connection between those measures of excellence or performance and the resources used to achieve them. Establishing this connection is crucial to the proper management of resources either in times of budget cuts or of increasing resources.

Though it can build on existing administrative efforts such as self-studies and workload and annual reports, adoption of a new budget model will entail significant changes in the ways that departments conduct their work. The need for performance budgeting has previously been noted and studied. The UNM approach toward performance-based budgeting should continue to be developed in consultation with academic and non-academic units. It should be implemented gradually (over a period of years), but in a way that makes it clear that this budget model will be the primary tool for improving excellence in research, teaching, and service. Strong faculty and staff input are needed at every stage of the process with the explicit commitment that decisions will be driven principally by the academic mission of the institution.

While much of this has been recognized and attempts made by UNM to move toward performance-based budgeting models, the PSAT strongly feels that the urgency of the problem requires immediate new approaches with both near-term and long-term goals for implementation.

Recommendations for FY 2012

1. The Office of Institutional Research and the appropriate office of Financial Services should develop a *comprehensive* management information system that integrates student data with departmental and personnel expenditure data.

This is our most important recommendation because without the appropriate data relating performance to cost, none of the recommendations that follow can be completely successful. Data should be made available to allow for the development of per-unit measures of excellence and cost, including outcomes per student capita, per student credit-hour, per square feet of space or other relevant measures, depending upon the mission of the department.

2. Develop an academic prioritization process to guide decisions about financial and non-financial resource allocation, viability, relevance, maintenance, and development of academic programs.

3. Individual campus units should be tasked with developing their performance indicators that relate resources to outcomes.

The personnel and administrators of units are best positioned to identify the unit's core mission and appropriate performance indicators, to judge excellence in outcomes, and to recognize existing and missing inputs necessary for success. In practice, the performance indicators to be employed will need to take into account division-wide or college-wide criteria as well as some indicators specific to the department. Differences in unit performance levels will indicate a mix of differences in effort, efficiency, and effectiveness on the one hand and differences in the structure of departments and disciplines on the other. The cost of educating a student in a lecture hall is obviously different from doing so in a small seminar and both differ widely from doing so in a laboratory. Accordingly, in many instances, trends over time for a given campus department may offer a better measure of performance improvement, or lack thereof, than cross-department comparisons.

4. Performance indicators should be both quantitative and non quantitative: In the latter case they should be based on articulable facts.

5. Incentives should help departments develop external resources consistent with their mission, as well as to monitor and where appropriate, reduce costs.

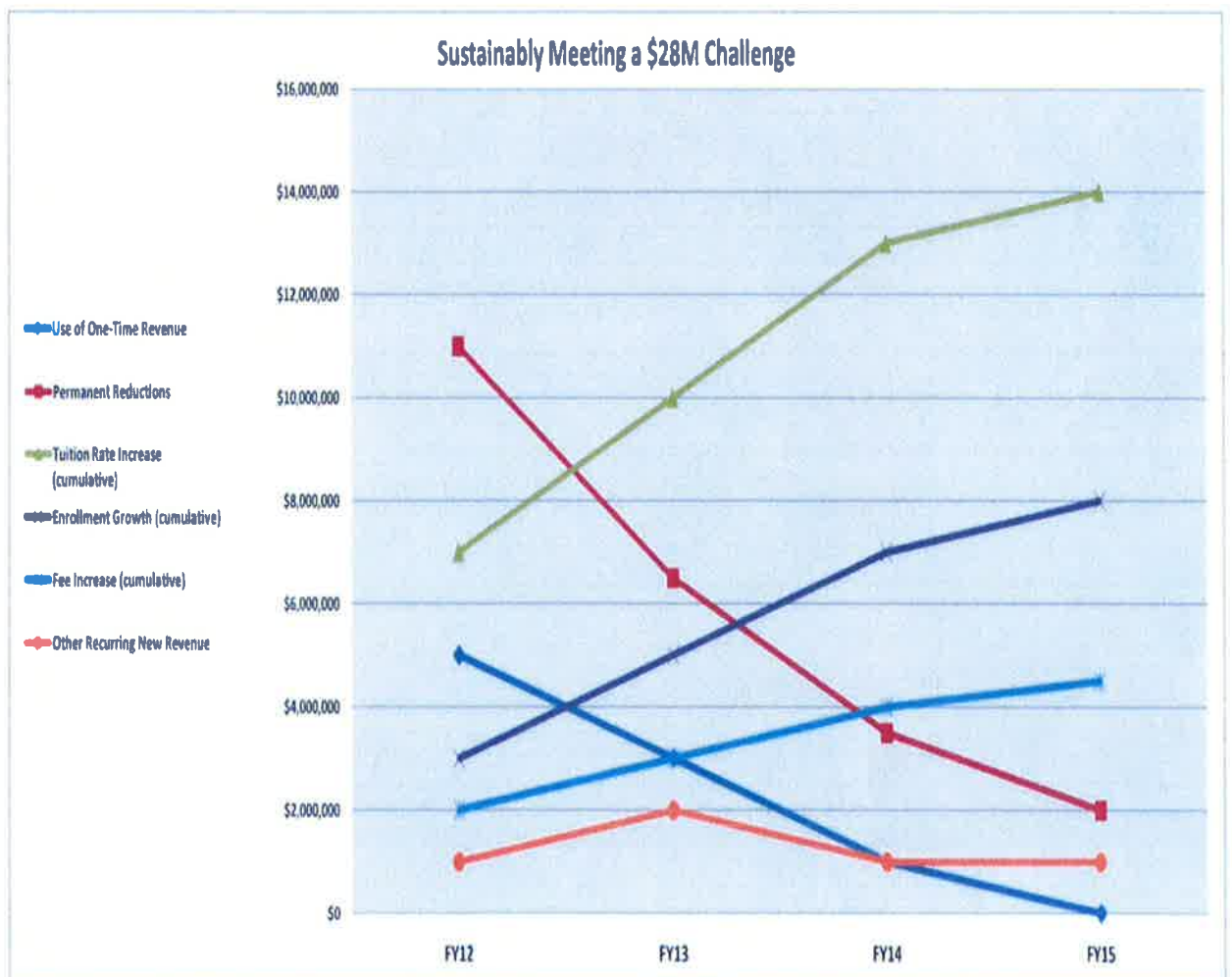
6. Campus units should be encouraged to volunteer to form a group of "early adopters" of performance-based budgeting. Their experience will serve to identify unresolved issues and facilitate the development of performance indicators by other campus units. These units should immediately begin the implementation process.

7. A performance-based budgeting "implementation" force should be organized to assist in the development of performance indicators and to provide campus units with the tools needed to carry out performance-based management. This implementation force should be led by a consultant (such as a former university provost or dean with extensive experience in academic budgets) and include the director of Institutional Research, the Academic Affairs Financial Officer, faculty, and personnel from support units such as the Finance Controller's Office.

The connection between performance and resources must be made. Units that are performing well according to trends in indicators identified in large part by their own faculty and staff, must be assured of additional resources and further incentives to carry out, and perhaps even expand upon, their mission. Units that do not perform well should not expect additional resources and should expect instead to alter strategy and/or leadership. While this may already occur in some forms, a major difference under performance-based budgeting is that front-line managers such as department chairs and directors would have information and tools that would allow the effective and timely decision making that can produce cost savings and containment. Key information, appropriate budgetary tools, and a performance-based budget framework result in clear expectations, predictable environment for budgetary decisions and a rational basis for planning.

Sample Tool: Displaying Assumptions Around a Funding Strategy Over Time
(FOR ILLUSTRATION PURPOSES ONLY - AMOUNTS SHOWN ARE NOT ACTUAL RECOMMENDATIONS)

	FY12	FY13	FY14	FY15
Use of One-Time Revenue	\$ 5,000,000	\$ 3,000,000	\$ 1,000,000	\$ -
Permanent Reductions	11,000,000	6,500,000	3,500,000	2,000,000
Tuition Rate Increase (cumulative)	7,000,000	10,000,000	13,000,000	14,000,000
Enrollment Growth (cumulative)	3,000,000	5,000,000	7,000,000	8,000,000
Fee Increase (cumulative)	2,000,000	3,000,000	4,000,000	4,500,000
Other Recurring New Revenue	1,000,000	2,000,000	1,000,000	1,000,000
	<u>\$ 29,000,000</u>	<u>\$ 29,500,000</u>	<u>\$ 29,500,000</u>	<u>\$ 29,500,000</u>
 GOAL	 \$ 28,000,000	 \$ 29,000,000	 \$ 29,500,000	 \$ 29,500,000
 Excess Over Goal for New Initiatives	 \$ 1,000,000	 \$ 500,000	 \$ -	 \$ -



Concluding Thoughts

Serving as members of the President's Strategic Advisory Team is a both a welcome challenge and a learning journey. As individuals, we bring to this team our diverse opinions, perspectives, and life experiences. As a team, we must continually discover how to listen and learn from the richness of that diversity to arrive at sometimes difficult recommendations that will preserve, and ultimately strengthen, our core missions.

One of our conclusions is that, as a community, UNM has suffered from a lack of tools to facilitate our ability to understand and compare our assumptions, desires, and strategies. Often we have seemingly been at cross purposes with each other, but it has been difficult to understand where we truly differ in our opinions, and where we simply have lacked the ability to communicate those ideas effectively with each other. As the work of this and other campus groups continues, we believe that developing tools that will help us to better understand our similarities and debate our differences will ultimately help us to find the common ground upon which to build new solutions. In fact, PSAT has developed and will be experimenting with a tool designed for this purpose, an example of which can be found at the end of this document.

In closing, we know our work is not done. As other campus groups that are wrestling with different facets of this budget challenge begin to wrap up initial work, we need to find ways to bring all of the discoveries, recommendations, and new questions together to find sustainable approaches that our community can support. PSAT continues to stand ready to continue to serve. Indeed, it is our privilege to do so.

- Members of the President's Strategic Advisory Team
December 10, 2010

Members of the President's Strategic Advisory Team

Name	Title	Department
Martha Bedard	Dean	University Libraries
Ann Brooks	Lecturer	Anderson School of Management, Accounting
Pug Burge	Associate Vice President	HSC Administration
Teresa Cordova	Director, Community & Regional Planning	Architecture & Planning
Stephanie Forrest (On leave from active participation Fall 2010)	Chairperson	Computer Science
LM Garcia y Griego	Director	SW Hispanic Research Institute
Helen Gonzales	Vice President	Human Resources
Dick Howell	Dean	College of Education
Ava Lovell	Vice President	Finance – HSC/UNM
Julia Maccini	Graduate Student	Law School
Kevin Malloy	Professor	Physics/Astronomy
Alfred Mathewson	Professor Acting Director	School of Law Administration Africana Studies Program
Kate Moore	Financial Officer	Provosts Office
Janice Ruggiero	Associate Athletic Director	Intercollegiate Athletics
Beverly Singer (On leave from active participation Fall 2010)	Associate Professor Acting Director	Anthropology Native American Studies
Carol Stephens (Technical support)	University Policy and Administrative Planning	UNM Policy Office
Doug Thomas	Associate Dean	Anderson School of Management
Carolyn Thompson	President's Office – Strategic Planning	Office of the President
Chris Vallejos	Associate Vice President Business Planning & Services	Institutional Support Services
Jake Wellman	Undergraduate Student	Political Science

Exhibit 6

IT Cost Containment

**UNM**OFFICE *of the* PRESIDENT

Date: December 16, 2010

To: Members of the IT Cost Containment/Service Improvement Team

From: Paul Roth, Acting President

Re: Your selection to participate on this team

I am writing to inform you that you have been selected to participate in an important IT cost containment and service improvement initiative to take place early in the new year. The primary objective of this initiative is to identify \$2 million in IT spending reductions for the FY12 budget.

This initiative will be launched with an intensive three-day workshop on Wednesday, January 12 through Friday, January 14, during which the team will develop a "straw man" proposal that includes the following process elements:

1. Definition of what currently constitutes "IT" at UNM, and identification of who is currently accountable for the elements.
2. Determination of which of the current elements of IT are core to the mission of UNM, which are in support of the mission, and any that may be tangential to the mission.
3. Of the core and support IT services, identification of those that *must* be provided centrally.
4. Identification of the greatest opportunities for cost reduction and efficiencies to achieve the \$2 million target.

IT elements the team should consider during its exploration include e-mail and calendaring systems; central support of servers; licensing; edge network devices; and business process improvement. This list is not intended to be all-inclusive, so additional elements may be identified through the process.

Following the three day workshop, the team should then conduct "due diligence" on its draft proposal. This phase of work should include testing the proposal with various constituencies on campus, as well as insuring that all of the financial assumptions are grounded in real data.

The team's work should culminate with a formal proposal for recommendations for reducing campus-wide IT spending by \$2 million. I would like to have this proposal completed by March 1, 2011.

Finally, as the team goes about its work, I ask that the following parameters and assumptions guide all conversation and recommendations:

1. Savings cannot involve offloading current expenses or costs to other departments.
2. Moneys already being saved due to departmental efforts cannot be counted as part of the \$2 million.
3. This cannot be approached as a "capture" for reallocation; this initiative must result in real savings.
4. Core services must be identified and preserved.
5. A parallel objective to saving \$2 million is to improve IT services throughout the university.
6. Due to the uniqueness of the hospital and patient care side of the University, UNMH will not be included in this initiative, and HSC in general may be excluded from certain elements.

This initiative will be conducted as an offshoot activity of the President's Strategic Advisory Team, in coordination with UNM's IT office. I have asked Carolyn Thompson to serve as facilitator.

In a couple of days, you will receive additional details about the process and logistics of the three-day workshop. In the meantime, please block your calendars to be available for the entire three days. If you are unable to do so, please let Carolyn know as soon as possible, as it might be necessary to identify someone else to serve on the team in your place.

I want to sincerely thank you for stepping up to this difficult task. This is one of several important initiatives we are undertaking as we go about the serious business of addressing what may amount to a \$28 million reduction in state support for FY12. With a concerted effort and everyone's help, we will meet this challenge.

Cc: President David J. Schmidly

IT Cost Containment and Service Improvement Initiative

Primary Objective: *Reduce Campus-wide IT spending by \$2 million for the FY12 budget.*

Parameters and Assumptions

1. Savings cannot involve offloading current expenses or costs to other departments.
2. Moneys already being saved due to departmental efforts cannot be counted as part of the \$2 million.
3. This cannot be approached as a “capture” for reallocation; this initiative must result in real savings.
4. Core services must be identified and preserved.
5. A parallel objective to saving \$2 million is to improve IT services throughout the university.
6. Due to the uniqueness of the hospital and patient care side of the University, UNMH will not be included in this initiative, and HSC in general may be excluded from certain elements.
7. This initiative will be conducted as an activity of the President’s Strategic Advisory Team (PSAT) in coordination with UNM’s IT office.

Process Elements

1. Definition of what currently constitutes “IT” services at UNM,
2. Define current operational units accountable for the elements.
3. Determine current elements of IT are core to the mission of UNM.
4. Identify of those services that *must* be provided centrally and may be provided in decentralized model.
5. Determine the conditions (or service levels) of centralized and decentralized models of delivery.
6. Identify the greatest opportunities for cost reduction and efficiencies to achieve the \$2 million target; “due diligence” conducted on the opportunities.
7. Formal recommendations for reducing campus-wide IT spending by \$2 million for the FY12 budget.

IT Elements to Include in the Exploration *

1. E-mail and calendaring systems
2. Central support of servers
3. Licensing
4. Edge network devices
5. Business process improvement

** This list is not intended to be all inclusive. Additional elements may be identified through the process.*

Key Contributors to this Initiative

Executive Sponsors:

Acting President Paul Roth
EVP David Harris
Provost Suzanne Ortega

IT Leaders:

Gil Gonzales
Duane Arruti
Moir Gerety
Holly Buchanan

Academic Leaders:

Richard Larson
Scott Ness
Doug Brown
Julia Fulghum
Jerry Dominguez
Stephanie Forrest (PSAT Member)
Martha Bedard (PSAT Member)

Service Unit Leaders:

Carmen Brown
Ava Lovell (PSAT Member)
Chris Vallejos (PSAT Member)

Office of the Provost:

Wynn Goering
Curt Porter

Process Facilitator:

Carolyn Thompson (President's Office representative and PSAT facilitator)

Final 12-14-10

Proposed Time Frame for Launching this Initiative

Workshops will be scheduled in January 2011. Focus will be on developing a “straw man” around the first four process elements in preparation for the “due diligence” phase and to test with the broader university community.

Members of the IT Cost Containment/ Process Impact Team

NAME	TITLE
Arruti, Duane	Dir. Of Applications, IT
Bedard, Martha	Dean, University Libraries
Brown, Carmen	VP for Enrollment Management
Brown, Doug	Dean, ASM
Buchanan, Holly	AVP for IT, HSC
Dominguez, Jerry	Vice Provost for Ext. Univ.
Forrest, Stephanie	Chairperson, Computer Science
Fulghum, Julia	VP for Research
Ganderton, Phillip	Assoc. Dean, Arts and Sciences
Gerety, Moira	Deputy CIO
Goering, Wynn	Vice Provost for Academic Affairs
Gonzales, Gil	CIO
Larson, Richard	VP for Research, HSC
Lovell, Ava	VP for Finance
Ness, Scott	Assoc. Dir. Cancer Center
Stephens, Carol	UNM Policy Office
Thompson, Carolyn	Office of the President
Vallejos, Chris	AVP for ISS

University of New Mexico

**IT Cost Containment/
Process Improvement Initiative**

Phase I:
Cost Containment
Recommendations for FY12

**Submitted to President David J. Schmidly
On March 1, 2011**

by the

**IT Cost Containment/
Process Improvement Team**

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Preamble:

Objectives, Processes, and Principles

In December of 2010, Acting President Paul Roth formally commissioned the “IT Cost Containment/Process Improvement Initiative.” Originally identified as one of the *Regents’ Goals for the President for FY11*, Acting President Roth, in consultation with President Schmidly, determined that this initiative would be conducted as an offshoot activity of the President’s Strategic Advisory Team, in coordination with UNM’s Central IT office, and with Carolyn Thompson serving as process designer and facilitator. It was further determined that the first phase of the initiative would focus on identifying \$2 million in IT cost savings to apply to the FY12 budget.

In consultation with EVP of Administration David Harris, the following parameters and assumptions were developed and given to the team to guide its work:

1. Savings could not involve simply offloading current expenses or costs to other departments.
2. Moneys already being saved due to departmental efforts could not be counted as part of the \$2 million.
3. This could not be approached as a “capture” for reallocation, and must result in real savings.
4. Core services must be identified and preserved.
5. A parallel objective to saving \$2 million would be to improve IT services throughout the University.
6. Due to the uniqueness of the hospital and patient care side of the University, UNMH would not be included in this initiative, and HSC in general may be excluded from certain elements.

These parameters were issued in addition to the budget guidelines that Acting President Roth announced in his Monday Morning Message to the campus community on November 15, 2010:

- *“There will be no further across the board cuts after the current 3.2% rescission.*
- *The process we will follow will be transparent, fair, and involve broad input and consensus building between administration, faculty, staff and students prior to the Regents adopting our budget plan – which will be widely distributed and discussed with all constituents.*
- *We will phase this program in over a three-year period, and most importantly...*
- *All final decisions will be driven by our values as a premier academic institution.”*

The initiative was launched with an intensive three-day workshop in mid January, during which the Team members identified potential strategies for meeting this goal. Team members then spent several weeks conducting “due diligence” on the opportunities identified during the workshop to test and ensure that assumptions were viable and grounded by sound data.

It is important to note that during the time when the Team was conducting its due diligence work, Executive Leadership further asked the team to determine if savings beyond the \$2 million might be

possible, given the potential that the budget shortfall for FY12 might reach as much as \$28 million. The Team then redoubled its efforts to identify reductions and revenues that could meet this challenge, all the while remaining committed to doing as little harm as possible to the academic missions, as well as to the people whose work ensures that these missions are carried forth.

As UNM's Executive Leaders consider this report, the Team wants to point out that several of the recommendations involve *strategic* reductions to UNM's Central IT budget. The Team strongly believes that, should these recommendations be adopted, Central IT should not be subjected to further cuts to its budget for FY12.

The recommendations contained in this report are the result of the above-described directions, assumptions and processes, and are the culmination of six weeks of concentrated effort. The IT Cost Containment/Process Improvement Team presents these recommendations as a serious and strategic effort to assist in addressing the financial challenges being faced by our University. The Team looks forward to continuing its work over the next fiscal year, during Phase II of this initiative, to focus on improving IT services at the University of New Mexico.

Summary of Recommendations

Cost Containment/Revenue Generation Strategy	Overview	FY 12 Reduction Amount
Strategy #1 – Main campus purchases of computers and servers <\$5k, computer hardware >\$5k, and computer supplies	Negotiate greater purchasing discounts with vendors, further leveraging those discounts we already receive, and drive purchases through LoboMart. Then, a 10% surcharge will be placed on computer-related purchases from designated funding sources, which will be captured centrally. Direct cost increases to units will be mitigated by negotiated pricing reductions. Applies to Main Campus purchases on unrestricted accounts. Excludes HSC, Branches, and Agency accounts.	<u>Computers & Servers:</u> Central IT = \$33,629 Main Campus = \$252,371 <u>Hardware:</u> Central IT = \$30,400 Main Campus = \$129,600 <u>Supplies:</u> Central IT = \$10,882 Main Campus = \$115,118 Total = \$572,000
Strategy #2 – Main Campus purchases of software	Similar to Strategy #1, the recommendation is to negotiate greater purchasing discounts with vendors on software, further leveraging those discounts we already receive, and drive purchases through LoboMart. Then, a 10% surcharge will be placed on purchases from designated funding sources, which will be captured centrally. Direct cost increases to units will be mitigated by negotiated pricing reductions. Applies to Main Campus purchases on unrestricted accounts. Excludes HSC, Branches and Agency accounts.	Central IT = \$93,000 Main Campus = \$97,000 Total = \$190,000
Strategy #3 – Reduction of budgets allocated to IT-related training and travel	Reduce Central IT's training and travel budget – currently at \$325,000 for FY11 – by \$150,000 for FY12. Resources spent on IT-related training and travel by other units on Main Campus should also be carefully reviewed for possible reduction. A strategy for more effective coordination of IT-related training and travel should be developed during FY12 for implementation in FY13.	Central IT = \$150,000 Main Campus TBD Total = \$150,000
Strategy #4 – University-wide cell phone stipend program	Eliminate UNM-provided cell phones by moving to a stipend-only cell-phone program. This recommendation includes HSC and Branches.	Total = \$200,000

Cost Containment/Revenue Generation Strategy	Overview	Amount
Strategy #5 – Reduction of Central IT dues and memberships	Reduce Central IT's line item for dues and memberships for FY12. Dues for National Lambda Rail of \$350,000 should not be cut, due to connection to the research mission.	Total = \$25,000
Strategy #6 – Reduction of Central IT "miscellaneous" expenses	Reduce Central IT's budget for miscellaneous expenses for FY12. Amount recommended correlates with the amount already set aside by the CIO for potential FY12 budget reductions.	Total = \$275,000
Strategy #7 – Reduction of Central IT marketing budget	Reduce Central IT's budget for marketing for FY12. The recommended reduction would not include reducing staff.	Total = \$50,000
Strategy #8 – Reduction of IT-related contract and professional services	Reduce both Central IT and Main Campus expenditures for external IT-related consulting and services (i.e. web design, application consulting and development, hosting). While a direct reduction to the Central IT budget can be made to accomplish a portion of this, it is important to note that capturing the savings from Main Campus will require additional due diligence.	Central IT = \$75,000 Main Campus = \$25,000 Total = \$100,000
Strategy #9 – Reduction in Central IT and Main Campus IT staffing through attrition and more thorough evaluation of hiring pause exception requests	Identify and review all Central IT and Main Campus E-class jobs that become vacant during FY12. Savings will be achieved through decisions to hold certain positions open for longer periods of time; to redefine duties moving toward a service center model; or to not fill certain positions at all.	Central IT = \$224,000 Main Campus = \$176,000 Total = \$400,000
Strategy #10 – Redeployment of Central IT revenue	Redeploy some Central IT-generated revenues to address UNM's budget shortfall for FY12. Central IT at UNM is defined as an "internal services organization," meaning that it has and generates revenue to cover operational and capital costs from both internal and external sources. Central IT would manage this redeployment with a commitment to protecting the IT services and functions that serve the core missions of the University.	Total = \$1,000,000
Total Recommended IT-related Reductions for FY12		\$2,962,000

Discoveries and Issues that Emerged During the Team's Process

As the Team conducted its “due diligence” work to determine the validity and efficacy of potential IT cost containment and revenue generation recommendations, several issues and concerns emerged. Some of the most important discoveries exceeded the scope of the immediate IT initiative. The Team believes that many of these issues are systemic in nature, and, when strategically addressed, will result in process improvements and efficiencies that will greatly improve the ability of the University of New Mexico to deliver its core missions.

Centralized versus decentralized models for IT:

- What is the right balance of centralized and decentralized IT management and service delivery for UNM? This critical question was raised repeatedly during the Team's work. Phase II of the IT Cost Containment/Process Improvement initiative must address this question through comprehensive exploration of different models and their potential advantages and consequences, and with broad involvement of constituents throughout the campus community.

IT roles and responsibilities are not clear:

- IT management and service delivery is extremely distributed across campus, leaving many questions about who is actually responsible for what.
- Lack of clarity also creates the possibility that many IT services are unnecessarily duplicated on campus.

HR policy and system constraints:

- UNM's current approach lacks some of the nimbleness required for a 21st century flagship research university.
- The current system does not effectively support moving staff to where needs exist and efficiencies can be gained in a timely manner.
- Reclassification of employees can take months.
- A number of staff currently in the E class are reportedly not actually doing IT-related work.
- UNM is not positioned to move quickly to address the need for hiring staff to fill emerging critical skills positions.

Accounting, coding, and budgeting practices:

- Determining how much UNM actually spends on IT is virtually impossible, given our current accounting, coding, and budgeting practices.
- UNM is in serious need of a strategic budgeting system that will allow for longer-term planning, rather than the historical practice of planning fiscally for one year at a time.

Renewal and replacement of computer hardware:

- To date, UNM has no budgeting strategy for the renewal and replacement of computers and other technology equipment.

- The recent practice has been to use salary savings and other “scraped together” funds to replace outdated or worn out computers.

Training and travel budgets and expenditures:

- There is currently no consistent process for coordinating IT-related training between units on campus.
- After a campus-wide review of line-item spending for travel and training, it appears that President Schmidly’s request for a pause on all non-essential travel has been responded to by some units but not by others.

Course fee policy:

- While UNM has a course fee policy that is intended to regulate what course fees can and cannot be used for, this does not appear to be consistently applied as it relates to paying for technology.
- UNM currently has numerous IT fees (course and curriculum) with minimal coordination.

Areas of Opportunity for FY13

As the Team was conducting “due diligence” on ways to reduce IT spending for FY12, several ideas for greater efficiency and service improvement emerged that could not be thoroughly explored, given the short time frame for meeting the initial cost savings objective. A brief overview of potential opportunities to be included in “Phase II” of the IT initiative is provided below.

Service Centers

As part of a continuing process of rationalizing IT personnel throughout the University to realize salary savings, yet maintain or expand service that meets the needs of faculty and students, the IT Cost Containment Team identified the creation of IT service centers as a possible option. Especially when IT personnel are so unevenly distributed throughout the main campus, and particularly in Academic Affairs, service centers offer great potential to improve availability of, and access to, valuable IT services that otherwise are isolated in other departments or units in the organization. With a relatively modest start-up expense, service centers could be designed and staffed as attrition occurs in current positions. Cost savings could be realized through economies of scale, specialization of skills, and enhanced service provision. The real challenge would be in acknowledging the savings where they occur (although they are all captured by the institution as a whole), and developing a process to strategically reallocate resources within the University to the service centers. An additional requirement would be greater flexibility of the HR division’s practices to allow for creative and speedy reallocation of human resources.

FastInfo

The UNM campus is currently using a multitude of tools to manage and track various aspects of customer support and incident management for IT. These include products such as Peregrine, HEAT, and FastInfo. Each product was chosen at the time of its implementation for its ability to meet specific needs in the support environment, but there were very few connect points between the tools. At the end of 2010, University Hospital, Health Sciences Library and Informatics Center, and UNM IT collaborated to improve the overall approach to IT support management. The result was the adoption of the best practice Information Technology Infrastructure Library (ITIL) framework, and the selection of the Cherwell Service Management tool for cross-campus IT incident management.

Cherwell Service Management is on schedule to replace both Peregrine and HEAT in FY12, offering significant advantages that go well beyond the capabilities of the previous tools. Replacement of FastInfo is not part of the original scope of the Cherwell implementation due to gaps in the Cherwell product in areas such as a searchable database of questions and answers, as well as online chat support. Both of these areas are under development in the Cherwell product. This creates the potential opportunity to consolidate the function of FastInfo into the Cherwell product as early as FY13, and this potential is targeted for further review. UNM IT currently pays approximately \$115,000 per year for the FastInfo product.

Time Keeping

Human Resources, Payroll, Finance, and IT have teamed up to explore the costs and benefits of an institution-wide time reporting solution at UNM to supplement the current Banner process. As an existing partner on campus supporting University Hospital, the Bookstore, and Physical Plant, Kronos Inc., a leader in workforce management solutions, was invited to work with UNM on a detailed study of our environment. The preliminary analysis was completed in December 2010, and the resulting Business Assessment Report points to significant opportunities for business process improvement, efficiencies, and financial savings.

UNM is continuing to work on further “due diligence” to determine if a solution such as Kronos could be institutionalized to benefit our campus community. If UNM determines it is appropriate to proceed with an automated time reporting solution, and if funding is identified, the associated benefits could begin to be realized as early as FY 13.

Web Conferencing to Reduce Number of Meetings

Reducing the time and expense of traveling to attend the multitude of meetings held to conduct important UNM business is an area of opportunity. The Team believes that exploration and adoption of web conferencing technology could result in significant savings, as well as other benefits, including:

- Reduction of the direct costs of travel, potentially including airfare, mileage, hotel, meals, etc.
- Increased productivity, gained by eliminating travel time that can then be spent doing other important work.
- Improved disaster recovery services.
- Better quality of employee family life.

Email, Messaging, and Calendaring

The IT Cost Containment team believes that a move to a common Email, messaging and calendaring platform by most UNM units will save UNM money, as well as address the competitive need to be more strategic with this technology. Toward these ends, Central IT’s Email, Messaging and Calendaring Task Force (EMCTF) is in the process of selecting an industry leader that can help UNM strategically leverage messaging and calendaring/scheduling across our foundational technologies. One of the driving forces toward a more vital vendor is to keep up with mobility required by UNM’s constituency groups, including students and patients. Central IT’s Project Selection Core Team is in the process of quantifying savings. Potential savings are identified in the following areas:

- Cost of licensing, depending on product selection.
- Cost of disk storage, presuming that the bulk of our students, alumni and retirees are moved to a “cloud” solution.
- Costs to administer the systems.
 - a) Account provisioning and de-provisioning, assuming distributed controls.
 - b) Distribution lists and list serves can be more automated, especially across units.
- Efficiencies in everyday activities that would be created through “ease of doing business” across the University. Employees would have greater portability of skills enabling them to move more fluidly between departments and roles. Coordination of resources would also be enhanced, especially as faculty adopt the platform.

The Team wants to note, however, that academic units whose research focuses on these technologies may need to retain their curriculum-required systems. A process for determining exceptions should be developed.

Web Design and Related Services

“Due diligence” revealed that web design, website updating and maintenance, and related activities, are being conducted independently in units throughout the University. Often, this highly-distributed practice results in inconsistent – or no – application of University-approved graphic standards, and lesser-quality products. The IT Cost Containment Team also believes that a more coordinated approach could lead to cost savings, as well as quality improvement. “Phase II” of the IT Cost Containment/Process Improvement Initiative should include a more complete analysis of web design at UNM, leading to the creation and adoption of a more cost-effective and quality-driven model.

Detail of Recommendations

Strategy #1 – Main Campus Purchases of Computers and Servers <\$5k, Computer Hardware >\$5k, and Computer Supplies

Strategy Description:

The recommendation is to negotiate greater purchasing discounts with vendors, leverage discounts we already receive, and drive purchases through LoboMart. Then, a 10% surcharge will be placed on computer-related purchases from designated funding sources, which will be captured centrally. Direct cost increases to units will be mitigated by negotiated pricing reductions. This strategy applies to Main Campus purchases on unrestricted accounts only, excluding HSC, Branches, and Agency accounts.

Projected Savings:

Category	Main Campus Projection FY12	Central IT Projection FY12	Total FY12
Computer Supplies	\$115,118	\$10,882	\$126,000
Computers and Servers < \$5,000	\$252,371	\$33,629	\$286,000
Computer Hardware > \$5,000	\$129,600	\$30,400	\$160,000

Approach:

Main-campus, non-contract and grant indices will be assessed a 10% surcharge on purchases of computer supplies, computers and servers <\$5000, and computer hardware >\$5,000. To help mitigate the impact of this surcharge, we will work to better communicate the availability of discounts that have been negotiated with vendors accessible through LoboMart. In addition, we are actively engaged in working with vendors on additional discounts that can be communicated to and passed along to departments. The recommendation includes consideration of phasing out the surcharge amount over the next 3 years, going from 10% in FY12, to 5% in FY13, to 2.5% in FY14, and finally ending in FY15.

Due Diligence Method:

The subcommittee assigned to investigate the potential savings in campus IT spending evaluated spending trends for computer supplies, computers and servers < \$5,000, and computer hardware >\$5,000, from FY08 to FY11, grouped at the college level. The Team used FY10 as the base year for determining the anticipated spending in FY12. To offset the financial impact to departments, information was gathered on campus discounts with major UNM computer and computer supply vendors. In addition, strategies were formulated and discussions have begun with vendors on approaches to obtaining further discounts. Additional “due diligence” has begun in the key area of managed print services as it relates to printer and toner cost savings potential. The Health Sciences Center and Branch Campuses, as well as Agencies, were removed from the calculation due to the request of the UNM President to be sensitive to the clinical mission of the HSC, as well as funding formula variations with the HSC, Branch Campuses and Agency accounts.

Potential Consequences/Concerns:

1. The increase in costs may deter departments from making non-critical IT purchases in FY12, at the same level of spending which was identified in FY10, which could result in the required funding level from the surcharge program not being achieved.
2. Failure to stay current with technology updates may impact the ability of mission-critical units to perform their duties at their fullest potential.
3. The 10% amount for the surcharge assumes that units around campus will take better advantage of the discounts UNM has already been able to negotiate with vendors, and that additional discounts can also be negotiated. If these assumptions do not prove true, then adopting this strategy will result in some cost shift to individual units.

Strategy #2 – Main Campus Purchases of Software

Strategy Description:

Strategy Description: Similar to Strategy #1, the recommendation is to negotiate greater purchasing discounts with vendors on software, leverage discounts we already receive, and drive purchases through LoboMart. Then, a 10% surcharge will be placed on purchases from designated funding sources, which will be captured centrally. Direct cost increases to units will be mitigated by negotiated pricing reductions. This strategy applies to Main Campus purchases on unrestricted accounts, excluding HSC, Branches and Agency accounts.

Projected Savings:

Category	Main Campus Projection FY12	Central IT Projection FY12	Total FY12
Computer Software	\$93,000	\$97,000	\$190,000

Approach to the Strategy:

Main Campus, non-contract and grant indices will be assessed a 10% surcharge on purchases of software. To help mitigate the impact of this surcharge, we will work to better communicate the availability of discounts that have been negotiated with vendors. In addition, we are actively engaged in working with vendors on additional discounts that can be communicated to and passed along to departments. Finally, we will continue to review software purchases for duplication with existing software licenses purchased by UNM. The recommendation includes consideration of phasing out the surcharge amount over the next 3 years, going from 10% in FY12, to 5% in FY13, to 2.5% in FY14, and finally ending in FY15.

Due Diligence Method:

The subcommittee assigned to investigate the potential savings in campus IT spending evaluated spending trends for computer software, from FY08 to FY11, grouped at the college level. The Team used FY10 as the base year for determining the anticipated spending in FY12. To offset the financial impact to departments, information was gathered on campus discounts with major UNM software vendors. In addition, strategies were formulated and discussions have begun with vendors on approaches to obtaining additional discounts and to utilize existing software agreements to offset the need for other software purchases. The Health Sciences Center and Branch Campuses, as well as Agencies, were removed from the calculation due to the request of the UNM President to be sensitive to the clinical mission of the HSC, as well as funding formula variations with the HSC, Branch Campuses and Agency accounts.

Potential Consequences/Concerns:

1. The increase in costs may deter departments from making certain software purchases in FY12, which could result in the required funding level from the surcharge program not being achieved.

2. Failure to stay current with software updates may impact the ability of mission-critical units to perform their duties at fullest potential.
3. Failure to purchase software updates may create compliance issues with software licensing agreements.
4. The 10% amount for the surcharge assumes that units around campus will take better advantage of the discounts UNM has already been able to negotiate with vendors, and that additional discounts can also be negotiated. If these assumptions do not prove true, then adopting this strategy will result in some cost shift to individual units.

Strategy #3 – Reduction of Budgets Allocated to IT-related Training and Travel

Strategy Description:

The recommendation is to reduce the Central IT training and travel budget – currently at \$325,000 for FY11 – by \$150,000 for FY12. Resources spent on IT-related training and travel by other units on Main Campus should also be carefully reviewed for possible reduction. A strategy for more effective coordination of campus-wide IT-related training and travel should be developed during FY12 for implementation in FY13.

Projected Savings (recurring vs. one-time):

Central IT: \$150,000 (non-recurring)

Main Campus to be Determined

Approach to the Strategy:

The savings are recommended as a one-time cut to the Central IT budget for travel and conference fees. In order to make these savings sustainable, the entire Main Campus could take a more conservative approach to travel. During FY11 and FY12, we recommend UNM explore implementing the new Banner Travel Module, centralizing purchases of air travel and reviewing best practices of other University travel programs and policies. For example, see the Indiana University website at <http://www.indiana.edu/~travel/>.

Due Diligence Method:

Large amounts of detail were reviewed from the Central IT actual expenditures for FY10 and the Team agreed the cut could be tolerated for one year only. The Team attempted to review the Main Campus-wide IT related training and travel, but the data were not specifically identifiable in the short time-frame of the IT Cost Containment initiative. The Team did review total travel expenditures by level 3 organization (College or VP level) for FY08, FY09 and FY10. The Main Campus total expenditures for travel and training, not specifically IT related, have decreased 10.85% from FY08 to FY09 and 9.72% from FY09 to FY10. Central IT travel decreased 2.84% and 6.07% respectively. (Specifics can be found in separate appendix document.)

Potential Consequences/Concerns:

Central IT Executives expressed the need of their staff to stay current in the rapidly moving technology environment and are concerned this strategy will reduce their ability to provide services and maintain functionality to campus. Additionally, Central IT staff may be at a disadvantage compared to non-Central IT staff and others on campus who participate in IT-related training, since this cut is initially only recommended to apply to Central IT.

Strategy #4 – University-Wide Cell Phone Stipend Program

Strategy Description:

As a potential cost-savings for the University, employees that require a cellular phone in order to perform their duties may, with approval of their Dean or Director, receive a monthly reimbursement from the University for business usage of their personal cell phone, within approved limits. Essentially, UNM would not issue cell phones to employees and would instead reimburse employees for business usage by issuing a monthly stipend of \$30, \$50 and \$100 plans. The approved reimbursement amount must be justified by business requirements that necessitate the use of a cellular phone to perform official University business.

Projected Savings (recurring vs. one-time):

\$200,000 total savings as follows:

 Main Campus: \$180,000 (recurring)

 Central IT: \$20,000 (recurring)

Approach to the Strategy:

UNM IT would no longer issue cell phones to employees for business usage. Each employee who has a need to carry a cell phone for UNM business reasons would be required to turn in their existing cell phone and set up a personal contract with a local cell phone provider. The employee with approval of their Dean or Director would participate in a “stipend program” to reimburse them for UNM business usage. Basically, UNM IT would get out of the business of issuing and administering cell phones and UNM employees who have a “business need” would enter into a personal contract with a local cell phone provider and get reimbursed.

Due Diligence Method:

A sub-group of experts, including staff from Financial Services and Central IT, assisted the Team to conduct due diligence on this strategy. The sub-group looked at all UNM-issued cell phone plans and related cost information, monthly spending by UNM Departments, and costs if UNM were to go to a stipend program using percentages based on actual usage data and average monthly minutes used. Also, procedures were presented based on the current “pilot” program that is ongoing in Financial Services.

Potential Consequences/Concerns:

Termination fees from our vendors may be assessed; therefore there may be transition costs related to the program. The cost model for Blackberry Enterprise Service could possibly change because UNM no longer receives the subsidized licensing from the vendors. Potential impacts will need to be assessed in regards to non-exempt employees on the stipend plan. For example, does this imply the employee is on-call if they get after hours calls on their cell phone resulting in overtime pay, etc. Most technical support for cell phones will no longer be available on campus to help integrate devices with email and calendaring.

Strategy #5 – Reduction of Central IT Dues and Memberships

Strategy Description:

Reduce spending on Central IT Dues and Subscriptions for FY12

Projected Savings (recurring vs. one-time):

Central IT: \$25,000 (one time)

Campus IT: \$0

Approach to the Strategy:

IT budgets were reviewed to identify opportunities for savings. The Team did not look at campus spending on IT-related dues and subscription. UNM's purchasing system does not track this data, and spending in departments for IT is fragmented into many budgets, rather than collected in a central departmental budget for IT.

Due Diligence Method:

The team reviewed all of the planned expenditures for dues and memberships in the Central IT budget. Of this, the largest expenditures were for membership fees associated with UNM's participation in the national research networks. This includes National Lambda Rail (\$350K/year), Internet2 (\$46.6K/year), and the Quilt (\$16K/year). The Team deliberated the value of these memberships and drew conclusions. First, national high speed networking is core to our mission as a research university and therefore should be preserved. Second, the services we receive through these memberships enables UNM to sell services at the Albuquerque Gigapop, with estimated revenue at >\$600K this coming year. Third, these memberships have helped drive down the cost of our commodity internet services from \$19.50/mb to \$5.00/mb.

Once these dollars were excluded, \$36,000 was left in this category, of which IT agreed to cut \$25,000.

Potential Consequences/Concerns:

Educause is a good example of IT's spending in this category. The consequence of reducing/eliminating spending for a membership of this type is that information on best practices would be harder to ascertain, and potentially lead to "reinventing the wheel" as technology changes. Staff has less opportunity to network with peers and gain insight and experience. Therefore, some improvement efforts will be less effective or slower. Additionally, Central IT staff may be at a disadvantage compared to non-Central IT staff and others on campus who have membership in IT-related professional organizations, since this cut is initially only recommended to apply to Central IT.

Strategy #6 – Reduction of Central IT “Miscellaneous” Expenses

Strategy Description:

Collect the reserve that Central IT has accumulated in anticipation of across the board cuts.

Projected Savings (recurring vs. one-time):

Central IT: \$275,000 (one time)

Campus IT: \$0

Approach to the Strategy:

Assuming that there will be no across the board cuts, this money is available to contribute to the target for reductions.

Due Diligence Method:

As many executives across the University have done, the CIO has “centralized” dollars that are effectively used as working capital to fund equipment “renewal and refresh” and other necessary hardware and software upgrades and purchases. Additionally, the CIO has been sweeping vacancy savings as attrition occurs in the organization. Part of these dollars had been moved to a reserve account that could be used for anticipated cuts. This balance is available, and represents \$275K.

Potential Consequences/Concerns:

As with many units, the constant erosion of dollars to backfill personnel is taking its toll on remaining employees as they take on additional duties and work longer hours. IT will continue to absorb the cuts by protecting current operations and slowing down upgrades and projects as possible. It should be noted that if cuts beyond those recommended by the Team are passed along to Central IT, this unit does not have additional funds set aside to cover them.

Strategy #7 – Reduction of Central IT Marketing Budget

Strategy Description:

Decrease spending in the category of Planning and Communications for IT.

Projected Savings (recurring vs. one-time):

Central IT: \$50,000 (one time)

Campus IT: \$0 (one time)

Approach to the Strategy:

The CIO agreed to cut \$50,000 in expenditures of the \$315,275 budget in Planning and Communications.

Due Diligence Method:

Each budget line was identified and discussed. The major expense is for salaries, benefits and supplies for an IT Planner and a Communications Specialist. The investment in this area was made to increase IT's ability to plan and communicate across campus, which has been an historic criticism. While communication has improved, the question of affordability was debated. In the end, there was a preference to preserve jobs and to take a look at the other expenses in this function. About \$87,000 of that balance was already reviewed by account codes for dues and marketing and travel/training, and about \$185,000 for the two salaries. This leaves just under \$50,000 which is used for materials and employee time related to student orientation, welcome back days, etc., for sponsoring Cyber-Infrastructure Day and Tech Days, as well as room rentals for meetings (IT Agents). The team concluded that it was appropriate to suspend activities for the year and use virtual means of communication. As a result, the CIO offered the balance of the funds in this category, or about \$50,000.

Potential Consequences/Concerns:

1. Unless corporate sponsorship is obtained for certain events, these will be cancelled for this year, decreasing venue opportunity for faculty and IT support staff to present, share and plan their work resulting in less coordinated and less effective resource utilization.
2. Utilization of central assets could go down if the campus becomes less aware of offerings.
3. Communicating to campus about any outages or disruptions in IT services could diminish and become less effective. Closer partnering with and reliance upon UNM Communication and Marketing will be needed to ensure that this does not occur.
4. Central IT has determined that "Tech Days" that provide University-wide training will be canceled if this recommendation is adopted.

Strategy #8 – Reduction of IT-related Contract and Professional Services

Strategy Description:

Reduce spending on external contract and professional expenses.

Projected Savings (recurring vs. one-time)

Central IT: \$75,000 (one-time)

Main Campus: \$25,000 (one-time)

Approach to the Strategy:

Central IT identified \$75,000 of one-time savings that could be reduced in FY12. It is believed that Main Campus IT professional expenses may include significant web consulting, both web design and content generation. For FY10, main campus expenses for web design functions were collected from the Spend compass Portal, which totaled \$339,085. Given this report, it is recommended that \$25,000 (7.4%) could be reduced from the overall campus FY12 budget with better coordination of web development efforts.

Due Diligence Method:

Contract and professional service expenses were extracted for fiscal years 2008, 2009, 2010, and 2011 (through 12/31/10) for central IT. For FY 2008, 2009, and 2010 these averaged \$671,000. Account codes considered to be contract/professional services include 63T0 and 69Z0. Indices falling under Level 3 organizations AAB and ADJ were included, with exception of Banner ERP project indices. Only payments made to external vendors were included.

Potential Consequences/Concerns:

Central IT initiatives will be slowed down, either to wait for consulting dollars where specialized expertise is needed, or to wait for an employee's skills to build.

No strategy has been identified for capturing the \$25,000 from Main Campus. Ideas for lowering the unit cost of web services include establishment of a web services center, issuing an RFP for a better price from a limited set of vendors who would comply with standards, and revisiting job descriptions and rates based on what kind of web work is performed. Spending for web consulting includes everything from technical support to aesthetic design (look and feel) to content generation (writing stories or generating visual images). It is not understood at this time how campus spending on web services is allocated among these activities, and it is not understood how many of these services could be provided less expensively within UNM.

Strategy #9 – Reduction of Central IT and Main Campus Staffing through Attrition and More Thorough Evaluation of Hiring Pause Exemption Requests

Strategy Description:

Reduce expenditures on IT personnel campus-wide by \$400,000

Projected Savings (recurring vs. one-time):

Central IT: \$224,000 (recurring)

Main Campus: \$176,000 (recurring)

Approach to the Strategy:

The savings represent 2.58% of the total labor cost (excluding fringe) paid from unrestricted, non-F&A sources of \$15.5 million on Main Campus, excluding HSC and Branches. The amount of \$224,000 for Central IT represents 2.52% of its \$8.9 million salary expense, and the amount of \$176,000 for Main Campus represents 2.65% of its \$6.6 million salary expense. There is an extremely uneven distribution of IT personnel throughout the non-IT level-3 units on Main Campus, and consequently these budget savings should not, and quite possibly could not, be achieved with across-the-boards cuts. The target savings can be achieved through attrition, understanding that attrition does not always occur in the areas that can best absorb the loss of staff and/or skills. It is crucial that appropriate processes be developed to review the current allocation of IT personnel in light of the unanswered questions about the most effective ways to deliver IT services, e.g. decentralized, centralized, or a combination. Personnel savings can be realized with flexibility to develop service centers, shared resources and accommodating HR policies for re-organization and re-classification.

Due Diligence Method:

All Level 3 Deans, Vice Presidents and Directors were contacted during the “due diligence” process and their input will continue to be critical when considering the development of this strategy as we move forward. There was a clear expression of their desire to maintain IT personnel in Level 3 units and sub-units, and the opinion that those people dedicated to the research and instructional missions of the University should be protected and possibly expanded in a future strategic reallocation of IT personnel resources. Finally, a review of salary expense data revealed an uneven distribution of IT personnel.

Potential Consequences/Concerns:

Personnel reductions, even through attrition, hold the potential to be damaging to the core instructional and research missions of the University, if they are not well planned. However, there appears to be potential for strategic reallocation of human resources to achieve the required salary savings. Further work must be done to assess the balance between localized service provision and centralized or regional provision.

Strategy #10 – Redeployment of Central IT Revenue

Strategy Description:

Central IT at UNM is defined as an “internal services organization,” meaning that it has and generates revenue to cover operational and capital costs from both internal and external sources. The recommendation is to redeploy some of these Central IT-generated revenues to address UNM’s budget shortfall for FY12. Central IT will manage this redeployment with a commitment to protecting the IT services and functions that serve the core missions of the University.

Projected Savings:

Central IT Projection FY12	Central IT Projection FY13	Central IT Projection FY14
\$1,000,000	\$500,000	\$500,000

The \$1,000,000 redeployment would be for FY12 only. Thereafter, \$500,000 would be redeployed on an annual basis through FY14.

Approach to the Strategy:

Central IT is funded through a combination of established rates that are charged to internal and external customers for the delivery of specific services, in addition to a base funding allocation. The revenue generating services includes:

Storage and Backups	Engineering Services	Voice Services
Server Rack Co-location	Bandwidth Usage Fee	Intrusion Alarm Services
Virtual Hosting Services	Giga Pop Membership	Cabling Infrastructure installation
Hosted Windows Services	Network Port Fee	Classroom Tier 1&2 Support
Active Directory Migration	Branch Campus Support	Service Design
Data base Management	Web Migration Services	Work Station Management Services
Network Monitoring	Hardware Maintenance Services	Software Distribution

Revenues generated from these services are used to cover the cost of operations, payment of IT debt, equipment replenishment, startup cost recovery (i.e. Giga Pop), and support of IT strategic initiatives. Some of the recent strategic initiatives include the enterprise Microsoft licensing agreement, enterprise Symantec licensing agreement, enterprise applications support, and Branch Campus network standardization upgrade.

IT will redeploy \$1,000,000 in FY12, and \$500,000 in subsequent years, by rethinking the approach to delivering service to campus. In the near term, this will likely mean the restructuring of key service delivery components to improve efficiencies, slowing or deferring capital outlay for equipment and infrastructural replacement programs, and slowing or delaying planned strategic initiatives. Central IT will manage this redeployment with a commitment to protecting the IT services and functions that serve the core missions of the University. A change in rates for key services that are currently provided to campus is not planned to meet this commitment. IT is, however, committed to working with the

appropriate administrative offices on performing a long term assessment of the rate structure and funding methodology for providing core technology services to campus. IT is anticipating that a detailed analysis and rate recommendation will be complete in preparation for FY14 budgets.

Due Diligence Method:

In order to make a substantial contribution to the campus wide IT cost containment effort, IT completed a high-level analysis of revenue structure, service, and approach, as well as existing and planned financial commitments. A key component of IT's ability to meet this commitment is the final payment on certain debt service obligations that will be completed in FY12, and rethinking how IT can deliver on commitments that were planned with these funds in future years. Additional evaluation is required to identify the specific changes needed, but IT is committed to redeploying the identified dollars while minimizing the impact to campus.

Potential Consequences/Concerns:

1. Managed life extension of platforms and network equipment creates a greater risk for critical system failures.
2. IT strategic initiatives will be slowed down, and the benefit to campus will take longer to realize.
3. The slowing down of Branch Network and Platforms standardization will complicate institution-wide support approaches.

Concluding Thoughts

The IT Cost Containment/Process Improvement Team began work in mid January with the charge to identify \$2 million in IT savings for FY12. As the severity of the potential reduction in state support to higher education became clearer during the legislative session, the Team was asked to strive to exceed the original objective. The Team did so, identifying a total of \$2,962,000 in savings to recommend for consideration by UNM's Executive Leaders for the next fiscal year.

Achieving this objective was not an easy task. Team members, who were selected for their diversity of experience and knowledge, worked hard to understand one another's perspectives, explore opinions, seek data to support ideas, and ultimately to identify common ground. While differences of opinion certainly remain, they are in most cases better understood and respected in the spirit of collegiality and service to UNM's Core Missions. In the end, this was truly a team effort that has resulted in the crafting and submission of this report.

In closing, the members of the IT Cost Containment/Process Improvement Team would like to express appreciation to all of the members of the other task forces and teams who have been working so diligently over the past few months to find ways to address UNM's financial challenges. None of these efforts have been easy. However, if all of the struggle and challenge can somehow result in learning, collaboration, and a renewed sense of shared purpose, then the potential exists for the University of New Mexico to emerge from these financial difficulties as a stronger institution.

- Respectfully submitted by the IT Cost Containment/Process Improvement Team
March 1, 2011

Members of the IT Cost Containment/ Process Improvement Team

NAME	TITLE
Duane Arruti*	Director of Applications, IT
Martha Bedard*	Dean, University Libraries
Carmen Brown*	VP for Enrollment Management
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Holly Buchanan*	AVP for IT, HSC
Jerry Dominguez*	Vice Provost for Ext. Univ.
Stephanie Forrest*	Chairperson, Computer Science
Julia Fulghum*	VP for Research
Philip Ganderton*	Associate Dean, Arts and Sciences
Maira Gerety*	Deputy CIO
Wynn Goering*	Vice Provost for Academic Affairs
Gil Gonzales*	CIO
Richard Larson**	VP for Research, HSC
Ave Lovell*	VP for Finance
Scott Ness**	Associate Director, UNM Cancer Center
Carol Stephens*	UNM Policy Office
Carolyn Thompson*	Office of the President (Process Leader)
Chris Vallejos*	AVP for Institutional Support Services

* Participated in the three-day workshop, due diligence, and creation of this report.

** Participated in the three-day workshop portion of the initiative.

Exhibit 7

Cost Containment Task Force Final Report

Cost Containment Task Force Final Report submitted 3/21/11

Charge to the Task Force

In December 2010, UNM executive leadership convened the UNM Cost Containment Task Force, consisting of representatives from faculty, staff, graduate and undergraduate students, and administrators to help craft a UNM budget proposal for FY 2011-2012.

The Cost Containment Task Force has begun to formulate a three-year strategic financial plan with initial emphasis on the FY 12 budget. The work will include a full review and assessment of recommendations contained in reports provided by the President's Strategic Advisory Team (PSAT), Provost's committees, the Deans' Council, IT Cost Containment and the Administration.

The initial challenge facing these groups as they formulated their recommendations was to overcome an anticipated \$28 million shortfall in UNM's FY12 budget, which included the need to make up for the use of nearly \$13 million in one-time funding that balanced the FY11 budget.

Action taken in the 2011 session of the New Mexico Legislature reduced UNM's Instruction and General (I&G) funding for FY2012 an additional \$5.374 million, along with reduced state funding as a result of decreased support for the employees retirement contribution.

Guiding Principles for UNM's FY 12 Budget Process

(Acting President Paul Roth's Monday Morning Message, 11/15/2010)

- There will be no further across the board cuts after the 3.2% budget rescission of Fall 2010.
- The process we will follow will be transparent, fair and involve broad input and consensus building between administration, faculty, staff and students prior to the Regents adopting our budget plan – which will be widely distributed and discussed with all constituents.
- We will phase this program in over a three year period.
- All final decisions will be driven by our values as a premier academic institution.

Summary:

The overall recommendations of the Cost Containment Task Force are represented in the scenario prepared by the Office of Planning, Budget and Analysis. The detailed review by the Task Force of various budget reports follows. In addition, after taking into account the financial portrait that emerged from actions taken in the 2011 New Mexico Legislature and also some

preliminary recommendations from the UNM Board of Regents, CCTF has approved these additional recommendations:

- With the ongoing goal of strengthening the university's core mission, even in the face of severe budget reductions, CCTF recommends an additional \$750,000 for faculty positions and an additional \$250,000 for GA/TA positions.
- As faculty and staff face a third year without increased compensation as well as an extension of the 1.5% increased contribution into retirement, university administration believes strongly that employees should not also be burdened with the additional 1.75% pay reduction contained in the so-called "retirement swap." However, university administration also believes strongly that executives (titles of AVP and above) should be held responsible for their 1.75% reduction. CCTF concurs with this intent and also recommends executive salary cuts of 1.75%.
- The CCTF recommends a permanent reduction realized from vacancy savings of \$1 million.
- In order to more closely balance the reduction of expenditures with additional spending requirements, CCTF recommends an additional general administration reduction of \$500,000.

I.

Review and Assessment of President's Strategic Advisory Team Report

Notes from PSAT Report Summary submitted 12/10/2010

The team has been able to identify a combination of cost cutting and revenue generating strategies to total \$13,822,951, or roughly half of the anticipated \$28m shortfall. It is important to note that this amount includes the maximum recommended net tuition increase of 10%, which PSAT strongly believes should be kept as low as possible, with no final decisions being made without full engagement of the student community. It is anticipated that additional areas of savings will be identified by March 1, 2011 if the Team's recommendations for further, concentrated "due diligence" efforts related to IT and surplus sharing from auxiliaries are adopted.

Some of the Team's recommendations will not result in reducing costs or generating revenue, but rather will provide transparency about what units and activities UNM consciously chooses to subsidize, and at what levels. These are strategic recommendations intended to create further transparency about how UNM allocates resources.

The following details specific PSAT recommendations along with the response from the Cost Containment Task Force.

Extended University

PSAT recommendation: Reduction of \$400,000 in recurring I&G funding (from FY11 allocation of \$1,254,127)

CCTF recommendation: Concur with reduction of \$400,000 in FY12

With its consistent and significant surpluses, EU has demonstrated the demand for distant education classes at UNM is a growing opportunity. A recently implemented performance based business model, which focuses on greater revenue sharing with colleges, will likely add to these surpluses. This model is being further modified at this time to return an even greater percentage of tuition to colleges. A fundamental reason behind the EU surpluses is the fact that EU receives its tuition dollar for dollar; that is, they do not bear their portion of the state's legislative or formula tuition credit. The burden of this credit is borne by all other recipients of pooled I&G funds. There is discussion about a potential merger with Continuing Education, which, though popular with employees, is failing financially. This model is found at several flagships. Despite the significant surpluses, it is suggested that a reduction of \$400,000 be taken in FY12, giving time for future financial considerations to be determined, namely the tuition credit impact and increased revenue sharing with colleges.

UNM Foundation

PSAT recommendation: Reduction of \$300,000 in recurring I&G funding (from current allocation of \$1.2 million.

CCTF Recommendation: Reduction of \$1.169 million allocation in FY 12.

The total amount of I&G funding to the Foundation would be reduced entirely, effective FY 12. There have been discussions centered on a proposal that Auxiliary Enterprises balances would be utilized during a three year transition period, allowing the Foundation sufficient time to come up

with a replacement revenue source, such as a service fee implemented on certain liquid donations. Though these discussions continue, at this time, the Task Force recommendation will only commit to a transfer of auxiliary balances in FY12.

Alumni Relations

PSAT recommendation: Reduction of \$100,000 in recurring I&G funding (from FY11 allocation of \$703,519)

CCTF Recommendation: Reduction of \$150,000 in FY12

With the intent to phase out its I&G funding over the next three years, it is recommended that I&G for Alumni Relations be reduced \$100K effective FY 12 to start them on the path to a revised operational model. Accordingly, the balance of Alumni Relations I&G funds will be reduced \$300K in each of the following two fiscal years.

Athletics

PSAT recommendation: Reduction of \$100,000 in recurring I&G funding (from FY11 allocation of \$1.2 million)

CCTF Recommendation: Reduction of \$385,000 in FY12

With the intent to phase out a significant portion of I&G funding over time, it is recommended that the Athletics budget be reduced \$385K, which represents the most recent amount of I&G utility funding supporting Athletics. It is recognized that I&G funds allocated for advising services is a legitimate use of I&G funds. Other such legitimate uses will be discussed with Athletics over the course of the next fiscal year to determine if further I&G reductions are warranted.

UNM Press

PSAT Recommendation: Appropriate \$200,000 of I&G funding to provide transparent subsidy, rather than continuing present deficit model; develop a plan by March 1, 2011 that identifies a new operational model

CCTF Recommendation: Recommend \$250,000 allocation

A \$250,000 allocation is proposed to the UNM Press to subsidize this organization so their operations, under their current business model, will break even. The intent is that this allocation will provide time to develop new revenue strategies and a revised business model, at which time the funds will be used to pay-down the Presses' current fund balance deficit. It is suggested that University Presses' represent a core service to the academic mission of flagship universities and, thus, are appropriately eligible for partial I&G funding.

Golf Course

PSAT Recommendation: Due to market saturation, aging infrastructure and no significant contribution to UNM's core mission, The Championship Golf Course should be closed, resulting in \$600,000 (that would otherwise be used to cover growing deficit) to use for other purposes in FY 12.

CCTF Recommendation: \$0

Though this enterprise receives no I&G funding, its persistent deficit is of great concern and needs to be addressed more aggressively. The Championship Course is a valuable asset to the university, but its suggested sale, especially during a continued economic downturn, is not an advisable option at this time. The course will have to change its business model and consider closing during a portion of the winter months when usage slows dramatically.

Museums

PSAT Recommendation: Overall reduction in I&G funding to museums of 2% or \$44,751.

CCTF Recommendation: \$0

It was agreed the museums are a vital component of the academic mission of the university and, since the amount of reduced funding is minimal, it is suggested that this budget recommendation not be implemented at this time.

Note: Under the Provost's recommendations, the Harwood Museum budget is reduced \$8,000.

Auxiliaries

PSAT Recommendation: In order to make a sound recommendation for FY12 and beyond, a benchmark study should be conducted by March 1, 2011 to compare UNM's auxiliary practices to those of other universities, including management models, administrative fees, reporting structures, degrees of self-sufficiency and best practices.

CCTF Recommendation: \$1.169 M use of balances

Surplus sharing from Auxiliary Enterprises is discussed under UNM Foundation above.

Continuing Education

PSAT Recommendation: Eliminate the use of tuition remission for all non-academic programs resulting in \$1.4 M recurring savings to I&G; insist upon "break even" results for Continuing Education

CCTF Recommendation: Reduce tuition remission throughout campus by \$342,000.

The Task Force chose to look at tuition remission as a whole, not just in Continuing Education. Therefore, the recommendation is to eliminate tuition remission for all personal enrichment throughout campus, which results in a savings of approximately \$285,000. It is a further recommendation to not fund NMSU or CNM courses through tuition remission for a further savings of \$57,000. The total anticipated savings would be \$342,000.

The Continuing Education portion of these savings is approximately \$200,000. The Task Force concurs with PSAT in strongly recommending that Continuing Education develop a new

business model and in the meantime, a rapid redesign process will help determine the viability of this enterprise.

Information Technology

PSAT Recommendation: The target for an IT redesign initiative launched in January 2011 is \$2 M in savings over time. By March 1, 2011, identify and quantify initial savings for inclusion in the FY12 budget.

CCTF Recommendation: There will be further review of the report once it is submitted by the IT Cost Containment group. As of Mar. 21, 2011, what has been identified is an approximate \$2.3 M reduction.

During an intense three-day workshop, \$3.2 million of potential savings was initially identified. Approximately 55% of this amount comes from central IT, with the balances being saved in colleges and departments across campus. Workshop participants formed three smaller groups to review in more detail the potential cost savings and their funding source. Due diligence must be completed in order to determine if the projected savings represent costs which have already been proposed as cost savings within academic affairs and/or the administration (double-counting).

Total PSAT Recommendation: (\$4,658,000)

II.

Review and Assessment of Provost's Administrative and Student Support Unit Evaluation including Estimated Cost Savings

Notes from report issued January 14, 2011:

***Process:** In the Fall of 2010, the Provost appointed a Review Panel to review all of the self-studies submitted by the Academic Affairs administrative and student support units for cost containment, reorganization and consolidation opportunities (see Appendix I for self-study criteria). In addition, the Panel reviewed the white papers that were submitted, and requested a limited amount of clarifying information from some units. Finally, the committee contacted all key constituent groups and invited them to provide comments that they wished the committee to take into account as they reviewed and made recommendations on the basis of self study documents.*

***Key Observations:** Because of the tight timeline of just four weeks for completing the review of over 40 units, the Review Panel did not have the time to examine in depth the work of the units and assess the quality of their work. The Panel, therefore, focused on matters that have budgetary implications like duplication of functions that suggest cost savings through consolidation.*

***Next steps:** Because the Panel made no attempt to affix an actual dollar amount to the savings that might accrue from any of their recommendations, budget personnel in the Office of the Provost developed "best guess" projections for each of the proposed reorganizations and/or cost savings ideas.*

NOTE: The Cost Containment Task Force only considered those units that featured potential cost savings.

Student Services

Unit Name: Accessibility Resource Center

Provost Team Recommendation: Total Projected Savings: \$139,330 in salary plus fringe benefits (28%) \$39,012 totals \$178,312

CCTF Recommendation: Reduction of \$89,156

This is half of the Provost's recommendation and allows the program more flexibility as it transfers some of its tutoring services to CAPS.

Unit Name: African American Student Services

Provost Team Recommendation: Total Projected Savings: \$12,127 salary, fringe benefits (28%) \$3,396 and operating budget \$17,980 totals: \$33,503

Following report's release, Provost analysts revised their recommendation to \$28,013 for FY12.

CCTF Recommendation: Concur with reduction of \$28,013 that would consolidate IT and accounting functions.

Unit Name: American Indian Student Services

Provost Team Recommendation: Total Projected Savings: \$12,127 salary plus fringe benefits (28%) \$3,396 totals: \$15,523

CCTF Recommendation: Concur with reduction of \$15,523 that would consolidate accounting functions.

Unit Name: Dean of Students

Provost Team Recommendation: Total Projected Savings: \$131,000 in salary plus fringe benefits (28%) \$36,680 totals: \$167,680

CCTF Recommendation: Concur with \$167,680 reduction that would eliminate sr. program manager and merge Dean of Students & AVP of Student Life position.

Unit Name: El Centro de la Raza

Provost Team Recommendation: Total Projected Savings: \$12,127 salary, fringe benefits (28%) \$3,396 and operating \$7,000 totals: \$22,523

CCTF Recommendation: Concur with reduction of \$22,523 that would consolidate IT and accounting functions.

Unit Name: Office of the VP for Student Affairs

Provost Team Recommendation: Total Projected Savings: \$24,144 in salary plus fringe benefits (28%) \$6,760 plus \$3,000 in operating expenses totals: \$33,904

CCTF Recommendation: Concur with \$33,904 reduction that would eliminate public relations position and eliminate hard copy of newsletter

Unit Name: Veterans Outreach Services

Provost Team Recommendation: Total Projected Savings: \$42,852

CCTF Recommendation: Reduction of \$21,426 As this operation is relatively new and since the need for these services is substantial, it is recommended that rather than be eliminated, external services be reduced by half.

Subtotal Student Services: \$378,225

Management/Administration

Unit Name: Data and Reporting (Enrollment Management)

Provost Team Recommendation: Total Potential Savings: Salary savings of \$11,807 plus fringe benefits (28%) \$3,306 totals: \$15,113.

CCTF Recommendation: Concur with reduction of \$15,113 that will consolidate Enrollment Management data and reporting with Institutional Research.

Unit Name: Harwood Museum

Provost Team Recommendation: Total Projected Savings: \$16,000 FY14 and beyond TBD. Up to \$266,805 over time. Following report's release, Provost analysts revised FY 12 reduction to \$8000.

CCTF Recommendation: Concur with the reduction of \$8,000, to be realized by a shift to an endowment funding source.

Unit Name: Office of VP for Enrollment Management

Provost Team Recommendation: Total Projected Savings: \$141,862. Following the report's release, Provost analysts revised the recommended reduction to \$15,758 for FY12.

CCTF Recommendation: Concur with reduction of \$15,758, to be realized by reducing administrative budget/senior administrative salary lines.

Unit Name: Office of the VP for Equity and Inclusion

Provost Team Recommendation: Total Projected Savings: \$143,708. Following the report's release, Provost analysts revised the recommended reduction to \$136,320 for FY12.

CCTF Recommendation: Concur with reduction of \$136,320, to be realized by shifting remaining functions to a senior diversity officer.

Unit Name: Office of the Registrar

Provost Team Recommendation: Total Projected Savings: \$23,000. Following the report's release, Provost analysts revised the recommended reduction for FY 12 to \$3,000.

CCTF Recommendation: Concur with reduction of \$3,000, to be accomplished by realizing efficiencies in automating registrar office functions.

Subtotal Management/Administration \$178,191

Teaching and Curriculum

Unit Name: Academic Program Review

Provost Team Recommendation: Total Projected Savings: \$3,400

CCTF Recommendation: Concur with \$3,400 reduction by utilizing virtual conferencing technologies to reduce travel costs.

Unit Name: International Programs and Studies

Provost Team Recommendation: Student fees: FY12 \$6,000 FY13 \$6,000

CCTF Recommendation: Concur with reduction of \$6,000 in FY12 by assessing additional international student fees.

Unit Name: Office of Support for Effective Teaching

Provost Team Recommendation: Total Projected Savings: \$30,000

CCTF Recommendation: Concur with reduction of \$30,000 by eliminating UNM's participation in APLU- sponsored Voluntary System of Accountability.

Unit Name: Strategic Curriculum Management

Provost Team Recommendation: Total Projected Savings: \$31,250 salary, fringe benefits (28%) \$8,750, and operations \$28,000 totals: \$68,000. Following report's release, Provost analysts revised their recommended reduction to \$28,000.

CCTF Recommendation: Concur with reduction of \$28,000 to be realized by decentralizing resources to support summer session and enrollment surges to colleges and academic programs

Unit Name: University College Non-Degree Granting Units

Provost Team Recommendation: Total Projected Savings: \$22,950 in salary plus fringe benefits (28%) \$6,426 totals: \$29,376

CCTF Recommendation: Concur with reduction of \$29,376 with potential consolidation of Research Quest program with another undergraduate research program or administration by Office of the Vice President for Research

Subtotal Teaching & Curriculum \$96,776

Faculty/Staff Support

Unit Name: Counseling, Assistance and Referral Services (CARS)

Provost Team Recommendation: Total Projected Savings: \$18,572 in salary plus fringe benefits (28%) \$5,200 totals: \$23,772

CCTF Recommendation: Concur with reduction of \$23,772 by sharing electronic maintenance and technical support staff with Central IT.

Subtotal Faculty/Staff Support \$23,772

Research

Unit Name: Latin American & Iberian Institute

Provost Team Recommendation: Total Projected Savings: \$6,000 FY14 and beyond TBD, up to \$122,443 over time. Following report's release, Provost analysts revised recommended reduction to \$2,000 for FY 12.

CCTF Recommendation: Concur with reduction of \$2,000 in FY12 by transitioning to non-I&G sources likes grants and private fundraising.

Subtotal Research \$2,000

Total Provost Recommendation: (\$678,964)

III.

Deans' Budget Report

Notes from report submitted January 24, 2011

This report by the Deans shows two things: the impact of the Fall 2010 rescission of 3.2% on the academic mission of their programs and what additional cuts each school/college can absorb beyond that rescission in the estimation of the respective deans and faculty before the cuts would adversely affect the core academic mission of the University, i.e., "the trigger point." It is their belief that exceeding the trigger point will bring long-term damage to the academic mission.

The Cost Containment Task Force concurs with the Deans' Budget Report that recommends additional cost savings of \$871,127.

Total Deans' Report (\$871,127)

IV.

Supplemental Considerations

Arts and Sciences

It is the strong opinion of the Deans that the College of Arts and Sciences is fiscally damaged and will continue on a downward fiscal spiral without an infusion of funds. Their specific concern centers on the continued practice within A&S of funding part-time instruction (approx. \$3 million) with one-time funding sources. The Deans' recommendation for an infusion of \$500,000 is supported by the Cost Containment Task Force.

The Cost Containment Task Force concurs with this recommendation with the strong caveat that the College commit to replacing recently vacated faculty lines while supplementing these with new faculty lines over the period of years TBD. The College must also commit to continuing its efforts to find administrative efficiencies and to streamline its operations with an eye toward supporting students with less administrative duplication.

Research and Special Projects (RPSPs)

House Bill 2 in its current form (following passage by the Legislature) reduces RPSP funding significantly and cuts each program specifically - from 5% on the one end to total elimination on the other.

For the past several years, the UNM administration has held the ethnic centers harmless from cuts because of their contribution to student success and life on campus. It is the recommendation of the Provost's Office that these three programs, plus Disabled Student Services (Accessibility Services), the SW Indian Law Clinic and the Graduate Research Development Fund be made whole or restored to FY11 funding levels. Further, it would be UNM's preference to move these priority programs into the I&G base.

The Provost is recommending a "backfill" of \$210,900.

The Cost Containment Task Force concurs with this recommendation with the strong caveat that ongoing funding to these six programs be dependent on their ongoing contributions to student success. It is further recommended that the Provost's Office and the Dean analyze the ongoing viability of many of the RPSP programs.

Special Considerations Subtotal: \$710,900

V.

Aggregated Summary of Recommendations based on PSAT, Deans, Provost and Special Considerations Reports

A summation of the recommendations of the groups indicates a proposed reduction for FY12 of \$5,997,191 to offset the expected reduction in state funding and to begin to replace the one-time funding support imbedded in UNM's operating budget.

VI.

Tuition Policy

As the various groups on campus wrestle with budget issues, never far from anyone's mind is the role tuition must play in whatever proposal is forwarded to the Regents for their consideration. In their assessment, PSAT detailed the need for UNM to develop a strategy and plan focusing on tuition and fees:

The foremost principle determining a tuition strategy is to establish the means of providing a nationally and internationally competitive education for our students. As the State's contribution to the cost of education decreases, our tuition strategy must not only address replacing resources, but also encouraging incentives and quality improvements in the areas of advising and teaching. Merely using tuition increases for deficit solutions will lock UNM into a constant struggle to provide New Mexico students a quality education. A properly implemented tuition strategy will help manage class profiles (as measured by academic achievement, skills, and attributes), increase capacity utilization, increase retention and graduation rates, and maximize net revenue.

The NM State Legislature's Tuition Tax (tuition credit) results in regular tuition increases with no strategy or future plan for teaching and advising incentives. The tuition increase for fiscal year 2012 (academic year 2011/2012) must be a multi-year plan. Some elements that can be included in such a plan are included in the recommendation section.

The NM State Legislature's Tuition Tax (tuition credit) results in regular tuition increases with no strategy or future plan for teaching and advising incentives. The tuition increase for fiscal year 2012 (academic year 2011/2012) must be a multi-year plan. Some elements that can be included in such a plan are included in the recommendation section.

UNM ranks 45th among the 50 state Flagship Universities for Resident Undergraduate Tuition and Required Fees. The national average resident undergraduate tuition for flagship universities is \$7,587 as of the 09/10 academic year. UNM charged \$5,101 in the same studied time period, however after adjusting for the State of NM Tuition Credit, the UNM charge falls to \$4,280. Over a four-year period Resident Undergraduate Tuition and Fees at UNM saw a net 19.4% (24.2% after Tuition Credit) increase in tuition and fees, while the national average increase was 29.0%. UNM's graduate resident tuition and fees was at \$5,597 (\$4,789 net after Tuition Credit) compared to the national average of \$9,160 in 2009-2010. Over four years, graduate resident tuition increased 17.2% (23.9% after Tuition Credit) compared to 20.9% nationally.

In tandem with the cost containment efforts, President Schmidly appointed a Tuition Task Force to revise tuition policy for the university and to gather information that places UNM tuition in context with peer and state institutions. This report, which is available under separate cover, will be useful at such time the Regents consider tuition and fees as one important element in all budget scenarios.

In addition, the Tuition Task Force developed a survey tool and focus group schedule in order to get as much student input as possible in the time available before budgets are developed. The schedule is as follows. Their report is also available under separate cover.

February 17, 2011 **Pilot Survey** was conducted in the Student Transition Engagement Program Class. This will be the template evaluation used for the focus groups and on-line surveys.

Student Focus Groups

Wed, Feb. 23 @ 6:00

ASUNM Senators

Fri, Feb. 25 @ 3:30

ASM International Business Students

Sat, Feb. 26 @ 9:00

GPSA Council

In process of being scheduled:

Student Union
Campus Housing
Arts & Sciences
College of Education
Engineering
Ethnic Centers
Student Affairs departments

On-line survey to be sent to:

Parent Association
UNM classes

I-Pod Surveys : Student Union & Campus Housing

Results of the surveys are available in a separate report.

VII.

Membership

Members of the President's Strategic Advisory Team

Martha Bedard, Dean, University Libraries
Ann Brooks, Lecturer, Anderson Schools of Management, Accounting
Pug Burge, Associate Vice President, HSC Administration
Teresa Cordova, Associate Professor and Director, Community & Regional Planning, School of
Architecture and Planning
Stephanie Forrest, Chair, Computer Science (*on leave from active participation Fall 2010*)
LM Garcia y Griego, Director, SW Hispanic Research Institute
Helen Gonzales, Vice President, Human Resources
Dick Howell, Dean, College of Education
Ava Lovell, Vice President and Controller, Finance – UNM & HSC
Julia Maccini, Graduate Student, School of Law
Kevin Malloy, Professor, Physics & Astronomy
Alfred Mathewson, Professor, School of Law; Acting Director, Africana Studies
Kate Moore, Financial Officer, Office of the Provost

Janice Ruggerio, Associate Athletic Director, Intercollegiate Athletics
Beverly Singer, Associate Professor, Anthropology; Acting Director, Native American Studies
(on leave from active participation Fall 2010)
Carol Stephens, Director, UNM Policy Office *(technical support)*
Doug Thomas, Associate Dean, Anderson School of Management
Carolyn Thompson, Consultant to President for Strategy and Goals, Office of the President
Chris Vallejos, Associate Vice President, Institutional Support Services
Jacob Wellman, Undergraduate student, Political Science

Members of the Review Panel
Academic Affairs Administrative & Student Support Units

Leo Romero, Review Panel Chair, Professor/Dean Emeritus, School of Law
Philip Dale, Chair, Speech and Hearing Sciences
Nick Estes, University Counsel Emeritus
Russell Goodman, Professor, Philosophy
Christopher Mead, Faculty/Former Dean, College of Fine Arts and School of Architecture and Planning
Ann Powell, UNM Retiree Association *(withdrew from deliberations due to personal time constraints)*
Jane Slaughter, Professor, History; Special Asst. to the Vice President for Research
Elisha Allen, Associate Director, NMEL, former president of the Staff Council
John Russell, Professor, School of Engineering
James Jimenez, UNM Alumni Assn. Board Member
Marilee Petranovich, Parent Assn. Board Member
Lillian Montoya-Rael, past president, UNM Alumni Assn.
Karen Glaser, Dean of Students Emerita

Panel Resources:

Curtis Porter, Associate VP for Planning, Budget & Analysis, Academic Affairs
Melissa Vargas, Strategic Planner, Academic Affairs
Alex Paramo, Administrative & Technical Support, Academic Affairs

Deans of the UNM Schools and Colleges

Doug Brown, Anderson School of Management
Brenda Claiborne, Arts and Sciences
Richard Howell, College of Education
James Linnell, College of Fine Arts (interim)
Nancy Ridenour, College of Nursing
Donald Godwin, College of Pharmacy (interim)
Geraldine Forbes Isais, School of Architecture and Planning
Arup Maji, School of Engineering (interim)
Kevin Washburn, School of Law

Paul Roth, School of Medicine
Uday Desai, Director, School of Public Administration
Martha Bedard, University Libraries
Rita Martinez-Purson, Continuing Education
Wynn Goering, University College (interim)

Tuition Task Force Members

Eliseo Torres, Chairman, Vice President for Student Affairs
Kim Kloeppel, Dean of Students (interim), Student Affairs Representative
Andrew Cullen, AVP for Budget, Planning & analysis, Administrative Representative
Ann Brooks, Lecturer, Anderson School of Management, Faculty Representative
Michael Hoodless, Undergraduate Representative
Nicholas Engquist, Graduate Student Representative
Bernadette Mirabal, Parent Assn. Representative

(Tuition Policy)

Curtis Porter, Chairman, AVP for Budget, Planning & Analysis in Academic Affairs
Ann Brooks, Lecturer, Anderson School of Management, faculty Representative
Lissa Knudsen, Graduate and Professional Students Assn., graduate student representative
Joseph Colbert, ASUNM, Undergraduate representative
Rick Goshorn, Fiscal Officer, Arts & Sciences, Extended University and UNM West
David Garrett, Parent Assn. Representative
Susan McKinsey, Director, University Communication

Cost Containment Task Force Members

Andrew Cullen, Assoc. Vice President for Budget, Planning and Analysis
Breda Bova, Chief of Staff to the President
Curtis Porter, Assoc. Vice President for Budget, Planning and Analysis in Academic Affairs
David Harris, Executive Vice President for Administration
Mary E. Clark, President-Elect, Staff Council
Helen Gonzales, VP for Human Resources
James Linnell, Acting Dean, College of Fine Arts
Katherine Richardson, Graduate student, member of GPSA
Ava Lovell, VP and Controller, Finance
Lazaro Cardenas, Undergraduate student, ASUNM President
Richard Goshorn, Fiscal Officer, Arts & Sciences, Extended University and UNM West

Richard Wood, Assoc. Professor, Sociology, Faculty Senate President
Tim Ross, Professor, Civil Engineering, Faculty Senate President-elect
Merle Kennedy, Staff Council President
Susan McKinsey, Director, University Communication
Suzanne Ortega, Provost, Executive Vice President for Academic Affairs
Eliseo Torres, Vice President for Student Affairs
Billy Sparks, Ex. Director for Communication & Marketing, HSC

Exhibit 8

FY12 Budget Summit

2011 UNM BUDGET SUMMIT AGENDA
March 28, 2011, 9:00 A.M., Student Union Building, Ballroom C

- I. Confirmation of a Quorum: Adoption of the Agenda, *Jack L. Fortner, President Board of Regents*
- II. Opening Comments from Regent President Jack L. Fortner
- III. Budget summit
 1. Welcome and Introduction, *David J. Schmidly, President*
 - a. Explanation of Process & Schedule
 - b. Considerations
 - c. Historical Context
 - History of Cuts [Administrative]
 - One-time Money
 - Tuition: History of Increases and Perspective
 - d. How is tuition spent?
 2. 2011 Legislative Overview; including RPSP's, *David W. Harris, Marc Saavedra*
 3. General Institutional Budget Issues
 - a. Employee and Retiree Health Insurance *Helen Gonzales*
 - b. Building Renewal & Replacement *Andrew Cullen*
 - c. Utility Costs *Andrew Cullen*
 - d. Auxiliaries and Associated Fees *Andrew Cullen*
 - e. UNM Foundation and Regents Endowments *Henry Nemcik & Andrew Cullen*
 4. HSC and UNMH *Dr. Paul Roth*
 5. UNM Main Campus & Branches *David J. Schmidly & David W. Harris*
 - a. Summary of State General Fund Decrease *David W. Harris*
 - b. Reductions of Expenditures (cost containment) *David W. Harris*
 - c. Required Use of Funds *Andrew Cullen*
 - d. Recommendations to Strengthen Core Mission *Andrew Cullen*
 - e. Use of Fund Balances *David W. Harris*
 - f. Transfers-Out (Replace One-time, Non-recurring Funds) *Andrew Cullen*
 - g. Discussion of Student Fees/SFRB Recommendation *Lazaro Cardenas*
 - h. Differential Tuition & College Fees *Wynn Goering*
 - i. Tuition and Fees for Branch Campuses *Andrew Cullen & Branch Directors*
 - j. Preliminary Tuition and Fee Recommendation for Main Campus *David J. Schmidly*
 6. Discussion and Comments *Jack L. Fortner & Constituency Leaders*
 - a. Students, Deans, Faculty, Staff, Parent and other Constituent Groups
 - b. Regents Comments and Questions
 - c. Cost Containment Group Members
 7. Public Comment

8. Response and Discussion of Alternatives

Jack L. Fortner & David J. Schmidly

9. Consideration of the FY12 Tuition and Fees Subject to Amendment and Substitution by the Board

Board of Regents

IV. Vote to close the meeting and to proceed in Executive Session

V. Executive Session will be held immediately following in the Cherry Silver Room, SUB

- a. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1-H(2), NMSA(1978).

VI. Vote to re-open the meeting.

- B. Certification that only those matters described in Agenda Item IV. were discussed in Executive Session and if necessary, final action with regard to those matters will be taken in Open Session.

VII. Adjournment

Exhibit 9

Faculty Senate President's Comments to Board of Regents



**COMMENTS TO THE BOARD OF REGENTS
RICHARD L. WOOD
PRESIDENT OF THE FACULTY SENATE
APRIL 12, 2011**

Good morning, President Fortner, Regents, and President Schmidly.

I made extensive comments yesterday at the Finance & Facilities Committee meeting yesterday, and I'll not repeat those here today (they are available at facgov.unm.edu and printed below). Instead, I would like to add two comments about the decisions you will make today: One about the proposed budget outcome and one about this year's budget process.

Regarding the proposed budget outcome: Amidst the controversy today, I hope we do not lose sight of a remarkable thing that happened on campus this year. Entering the year, we knew it was going to be a horrendous budget year, and it was. Yet the proposed outcome is an excellent, academically-driven budget that reinvests in tenure-track faculty lines, begins to resolve long-standing structural budget problems in the College of Arts & Sciences, protects graduate research and ethnic student support services, begins repairing the degraded Chemistry building, protects UNM Press, and ends the central collection of "pause & hold" funds. That we can achieve this while holding down the tuition increase is truly extraordinary, and the most important achievement on campus this year.

In all honesty, I must also recognize two blights on this outcome. First, we have failed to shield the lowest-paid University employees from the 1.75% salary reduction; that is a failure in which we all share. Second, I do think the proposed budget outcome may still represent special treatment for the Athletics program. In saying that, I want to make clear that I am *not* the common caricature of anti-athletics faculty. Three days a week you'll find me pretending to be a good basketball player at Johnson Gym, and I follow Lobo soccer and men's and women's basketball regularly. I also want to recognize the excellent leadership provided by VP Paul Krebs in leading what I perceive to be a cleanly-run Athletics program. The real issue is funding priorities, and funding non-academic efforts using I&G money intended to fund our academic mission.

Regarding the budget process this year: What we have called the "Cost Containment" process has been a major advance in shared governance of the University -- that is, it is a model for the future of how the University of New Mexico can recommend budgetary decisions to the Regents that will best serve our students and our academic mission. I want to credit this administration, my faculty colleagues, the staff that developed budget scenarios, and student leaders, as well as the Regents for fostering that process within your authority. Let's be sure to use this year as a model for future budget development, in good budget years as well as bad. So let's call it the "Strategic Budget Process," and keep its best aspects while improving on its weaknesses.

Again, I do see two blights on what was otherwise an excellent Strategic Budget

Process this year. The first blight was the blatant political intervention from Santa Fe in our budget-setting process. That intervention was inappropriate and affected budget decisions that should lie within the authority of the University -- that kind of autonomy is part of what has allowed research universities to contribute to job growth, economic development, and cultural creativity in American life for many decades. If New Mexico truly wants an excellent research university to drive a thriving state, we must both *fund* such excellence (see comments to F&F, below) and *preserve the autonomy of the university's budgetary process*. We were all complicit in having let that political intervention happen.

The second blight on the transparency of the budgetary process was some last-minute maneuvering to shelter the Athletics program by shifting some of their costs onto the I&G budgets of other units. I am not sure of the state of that effort as of this morning; perhaps today's decisions will prevent it. I certainly hope so, because that kind of maneuvering at the last minute undermines the legitimacy and transparency of the whole effort.

In recognizing imperfections in our outcome and process, however, let us keep our eye on the most important thing happening: Let's fund the academic mission that lies at the heart of a flagship research university. In a terrible budget year, that will be an enormous achievement, for the University and for the State of New Mexico.



**COMMENTS TO THE BOARD OF REGENTS FACILITIES & FINANCE COMMITTEE
RICHARD L. WOOD
PRESIDENT OF THE FACULTY SENATE
APRIL 11, 2011**

In making a recommendation to the Board of Regents regarding the current budget proposal and associated tuition increase, I want to begin by quickly tracing the development of this recommendation.

Beginning last summer, the UNM community invested extensive time and energy in creating a shared understanding of our fiscal situation and how we might address it. That effort involved many hours of meeting time, hashing out our differences and shared aspirations, plus untold hours of staff time developing fiscal analyses and successive budget scenarios. Most important, that effort really did place priority on preventing further erosion of the core academic mission in the face of ongoing state cutbacks. Though the "Executive Budget/Cost Containment Process" was not perfect, through it the administration, faculty, students, and staff projected budget scenarios that protected the academic mission and also prevented the full burden of state

cutbacks from falling on students and parents. Later, when students and parents pushed for even further sheltering from those state cutbacks, the Regents moved to lower the proposed tuition increase to below 6%.

In the current climate, that is realistic. But I must also say: To survive as a true flagship university and to recover our status as a first-rate research university, we need adequate permanent revenue flows. We have *only* two sources of relatively permanent revenue flows: state support and tuition. The State of New Mexico – including citizens, Governor, Legislature, and Regents as well as students and parents – will have to decide whether we truly want a future that includes a first-rate research university and the jobs, economic development, and cultural creativity that come with having one. More concretely, we will have to decide whether we are willing to fund such a university. If we continue on our current path, we will strangle off that future.

But I am a realist, and faculty understand the financial pressures upon students and parents today. So, in solidarity with hard-pressed students and parents, we embrace the result that holds down tuition costs. But even as we do so, we also caution the Regents and the citizens of New Mexico, including students and parents, that continuing drops in the University's main revenue flows will irreparably damage our ability to deliver a first-rate, research-driven education to our students. The University simply *must* get back onto an *adequately funded* path of academic excellence.

Nonetheless, two weeks ago, the University community took direction from the legitimate authority of the Board of Regents, which instructed us to come up with the best scenarios we could that would hold the tuition rise under 6%. University fiscal experts, working through the Executive Budget/Cost Containment group did so, and did it well, squeezing out sufficient savings to hold tuition down *and* protect University employees from continuing erosion of our paychecks. For three years university employees have had no pay increases, and have witnessed a permanent 1.5% decrease in take-home pay via the 2009 "ERB swap" as well as an 8% decline in staff positions. So the University, with the initial blessing of the Regents, proposed to hold employees harmless from the *further* 1.75% shift of employee wages into the state general fund. Functionally, that shift represents a tax on public employees, despite rhetoric to the contrary. Holding employees harmless from that tax was the right thing to do, and the University was poised to do it, at least for lower-paid university employees.

So far, so good – the University community faced its budget difficulties, dealt with hard questions, and did reasonably well protecting the academic mission while still holding the proposed *real* tuition rise to less than 2%.

Then, political interference from outside the University kicked in. The local newspaper editorialized and state political leaders exerted pressure within the University community to

prevent UNM from covering the 1.75% — even for the lowest paid employees. Let me be clear: The key issue at stake here is *not* the 1.75% of salary for the higher-paid faculty; if we need to do so, we can live with that. The key issue is a mean-spirited and short-sighted political discourse that fails to recognize that for decades American public universities have thrived by being able to set their budget priorities to best meet their academic mission (within broad frameworks established by state funding, although that now constitutes less than one-fifth of UNM's overall budget).

As President of the Faculty Senate and as an advisor to the Board of Regents, I would be derelict in my duty to the University community to let that political interference go uncontested. The attempt by some politicians to try to dictate to the University how to use its resources is simply unacceptable: American universities have been key drivers of job creation, economic growth, cultural creativity, and democratic life precisely because they have been shielded from that kind of political interference. We as a University community simply must push back against a mean-spiritedness that would punish even the lowest-paid employees, despite the fact that the University saved enough money through disciplined reduction of energy useage to more than hold those struggling families harmless. We must also push back against a short-sighted political discourse that would undermine excellence at the state's premier research university.

So my recommendations are as follows:

If the University is unable to protect its employees from the full 1.75% salary pull-back, I support sheltering staff employees and faculty members whose salaries fall below a particular level, say \$65,000; while those of us who can better manage the cut do so. I believe that such a choice is morally right, asking those with more resources to shoulder more of the burden of dealing with New Mexico's current budget struggles.

If the Regents are convinced that implementing such a policy is unworkable, then staff employees in job categories below grade 15 should be held harmless from the pullback: these are the people who most struggle to make ends meet for their families, and often are those whose work burdens have most increased as UNM has restructured to save money over the last two years.

Finally, and perhaps most importantly: It is crucial that *any and all* savings produced by all the budget measures under consideration, including any retreat from full coverage of the 1.75% salary pull-back, be used exclusively for our highest priorities. Always, those priorities must center on our academic mission. In the current economic climate, we must also try to shelter students and parents from the worst effects of falling state appropriations. So any savings produced by shifting the ERB burden onto staff and faculty should be split equally between two priorities: Holding down the tuition increase and reinvesting in the academic mission via new tenure-track hiring lines *beyond replacement* (with databases clearly tracked to assure the latter;

this year, we had a net *loss* of twelve faculty members despite regential commitment to faculty growth).

So, I argue for three tiered preferences:

- First, that UNM push back against political interference in our university-based decision-making, and fully protect its employees from further salary reductions.
- Second, if that proves impossible, that UNM fully protect less well-off employees from those reductions.
- Third, if that proves impossible, that UNM invest *all* savings in holding town the tuition increase and rehiring of tenure-track faculty, while ending the pause-and-hold at least in academic units.

Most importantly, university governance – Regents, Faculty, and Administration, in consultation with the constituency groups representing staff, students, parents, and alumni – should protect its ability to make the decisions that protect academic excellence. No one else knows enough about the academic mission to do so.

As President of the Faculty Senate, my ultimate responsibility is to protect academic excellence, so that the University can continue to play the dynamic role in job creation, economic growth, democratic thriving, and cultural creativity that research universities are meant to play in modern societies. That is also the ultimate responsibility of the Board of Regents of the University of New Mexico.

Exhibit 10

2010 Campus Climate Survey

University of New Mexico 2010 Benchmark Survey
Shared Governance and Communications

Survey Background and Leadership Comments

In the fall of 2009, the Provost's Office of the University of New Mexico, with the approval of President David J. Schmidly, contracted with Research and Polling Inc. to conduct a comprehensive survey of university faculty and staff on issues of campus climate and shared governance. The survey was commissioned in response to a recommendation made by the University's accrediting organization, the Higher Learning Commission, in its 2009 findings.

Research and Polling Inc. conducted the online survey in March of 2010. The survey results would establish a benchmark and provide insight on how to move the institution forward. The University also contracted with Research and Polling Inc. for a series of focus groups that included the deans, senior faculty, junior faculty, staff leadership and university vice presidents. These were conducted during May and June of this year. As a result of the data derived from the survey and focus groups, Research and Polling submitted several recommendations for future action. The firm presented its final report to the University on September 1. The report has been posted online and can be found in its entirety at <http://www.unm.edu/president/communication-survey/>.

President Schmidly noted, "I know of no institution that has undergone such an intense internal examination of university governance. The data confirms that the steps we initiated as follow-up to the HLC accreditation report are moving us in the right direction."

"I look forward to working with each of the deans, with Faculty Senate President Rich Wood and faculty leadership, Staff Council President Merle Kennedy and staff leadership. Together we will address the issues raised in the survey and work to reduce tensions and build unity."

Faculty Senate President Richard Wood issued the following response to the report:

"The survey being released today was mandated by the Higher Learning Commission as part of UNM's re-accreditation, due to their concerns about the state of university governance at UNM. In the judgment of the faculty, the survey by Research & Polling Inc. was done expertly and to professional standards, with sound social science methodology."

“The survey accurately captures faculty and staff sentiments at the time of the study. It fully justifies the need for a change of direction at UNM, for which the faculty leadership have been making the case.

“We are working with the Administration and the Regents to address severe budget cutbacks, and to design an academically-informed strategic budget process. We are hopeful that these changes can lead to decisions that channel adequate resources to our mission: teaching our students and advancing economic development, community service, and a thriving cultural life in New Mexico. If we can get university governance right in these hard budgetary times, UNM can continue to make a difference to all New Mexicans. Otherwise, both students and New Mexicans more broadly will be hurt for years to come.”

Ursula Shepherd, Chair of the Faculty Committee on Governance, further added this statement on behalf of her committee:

“Faculty Senate President, Richard Wood, has issued a statement on the part of the faculty regarding this survey. As the Faculty Committee on Governance, we agree fully with his comments.

“This survey was developed in response to the findings of the Higher Learning Commission during the 2009 Accreditation Review. In that report the Commission stated that the university was at a serious impasse in its relationships between Central Administration and the Faculty and Staff. That commission stated that this situation must be addressed immediately and urged UNM to conduct a survey to get at the issues underlying this situation.

“We laud the UNM Administration’s hiring of a research group with an outstanding reputation for conducting high quality and trustworthy surveys and for its full support and participation in this study. The survey highlights problems and provides recommendations that can serve to help all of us move to a better understanding of shared governance at UNM and better practices for its success. We face serious budgetary challenges this year, and it will be important to use these recommendations as we work to address these challenges.”

Provost Suzanne Ortega stated, "I believe the actual process of doing the survey reflects the best of the academy. Multiple sources of input were used to help our contract researcher define objective and valid questions and a protocol that accurately reflected the underlying concerns."

“The entire activity was an exercise in shared governance,” Provost Ortega continued. “While there is much more to do, I am hopeful that we can apply what we have learned through this initiative to build inclusive processes for addressing the challenges and opportunities we are facing, as a university community.”

Evidence of positive steps already being taken are found in President Schmidly’s FY 2010-2011 goals and work plan, recently approved by the regents. Several of these coincide directly with recommendations contained in Research and Polling’s survey report. For example, they include the review of best practices from other institutions and also the development of a shared governance matrix that clarifies decision-making, involvement and authority. The President’s Goals and his work plan may be found on his website at www.unm.edu/president/

Merle Kennedy, President of the Staff Council, had this to say about the survey report:

“This survey reveals the depth of concern the staff have for this institution. As staff members work with the faculty and administration, we see our part in the academic mission as being important, yet many times not appreciated. Our role in university governance needs to be better defined and understood.

“President Schmidly and the Board of Regents have shown a desire to improve the communication and transparency of budget and operational issues in recent months. We look forward to helping that spirit of trust and respect to continue.”

On the effects of the recent economic crisis, President Schmidly remarked, “Since 2008, the University main campus has sustained state budget cuts approaching \$32 million. Most certainly, deeper cuts are inevitable. It is imperative that we pull together and work together to continue serving our students and the citizens of New Mexico.”

President Schmidly noted that while the survey results were sobering, he was heartened to see that the majority of faculty feels empowered in areas where the faculty has primacy according to traditional definitions of shared governance. These include such fundamental areas as curriculum, subject matter and methods of instruction, research, faculty status and those aspects of student life which relate to the educational process. In these areas, faculty satisfaction was approximately 60 percent.

“Based on my conversations with faculty and staff, public comments made in the last several months and the results of the survey, it is clear they desire greater participation throughout the university’s budgetary process,” President Schmidly emphasized. “We have begun that process for FY 2012 and input is actively being sought. We continue our commitment to maximum

participation. However, the final responsibility for the budget, as stipulated in Regents policy, lies with the office of the President.

“The academic mission is primary,” he notes. “Since the budget cuts began, administrative functions of the university that support its teaching and research missions have been cut as much as 20%. At the same time, funding for instruction has actually increased 2.2 percent.

“We have protected the academic mission of the institution during the economic meltdown. Now we have embarked on a comprehensive program review to determine what is core to the mission and what support will be needed to insure that we fulfill our role as the Flagship University and economic engine for the state of New Mexico.”



**UNIVERSITY OF NEW MEXICO
SHARED GOVERNANCE AND
COMMUNICATIONS**

**FOCUS GROUP REPORT
SUMMARY OF OBSERVATIONS AND
RECOMMENDATIONS**

AUGUST 2010

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METHODOLOGY

This focus group research was commissioned by the University of New Mexico to supplement a quantitative survey of faculty and staff that was conducted in March/April 2010. The objectives of the focus groups were to provide more in-depth qualitative information about the climate, communications and shared governance issues surrounding the university, as well as to identify specific suggestions/recommendations of faculty, staff, deans and vice presidents towards moving the university forward in these areas. A 2009 Higher Learning Commission (HLC) report suggested that UNM conduct “a survey or other assessment measures of campus constituents intended to assess perceptions of the campus climate regarding progress in shared governance and communication.” It is anticipated that follow up research will be conducted in approximately one year to measure progress, if any, in these areas.

Neither the quantitative survey nor the focus groups included the Health Sciences Center faculty, staff or administration.

The five focus group sessions were conducted in May and June 2010. The duration of each session was approximately 2 ½ hours. Each focus group consisted of approximately eight to 12 participants.

The focus groups began with a summary presentation of the results of the online faculty and staff opinion survey conducted by Research & Polling, Inc. Then, from among eight to 10 themes, participants were then asked to select the issues they found most important for discussion. The results of this exercise guided the ensuing discussion. The focus groups were moderated by Marie Mound of Insight Out. Brian Sanderoff, President and Nancy Kastanek, Vice President, of Research & Polling, Inc. coordinated the focus group project.

Focus groups were conducted among the following populations:

- Staff leadership
- Junior faculty
- Faculty leadership/Senior faculty
- Deans
- Vice Presidents

RECRUITMENT OF FOCUS GROUP PARTICIPANTS

FACULTY LEADERSHIP/SENIOR FACULTY

This focus group was comprised of half Faculty Leadership and half Senior Faculty. Faculty Leadership participants were chosen because of their leadership position or were recommended by the Faculty Leaders. The Senior Faculty participants were chosen using random selection among all Senior Faculty members on the main campus who completed an online survey and self-reported (via a question in the survey) that they were at least *somewhat active* in shared governance activities at UNM. Consideration was taken to ensure that the focus group was comprised of a broad selection of faculty from different schools within UNM.

JUNIOR FACULTY

The Junior Faculty participants were recruited using random selection among all Junior Faculty members on the main campus who completed an online survey and self-reported (via a question in the survey) that they were at least *somewhat active* in shared governance activities at UNM. Consideration was taken to ensure that the focus group was comprised of a broad selection of faculty from different schools within UNM.

DEANS

All main campus Deans and a sample of Branch Campus Deans were recruited for this focus group.

VICE PRESIDENTS

All Executive Vice Presidents and Vice Presidents at UNM were recruited for this focus group.

STAFF LEADERSHIP

Approximately half of the UNM Staff Leadership focus group participants were recommended by the Staff Council President and the remaining participants were recruited using random selection among members of the Staff Council who completed an online survey and reported (via a question in the survey) that they have at least *somewhat active* participation levels in institutional and staff committee meetings. Consideration was taken to ensure that the focus group was comprised of a broad selection of staff members from different departments/schools.

SUMMARY OBSERVATIONS AND RECOMMENDATIONS

The following are summary observations made during the focus group research, followed by recommendations developed by Research & Polling, Inc. based on the focus group observations.

CURRENT CLIMATE

Observation:

The climate of distrust at UNM has created a situation in which the faculty/staff and Central Administration/Board of Regents view each others' statements with skepticism and suspicion, making it difficult for a collaborative environment to emerge. Faculty and staff identified numerous concerns and issues that they feel have contributed to the lack of trust between themselves and the Central Administration. Tremendous differences in opinion exist between faculty/staff and the Central Administration as to the underlying root causes of the current climate of distrust.

Recommendation:

The Central Administration, together with faculty/staff, need to determine the best means to move forward in building a sense of trust, or at a minimum, creating an environment based on respectful co-existence.

NEAR-TERM REASSESSMENT

Observation:

This research project, which includes both a quantitative and qualitative assessment, identifies the set of problems underlying the tension between faculty/staff and the Central Administration and reports those suggestions made by respondents for remedying these problems. Time is needed to review suggestions and implement improvements.

Recommendation:

In eight months to one year, revisit climate (shared governance, transparency and mutual understanding) to assess whether constituents and stakeholders perceive improvement.

RESOLVING TENSION

Observation:

All parties participating in the focus group discussions acknowledge the emotional tension between faculty/staff and the Central Administration/Board of Regents. Both sides acknowledge that rash public statements have harmed relationships. Both sides believe the other is not accountable for their words or actions.

Recommendation:

In the effort to improve the overall atmosphere, all sides should communicate fact-based information only and show restraint in making unsubstantiated or emotion-based public comments.

SHARED GOVERNANCE

Observation:

The current definitions of the role and responsibility of faculty in shared governance are vague, leaving room for misunderstanding and differing sets of expectations by Central Administration and the faculty.

Recommendations:

The Board of Regents and Central Administration, working in conjunction with deans, department heads and faculty leadership, need to clearly define the role and responsibility that faculty should play in shared governance activities.

Similarly, the role and responsibility of staff in providing input to the administration should be more clearly defined so that staff expectations can be met.

COMMUNICATION

Observation:

Faculty and staff perceive the current style of communication between themselves and the Central Administration as lacking the necessary feedback for them to assess the influence of their voice in the decision making process. They seek greater collaboration and a more complete communication loop with Central Administration. On the other hand, from the perspective of some vice presidents, faculty and staff representatives who attend key meetings contribute to the disconnect in communication flow by not passing on vital information to their respective constituencies.

Recommendation:

Assess current communication mechanisms with an eye toward creating greater collaboration and development/refinement of communication avenues in order to complete the communication loop between faculty/staff and the Central Administration.

FINANCIAL

Observation:

In the spirit of shared governance, faculty perceive their voice in budget development as inadequate. They feel their perspective is considered too late in the budgeting process to be effective.

Recommendation:

The Central Administration, with approval of the Board of Regents, should devise and formalize a system by which faculty can participate in the financial decision making process that begins with the earliest phase of budget development, i.e., revenue projections, and culminates in the final phase of budget formulation and approval.

Observation:

Whereas administrators feel all financial information is made available to faculty and staff, the faculty and staff feel too much information is withheld. The administration would like its efforts at transparency acknowledged; faculty and staff would like evidence of transparency.

Recommendation:

In the spirit of transparency, this formalized process should require formal notification of faculty when a discretionary adjustment (transfer of funds outside the formalized budget) is made to the budget. Large shifts in the budget should include consultation with deans and department chairs whose area will be affected. Staff also should have a more defined and formalized means of providing input regarding budget development.

Observation:

From the perspective of the Central Administration, faculty and staff are oftentimes unaware that the Central Administration is exercising transparency in certain areas (e.g., providing budget and other pertinent information online) and is including faculty and staff representatives in decision making efforts at the university.

Recommendation:

Improve communication of Central Administration's efforts so that the greater faculty/staff community is made aware of Central Administration's actions to increase transparency and collaboration.

Observation:

In spite of efforts to clarify issues of disparity in salary levels for faculty and administration relative to comparable universities, considerable frustration exists among many faculty members.

Recommendation:

Public clarification of salary parity needs to occur. Faculty and staff leadership should continue to meet with the appropriate administrators to review data (reports) comparing UNM salaries with those of comparable universities and come to an agreement on interpretation of the data, then release the information to the larger university community.

Observation:

The level of independence of three organizations (Lobo Energy, Lobo Development Corporation and UNM Foundation) needs to be assessed in terms of transparency and current placement with respect to fiduciary responsibility.

Recommendation:

Review current level of independence and transparency of UNM Foundation, Lobo Development Corporation and Lobo Energy to determine whether sufficient accountability exists.

EDUCATIONAL MISSION

Observation:

Considerable concern is expressed over the decline in tenured and tenure-track faculty in recent years. Faculty, staff and deans feel this trend has increased workload among existing faculty, reduced availability to students, reduced student access to required courses, and decreased UNM's potential to attract research grants.

Recommendations:

Reprioritize budgets in order to increase hiring of tenure-track faculty over the next few years to improve 'public service' to students and enhance UNM's potential for attracting research grants.

Clarify and emphasize the university mission as a research university by which budget formation should be guided. Streamline elements of the 'bureaucracy' that encumber the grant writing and grant administration process.

Observation:

With regard to mission, faculty and Central Administration do not see eye-to-eye with respect to capital projects (ACC dorm development, Rio Rancho campus development) or reorganization efforts, e.g., Enrollment Management Division. From the administration's point of view, faculty is provided ample opportunity to participate in or be informed of those processes that lead to major decisions. From the faculty point of view, these major decisions come as a surprise and some are contrary to their wishes.

Recommendations:

Acknowledge UNM's responsibility to meet the needs of the broader community (one million area citizens visit the campus for events each year). Ensure UNM is competitive with other universities in attracting students. These executive level concerns need to be evaluated and prioritized in the context of the overall university mission.

Improve collaborative processes between faculty/staff and Central Administration regarding mission-critical decisions impacting the university.

MANAGEMENT MODEL

Observation:

Central Administration and faculty/staff characterize the current model of decision making differently. Faculty and staff perceive the model as 'corporate', while administrators believe it primarily remains a 'traditional academic' model. This confusion over UNM's management model is in need of clarification.

Recommendation:

In collaboration with faculty leadership, the Central Administration needs to develop a clear definition of the university's management model and articulate how the current management structure fits with the university mission.

EXECUTIVE VICE PRESIDENT FOR ADMINISTRATION AND PROVOST POSITIONS

Observation:

The position of Executive Vice President for Administration is charged with being responsible for many of the university functions that do not fall under academia, including finance. However, the faculty and staff leadership perceive the position as having primary control and influence over financial decisions impacting academic programs and services. There is confusion and concern among faculty over the role and influence of the Executive Vice President for Administration position vis à vis the Provost position as it pertains to budgetary decisions affecting the academic mission of the university. This confusion exacerbates the faculty's feelings that the core academic mission at the university does not receive the top priority.

Recommendations:

Clarify to faculty and staff the specific roles, responsibilities and authority of these two positions and how they impact budgets and expenditures affecting the academic mission.

Constituents want clarification of the breadth of responsibility of the Executive VP of Administration to understand the impact of the position on academic program funding. Some participants suggested the position come under the supervision of the Office of the Provost to ensure greater consideration of academic needs. Others suggested that the Provost position have more influence over budgetary matters affecting the academic mission.

PERFORMANCE EVALUATION

Observation:

All parties are open to annual performance evaluations of the President and vice presidents. Members of the Central Administration feel performance evaluations will assist them in meeting their goals. Faculty recognize that they should only evaluate those administrators with whom they interact or those who have an impact on their respective departments.

Recommendation:

Develop an enhanced performance evaluation system for the President and vice presidents.

MUTUAL UNDERSTANDING

Observation:

Some faculty participants feel some Regent members and Central Administrators do not understand the scope of responsibilities necessary to perform the job of full-time tenure-track faculty (counseling students, developing grants, etc.). Administrators feel misunderstood on issues pertaining to financial decision making. They feel too few faculty and staff understand budgeting. It was suggested that efforts be undertaken to educate faculty and staff on budget development and financial decision making.

Recommendations:

Job shadowing was suggested by both parties as a means for Board of Regents members to learn the scope of work and responsibilities of faculty beyond teaching classes and for faculty to learn the scope of work and responsibilities of vice presidents.

Advise faculty and staff of the online availability of goals set for vice presidents. If desired, establish presentations by vice presidents at faculty and staff forums, including written material.

SELECTION OF REGENTS

Observation:

Many participants, regardless of role, express concern over the historic politicization of the Board of Regents in New Mexico.

Recommendation:

Senior faculty recommend the Governor establish formalized criteria for selection of Regents to reflect the academic perspective through such measures as appointing a retired faculty member or dean to each Board of Regents. They also recommend the Office of the Governor establish a formal vetting process by which Regent candidates are considered and ultimately appointed.

RESEARCH
& POLLING
INC



*University of New Mexico
Benchmark Survey – Shared Governance and
Communications Issues
Faculty and Staff Survey
August 2010*

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I. INTRODUCTION

Methodology

This research study was commissioned by the University of New Mexico to assess baseline perceptions regarding the current climate at UNM pertaining to shared governance and communication.

The Population

This research study was conducted among the following types of faculty and staff at UNM:

- ◆ All Main Campus and Branch Campus faculty who are teaching for-credit courses and are currently in the payroll system at UNM.
- ◆ All Main Campus and Branch Campus staff excluding temporary part-time staff.
- ◆ Faculty and staff from Health Sciences Center were excluded from this survey.

The Online Survey

Faculty and staff at UNM were sent an emailed invitation to participate in the online survey. The invitation included a link and unique password with instructions for respondents to click on the link and enter their password to access the survey.

Faculty and staff were initially notified about the survey through various sources, including the President's Monday Morning Message, *UNM Today*, "all-Faculty" and "all-Staff" lists, and a postcard that was distributed to all faculty and staff using interoffice mail boxes.

During the survey fieldwork phase, a total of three reminder emails were sent to non-respondents to further encourage participation and remind them to complete the survey before the deadline.

Respondents had the opportunity to complete the online survey between March 3rd and 17th, 2010.

The faculty survey comprised of a total of 41 questions, including one open-ended question asking faculty to provide feedback/suggestions to help the university move forward on shared governance matters.

There were a total of 24 questions on the staff survey, including one open-ended question asking staff members to provide feedback/suggestions that will help the University move forward.

Response Rate

A total of 1,902 faculty members and 3,320 staff members were invited to participate in the survey. Among faculty members, 719 completed a survey, for a response rate of 38%. Among staff members, a total of 1,627 completed a survey, which yielded a response rate of 49%.

The Report

This report summarizes the results from each question in the survey and reports on any variances in attitude or perception, where significant, among demographic subgroups.

Within the faculty survey findings, the subgroups examined in this report include:

- ◆ Hire year;
- ◆ EEO classification;
- ◆ Employment status;
- ◆ Tenure status;
- ◆ Employee class;
- ◆ Location;
- ◆ Faculty status;
- ◆ Self-reported level of activity in shared governance; and
- ◆ School/branch.

Within the staff survey findings, the subgroups examined in this report include:

- ◆ Hire year;
- ◆ Employment status;
- ◆ Employee class;
- ◆ EEO status;
- ◆ Location;
- ◆ Self-reported participation in institutional committees/staff committee meetings; and
- ◆ School/department.

Executive Summary

In 2009, the Higher Learning Commission (HLC) of the Commission of the North Central Association of Colleges and Schools conducted its ten-year comprehensive evaluation of the University of New Mexico. The report from the HLC concluded that “the institution is in the midst of a near complete break down in trust between the faculty and staff and the President.”

As a result of issues contained in the HLC report, President Schmidly and Provost Ortega commissioned a scientific survey to better understand and to quantify in a more precise manner key issues and concerns of the faculty and staff regarding shared governance and communications. A scientific survey was also conducted so that it could be replicated in the future to measure any changes in attitudes and opinions of faculty and staff. Additionally, five focus groups were conducted among various groups to add qualitative information to supplement the survey research findings.

According to the American Association of University Professors’ 1966 Statement on Governance of Colleges and Universities:

“The variety and complexity of the tasks performed by institutions of higher education produce an inescapable interdependence among governing board, administration, faculty, students, and others. The relationship calls for adequate communication among these components, and full opportunity for appropriate joint planning and effort.”

“The governing board of an institution of higher education in the United States operates, with few exceptions, as the final institutional authority.”

“The governing board of an institution of higher education, while maintaining a general overview, entrusts the conduct of administration to the administrative officers—the president and the deans—and the conduct of teaching and research to the faculty.”

“The president shares responsibility for the definition and attainment of goals, for administrative action, and for operating the communications system that links the components of the academic community.”

“The faculty has primary responsibility for such fundamental areas as curriculum, subject matter and methods of instruction, research, faculty status, and those aspects of student life which relate to the educational process.”¹

Furthermore, below are excerpts from the University of New Mexico, Board of Regents Policy Manual detailing the responsibilities of the Board of Regents, the President, and the Faculty:

Board of Regents:

Ultimate Responsibility for the Governance of the University

“The Board of Regents is responsible for the governance of the University of New Mexico. This responsibility may be exercised only by the Board as a unit; individual Regents are without power to act separately in the transaction of University business, except when one of the Board’s officers is specifically authorized to act on behalf of the Board.

The Board’s power to govern the University includes fiduciary responsibility for the assets and programs of the University, establishment of goals and policies to guide the University and oversight of the functioning of the University. The Board vests responsibility for the operation and management of the University in the President of the University.”²

¹ Selections from American Association of University Professors’ 1966 Statement on Governance of Colleges and Universities
² <http://www.unm.edu/~brpm/r11.htm>

The President:

"The President of the University is its Chief Executive Officer and reports directly to the Board of Regents. The President is responsible for implementing the policies adopted by the Board of Regents. The Board hereby delegates authority to the President to carry out his or her responsibilities to manage the University, as set forth generally in this policy, and to adopt administrative policies and procedures consistent with Regents' policies.

The President may adopt new or revised administrative policies and procedures on the President's own initiative or on the recommendation of faculty or administrative staff, without prior approval of the Regents, provided that any changes in administrative policies and procedures do not conflict with Regents' policy.

The President may further delegate this authority unless specifically prohibited from doing so by explicit statement in a policy adopted by the Regents.

The President's responsibilities include:

- oversight of the quality of the academic and support programs of the University;
- supervision of the relationship between students and the administration;
- management of the University's finances;
- administration of the personnel system;
- operation and maintenance of real and personal property under the jurisdiction of the University;
- fundraising, intercollegiate athletics, auxiliary enterprises, and alumni activities;
- consultation and cooperation with the Regents and other University groups on various matters, including planning for the future development of the University;
- representation of the University in public affairs;
- accounting to the Board of Regents for the University's finances on a quarterly and annual basis;
- establishing a centralized system for fundraising, advancement, and development;
- reporting annually to the Board of Regents on the state of the University; [and]
- presenting to the Board of Regents for approval the organizational structure of the University.³

The Faculty:

"The Board of Regents fully appreciates the strategic role the Faculty has in carrying out the University's mission of teaching research and public service. The Board, therefore, reaffirms the right of review and action delegated to the Faculty in regard to: (1) formulation of institutional aims; (2) creation of new colleges, schools and departments and divisions; (3) major curricular changes and other matters which in the opinion of the President of the University or his delegate affect the institution as a whole; (4) requirements for admission and graduation and for honors and scholastic performance in general; (5) approval of candidates for degrees; (6) policies of appointment, dismissal, and promotion in academic rank; (7) research; and (8) general faculty welfare. However, actions taken by the University Faculty shall be subject to the authority of the Regents in matters involving finance, personnel and general University Policy.

Formal approval by the Board is required, following review and action by the Faculty, and administration for: formulation and revision of institutional aims; creation of colleges, schools and branches; creation or elimination of degree programs; candidates for degrees; policies for appointment, promotion in rank and dismissal of faculty members; faculty welfare issues as these relate directly to fiscal and institutional issues.

Nothing in this policy in any way restricts the plenary authority of the Board of Regents under New Mexico law and this Policy Manual."⁴

³ <http://www.unm.edu/~brpm/r3.1.htm>

⁴ <http://www.unm.edu/~brpm/rtoc5.htm>

According to the results of the survey conducted in March 2010, few faculty members (13%) are satisfied with their role in shared governance at the University of New Mexico. Similarly, relatively few staff members (26%) are satisfied with the overall effectiveness in communications between the staff and Central Administration. There are many factors and issues that have lead to a perceived lack of trust, collaboration, mutual understanding and cooperation between faculty/staff and the Central Administration. This report presents the faculty and staff perspective.

As the university moves forward, it will be critical for Central Administration to clearly define the roles and responsibilities of faculty as it pertains to shared governance at UNM, in order to foster an atmosphere of trust and collaboration between faculty and Central Administration. Through this process, goals and expectations will be established for all groups involved in shared governance, thereby ensuring that faculty have a voice in matters of shared concern.

In a similar vein, Central Administration needs to clearly define the means by which the staff at UNM can have a voice in critical decisions at the university and have their input be considered and valued in the decision-making process.

As one faculty member stated:

“The Central Administration needs to show renewed and strong leadership, and the faculty need to stand up and participate willingly and towards a positive end.”

Highlights

- The vast majority of faculty (91%) agree that participation in shared governance is a worthwhile faculty responsibility. However, few (17%) agree that the University fosters faculty development of shared governance skills or acknowledges/rewards participation in shared governance work.
- Although some faculty and staff members feel that avenues for communication with Central Administration have increased, many believe their input is not being seriously considered and that their opinions are not being valued. Primary examples include: the perceived establishment and maintenance of a “corporate” model administrative structure, creation of the Rio Rancho campus, and the perceived redirection of funds from academics to other endeavors.
- The majority of faculty (79%) disagree that academic interests at UNM guides financial decisions. Some faculty members question whether increased funding and expenditures for administrative overhead and athletics have had a negative impact on the academic budget, especially in light of financial belt-tightening. The majority of faculty also feels they do not have an influential role in budget development (affecting the academic mission) (81%) or in the redirection of funds after budgets have been set. Similarly, the majority of staff members (66%) do not feel their input is valued in the development of the institutional budget.
- The majority of faculty (73%) does not feel that the university’s organizational management structure is conducive to shared governance. They express concern regarding the proliferation of myriad vice presidential positions. Concerns regarding the vice president positions include: a) the necessity and/or value of some positions; b) the cost of these positions; and c) whether the perceived extra layer of bureaucracy actually enhances the core academic mission of the University. The faculty strongly supports a reduction in the number of administrative positions and a redirection of these funds to academic programs.
- The majority of faculty does not feel that communications between themselves and the Central Administration (57%), as well as between themselves and the Regents (68%), are carried out in good faith. Similarly, only 23% of staff feel that communication between the staff and Central Administration is carried out in good faith. Some faculty and staff also feel that they are oftentimes doing more with less resources and that they are not being appreciated or respected for what they do in service to the University.
- Half of the faculty members feel that the role and authority of the Provost have not been clearly defined and more than one-third feel that the Provost is not empowered by being given the appropriate level of authority regarding academic programs.
- Few faculty members (6%) agree that protocols regarding Board of Regents member activity and visibility have been clarified.
- Few faculty members feel that the Board of Regents (7%) or the Central Administration (16%) uses established mechanisms to ensure a faculty voice in matters of shared concern.
- The majority of faculty (approximately 60%) feels that faculty committees are empowered in areas where faculty traditionally has primacy (i.e. determining curriculum design/review; setting standards and criteria for retention/promotion/tenure; setting agendas and establishing procedure for faculty committees).

Exhibit 11

2011 Campus Climate Focus Groups and Survey Executive Summaries



UNIVERSITY OF NEW MEXICO

**FOLLOW-UP FOCUS GROUP RESEARCH
SHARED GOVERNANCE AND COMMUNICATIONS**

FOCUS GROUP REPORT

MARCH 2011

METHODOLOGY

In 2009, the Higher Learning Commission (HLC) suggested that UNM assess the campus climate regarding shared governance and communication through a survey or other form of opinion measurement. The HLC report also suggested that follow-up research be conducted to assess progress. The initial benchmark research was completed in May of 2010.

This focus group research, commissioned by the University of New Mexico, is part of the follow-up assessment. It supplements a quantitative survey of faculty and staff that is being administered in March/April 2011. Both the benchmark and follow-up research were conducted by Research & Polling, Inc., (RPI) of Albuquerque.

The primary objective of the focus group discussions was to provide an in-depth assessment of the current status of communications and progress toward shared governance at UNM. As with the benchmark research, the Health Sciences Center (faculty, staff or administration) is not included in these research efforts. HSC is participating in a separate study.

Three focus groups were conducted in late February – early March. Approximately twelve employees were selected to participate in each of the focus groups.

Faculty Senate/Senior Faculty February 23, 2011 3:00 to 5:00 p.m.
This focus group was comprised of half Faculty Senate members and half Senior Faculty. Faculty Senate participants were chosen because of their leadership position in the Senate or were recommended by the Faculty Senate leaders. The Senior Faculty participants were chosen using random selection among all Senior Faculty members on the main campus that completed the benchmark online survey (in March 2010) and self-reported (via a question in the survey) that they were at least somewhat active in shared governance activities at UNM. Consideration was taken to ensure that the focus group was comprised of a broad selection of faculty from different schools within UNM.

Department Chairs & Program Directors February 24, 2011 3:00 to 5:00 p.m.
These focus group participants were selected at random by RPI from a complete list provided by UNM. The list included Department Chairs, Program Directors and some associate Deans.

Staff Council Members March 1, 2011 10:00 to 12:00 p.m.
Approximately half of the UNM Staff Leadership focus group participants were recommended by the Staff Council President and the remaining participants were recruited using random selection among members of the Staff Council who completed the benchmark online survey (in March 2010) and reported (via a question in the survey) that they have at least somewhat active participation levels in institutional and staff committee meetings. Consideration was taken to ensure that the focus group was comprised of a broad selection of staff members from different departments/schools.

The focus groups were moderated by Marie Mound of Insight Out. Brian Sanderoff, President, and Nancy Kastanek, Vice President, of Research & Polling, Inc. coordinated the focus group project and observed the focus group discussions.

SUMMARY OBSERVATIONS

Faculty and staff leadership feel there has been a “thawing” of the cold and tense relations between themselves and Central Administration compared to one year ago. During the previous focus group sessions conducted in 2010, faculty and staff leadership anticipated the possibility of a “train wreck” occurring if relations among the groups did not begin to get back on track.

Improvements have been made in communication between faculty/staff leadership and Central Administration, however participants felt it was premature to form an opinion on actual shared governance until after the budgetary process is completed. The long absence of the current President due to illness, coupled with the intense budget challenges created by large revenue shortfalls, created intervening variables that make assessment of progress in shared governance difficult.

Some focus group participants perceived the faculty as having stepped in to fill the leadership vacuum created by the President’s absence. Focus group participants tended to credit the efforts of faculty and staff for their increased involvement; however, they credited Central Administration for having increased faculty and staff engagement in budgetary matters. Particular emphasis was placed on the personal management style of the Faculty Senate and Staff Council presidents, who were commended for having cultivated an atmosphere of reconciliation with the Central Administration. Some Department Chairs observed and acknowledged the increased cooperation between the Faculty Senate and Central Administration; however, they were not convinced that the rank-and-file faculty noticed this progress.

The creation of a number of committees revolving around budget formation has had the benefit of including more voices in the decision making process. However, focus group participants were not sure whether this increased voice was due to the crisis or actually portends positive changes for the future. Also, some of the newly formed committees (over the past year) were described as dominated by university administrators and short on faculty who spend time in the classroom. Participants on these committees were said to be handpicked by the administration, including faculty representation.

New Mexico’s revenue shortfall has made budget issues the overriding focus of university constituents. It is also said to have brought faculty, Department Chairs and Program Directors together in new ways, a change which focus group participants characterized as an unexpected benefit of dealing with the budget crisis. On the down side, participants noted the large amount of time and effort required to obtain financial information (employment statistics, budget and expenditure reports) and to then study, understand and analyze the data. Nevertheless, many feel compelled to do so because of their lack of trust in the Central Administration to prioritize UNM’s academic and research mission. Having Faculty Senate members involved in the presentation of financial information was said to have increased faculty’s sense of trust.

The source of many administrative decisions continues to be a mystery to participants. Even Deans, Chairs and Program Directors who must implement changes find themselves ill-informed of the source or rationale behind an “exercise” or change.

Transparency continues to be an obstacle to shared governance. Although many participants acknowledged that more information is being made available, participants in all three focus groups complained of reticence on the part of Central Administration to provide certain requested data (employment statistics, budget and expenditure data) or, when data is provided, a reluctance to explain how to analyze it.

Post Script:

Due to the deadline set by the Higher Learning Commission for submission of UNM's monitoring report by June 2011, the focus group sessions were conducted in late February and early March, 2011. A number of participants in each group expressed concern regarding the timing of the discussions. Some participants believed that it was not possible to express a full or complete opinion on shared governance matters between faculty/staff and the Central Administration until after the budgetary process was finalized.

On April 11, 2011, approximately two months after the focus groups, the UNM Board of Regents approved a budget for the upcoming fiscal year. According to a news article appearing in the *Albuquerque Journal* on April 12, 2011, student, staff and faculty representatives/leaders were quoted as applauding the budget and complimenting the process of all major parties (regents, administration, staff, faculty and students) coming together to develop the final budget.



***University of New Mexico
Follow-Up Survey – Shared Governance and Communications Issues
Faculty and Staff Survey
May 2011***

I. INTRODUCTION

Methodology

This research study was commissioned by the University of New Mexico to assess changes, if any, in perceptions regarding the current climate at UNM pertaining to shared governance and communication compared to the benchmark study conducted in March 2010.

The Population

This research study was conducted among the following types of faculty and staff at UNM:

- ◆ All Main Campus and Branch Campus faculty who are teaching for-credit courses and are currently in the payroll system at UNM.
- ◆ All Main Campus and Branch Campus staff excluding temporary part-time staff.
- ◆ Faculty and staff from Health Sciences Center were excluded from this survey.

The Online Survey

Faculty and staff at UNM were sent an email invitation to participate in the online survey. The invitation included a link and unique password with instructions for respondents to click on the link and enter their password to access the survey.

Faculty and staff were initially notified about the survey through various sources, including the President's Monday Morning Message, *UNM Today*, "all-Faculty" and "all-Staff" lists, and a postcard that was distributed to all faculty and staff using interoffice mail boxes. During the survey fieldwork phase, a total of three reminder emails were sent to non-respondents to further encourage participation and remind them to complete the survey before the deadline.

Respondents had the opportunity to complete the online survey between March 24th and April 13th, 2011.

The faculty survey comprised of a total of 41 questions, including one open-ended question asking faculty to provide feedback/suggestions to help the University move forward on shared governance matters.

There were a total of 24 questions on the staff survey, including one open-ended question asking staff members to provide feedback/suggestions to help the University move forward.

Response Rate

A total of 1,885 faculty members and 3,241 staff members were invited to participate in the survey. Among faculty members, 670 completed a survey, for a response rate of 36%. Among staff members, a total of 1,486 completed a survey, which yielded a response rate of 46%.

The Report

This report summarizes the results from each question in the survey and reports on any variances in attitude or perception, where significant, among demographic subgroups.

Within the faculty survey findings, the subgroups examined in this report include:

- ◆ Hire year;
- ◆ EEO classification;
- ◆ Employment status;
- ◆ Tenure status;
- ◆ Employee class;
- ◆ Location;
- ◆ Faculty status;
- ◆ Self-reported level of activity in shared governance; and
- ◆ School/branch.

Within the staff survey findings, the subgroups examined in this report include:

- ◆ Hire year;
- ◆ Employment status;
- ◆ Employee class;
- ◆ EEO status;
- ◆ Location;
- ◆ Self-reported participation in institutional committees/staff committee meetings; and
- ◆ School/department.

Executive Summary

In 2009, the Higher Learning Commission (HLC) of the Commission of the North Central Association of Colleges and Schools conducted its ten-year comprehensive evaluation of the University of New Mexico, in which the HLC concluded that “the institution is in the midst of a near complete breakdown in trust between the faculty and staff and the President.”

As a result of issues contained in the HLC report, President Schmidly and Provost Ortega commissioned a two-phase scientific study to better understand and to quantify in a more precise manner key issues and concerns of the faculty and staff regarding shared governance and communications. These scientific surveys have allowed for comparisons to be drawn between the benchmark study conducted in March 2010 and the follow-up survey that was conducted in March 2011. Additionally, five focus group sessions were conducted following the benchmark survey in 2010 and three focus group sessions were conducted among various groups in 2011 to add qualitative information to supplement the survey research findings. (The results of the focus group research are contained in a separate report.)

Overall satisfaction levels with UNM faculty’s role in shared governance continue to be low, as only one-fifth of faculty are either *very* or *somewhat satisfied* (19%). While the percentage of faculty who are satisfied with their role in shared governance remains low, it is worth noting that satisfaction levels have increased slightly (from 13% to 19%) compared to the benchmark study that was conducted nearly one year ago. In fact, among the 39 rating questions that were included in this survey research study among faculty, we observe an improvement ranging from one to six percentage points in faculty perceptions in all but six questions (based on percent who either *strongly agree* or *somewhat agree*). Further, among the 33 questions in which faculty members have expressed a more positive viewpoint, in 14 cases the differences are statistically significant¹.

Similarly, staff satisfaction with the overall effectiveness of communications at UNM is low (26%), but has remained consistent since the benchmark. However, of the 22 questions in which staff rated governance and communication issues, 19 questions show improvement in the ratings of between one and seven percentage points (based on percentage either *strongly agree* or *somewhat agree*). Furthermore, among the questions in which an improvement in ratings has been observed, the results for 13 questions show statistically significant differences between the two studies.

One of the key findings in the follow-up study is the observation that 23% of faculty members and 20% of staff members feel that positive changes in communication between their respective group and Central Administration have occurred in the past six months. However, there is still a two-to-one ratio of faculty/staff who disagree versus agree with the statement that positive changes in communication have taken place in the past six months.

¹ Utilizing the Kolmogorov-Smirnov Test

It is encouraging that satisfaction levels are moving in the positive direction; however, they are still very low and will require tremendous effort on the parts of key constituency groups to continue the small momentum that has been achieved. This is illustrated through comments expressed by some faculty and staff members, such as:

“Although there have been efforts by the Central Administration and Board of Regents to improve communication with faculty, some important issues still have not been solved in terms of making faculty more involved in decision making. Communication does not mean shared decision making. There are extremely important issues that faculty would like to see addressed and be part of decision making for, such as a reduction in the number of vice president positions and reduction in at least some of their salaries. The Central Administration and Regents have not shown evidence of changing this. This is an issue that faculty feels strongly about, but which Central Administration and Regents have not demonstrated any interest in fixing. Until this is solved, I do not see a clear/complete improvement in faculty being part of the decision-making process.”

Other faculty and staff focused comments in a general manner regarding the state of affairs at UNM:

“Perception is reality ... and the perception is that it is “Central Administration” vs. “Us.” There is a definite sense that as the top continues to thrive, the bottom continues to sink. Top-heavy administration, with exaggerated titles and sense of entitlement, while the rest of the campus just tries to hang on.”

“UNM is a great place to work, but there is a very real disconnect between the administration, Regents and staff. With the economic conditions, the lower-paid staff feel the economic impact and work stress more than an upper administrator while they have less of a voice. It can produce a toxic environment in which staff has little trust or empathy towards the administration, in particular when media stories break and staff feel ill- or misinformed.”

Due to the deadline set by the Higher Learning Commission for submission of UNM’s monitoring report by June 2011, this survey was conducted between late March and early April 2011. Consequently, this time period was before the UNM budget was approved by the Board of Regents. Some survey participants expressed concern regarding the timing of the survey. In particular, some participants believed that it was not possible to express a full or complete opinion on shared governance matters between faculty/staff and the Central Administration until after the budgetary process was finalized.

Highlights

- Generally, there appears to be a small shift (since the benchmark study conducted in March 2010) in perceptions regarding shared governance and communications at UNM. For many issues, the positive responses and neutral ratings have increased slightly, while the negative ratings have decreased. The shift is in the right direction; however few faculty and staff feel positively about shared governance and communications issues at UNM, so efforts will need to continue in order to show evidence of real improvement.
- Nine-in-ten faculty members continue to agree that participation in shared governance is a worthwhile faculty responsibility. However, only one-fifth (19%) of faculty members agree that the University fosters faculty development of shared governance skills or acknowledges/rewards participation in shared governance work.
- There has been slight improvement in the percentage who agree that the University's organizational management structure fosters shared governance between the faculty and Central Administration (from 11% to 16%), although the percentage who agree is still low. Two-thirds of faculty members still disagree with this statement (which is a decrease from 73% in 2010). There are still lingering concerns regarding the "top-heavy administration" and the perception that there are too many vice president positions with high paid salaries, while faculty positions are being eliminated and staff must adhere to the "pause and hold" policy.
- Although there have been improvements in the ratings among faculty regarding climate at UNM, these improvements are small and still fewer than one-fifth of faculty give positive ratings to UNM on most of the climate issues between the faculty and Central Administration/Board of Regents. Among staff, there has also been improvement in the area of climate between staff and Central Administration/Board of Regents. However, the improvement has been slight (three-to-four percentage points higher) and less than three-in-ten staff members give positive ratings for most of these attributes.
- The percentage who agree that "academic interests guide financial decisions" at UNM has increased, as has the percentage who agree that "the faculty has an influential role in developing the institutional budget". However, still only approximately one-in-ten faculty members agree with these statements (11% and 9%, respectively).
- There has been only slight improvement in the results regarding the Provost. In fact, there are still only one-fifth of faculty members who feel that the role and authority of the Provost have been clearly defined and that the Provost is empowered by being given the appropriate level of authority regarding academic programs (20% and 21%, respectively).
- Few faculty members (8%) continue to agree that protocols regarding Board of Regents member activity and visibility have been clarified.

Highlights (continued)

- There has been improvement in the area of faculty members' perception that the Board of Regents (from 7% to 13%) or the Central Administration (from 16% to 20%) uses established mechanisms to ensure a faculty voice in matters of shared concern. However, the percentage who rate these statements positively are still low.
- The majority of faculty (approximately 60%-67%) continue to feel that faculty committees are empowered in areas where faculty traditionally has primacy (i.e. determining curriculum design/review; setting standards and criteria for retention/promotion/tenure; setting agendas and establishing procedure for faculty committees).

Exhibit 12

Communication Efforts in Academic Affairs Fall 2009 – Spring 2011

Communication Efforts in Academic Affairs Fall 2009 – Spring 2011

Regular and proactive communication continued to be a major goal for the Provost's office and the following specific methods were used to distribute information to our diverse community.

- Academic Mission Report which laid out the Provost's Vision for Excellence and analysis of key metrics to measure the strength of the academic mission
<http://www.unm.edu/~acadaffr/SupportingFiles/Academic%20Mission%20Report%209-3-10.pdf>
- Quarterly letters to the Faculty, Provost's newsletters, and Provost's Notes that have focused on updates to all of our major initiatives and recognizing the excellent work that is being accomplished by faculty, staff and students within Academic Affairs <http://www.unm.edu/~acadaffr/Correspondence.html>
- Meetings with school/college faculty to provide an opportunity for open dialogue on issues of major concern
- Open office hours with the provost in every school/college
- Monthly lunches with the Provost for interested faculty
- Annual school/college reviews held each year allowing each dean to communicate their own set of challenges and opportunities to leadership
- The Academic Affairs website which is fully functional and updated regularly
<http://www.unm.edu/~acadaffr/>

Communication Chronology

August 2009

Faculty Lunch	8-24-09
All Fac- Anderson Schools of Management	8-28-09

September 2009

All Fac- School of Architecture & Planning	9-1-09
All Fac- University College	9-16-09
Letter to Faculty	9-29-09
Provost Newsletter	September 2009

October 2009

All Fac- School of Law (CANCELED)	10-20-09
All Fac- College of Fine Arts	10-23-09
Faculty Lunch	10-29-09

November 2009

All Fac- University Libraries	11-9-09
All Fac- College of Arts & Sciences	11-10-09
All Fac- School of Public Administration	11-12-09
All Fac- College of Education	11-24-09

December 2009

School of Engineering	12-9-09
Faculty Lunch	12-10-09

January 2010

College of Fine Arts Office Hours	1-28-10
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February 2010

Letter to Faculty	2-2-10
School of Engineering Office Hours	2-9-10
College Reviews	2/23 – 2/25/10; 3/4/10
Provost Newsletter	February 2010

March 2010

Faculty Lunch	3-30-10
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April 2010

School of Law Office Hours	4-6-10
University Libraries Office Hours	4-23-10
Faculty Lunch	4-26-10

May 2010

Letter to Faculty	5-3-10
University College Office Hours	5-14-10
Faculty Lunch	5-19-10
Provost Newsletter	May 2010

June 2010

Provost Note	6-15-10
Provost Note	6-28-10

July 2010

Provost Note	7-23-10
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August 2010

College of Arts & Sciences Office Hours	8-27-10
Faculty Lunch	8-31-10

September 2010

Faculty Lunch	9-27-10
Provost Note	9-27-10

October 2010

Anderson School of Management Office Hours	10-7-10
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School of Architecture & Planning Office Hours	10-19-10
Faculty Lunch	10-20-10

November 2010

All Fac- School of Architecture & Planning	11-2-10
All Fac- School of Public Administration (CANCELED)	11-5-10
Provost Note	11-15-10
College of Education Office Hours	11-17-10
Faculty Lunch	11-18-10

December 2010

School of Public Administration Office Hours (CANCELED)	12-7-10
All Fac- School of Engineering	12-9-10
All Fac- College of Education	12-10-10
All Fac- University Libraries	12-13-10

January 2011

All Fac- College of Fine Arts	1-12-11
Letter to Faculty	1-21-11

February 2011

All Fac- School of Law	2-8-11
Provost Newsletter	February 2011

March 2011

Provost Note	3-1-11
College Reviews	3/23/11 – 3/24/11

May 2011

College of Arts & Sciences	5-6-11
Anderson Schools of Management (TBD)	

Exhibit 13

President's Adelante Advance 2009

University of New Mexico President's Adelante Advance

Tuesday, July 28, 2009 - University House

8:30 a.m. to 5:00 p.m.
Social Hour Immediately Following

Advance Objectives:

1. Identify and develop collective understanding of the strategic challenges and opportunities facing UNM over the next year.
2. Develop recommendations for FY10 “Dashboard of Key Indicators” that:
 - Align with the UNM Strategic Framework and the Regents Goals.
 - Address “mission critical” challenges and opportunities.
 - Incorporate the Higher Learning Commission’s Recommendations.
 - Are realistic as well as aspirational, given potential resource scenarios.
3. Explore ideas for improving UNM’s planning and goal-setting cycle and processes over the next year to better ensure that:
 - The plans and goals are driven by UNM’s core missions, congruent with the values, and are deliberately aligned to achieve the vision.
 - The plans and goals are anchored by realistic financial projections and data.
 - Measures of success are clear.
 - The plans and goals are the basis for developing the FY11 budget.

The end-of-day objective is to provide President Schmidly with thoughtful recommendations on items to include on the FY10 Dashboard of Key Indicators aligned with the Regents’ Goals.

Agenda

(No formal breaks are scheduled. Participants will be encouraged to take breaks as needed.)

Gather at University House for Coffee (8:30 to 8:45) *Note that breakfast will not be served – Hot and cold drinks only.*

President Schmidly's Welcome, Introductions, and Overview of the Day (8:45 to 9:00)

Setting the Stage for Thoughtful Recommendations: The State of the University (9:00 to 11:15)

Overview of the Economic Picture (30 minutes): presented by David Harris

Challenges and Opportunities to Consider (80 minutes):

- Overview of challenges and opportunities identified by participants in advance of the “Advance” (15 minutes)
- Overview of the HLC Recommendations, presented by Provost Ortega (15 minutes)
- Overview of HSC Challenges and Opportunities, presented by Paul Roth (15 minutes)
- From the Deans' Perspective: Overview of Main Campus Challenges and Opportunities (15 minutes)
- President Schmidly's response to the challenges and opportunities presented and presentation of his FY10 “Adelante Objectives” (20 minutes)

Group Discussion and Questions (25 minutes):

Key questions:

- Given the instability of the financial situation, how can we:
 - Identify dashboard objectives aligned with Regents' Goals that are both realistic and aspirational?
 - Determine both principles and processes for planning and making decisions over the coming year in a very fluid economic environment?

Identifying Potential “Carry-over” Dashboard Objectives to Eliminate – Breakout Group Exercise (11:15 to 12:00)

- The Key Question: *Of those items on the “Key Dashboard Indicators of Progress” that were not completed last year, which items would you recommend removing for one or more of the following reasons:*
 - *Conditions have changed and the item is no longer strategically relevant.*
 - *Conditions have changed and the item is no longer reasonably possible to accomplish in the foreseeable future (due to financial or other constraints)*
 - *The item would be “nice to have,” but in reality would take an extensive amount of time and/or resources to accomplish that could be better applied to issues of greater strategic importance.*

Lunch (12:00 to 12:45)

Continuation of Elimination Exercise (12:45 to 1:30)

- Breakout groups present their recommendations to the large group, and the whole group identifies common or similar recommendations.
- President Schmidly shares his reflections and/or questions about the group's suggestions.

Identifying Mission-Critical Objectives for the Coming Year – Breakout Group Exercise (1:30 to 3:15)

- The Key Question: Beyond President Schmidly's "Adelante Objectives," what additional objectives do you recommend for the coming year that:
 - Address "mission critical" challenges and opportunities.
 - Incorporate what you consider to be the most important HLC recommendations.
 - Align with the key elements of the UNM Strategic Framework and the 13 Regents' Goals.
- Breakout groups present their recommendations to the large group; the whole group identifies common or similar recommendations.
- President Schmidly presents his reaction and questions to further stimulate discussion.

Exploration of Potential Improvements for the Planning and Goal-Setting Cycle (3:15 to 4:30)

- Present the Question: How could we go about improving UNM's planning and goal-setting cycle and processes over the coming year to better ensure that:
 - The plans and goals are driven by UNM's core missions, congruent with the values, and are deliberately aligned to achieve the vision.
 - The plans and goals are anchored by realistic financial projections and data.
 - Measures of success are clear.
 - The plans and goals are the basis for developing the FY11 budget.
- Breakout groups will discuss identify the following:
 - What works well?
 - What needs improvement?
 - What might an effective planning cycle look like over the coming year? (Timeline creation)
- Breakout groups present their recommendations to the large group.
- President Schmidly presents his reaction and questions to stimulate further discussion.

President Schmidly's Wrap Up and Next Steps (4:30 to 5:00)

Social Hour Immediately Following the "Advance"...

Adelante Advance - Participant List (as of 07-24-09)					
July 28, 2009 University House					
Attend		Attend	Participants Email	Assistants	Assistant's Email
Executive Cabinet					
1	President Schmidly			Mitch Garrity	mgarrity@unm.edu
2	Anne Murray for P Apodaca		papodaca@salud.unm.edu	Susan Spinelli	sspinelli@salud.unm.edu
3	Carmen Alvarez-Brown		brownc@unm.edu		
4	Steve Beffort		Beffort@unm.edu	Aaron Begay	Abegay8@unm.edu
5	Cinnamon Blair		Cblair@salud.unm.edu	Jane Everhart	
6	Breda Bova		bova@unm.edu	Cathy Britain	
7	Pug Burge		Pburge@salud.unm.edu	Kincie Byrd	Kbyrd@salud.unm.edu
8	Brenda Claiborne		brendac@unm.edu	Brenda Romero	bmromero@unm.edu
9	Jerry Dominguez		dominguz@unm.edu	Veronica Sanchez	vsanchz@unm.edu
10	Joz De Leon		jdeleon@unm.edu	Felisha Herrera	fherrer1@unm.edu
11	Julia Fulghum		jfulghum@unm.edu	Mathew Gallegos	SpX02@unm.edu
12	Gil Gonzales		gongzil@unm.edu	Viola Vines	vvines@unm.edu
13	Helen Gonzales		hgonzale@unm.edu	Eileen Sanchez	esanche2@unm.edu
14	David Harris		dwharris@unm.edu	Cenissa Martinez	cenissa@unm.edu
15	Paul Krebs		pkrebs@unm.edu	Rita Chavez	rita@unm.edu
16	Ava Lovell		Alovell@salud.unm.edu	Fred McEnroe	fmcenroe@salud.unm.edu
17	Susan McKinsey		mckinsey@unm.edu		
18	Valerie Romero-Leggott		vromero@salud.unm.edu	Nicole Chavez	
19	Paul Roth		Proth@salud.unm.edu	Patrice Martin	PAMartin@salud.unm.edu
20	Marc Saavedra		msaav@unm.edu	Renee Santillanes	rsantill@unm.edu
21	Billy Sparks		wsparks@salud.unm.edu	Diana Baumgardner	dbaumgardner@salud.unm.edu
22	John Stropp		jrstropp@unm.edu	Raquel Rodriguez	raquelr@unm.edu
	Carolyn Thompson		cjct@unm.edu	Peggy Davis	mdavis1@unm.edu
23	Cheo Torres		cheo@unm.edu	Natalie Brigance	natalieb@unm.edu
24	Suzanne Ortega		ortegast@unm.edu	Jessica Ramos	jdramos@unm.edu
25	John Trotter		Jtrotter@unm.edu	Kincie Byrd	Kbyrd@salud.unm.edu
26	Amy Wohlert		awohlert@unm.edu	Margaret Gonzales	marqo@unm.edu
Deans (not already represented in Exec Cab)					
	Johann van Reenan for				
27	Martha Bedard		mbedard@unm.edu	Pauline Heffern	pheffern@unm.edu
28	Doug Brown		browndm@mgt.unm.edu	Lisa McHale	mchale@mgt.unm.edu
29	Finnie Coleman		coleman@unm.edu	Theresa Nevada	reeblm@unm.edu
30	Uday Desai		ucdesai@unm.edu	Angela Kamman	akamman@unm.edu
31	Richard Howell		rhowell@unm.edu	Shawna Tucker	stucker@unm.edu
32	James Linnell		jlinnell@unm.edu	Glinda Wyndorf	gwyndorf@unm.edu
33	Arup Maji		amaji@unm.edu	Katie Krieger	kkrieger@unm.edu
34	Rita Martinez-Purson		rmpurson@unm.edu	Martina Kindilien	mkindili@unm.edu
	Roger Schluntz (may send acting Dean Alf Simon)		schluntz@unm.edu	Lisa Stewart	lstewart@unm.edu
35					
36	Kevin Washburn		washburn@law.unm.edu	Sandra Bauman	bauman@law.unm.edu
HSC Leadership (not already represented in Exec Cab)					
37	Steve McKernan		SMcKernan@salud.unm.edu	Annette Bartlett	Abartlett@salud.unm.edu
38	Richard Larson		Rlarson@salud.unm.edu	Lisa Strakal	Lstrakal@salud.unm.edu
39	Jeff Griffith		JKGriffith@salud.unm.edu	Kristy Chavez	KMChavez@salud.unm.edu
40	John Pieper		Jpieper@salud.unm.edu	Melanie Garcia	MeRGarcia@salud.unm.edu
41	Holly Buchanan		Hbuchanan@salud.unm.edu	MaryLou Seyl	Mseyl@salud.unm.edu
42	Nancy Ridenour		Nridenour@salud.unm.edu	Frank Romero	Fromero@salud.unm.edu
43	Art Kaufman		AKaufman@salud.unm.edu	Carolina Nkouaga	Cnkouaga@salud.unm.edu
44	Robert Katz		Rkatz@salud.unm.edu	Diana Baumgardner	
Branch Directors					
45	Alice Letteney	Valencia	alicel@unm.edu	Ronnie McComb	rmccomb@unm.edu
46	Beth Miller	Rio Rancho	schlbeth@unm.edu	Keelle Garcia	keelle@unm.edu
47	Cedric Page	Los Alamos	cpage11@unm.edu	Kathy Kasados	kcasados@unm.edu
48	Dr. Paul Kraft (interim)	Gallup		Ara Green	aragreen@gallup.unm.edu
49	Kate O'Neill	Taos	koneill@unm.edu	Rosalie Romero	chumbers@unm.edu
Additional Participants					
50	Karen Abraham		kabraham@unm.edu		kevans01@unm.edu
51	Mike Dougher		dougher@unm.edu		
Staff					
	Peggy Davis				1
	Marla Wood		mwood@unm.edu		1
	Joy Griffin				1

				Total to date - 53 participants/56 for catering purposes	56
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Exhibit 14

President's Adelante Advance 2010

FINAL

President's 2010 "Advance"

Thursday, July 8, 2010 9:00 a.m. to 4:30 p.m., with reception immediately following
Tow Diem President's Pavilion – University Stadium

Organize for the Day

Arrive for coffee (8:45)

President's Welcome (9:00 to 9:30)

- Introductions of attendees
- Overview of the objectives and process for the day

Morning Session: Information Sharing

Overview of the "State of the University" (9:30 to 11:30)

- President's Comments (15 minutes)
- Financial Picture – David Harris (15 minutes)
- Overview of UNM Governance Survey – Research and Polling Inc. (20 minutes)
- Q&A (10 minutes)

Break (15 minutes)

- Status of the LFC "Audit" – Marc Saavedra (30 minutes)
- Q&A (10 minutes)

Regents' Goals for the President (11:30 to 12:15)

- President presents overview of the goals (20 minutes)
 - Clarifying questions and comments from participants (15 minutes)

Lunch (12:15 to 12:45)

Afternoon Session: Round Table Discussions

Discussion #1 - Regents' Goals for the President (12:45 to 1:45)

- Round Table Discussion Topic: *Given the goals that the Regents have set forth for FY11, what are the top three priorities?* (30 minutes)
- Groups report out on top three (25 minutes – 3 minutes per group)
- President's observations (5 minutes)

Break (1:45 to 2:00)

Discussion #2 – UNM Governance Survey (2:00 to 3:00)

- Round Table Discussion Topic: *Which two of the recommendations from the focus groups do you believe should be implemented, given the following criteria: a) would lead to the most meaningful improvements, and b) could be realistically implemented?* (30 minutes)
- Groups report out (25 minutes – 3 minutes per group)
- President's observations (5 minutes)

FINAL

Discussion #3 - LFC “Audit” (3:00 to 4:00)

- Round Table Discussion Topic: *What is the positive finding in the LFC audit that we believe we should leverage and build on? What is the most pressing challenge identified that we need to address?* (30 minutes)
- Groups report out (25 minutes – 3 minutes per group)
- President’s observations (5 minutes)

Closing

Moving Forward (4:00 to 5:00)

- President’s conversation with the group: What are the most important “take away” messages or “aha moments” from today?
- President’s call to action: Given all of the work ahead for next year, which of the goals would you be willing to invest some of your time and energy to help accomplish? (Provide feedback forms for each participant to complete)
- President’s final comments and thanks

“Thank You” Reception (5:00)

President's 2010 "Advance" Invitation List

Executive Cabinet

1. David Schmidly
2. Pub Burge
3. Lee Peifer
4. Cinnamon Blair
5. Brenda Claiborne
6. Carmen Alvarez Brown
7. Breda Bova
8. Jerry Dominguez
9. Jozi De Leon
10. Gil Gonzales
11. Paul Krebs
12. Helen Gonzales
13. Ava Lovell
14. Julia Fulghum
15. David Harris
16. Susan McKinsey
17. Paul Roth
18. Marc Saavedra
19. Carolyn Thompson
20. John Trotter
21. Cheo Torres
22. John Stropp
23. Suzanne Ortega
24. Amy Wohlert

Main Campus Deans (Not already included as members of Executive Cabinet)

1. Martha Bedard
2. Doug Brown
3. Uday Desai
4. Geraldine Forbes Isais
5. Dick Howell
6. James Linnell
7. Arup Maji
8. Rita Martinez-Purson
9. Kevin Washburn

Branch Directors

1. Alice Letteney
2. Sylvia Andrew
3. Beth Miller
4. Kate O'Neill
5. Cedric Page

President's Strategic Advisory Team

(Not already included on Exec Cab or Deans list)

1. Mike Dougher
2. Doug Thomas
3. Ann Brooks
4. Jake Wellman
5. Julia Maccini
6. Janice Ruggiero
7. Chris Vallejos
8. Kate Moore
9. Manuel Garcia y Griego
10. Kevin Malloy
11. Stephanie Forrest
12. Alfred Matthewson
13. Teresa Cordova

Constituent Group Leaders

1. Richard Wood (Faculty Senate)
2. Ursula Shephard (Committee on Governance)
3. Lissa Knudsen (GPSA)
4. Merle Kennedy (Staff Council)
5. Lazaro Cardenas Jr. (ASUNM)

Others DJS wants to Include:

1. Andrew Cullen
2. Yemane Asmerom

Exhibit 15

**President Schmidly's
Web Address
1/19/11**

Final

**President Schmidly's Web Address
Wednesday, January 19, 2011 – 2:00 p.m.**

Update on the State of the University

Good afternoon, everyone, and welcome to the launch of our spring 2011 semester.

I wanted to take this opportunity to welcome everyone back to campus; to offer a personal “thank you” for the support I received during my recovery from surgery; and to provide you with an important update on our process to address the budget challenges we are facing as we look toward the next fiscal year.

I can't tell you how good it is to be back on campus, after several months of convalescence following my surgery last August. Words alone cannot express the gratitude Janet and I feel for the thoughts, prayers, and good wishes sent to us by so many, during this challenging time.

I don't think we could even begin to count the number of cards, notes, letters, and other kind gestures from faculty, staff, students, Regents, and alumni that we have received over the past few months. We will be forever grateful to our friends, family, and to this wonderful campus community for sustaining us through my recovery.

I also want to thank my doctors, nurses, and other medical personnel who have cared for me, most especially those here at the UNM Health Sciences Center and Hospital.

It's one thing to understand academically how talented and caring our medical professionals are here at the University.

But let me tell you, it's quite another thing to need their help and expertise, and to experience, first hand, just how extraordinary these individuals are. To all of them, I offer my thanks.

Finally, I want to thank my staff and the entire leadership team for keeping the university on track and running smoothly during my absence. Most especially, thanks to Dr. Paul Roth for so graciously and adeptly taking on the role of Acting President.

Dr. Roth and I were in regular contact during the time he served in this role, and we discussed together the financial challenges we knew we would be facing as a university. I am pleased to say that Dr. Roth's leadership not only helped the university to stay on track, but also enabled us to move forward and make progress toward dealing with our anticipated financial situation.

I returned to campus on January 3rd, fully confident that we are becoming well positioned to address our FY12 budget challenges through processes that are inclusive, deliberate, and transparent. On behalf of our entire campus, thank you, Dr. Roth, for your leadership.

Now I want to share with you the work that has already been done, and is currently occurring, to prepare us for what we anticipate will be another large decrease in the funding we receive from the state for the fiscal year 2012 that begins on July 1st.

But before I do that, I want to remind everyone that the upcoming budget cut will be our 6th consecutive reduction in the last 3 budget cycles. Already, we have lost nearly \$50 million in our budget, and we could have to cut our budget as much as \$9 M more in state appropriations on the Main Campus during the next fiscal year as well as replace \$13-14 M of one-time money used for previous cuts. Thus, the total budget impact could exceed \$20 M, which might require us to spread the cuts over a 2-3 year period.

I should add that these are just estimates and we won't know the final numbers until the Legislature adopts a budget sometime during the next 60 days.

This has been and continues to be painful and harmful to our mission, and at some point we must insist that it stop. In the meantime, the only prudent way to proceed is to continue basing our decisions around our values and priorities, as well as our processes and procedures. Solutions will have to consider a variety of tactics involving serious cost containment, revenue enhancement, and prudent use of reserves.

If you recall, we have said that our number one priority will be to protect and preserve our academic mission, which means our education and research programs. We have also committed that any future budget cuts would not be “across the board” but would be aligned with our priorities and mission-critical activities.

Finally, we have committed to a fully open and transparent process, and we have clearly indicated that we would seek cost containment opportunities before we considered possible increases in tuition and fees for our students.

Several groups began working diligently last fall to identify cost savings and revenue generation that could help us to meet the anticipated shortfall. The President’s Strategic Advisory Team – now often referred to by its acronym as “PSAT” - reconvened for this purpose in October and worked diligently throughout the rest of the fall semester.

For those of you who may not know about PSAT, this is a team of UNM faculty, Deans, staff, administrators, and students that I formed nearly a year ago to explore cost containment opportunities last spring. The initial work of this team helped us to identify nearly \$6 million in savings to apply to the FY11 budget.

Once again, PSAT was called into action this fall to go about the difficult work of identifying strategies to address a shortfall that could exceed \$20 million.

After carefully reading the PSAT recommendations, I know that this team never lost sight of its guiding principle: That those services central to and most supportive of the core missions of the university would be the most important to preserve and protect.

While I know that the members of PSAT came together representing many diverse opinions and perspectives, their resulting recommendations demonstrate to me that there is incredible strength in that diversity.

In fact, this team's work represents to me a fine example of shared governance at UNM. To all the members of PSAT, I thank you for your commitment, your diligence, and your thoughtful approach to this difficult task.

PSAT's full report can be found on line, on UNM's Budget Impact website, and I encourage everyone to read it, and to e-mail your comments and ideas to budgetimpact@unm.edu.

Now, PSAT's report represents just one set of recommendations that will be considered as we find ways to address our anticipated budget reductions.

Provost Ortega has had several groups working throughout the fall, as well. Her initiatives include a "white paper" process, an "academic prioritization" process, and a team that is reviewing a series of "self study" documents from non-academic areas.

Additionally, the Main Campus Deans will be submitting their report on budget strategies and implications for our schools and colleges.

I anticipate that the recommendations from these groups will be available shortly, and will also be posted on the Budget Impact website.

And, just last week, as an offshoot of the work of PSAT, a team of about 20 leaders from both Main Campus and the HSC launched an initiative to identify opportunities to save at least \$2 million in IT spending.

This team will conduct "due diligence" on promising opportunities during the next several weeks, again applying the guiding principle of doing everything possible to preserve service to the core missions of the University. The team's final recommendations will be due to me on March 1.

So that's an update of the budget work that has occurred so far. I want to now shift to the process we will be using as we move forward, and to how these difficult financial decisions will ultimately be made.

In his role as Acting President, and in consultation with me, in December Dr. Roth formed a "Cost Containment Task Force" composed of faculty, staff, and student leadership, along with several administrators.

The role of this group will be to assemble and review all of the recommendations of all the working groups, and then compile recommendations for the most promising options.

I anticipate that this Task Force will review and discuss the various reports over the next several weeks. Additionally, as the reports are all placed online, I encourage everyone to read them. I further encourage you to e-mail your feedback to the Task Force during the month of February, so that **your** input can be considered and included in the group's deliberations. Then, the Task Force will report its findings to me by early March.

During the month of March, I will determine which of the strategies will move forward as recommendations to the Board of Regents, and begin discussion with the Regents about possible options. Final recommendations will be presented by me to the Board in April.

Now, during this period of time, keep in mind that the Legislature will be in session, deliberating and determining just how deep the FY12 cuts will actually be. So, we won't actually know for quite some time yet the actual budget number we will have to meet for FY12. Obviously, our government relations team, working with our friends in the legislature, will do all they can to hold the cuts to a minimum.

I want to say a few more words about tuition and fees. It is certain that several of the groups working on identifying cost containment and revenue generation opportunities will have recommendations related to raising – or not raising - the amount we charge our students for their education. **TO DATE, THERE HAS BEEN NO FINAL DECISION OR RECOMMENDATION MADE TO THE BOARD OF REGENTS AS TO WHAT TUITION SHOULD BE!!**

We must remember that setting tuition and fees at the University of New Mexico is completely at the discretion of the Regents. In fact, the entire budget must be deliberated and approved by the UNM Board of Regents.

So, I'd like to recap how a lot of moving parts will come together over the next few months:

- Over the rest of the month of January, most of the budget-focused working groups will be wrapping up their reports. All of these reports will be posted on line, at UNM's "Budget Impact" website.
- During the month of February, the "Cost Containment Task Force" will be reviewing recommendations. Additionally, campus-wide feedback on the content of the various reports will be invited throughout the month.
- In March, I will consider the input from the Task Force, as well as campus feedback, and will firm up strategies to discuss with and present to the Board of Regents.
- Then, in April, I will present to the Board of Regents finalized recommendations on strategies to balance our budget for FY12.
- Throughout this time, I will remain in constant contact with faculty, student, and staff leaders to receive their input and guidance on various options.

While nothing about the task we face is easy, I am confident that our process will invite and explore the diversity of concerns and ideas that will ultimately result in a sound set of recommendations to take to our Regents.

As we go about this difficult work, we all know that there will be tension and disagreement. We know that there will be sacrifices, and there will ultimately be some pain.

I am confident, however, that we **can** do this, if we work together. And if we collectively commit to seeking solutions that preserve our core missions, focus on the success of our students, and ensure an economically-sustainable future for the Flagship University of the state of New Mexico.

Finally, we all need to realize that continued fiscal difficulties can cause us to focus solely on short-term budget decisions and lose sight of important long-term accomplishments and goals. At UNM, we have achieved much in the past four years, even in the midst of facing some of the most challenging economic times in our history. Just consider these important milestones:

- We have established a “free standing, independent” foundation capable of conducting successful capital campaigns to substantially boost the university endowment, particularly in the areas of faculty development and student scholarships/fellowships.
- Through our Division of Enrollment Management, we have improved enrollment and registration services for students, as well as strengthened recruitment of high performing students at the university. This has included the adoption of higher admission criteria that, over time, will result in stronger retention and graduation rates.
- We have built significant partnerships to improve the capacity of the University to most effectively leverage its strategic mission as the flagship university and its leadership role in higher education in the state. Official MOUs establishing educational pipeline partnerships now exist with Central New Mexico Community College and other community colleges in the state; with public school districts - including Albuquerque, Bernalillo, and Rio Rancho; and with the Pueblos.
- We have invested well over \$500 M in facilities to strengthen the university’s mission, national reputation for excellence, and ability to serve students, conduct research, care for patients, and enhance the community.
- We have made real progress in strengthening cooperation, communication, and trust on the main campus with a real commitment to “shared governance,” by focusing on the recommendations of the Higher Learning Commission Report.

In closing, I want to once again encourage you to send any comments or questions you may have about my message today, to me directly, at unmpres@unm.edu. Any comments or questions you have related to the budget process, should be sent to budgetimpact@unm.edu.

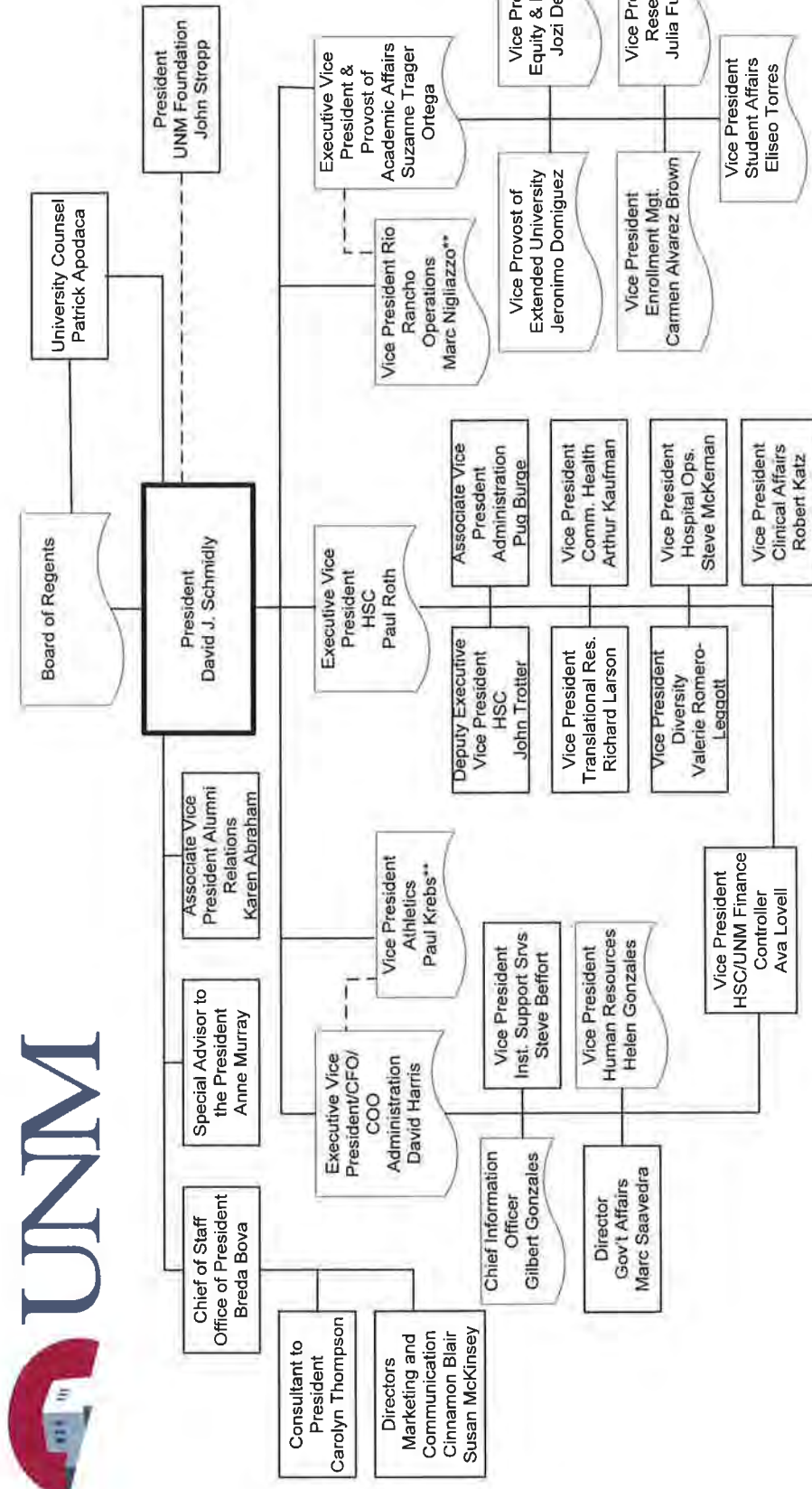
I want you to know how grateful I am for the progress we have made so far, and for the sincerity and respect with which everyone is coming together to address our challenges. I am proud of our community, and I continue to be proud to serve as your President of our diverse University.

Thank you, and may everyone have a semester full of learning and success.

Exhibit 16

2008-09 Organizational Chart

2008-2009 Organizational Structure*



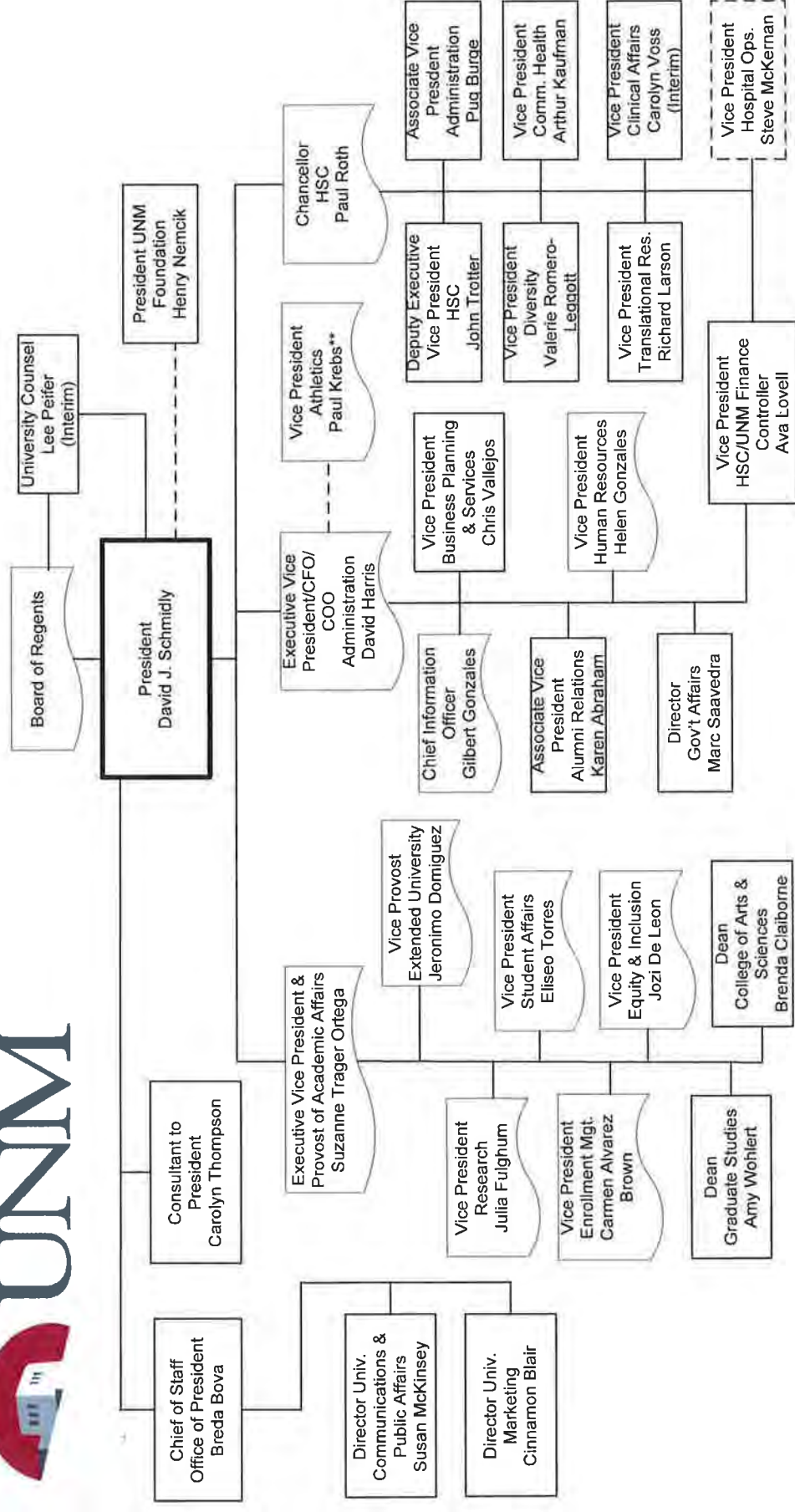
Source: VP of Human Resources

Exhibit 17

2010-11 Organizational Chart

The University of New Mexico

2010-2011 Executive Cabinet*



*As of October 2010

** Dual Reporting Roles

Source: VP of Human Resources

Exhibit 18

Regents' Retreat



OKLAHOMA STATE UNIVERSITY

Office of Academic Affairs

101 Whitehurst

Stillwater, OK 74078-1011

P: 405 744 5627 F: 405 744 5495

Web: <http://osu.okstate.edu/acadaffr/>

January 11, 2010

Regent President Raymond Sanchez
Board of Regents
University of New Mexico
Scholes Hall 141
Albuquerque, New Mexico 87131-0001

Dear Regent President Sanchez:

I very much appreciated and enjoyed the opportunity to facilitate the University of New Mexico Board of Regents retreat on January 6, 2010 which focused on institutional governance and decision making. I was particularly gratified and impressed by the dialogue and discussion in which Regent members engaged regarding the Principles and Standards of Good Practice, as identified by the Association of Governing Boards of Universities and Colleges, as well as the collective and individual roles and responsibilities of board members.

I believe our discussion of the accreditation process, as delineated by the Higher Learning Commission, reflected a very sincere and good faith effort on the part of the board to identify new strategies and initiatives which will enhance shared governance at UNM and move the university forward. Clearly this retreat set a positive tone for the UNM campus to begin to work together to build a stronger sense of community.

You are to be commended, Regent Sanchez, for your leadership in arranging this retreat. Such leadership demonstrates the commitment of UNM to continuing its leadership as the flagship institution of the State of New Mexico.

Again, thank you for inviting me to be a part of this retreat. If I can be of further assistance to the University of New Mexico please do not hesitate to contact me.

Sincerely,

Marlene I. Strathe
Provost and Senior Vice President



University of New Mexico

Board of Regents Retreat

January 6, 2010

Facilitator: Marlene I. Strathe

Primary Sources:

Association of Governing Boards of Universities and Colleges
Higher Learning Commission Handbook of Accreditation





Institutional Governance & Decision-Making

A. Forces of Change and Conflicting Perceptions

- 1. Changing Composition of Faculty**
- 2. Single to Multi-campus Systems**
- 3. State Funding Declines as Enrollment and Costs**

Increase

- 4. Length of Service of CEOs Declining**
- 5. Greater Accountability Demands**

Institutional Governance & Decision-Making

B. Principles and Standards of Good Practice

- 1. Ultimate Responsibility for the Institution is Governing Board's**
- 2. Retain Responsibility and Full Authority for the Mission of the Institution**
- 3. Assure Fiscal and Managerial Affairs are Managed According to Business Standards**
- 4. Conduct Board Affairs in a Manner that It Expects in the Governance of the Institution**
- 5. Ensure No Stakeholder Group has Exclusive Franchise in Any Area of Governance**



Institutional Governance & Decision-Making

C. Board Responsibilities: Collective Work

- 1. Set and Clarify Mission and Purpose---
Purpose, Distinctiveness, Whom it Serves**
- 2. Appoint President or Chancellor**
- 3. Support Chief Executive—Particularly in Difficult
Decisions**
- 4. Monitor and Evaluate CEO's Performance**
- 5. Assess Board Performance**
- 6. Insist on Institutional Planning**



Institutional Governance & Decision-Making

D. Trustee Responsibilities: Individual Work

- 1. Serve the Institution as a Whole; Support Majority Action**
- 2. Seek Opportunities to Inform the Public about Institution**
- 3. Prepare for and Attend Meetings**
- 4. Learn about Institution; Ask Questions**



Institutional Governance & Decision-Making

E. UNM Structure and Responsibilities

1. Constitutional and Statutory Authority for “Control and Management of UNM”

2. Vested Management and Authority

- Admissions
- Tuition and Fees
- Enact Laws, Rules and Regulations of UNM
- Hire CEO and Define Duties and Authority
- Confer Degrees
- Remove University Officers
- Issue and Sell Bonds
- Commission Police Officers
- Approve University Courses of Instruction

Institutional Accreditation: Higher Learning Commission

A. Mission: “Serving the Common Good...”

- 1. Assurance of Quality**
- 2. Advancement of Higher Learning**
- 3. Voluntary Peer Review System**
- 4. Tied Directly to Federal Financial Aid**
- 5. Discipline and Institutional Accreditation Differences**
- 6. One of Seven Regional Accrediting Agencies**



Institutional Accreditation: Higher Learning Commission

B. Criteria for Accreditation (CONTINUED)

- 3. The organization provides evidence of student learning and teaching effectiveness that demonstrates it is fulfilling its educational mission.**
- 4. The organization promotes a life of learning for its Faculty, Staff, Administration, and Students by fostering and supporting inquiry, creativity, practice, and social responsibility in ways consistent with its mission.**

Institutional Accreditation: Higher Learning Commission

C. Accreditation Process

- **Self Study (18 months prior to visit)**
- **Elective Special Emphasis Study (UNM elected Diversity)**
- **Broad Participation and Input**
- **Appointment of Consultant-Evaluator Team**
 - **Experienced Chair**
 - **Trained Team Members**
 - **Peer Institutions**
 - **Varied Disciplines and Administrative Roles**
 - **Assigned Criterion for Focus and Interviews**

Institutional Accreditation: Higher Learning Commission

C. Accreditation Process

(CONTINUED)

- Institutional Actions Council Acts on Accreditation Recommendation
- Board of Trustees Validates Action and Action is Made Public

Institutional Accreditation: Higher Learning Commission

D. University of New Mexico Report

- ✓ **Criterion Two: Preparing for Future is Met**
- ✓ **Criterion Three: Student Learning and Effective Teaching is Met**
 - ☐ **Progress Report Due January 11, 2011**
 - Describe efforts to improve student-advisor ratio
 - Describe training and professional development to enhance advising
- ✓ **Criterion Four: Acquisition, Discovery, and Application of Knowledge is Met**
- ✓ **Criterion Five: Engagement and Service is Met**

COMMENTS or QUESTIONS?



THE UNIVERSITY of
NEW MEXICO

University of New Mexico

Board of Regents Orientation

MAY 31, 2011

Facilitator: Marlene I. Strathe

Primary Sources:

Association of Governing Boards of Universities and Colleges



THE UNIVERSITY of
NEW MEXICO

Agenda

- I. Introductions
- II. Institutional Governance and Decision-Making
 - A. Forces of Change and Conflicting Perceptions
 - B. Principles and Standards of Good Practice
 - C. Board Responsibilities
 - D. Trustee Responsibilities
 - E. UNM Structure and Responsibilities
- III. Summary



Institutional Governance & Decision-Making

A. Forces of Change and Conflicting Perceptions

- 1. Changing Composition of Faculty**
- 2. Single to Multi-campus Systems**
- 3. State Funding Declines as Enrollment and Costs
Increase**
- 4. Length of Service of CEOs Declining**
- 5. Greater Accountability Demands**



Institutional Governance & Decision-Making

A. Forces of Change and Conflicting Perceptions (CONTINUED)

- 6. Loyalties of Faculty between Discipline and
Institution**
- 7. Shifts in Job Markets and Student Interests**
- 8. Technology Reformation of Higher Education**
- 9. Deliberative Versus Cumbersome Decision-making**
- 10. Quest for Consensus and Lowest Common
Denominator**



Institutional Governance & Decision-Making

B. Principles and Standards of Good Practice

- 1. Ultimate Responsibility for the Institution is Governing Board's**
- 2. Retain Responsibility and Full Authority for the Mission of the Institution**
- 3. Assure Fiscal and Managerial Affairs are Managed According to Business Standards**
- 4. Conduct Board Affairs in a Manner that It Expects in the Governance of the Institution**
- 5. Ensure No Stakeholder Group has Exclusive Franchise in Any Area of Governance**



Institutional Governance & Decision-Making

B. Principles and Standards of Good Practice (CONTINUED)

- 6. Serve the Institution rather than a Constituency**
- 7. Clarify the Responsibilities and Authority for Varying Decisions**
- 8. Establish Deadlines for Reaching Conclusions in Decision-making Processes**
- 9. Expect Candor and Information from CEO**
- 10. Appoint and Assess CEO Performance**
- 11. Clearly Define "Communication," "Consultation," and Decision-making**



Institutional Governance & Decision-Making

C. Board Responsibilities: Collective Work

- 1. Set and Clarify Mission and Purpose--
Purpose, Distinctiveness, Whom it Serves**
- 2. Appoint President or Chancellor**
- 3. Support Chief Executive—Particularly in Difficult
Decisions**
- 4. Monitor and Evaluate CEO's Performance**
- 5. Assess Board Performance**
- 6. Insist on Institutional Planning**



Institutional Governance & Decision-Making

C. Board Responsibilities: Collective Work (CONTINUED)

- 7. Review Educational and Public Service
Initiatives**
- 8. Ensure Sound Fiscal and Human Resource
Management**
- 9. Preserve Institutional Independence**
- 10. Relate Institution to Larger Community**
- 11. Serve as a Court of Appeal**
- 12. Be Reasonable, Consistent, Predictable**



Institutional Governance & Decision-Making

D. Trustee Responsibilities: Individual Work

- 1. Serve the Institution as a Whole; Support Majority Action**
- 2. Seek Opportunities to Inform the Public about Institution**
- 3. Prepare for and Attend Meetings**
- 4. Learn about Institution; Ask Questions**



Institutional Governance & Decision-Making

D. Trustee Responsibilities: Individual Work (CONTINUED)

- 5. Avoid Real or Perceived Conflicts of Interest**
- 6. Avoid Any Appearance of Use of Position for Personal or Political Gain**
- 7. Guard Against Speaking for Board or Institution Reserved for Board Chair or CEO**
- 8. Avoid Making Judgments, Taking Sides, or Disseminating Information Not Verified**



Institutional Governance & Decision-Making

E. UNM Structure and Responsibilities

1. Constitutional and Statutory Authority for “Control and Management of UNM”

2. Vested Management and Authority

- Admissions
- Tuition and Fees
- Enact Laws, Rules and Regulations of UNM
- Hire CEO and Define Duties and Authority
- Confer Degrees
- Remove University Officers
- Issue and Sell Bonds
- Commission Police Officers
- Approve University Courses of Instruction



Institutional Governance & Decision-Making

E. UNM Structure and Responsibilities (CONTINUED)

3. Delegated Authority

- Oversight of Academic and Support Programs
- Management of Personnel and Fiscal Resources
- Fundraising
- Organizational Structure of UNM
- Operation and Maintenance of Property
- Representative to Legislature and Public
- Institutional Planning

4. Emerging Areas

- Consultation Required
- Regent Approval – Fiscal, Mission, Public



THE UNIVERSITY of
NEW MEXICO

COMMENTS or QUESTIONS?

Exhibit 19

Interim Provost Search Process Documents



THE UNIVERSITY of NEW MEXICO

Title: **Interim Provost/Executive Vice President for Academic Affairs** (herein referred to as "Provost")

The Provost reports directly to the President of the University as one of the Executive Vice Presidents of the University.

Salary: Salary is competitive and commensurate with experience.

Term: The Provost is expected to serve a term of approximately two years.

Duties: The Provost is responsible for providing institutional and divisional leadership in achieving the University's education, research, and public service missions. Together with the President, the Provost provides primary administrative leadership for the academic mission of the University. As the chief academic officer, the Provost provides administrative leadership to all the units of Academic Affairs including several vice presidents and eleven Main Campus schools, colleges and programs: Anderson School of Management, Architecture & Planning, Arts & Sciences, Continuing Education, Education, Engineering, Fine Arts, Graduate Studies, Law, University College, University Libraries and branch campuses, and research units.

The Provost works closely with the Chancellor for Health Sciences on interdisciplinary issues and programs involving Main Campus programs and the University's Schools of Medicine, Nursing, and Pharmacy, as well as the Executive Vice President for Administration on financial and facilities planning, and information technology matters; and with the faculty leadership in all aspects of shared governance of the academic mission of the University.

Responsibilities include developing and articulating the University's vision and planning and budgeting for achieving academic distinction in undergraduate, graduate, and professional academic programs, research, diversity, public service, and student affairs.

The major responsibilities of the Provost fall into five main areas:

1. **Research/Academic Excellence:** Promotes excellence among the faculty and in the University's academic programs; improves the quality of education by fostering a stimulating and diverse educational environment that attracts and retains the outstanding faculty, staff, and students necessary to support and grow strong academic, research, and creative activity programs; and approves all faculty contracts, tenure, promotion, and discipline.
2. **Academic Vision:** Develops and articulates the University's academic vision and provides leadership to develop and execute strategic plans that carry out the

vision and mission of the Academic Affairs and Student Affairs Divisions; works with the provost's staff and the deans of the University's schools and colleges; formulates strategies, goals, and objectives for the continued development of the University's teaching, research, and public service activities; and provides leadership within the University community and with state leaders in the formulation of academic related policies.

3. **Institutional Leadership:** As a member of the President's Executive Cabinet, participates with other senior officers of the University in institutional planning, financial planning, facility planning, policy development, intergovernmental relations, and problem solving; coordinates activities with other related units within the University; and provides staff leadership to the Board of Regent's Academic and Student Affairs Committee.
4. **Management:** Provides leadership and executive oversight of the day-to-day activities and operations of the various units within the Academic Affairs and Student Affairs Divisions and exercises responsibility for the finances, budgets, quality, efficiency, and effectiveness of subordinate programs.
5. **External Relations:** Represents the University in the promotion of the University's academic and student activities and other affairs at the local, state, and federal government levels, with other academic institutions, and the public at large; provides leadership in setting and accomplishing the Division's institutional advancement goals.

Minimum Qualifications:

- Experience in positions of responsibility in academic leadership and administration.
- Doctorate or terminal degree and academic credentials sufficient to be awarded tenure at the rank of Professor in the appropriate department as well as to engender respect from the academy and the community at large.

Preferred Qualifications:

The Provost should have a demonstrated record of success in the following areas:

- Ability to think strategically, to prioritize effectively, and to act decisively while advancing the university's mission as the state's flagship research university.
- Managerial ability to effectively oversee academic programs and a record of success in managing and allocating resources in a large, complex academic environment.

- Leadership that promotes diversity in areas such as faculty and student recruitment and retention, and evidence of effective interaction with multiple constituencies in a culturally and economically diverse community.
- Supports the role of research in a doctoral granting public institution.
- Ability to work with the faculty in shared governance of the University's academic mission, and to work with other University stakeholder groups (including students and staff), both internally and in a broad range of public settings.

Knowledge and Characteristics:

The Provost should also have demonstrated:

- The intellectual ability to lead academic, research, and educational programs, with demonstrable current or past accomplishment as a scholar.
- The ability to serve as a vital member of the University executive team including a past record of success in working with other members of a leadership team.
- A commitment to serve students as demonstrated by the creation and support of a student-centered academic environment and other related activities that foster student learning and development.
- The highest levels of integrity and good judgment.

The Position will remain open until filled. Nominations should include name, position, and email address for nominees. Application materials must include (1) a letter addressing how experiences match the position requirements and direction of the University; (2) a curriculum vitae; and (3) a list of at least three professional references (at least two of which should be external to UNM).

For best consideration, please submit application through UNMJobs (at the link below) by April 20, 2011. Confidential inquiries and nominations should be directed to Kevin Stevenson (kevings@unm.edu, 505-363-6176) with copies to Search Chair Richard Wood (fspres@unm.edu).

To access the UNMJobs posting for this position, please follow the link below:
<https://unmjobs.unm.edu/applicants/Central?quickFind=61787>



Interim Provost Search

An internal UNM search committee has been tasked with identifying candidates for interim Provost of the University of New Mexico. Following the public forums and other parts of the interview process, the Search Committee will meet to formulate its recommendation to President David Schmidly. With the announced departure of Suzanne Ortega this summer, it is anticipated the new interim provost will take office on July 1, 2011 for a term of approximately two years.

Search Committee

The internal UNM search committee includes Richard Wood, Committee Chair, Sociology and Faculty Senate President, deans Martha Bedard, University Libraries, and Kevin Washburne, School of Law, along with department chairs Stephanie Forrest, Computer Science; Patricia Boverie, Educational Leadership Organizational Learning; and Robert Berrens, Economics. Faculty members on the committee include Mike Dougher, Psychology; Jane Slaughter, History; Beverly Singer, Anthropology; Sam Loker, Biology; Joyce Szabo, Art and Art History; Gabriel Sanchez, Political Science; Yemane Asmerom, Earth and Planetary Sciences; and Edl Schamiloglu, Electrical and Computer Engineering. Andrew Cullen, associate vice president for Planning, Budget and Analysis, and Terry Babbitt, associate vice president for Enrollment Management, will represent the administration. Representing staff and students are Mary Clark, president-elect, Staff Council; Katie Richardson, GPSA; and Caroline Muraida, ASUNM.

Final Candidates for Interim Provost



Chaouki T. Abdallah

Professor and Chair of the Electrical and Computer Engineering Department in the UNM School of Engineering

- [candidate statement](#)
- [candidate bio](#)



James W. Linnell

Interim Dean in the College of Fine Arts and Professor in the Department of Theatre and Dance

- [candidate statement](#)
- [candidate bio](#)



Antoinette Sedillo Lopez

Professor of Law in the UNM School of Law

- [candidate statement](#)
- [candidate bio](#)

Candidate Forums

The UNM internal search committee tasked with recommending finalists for the position of interim UNM provost has scheduled public forums Tuesday, Wednesday and Thursday, April 26 - 28, 2011 for the UNM community to meet the finalists. Each of the public forums is scheduled for approximately two hours beginning at 9:30 a.m. and each will take place in the SUB Theatre (south end of the bottom floor). These forums will be recorded and archived.

Tuesday, April 26: Antoinette Sedillo Lopez: Professor of Law in the UNM School of Law.

[Watch the Webcast of the forum for Antionette. Sedillo Lopez](#)

Wednesday, April 27: Chaouki T. Abdallah: Professor and Chair of the Electrical and Computer Engineering Department in the UNM School of Engineering.

[Watch the Webcast of the forum for Chaouki Abdallah](#)

Thursday, April 28: James W. Linnell: Interim Dean in the College of Fine Arts and Professor in the Department of Theatre and Dance.

[Watch the Webcast of the forum for James Linnell](#)

Online Feedback Form

All members of the UNM community are encouraged to provide feedback to the search committee. An [online feedback form](#) will be available from April 28 at 1:30 p.m. through May 2 at 2:00 p.m. UNM community members who have a UNM Netid will be able to participate, all responses will remain anonymous and confidential. All others may submit their confidential feedback to iProvostUNM@gmail.com.



THE UNIVERSITY of
NEW MEXICO

To: Faculty colleagues
From: Rich Wood, President of the Faculty Senate
Date: May 20, 2011
Re: Update on status of search for Interim Provost

I write in my role as chairperson of the Search Committee appointed by President Schmidly to lead the search for a new interim Provost. I want to update you on the status of our work.

The Search Committee was officially launched in early April. We felt it necessary to finish our deliberations before the end of the semester in mid-May, so that the new interim Provost could be named by President Schmidly in time to take office upon the position becoming vacant. We therefore met six times in April and early May to finalize a position announcement and search schedule; to solicit, receive, review, and prioritize the applicant files; to identify finalists; bring finalists in for day-long interviews; to discuss their strengths and weaknesses for meeting the significant challenges that will await the new interim Provost; and to formulate our recommendation to the President.

The call for applications produced 10 applicants by the deadline, all of which were reviewed by the full Search Committee. On the basis of those individual reviews and extensive discussion structured around qualifications included in the position announcement, the Search Committee decided on six semi-finalists. Decision-making was of course difficult, given the excellent candidates represented in the pool. After fuller conversation regarding the semi-finalists' qualifications and demonstrated leadership, the full Search Committee voted by secret ballot to bring in three finalists for on-campus interviews: Chaouki Abdallah from the College of Engineering, James Linnell from the College of Fine Arts, and Antoinette Sedillo Lopez from the School of Law (in alphabetical order). Each finalist was then brought in for a day-long interview process on campus, and their public presentations and question-and-answer sessions were video recorded and posted on the internet. Feedback was solicited from all University constituencies as well as from the wider community, using both an online form and email communications. The Search Committee also met with the Deans' Council for their feedback on the finalists.

At our final meeting on May 3, 2011 we considered the entire array of evidence collected through the search process. After those deliberations, the Search Committee voted via secret ballot to produce our final recommendation to the President (as the hiring officer for this position). As chairperson of the Search Committee, I shared that recommendation both verbally and in writing with President Schmidly later that week. Since then, the President has been doing good due diligence in considering our recommendations; he expects to announce a decision soon.

In reporting back to the entire faculty and university community, I want to thank the President and the entire Search Committee for their hard work, careful discernment, and dedication to university governance. When President Schmidly invited me to chair the Search Committee, I made one commitment to him: That I would lead a clean search process, without steering it toward or away from any specific candidate, but rather drawing on the best collective wisdom of an extraordinarily strong Search Committee to offer our best data-driven recommendation. The outstanding group listed on the attachment delivered on that commitment. Please join me in thanking them for their service. RLW

2011 Search Committee for Interim Provost:

Deans:

Martha Bedard	Dean	University Libraries
Kevin Washburn	Dean	School of Law

Department Chairs:

Patricia Boverie	Chairperson	Org. Learning & Instr. Tech.
Robert Berrens	Chairperson	Economics
Stephanie Forrest	Chairperson	Computer Science

Faculty:

Yemane Asmerom	Professor	Earth and Planetary Sciences
Mike Dougher	Professor/Director	Psychology & Mind Institute
Sam Loker	Professor	Biology
Gabriel Sanchez	Assistant Professor	Political Science
Edl Schamiloglu	Professor	Electrical & Computer Eng.
Jane Slaughter	Professor	History
Beverly Singer	Associate Professor	Anthropology
Joyce Szabo	Professor	Fine Arts

Administration:

Terry Babbitt	Associate Vice President	Enrollment Management
Andrew Cullen	Associate Vice President	Budget, Planning & Analysis

Staff:

Mary Clark	President Elect	Staff Council
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GPSA:

Katie Richardson	Teaching Assistant	Physics & Astronomy
Sub: Brandi Lawless	Teaching Assitant	Communications & Journalism

ASUNM:

Caroline Muraida	Student/Senator	Economics/ASUNM
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Excellent staff support provided by:

Kevin Stevenson	Research Faculty & Ass. Director	Center for Educational Policy
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MEMORANDUM

Date: May 22, 2011

To: Carolyn Thompson, Office of the President

From: Kevin Stevenson, Interim Provost Search Coordinator

Re: Interim Provost Search Process

I am writing to provide an overview of the structure and process of the recently concluded Interim Provost Search, an excellent example of the many ways UNM has worked to increase faculty governance and improve upon the notion of shared governance at the university. In every way, this was a search process designed and carried out by faculty. Faculty Senate President Dr. Rich Wood, an Associate Professor of Sociology, chaired the search committee, and was given broad authority and discretion by the President to oversee and steer the search process. Dr. Wood, in consultation with the President, appointed a search committee of 19 members (including himself as chair). Of these 19 members, 14 of them came from the faculty ranks – 9 regular faculty, three department chairs, and two deans. The remaining committee members consisted of two members of the central administration (AVP-level), two students, and one staff member.

This committee structure resulted in a deep committee understanding of the role of a Provost, as well as a clear faculty perspective on the skills and experiences required by UNM's next Provost. As such, the President gave the committee complete discretion in developing the position description, including the duties and responsibilities, preferred qualifications, and necessary knowledge and characteristics by which each candidate would be evaluated. Additionally, the President charged the committee with providing him a recommendation of whatever they saw fit, based on their evaluations of the candidates. In typical searches, the hiring official (in this case the President) explicitly asks for a specific "output," typically in the form of a ranked or unranked list of candidates, a list of candidates with strengths and weaknesses, etc. In this case, the President imposed no such requirements, allowing the search committee complete discretion in the format of their recommendation. Given this, the Search Committee recommended only a single candidate for consideration to the President, to whom he offered the position.

Please do not hesitate to contact me should you have any questions.

Thank you.

Exhibit 20

Chaouki Abdallah
Press Release
5/23/11

Abdallah Appointed Interim Provost at UNM

May 23, 2011 | By Steve Carr



Chaouki T. Abdallah appointed interim provost and executive vice president of academic affairs.

University of New Mexico President David J. Schmidly today announced the appointment of engineering professor Chaouki T. Abdallah as interim provost and executive vice president of academic affairs for a one-year term beginning July 1, 2011.

"Professor Abdallah will bring exciting new perspectives and energy to the provost's position, as well as expertise gained during his long tenure of work at UNM," said Schmidly. "He earned strong recommendations from every constituency on campus – faculty, students and staff. I look forward to our working together on the university's goals during the coming year."

"President Schmidly made an outstanding choice in selecting Dr. Chaouki Abdallah as our interim provost," said Professor Rich Wood, chair of the Provost's Search Committee. "Abdallah will provide vision, leadership and a new beginning as UNM continues to build our mission as a research university."

In his candidate statement, Abdallah discussed his view of the provost's role saying, "Our University's state will oscillate between highs and lows and the provost's job is to lift the lows and take advantage of the highs. I believe in getting the best out of people's strengths and weaknesses and I believe in transparency and confidentiality but not in secrecy."

"I want to know about issues and concerns, before they become real problems. I believe in setting goals and priorities that can be communicated to supervisors, colleagues, staff and students. I believe in an engaged academic community that keeps the administration focused and the outside world informed."

Abdallah is currently professor and chair in the Electrical and Computer Engineering Department, which he joined in 1988. He earned his M.S. and Ph.D in Electrical Engineering from the Georgia Institute of Technology.

Posted in [University News](#)

Exhibit 21

**May 5, 2011 Memo from
Dr. Wood and Mr. Cullen**



Department of Planning, Budget & Analysis

MEMORANDUM

TO: Members of the Board of Regents' Finance & Facilities Committee

THRU: David J. Schmidly, President
David W. Harris, EVP for Administration, COO and CFO

FROM: Richard Wood, President of the Faculty Senate
Andrew Cullen, AVP Office of Planning, Budget & Analysis

DATE: May 5, 2011

SUBJECT: FY 2011/2012 Strategic Budget/Cost Containment Process

The comments below represent a shared reflection on the FY12 budget development process from the perspective of the Faculty Senate and Administration, which historically has been charged with driving the process on behalf of the President. We look forward to further discussion of our individual thoughts on the specific elements listed below as we prepare to strengthen the process for FY13 and beyond.

Strong elements of the Strategic Budget/Cost Containment Process:

- Shared governance: Process represented the most serious engagement in memory of joint university governance by the Office of EVP for Administration, the Deans' Council, Office of Provost, and the Faculty Senate structure, all within the authority of the President and Regents – an imperfect process on which we can improve, but a vital step forward.
- Engagement: Process got diverse campus constituencies – students, staff, administration, faculty, and to some extent parents and alumni – focused on UNM's severe fiscal challenges much earlier than usual; this helped get all of us mobilized in run-up to the Legislative session.
- Participative process: Similarly, the process "felt" far more participative to a broad cross-segment of the University community; this produced greater buy-in to the budgetary solutions eventually generated.
- Mission-focused: Most of the key budgetary decisions were driven to a significant degree by a focus on the academic mission. In a terrible budget year, that the University was able to reinvest significant new money in the academic mission is a real accomplishment.

Weak elements of the Strategic Budget/Cost Containment Process during 2010-2011:

- Openness and being completely forthcoming regarding all funding issues/needs must be discussed as early in the process as possible. As such, student fee recommendations need to be forthcoming from student government earlier in the budget development process. Student fee increases for core services, student organizations, auxiliaries and athletics must be data driven. Appeals at last minute have the potential to undermine trust and commitment to process in future years.
- Lack of constituent clarity regarding representation: After such a systematic effort to engage official, elected leaders of both ASUNM and GPSA, to have large numbers of undergraduate and graduate students denounce lack of participation in the process was ironic. No reasonable process can engage all students; that's what representative structures are for.
- Time-intensive effort: The process drew on extensive staff time within the Office of the EVP for Administration, and to some extent, from the Office of the Provost, as well as extensive staff, faculty, chair, and dean time in the Colleges. Is this sustainable? Can it be streamlined without losing strong elements above?
- Perceived invasive political influence on budget endgame: Many within the University community perceived the final decision to pass full 1.75% ERB swap on to all staff and faculty employees as the product of direct political influence on what should be autonomous University decision-making.
- Student engagement might have been stronger: Deans reportedly felt that they could more successfully engage students at the College level where students already feel committed, rather than relying solely on centralized student engagement. For this, they need early materials: simple budget scenarios and talking points.
- Lack of clarity on trade-offs: Ultimately, core academic budgets come from only two sources: State I&G appropriations and student tuition & fees. Cost containment and new efficiencies can help us meet immediate cuts, but ultimately have natural limits. If the State of New Mexico continues cutting I&G appropriations, we will have to raise tuition and/or fees significantly or stand by while the university's academic mission erodes. Students and parents, in particular, need to understand this and engage in up-front work with Legislature if we are to avoid steep tuition/fee increases in the years ahead.

Thank you for your consideration.

Exhibit 22

President's Work Plan for FY10

University of New Mexico President's Work Plan for FY10

Key to Understanding this Document:

* = This is one of the President's "Special Emphasis Goals" for FY10

Red Text = The President's "Adelante Objectives" for FY10

Goal #1 - Mission, Vision, and Strategic Plan

Review and refine the mission, vision, and strategic plan for the University of New Mexico.

Carried Over from FY09 Work Plan:

- Implement the UNM Facility Master Plan, focusing this year on implementation of the student housing plan through Lobo Development.

New for FY10:

- Develop a shared vision for the academic enterprise focusing on academic excellence and student success.
- Develop a five-year financial plan for the university that facilitates fiscal equilibrium.
- Evaluate and align UNM's yearly planning cycle to ensure that the challenges, opportunities, and goals related to the core missions are key drivers of the legislative agenda, budget development, and administrative priorities.

***Goal #2 - Accountability**

Continue to develop an organizational and leadership infrastructure at UNM that creates and reinforces a culture of accountability, continuous process improvement, and transparency, with measurement- and results-driven performance.

President's FY10 Adelante Objectives:

- Develop for presentation and approval by the Board of Regents a system of accounting procedures within all academic areas that ensure transparency and measurable standards that promote and clarify accountability. Include the following:
 - A comprehensive review of processes and procedures used by other four-year institutions in New Mexico, as well as other peer institutions, to identify best practices.
 - Development and institution of a process that provides for "encumbering of fund balances" within schools, colleges, and departments in a way that presents a true picture of how resources are encumbered, and specifically for what purposes.

- Begin the process of developing with faculty leadership a “Shared Governance Decision Matrix” that clarifies decision-making involvement and authority.
- Review Faculty Handbook Policies C100 (Academic Load) and C110 (Teaching Assignments) to ensure that these policies are appropriate to the current mission of the university and that they are applied fairly and consistently in all departments across campus.
- Clarify administrative roles, titles, accountabilities, and reporting structures to ensure transparency and knowledge of accountability.
- Establish the expectation and requirement that leaders within the academic enterprise (Provost, Deans, Department Chairs, etc.) shall take on primary accountability throughout the schools and colleges for the regular and rapid exchange of accurate information, as well as ongoing conversation and feedback related to emerging issues, opportunities, and challenges.
 - Develop and apply processes and practices to ensure that faculty have regular and meaningful access to Administration to share ideas, challenges, and concerns.
 - Hold all-school/college faculty meetings, with the faculty setting the agenda, to help administration understand the opportunities, challenges, and concerns that are unique to individual schools and colleges.
 - Hold a yearly schools and colleges review to allow deans to communicate with administration their strategic plans, as well as progress made and challenges encountered.

Carried Over from FY09 Work Plan:

- None

New for FY10:

- Implement processes that clearly involve Deans and Department Chairs in formulating short-term budget rescission decisions.

***Goal #3 – Academics and Student Success**

Establish an integrated system of services to prepare, recruit, enroll, develop, retain, and graduate both undergraduate and graduate students at the University of New Mexico, with special focus on the recruitment of high-achieving students and national merit scholars.

President's FY10 Adelante Objectives:

- Develop comprehensive strategies that assist academic units to meet their enrollment and retention goals, with emphasis on improved advising.
- Review and improve principles and processes related to the awarding of scholarships to ensure clarity, consistency, and student-friendly practices.
- Complete a university-wide degree audit to ensure that degree requirements are up to date, thus providing a clear and useful tool for each student's course planning and management of his/her time to graduation.
- Develop and implement a plan to improve academic advising that specifically addresses the understaffing of advisors in the University College Advising Center.
- Develop and implement a plan to ensure that UNM students have adequate access to computers necessary to support their success.
- Continue to Strengthen UNM's Branch Campuses:

- Continue to strengthen relationships between UNM's Main Campus, HSC, and the Branch Campuses.
- Develop a strategy that successfully prepares and attracts Branch Campus students to continue their education at UNM's Main Campus or at HSC.
- Develop and implement an effective distance education model.

Carried Over from FY09 Work Plan:

- Explore potential models for new admissions standards that include less emphasis on test scores (Main Campus).
- Develop a plan and time frame for implementing recommendations contained in the University College evaluation.
- Continue to expand UNM connections in Mexico.

New for FY10:

- Develop and implement a comprehensive plan for enhanced and expanded services that will attract and retain talented graduate students.

Goal #3B - Research

Continue to promote research growth at UNM based on the highest ethical values and founded in the research and educational strengths of the faculty. Make our research administration user friendly and among the best in the nation.

Carried Over from FY09 Work Plan:

- None

New for FY10:

- Foster faculty research through improved procedures and processes in Main Campus Research Administration.
- Develop new policies related to research centers and institutes through a joint task force with Academic Affairs.
- Support proposal development, award reporting, and the implementation of streamlined/fast-tracked processes associated with ARRA (stimulus) grants at the federal and state level.
- Formalize the role of newly-appointed Director of Arts and Humanities Research Initiatives to increase research and support scholarly activity of faculty in the arts and humanities.
- Finalize the restructuring and reorganization of the Main Campus Research Office.

Goal #4 - Diversity of Leadership, Faculty, and Staff

Develop and execute a plan to ensure that UNM is able to recruit and retain diverse and talented leaders, faculty, staff, and students that reflect the diversity of the state of New Mexico.

Carried Over from FY09 Work Plan:

- None

New for FY10:

- Establish process and procedures for hiring and retaining underrepresented faculty.
- Coordinate university-wide efforts to address recommendations by the Higher Learning Commission on UNM's Special Emphasis on Diversity.
- Organize the "ethnic centers" as components directly reporting to the VP for Equity and Inclusion, and move their funding from Special Project sources to the formula.

Goal #5 - Community Engagement

Initiate personal outreach to and active engagement with communities throughout the State of New Mexico and beyond.

Carried Over from FY09 Work Plan:

- Complete redesign of the UNM website.
- Develop and launch the UNM "brand."
- Revise MOUs with Tribes, Nations, and Pueblos.
- Develop and launch plans for a major UNM PK-20 initiative.
- Develop and implement a plan to address child care issues for students, staff, and faculty.

New for FY10:

- Develop and implement community visibility, engagement, and service expectations for UNM leaders, emphasizing the President's office.
- Develop a collaborative PR initiative that utilizes existing resources from main campus, HSC and Athletics.
- Develop and launch a communication tool for UNM neighborhoods.
- Compile a non-exhaustive list of volunteer and community service provided by faculty, staff, and students.
- Increase community collaboration through stronger participation in business and economic development opportunities such as those with the Greater Albuquerque Chamber of Commerce, Albuquerque Economic Development, and/or Hispano Chamber.

Goal #6 - Legislative Role

Establish and sustain positive relationships with the New Mexico Legislature that result in beneficial support and outcomes for UNM.

Carried Over from FY09 Work Plan:

- Meet with and develop strong working relationships with state/legislative leaders.
- Develop message to legislators that communicates UNM's Strategic Framework and links all legislative requests to the mission, vision, core values, and institution-wide strategies.
- Develop a mechanism that communicates UNM's long-range tuition plan to the state legislature. (reworded)

New for FY10:

- Develop and implement a plan for UNM to take the lead role in working with the legislature to revise the funding formula for universities in New Mexico.

Regents' Goal #6B - Federal Relations and National Issues

Establish closer relationships with federal funding agencies and our congressional delegation. Continue to increase UNM's reputation and visibility world-wide.

Carried Over from FY09 Work Plan:

- None

New for FY10:

- Work with new NM Congressional delegation to obtain congressionally-directed funds for university programs, projects, and initiatives
- Develop a process for the identification of federal research priorities that are limited in number and focus on the areas of expertise of our faculty.
- Provide timely information and support to the NM Congressional delegation on education, research, and community initiatives.

***Goal #7 - Fundraising**

Apply knowledge and expertise to design, organize, launch, and actively participate in a comprehensive fundraising strategy and executable program that produces positive results for UNM.

President's FY10 Adelante Objectives:

- Develop and implement a plan to focus fund raising efforts in areas that primarily support academic achievement through a) scholarships, and b) faculty chairs, and with a secondary focus on athletics.
- Develop and launch the "President's Engagement and Outreach Initiative" to ensure that the President is actively involved with the key donor base and major constituencies throughout the state, including:
 - The Foundation Board of Trustees
 - Major donor events
 - Top 100 donors and potential donors

- Working with the UNM Foundation, identify and develop a strong base of volunteer leaders for the public phase of the capital campaign.

Carried Over from FY09 Work Plan:

- Establish structure and time line for forth-coming capital campaign.

New for FY10:

- Develop and implement a major strategy for revenue-generating programs for the summer of 2010.

Goal #8 - Economic & Resource Development

Develop and execute plans to fully maximize UNM's economic and resource development opportunities.

Carried Over from FY09 Work Plan:

- Clarify economic development in the UNM organizational structure.
- Develop plan to select firm/firms to develop land adjacent to UNM.

New for FY10:

- Begin the development of an initiative that will answer the question, "How can UNM best position itself to develop academic and research endeavors that involve public/private partnerships around renewable energy and sustainability?"

***Goal #9 - UNM Rio Rancho Campus**

Develop the vision, curriculum, and programs for UNM's Rio Rancho campus that will serve the needs of the community and enhance the overall strength and vitality of the University of New Mexico.

President's FY10 Adelante Objectives:

- Open the first building on the UNM Rio Rancho Campus, and develop a plan for funding the new building over time.
- Create an overall operational funding model to be implemented for the fall 2010 semester, including the disposition of I&G funds that are generated by the Rio Rancho campus.

Carried Over from FY09 Work Plan:

- None

New for FY10:

- Develop a comprehensive academic plan for the Rio Rancho Campus, including programs to be offered by UNM, UNMHSC, and CNM.

Goal #10 - Health Sciences Center

Provide visible and active leadership and support in developing the future of the Health Sciences Center.

Carried Over from FY09 Work Plan:

- Complete and open the new Cancer Center facility.
- Continue planning and break ground on the Sandoval Regional Medical Center.
- Resubmit the HSC's proposal for NIH Clinical and Translational Science Center.

New for FY10:

- Ensure appropriate university-wide preparation for H1N1 flu.
- Maintain full accreditation of all HSC educational programs.
- Strengthen the role and responsibilities of the HSC Regent Committee.

Goal #11 - Athletics

#11 - Develop and implement a plan to improve the academic performance, retention, and graduation rates of UNM's student athletes, in all athletic programs.

#11B - There are other important issues that need to be addressed beyond the student success of student athletes. These relate to NCAA compliance, pricing of athletic events, and continued development of athletic facilities.

President's FY10 Adelante Objective:

- Continue to ensure that the renovation of the PIT moves forward on schedule and with adequate funding - including private funding - with a December 2010 completion date.

Carried Over from FY09 Work Plan:

- None

New for FY10:

- Develop and implement new budgeting strategies to secure a balanced budget as well as the long term financial stability of the Athletics Department.
- Actively implement the marketing plan to sell suites and club seats and meet identified targets.
- Partner with other areas of the university to extend outreach and exposure of UNM around New Mexico.
- Implement the plan to celebrate the accomplishments of UNM's student-athletes.
- Enhance summer school opportunities for student-athletes to ensure greater academic progress and graduation.

***Goal 12 - Relationship and Communications with Board of Regents**

Propose refinements, additions, and modifications to the behavioral and structural guidelines proposed by the Regents for discussion and adoption at the August 2007 meeting, and then build the agreements into UNM's ongoing operations.

President's FY10 Adelante Objectives:

- Develop procedures and processes that address concerns raised during the Higher Learning Commission's (HLC) April 2009 accreditation visit and subsequent request for a "monitoring report" due to the HLC in January 2011.
- The President and Provost will work with the Chair of the Regents' Academic and Student Affairs Committee to develop an active agenda that addresses major academic issues on all campuses.
- Engage the Association of Governing Boards to provide coaching and training on the roles, practices, and behaviors of highly effective boards.

Carried Over from FY09 Work Plan:

- Continue to revise, update, and make appropriate adjustments to Board policies.

New for FY10:

- None

Goal #13 - Technology

Develop and implement strategies to develop and sustain the leading edge technological capability required to carry out the mission of the University of New Mexico.

Carried Over from FY09 Work Plan:

- Assess and strengthen university-wide technology capabilities in the areas of distance education, communications, research, reporting, emergency response, and security.
- Evaluate strategic alliances with high performance computing at UNM and the new state High Performance Computing Center.

New for FY10:

- Implement the online degree audit system.
- Expand faculty development opportunities in the area of instructional technologies.

Exhibit 23

President's Work Plan for FY11

University of New Mexico

President's Work Plan for FY11

(Final: Approved at August 10, 2010 Board of Regents Meeting)

David J. Schmidly

(* = Items carried over from FY10 "Dashboard of Key Indicators.")

Goal 1. Mission, Vision and Strategic Plan

Review and refine the mission, vision, and strategic plan for the University of New Mexico.

1. Develop and implement an inclusive process (using best practices of shared governance) to strategically assess UNM's programs, campus-wide. This endeavor shall include the following:
 - Determination of key performance indicators for both academic and operational areas.
 - Development of the criteria and process for determining programs and activities that are core to the academic mission of the university and, therefore, must be preserved.
 - Development of the criteria and process for determining programmatic cuts that could be required due to financial exigency.
 - Development and implementation of a budget for FY12 that employs the above indicators, criteria, and processes.
2. Implement the following key elements of the Campus Master Plan:
 - The Student Housing Plan
 - Development of lands owned by the University in the vicinity of the campus.
3. Develop a shared vision for the academic enterprise focusing on academic excellence and student success. *

Goal 2. Accountability (including budgeting and financial planning)

Continue to develop an organizational and leadership infrastructure at UNM that creates and reinforces a culture of accountability, continuous process improvement, and transparency, with measurement- and results-driven performance.

1. Deploy the President's Strategic Advisory Team (PSAT) to:
 - Identify and explore additional cost containment and revenue generation measures, and
 - Serve as a forum for learning about and sharing of best practices in cost containment, process improvement, and entrepreneurial activity that will build and incentivize a culture of fiscal accountability across campus.
2. Develop a two-year budget "austerity plan" for the entire university that preserves the core of its mission.
 - Include a contingency furlough plan that could save at least \$2M while averting unnecessary layoffs.

3. Utilize President's annual meetings with faculty and staff of each college and school, as well as yearly college and school reviews, to:
 - Ensure mutual understanding of progress, challenges, and opportunities faced by each school and college, and
 - Develop collaborative, reality-grounded approaches to identifying and implementing solutions.
4. Ensure there is full implementation and compliance with Faculty Handbook Policies C100 (Academic Load) and C110 (Teaching Assignments), and that there is transparency and consistency in summarizing and reporting both teaching load *and* workload.
5. Conduct a comprehensive review of processes and procedures used by other four-year institutions, to identify best practices. *
6. Begin the process of developing with faculty leadership a "Shared Governance Matrix" that clarifies decision-making involvement and authority. *
7. Develop and institutionalize a process that provides for "encumbering of fund balances" within schools, colleges, and departments in a way that presents a true picture of how resources are encumbered, and specifically for what purposes. *

Goal 3. Academics and Student Success

Establish an integrated system of services to prepare, recruit, enroll, develop, retain, and graduate both undergraduate and graduate students at the University of New Mexico, with special focus on the recruitment of high-achieving students and national merit scholars.

1. Refine strategies and tactics in the current plan for improving student success, making adjustments that immediately begin to improve four- and six-year graduation rates.
2. Conduct planning and identify/develop resources to establish an Honors College (with housing) that will support the recruitment and retention of National Scholars.
3. Evaluate University College as it relates to the academic mission of UNM.
4. Target improved services to students in two key areas:
 - a. Refine and implement strategies to measurably strengthen student advising in collaboration with academic units, student and career services, and student organizations.
 - b. Fully implement the federally mandated change to the William D. Ford Direct Student Lending program in a manner that is supportive and efficient for students.
5. Form a student-centric task force to explore and address challenges faced by students in three key areas:
 - a. Course access and availability to ensure on-time track to graduation.
 - b. Access to computers.
 - c. Printing capabilities.
6. Appoint a task force composed of faculty and student leadership to develop a program that recognizes and celebrates academic achievements by faculty and students, including National Academy Members, Regents' Professors, and National Scholars.
7. Work with faculty leadership to develop a 10-year plan to restore, reward, and grow tenure/tenure-track faculty lines at UNM.
8. Review and improve principles and processes related to the awarding of scholarships to ensure clarity, consistency, and student-friendly practices. *

9. Continue to strengthen relationships between UNM's Main Campus, HSC and the Branch Campuses. *
10. Develop a strategy that successfully prepares and attracts Branch Campus students to continue their education at UNM's Main Campus or HSC. *
11. Develop and implement an effective distance education model. *
12. Continue to expand UNM connections in Mexico. *

Goal 3B. Research

Continue to promote research growth at UNM based on the highest ethical values and founded in the research and educational strengths of the faculty. Make our research administration user friendly and among the best in the nation.

1. Develop a comprehensive plan to enhance research collaborations between the National Labs and Kirtland Air Force Base.
2. Develop a strategy that will make the University more competitive for funding in renewable and emerging energy/environmental technologies.
3. Develop a plan to evaluate and implement the recommendations of the Joint Task Force to Evaluate Centers & Institutes.

Goal 4. Diversity of Leadership, Faculty, Staff, and Students

Develop and execute a plan to ensure that UNM is able to recruit and retain diverse and talented leaders, faculty, staff, and students that reflect the diversity of the state of New Mexico.

1. Strengthen and develop sustainability for UNM's Ethnic Student Centers by:
 - o Changing funding from RPSP sources to I&G funding;
 - o Aligning and centralizing reporting directly to the VP for Equity & Inclusion.
2. Assess and enhance strategies UNM has recently developed and employed for hiring and retaining underrepresented faculty.
3. Develop strategies for recruiting and graduating minority doctoral students in STEM fields associated with energy and the environment.
4. Coordinate university-wide efforts to address recommendations by the Higher Learning Commission on UNM's Special Emphasis on Diversity. *

Goal 5. Community Engagement

Initiate personal outreach to and active engagement with communities throughout the State of New Mexico and beyond.

1. Develop and implement a collaborative, cost-effective, and sustainable Communications and Public Relations model that utilizes existing resources from main campus, HSC and athletics.
2. Develop and implement a media response assessment program that includes both traditional and social media.

3. Develop and implement a plan (with specific goals) to engage with community groups and industry in Albuquerque and Rio Rancho, emphasizing collaboration with constituencies around our campuses.
4. Complete redesign of the UNM website. *
5. Develop and launch the UNM “brand.” *
6. Develop and implement a plan to address child care issues for students, staff, and faculty. *
7. Develop and implement community visibility, engagement, and service expectations for UNM leaders, emphasizing the President’s Office. *
8. Develop and launch a communication tool for UNM neighborhoods. *
9. Compile a comprehensive list of volunteer and community service provided by faculty, staff, and students. *
10. Increase community collaboration through stronger participation in business and economic development opportunities such as those with the Greater Albuquerque Chamber of Commerce, Albuquerque Economic Development, and/or Hispano Chamber. *

Goal 6. Legislative Role

Establish and sustain positive relationships with the New Mexico Legislature that result in beneficial support and outcomes for UNM.

1. Develop and implement a strategy to advocate for a tuition policy that supports higher education and is not punitive to students (i.e., tuition credit).
2. Actively engage with the Secretary of Higher Education in the preparation of a Master Plan for Higher Education in New Mexico.

Goal 6B. Federal Relations and National Issues

Establish closer relationships with federal funding agencies and our congressional delegation. Continue to increase UNM’s reputation and visibility world-wide.

1. Reduce the number of federal earmark projects, seeking larger and more strategic efforts in priority areas.
2. Develop a detailed quarterly reporting system that tracks effort expended along with dollars appropriated for all federal initiatives.
3. Develop strategies, tactics, and proposals to compete for the \$1 billion (\$100 million annually for 10 years) allocated in the Health Care and Education Reauthorization Act of 2010 to improve STEM education opportunities for Hispanic students.
4. Establish and reinforce UNM’s leadership and contribution at a national level by serving on the HACU Board, The Executive Board of the International Association of University Presidents, The Association of Governing Boards of Universities and Colleges Council of Presidents, the Executive Board of the NCAA, and the Executive Committee for the Mountain West Conference.

Goal 7. Fund Raising (including Friend Raising)

Apply knowledge and expertise to design, organize, launch, and actively participate in a comprehensive fundraising strategy and executable program that produces positive results for UNM.

1. Facilitate the effective transition to a new UNM Foundation President.
2. Assist the Foundation to secure commitments of volunteer leaders for the public phase of the comprehensive campaign.
3. Successfully launch the public phase of the comprehensive campaign in November.
4. Develop targets and strategies for the “President’s Engagement and Outreach Initiative” to engage the donor base throughout the country.
5. Work with Foundation leadership to develop targets for and ensure adequate funding of Foundation operations, with particular focus on the next four-year public phase of the comprehensive campaign.
6. Develop and implement a major strategy for revenue-gathering programs for the summer of 2011. *

Goal 8. Economic and Resource Development

Develop and execute plans to fully maximize UNM’s economic and resource development opportunities.

1. Develop the strategy, infrastructure, and organization to manage UNM’s activities in economic development for the benefit of the larger community and to raise UNM’s stature in the region.
2. Employ “Rapid Redesign” methodology to explore an enhanced strategic business model for UNM Continuing Education, leveraging the unique position and capabilities of this enterprise to generate revenue while providing service to the community.
3. Begin the development of an initiative that will answer the question “How can UNM best position itself to develop academic and research endeavors that involve public/private partnerships around renewable energy and sustainability?” *

Goal 9. Rio Rancho Campus

Develop the vision, curriculum, and programs for UNM’s Rio Rancho campus that will serve the needs of the community and enhance the overall strength and vitality of the University of New Mexico.

1. Implement the organizational and operational funding model for the Campus emphasizing local use of I&G funds as well as dollars provided by the city.
2. Develop specific plans to implement at least three 2+2 degree programs with CNM that address local community needs.
3. Engage corporations and businesses in the area in substantive discussions that will inform program development at UNM West.
4. Revise and implement the marketing plan for UNM West to incorporate strategies to effectively implement the 2+2 agreements of the new campus.

Goal 10. Health Sciences Center

Provide visible and active leadership and support in developing the future of the Health Sciences Center.

1. Break ground and begin construction on the Sandoval Regional Medical Center in Rio Rancho.
2. Complete the evaluation and recommendation of the HSC governance structure including boards and administration.

Goal 11. Athletics

Develop and implement a plan to improve the academic performance, retention, and graduation rates of UNM's student athletes, in all athletic programs.

#11B - There are other important issues that need to be addressed beyond the student success of student athletes. These relate to NCAA compliance, pricing of athletic events, and continued development of athletic facilities.

1. Complete renovation and funding for the PIT.
2. Represent UNM and the Mountain West Conference in rapidly developing changes for the BCS, Conference Realignment, and the NCAA BB Tournament Expansion.
3. Enhance summer school opportunities for student-athletes to ensure greater academic progress and graduation. *

Goal 12. Relationship and Communication with the Board of Regents

Propose refinements, additions, and modifications to the behavioral and structural guidelines proposed by the Regents for discussion and adoption at the August 2007 meeting, and then build the agreements into UNM's ongoing operations.

1. Issue final report to the HLC on the status and plans to improve "shared governance" at UNM.
2. Develop and implement strategies and activities that promote positive working relationships and cooperation between the UNM Foundation Board of Trustees and the UNM Board of Regents.
3. Continue to revise, update and make appropriate suggestions for adjustments to Board policies.*

Goal 13. Technology

Develop and implement strategies to develop and sustain the leading edge technological capability required to carry out the mission of the University of New Mexico.

1. Employ "Rapid Redesign" methodology to design and implement system-wide improvements of UNM's information technology processes, services, tools, and infrastructure, with focus on efficiency, productivity, and cost containment.
2. Create statewide access to UNM courses, programs, and services by building 2+2 partnerships with Branches and community colleges through Extended University Distance Education Programs and Services.

Exhibit 24

Faculty Commission on University Governance Comments

Exhibit 24:
Faculty comments re: the UNM Monitoring Report to the Higher Learning Commission
Faculty Committee on University Governance
June 2011

"While the administration has made some changes and is moving in the right direction, there is a long way to go." This comment (Exhibit 11, Executive Summary, p. 16) from an unnamed faculty member who responded to the climate survey conducted by Research and Polling in the spring of 2011 summarizes both our interpretation of the data presented in Exhibit 11 and our own assessments from experiences in leadership positions over the course of the past twelve months.

We corroborate the conclusions expressed elsewhere in this report by the President of the University that incremental progress has been made and that challenges remain. We share the assessment that one year is too short a time for substantial progress to have been effected or to be reflected in an attitude survey. We are heartened by his commitment to continue on the path adopted in the past year and expect continued improvement in the university climate. Our purpose here is both to acknowledge this and to summarize, in a way that does not appear in the President's report, the magnitude of the challenges that remain – and that will remain to be addressed after he steps down from his appointment twelve months from now.

The Higher Learning Commission previously concluded that "the institution is in the midst of a near complete breakdown in trust between the faculty and staff and the President" (as quoted in Exhibit 11, Executive Summary, p. 5). As noted by the President in this report, in 14 of 33 indicators used in the faculty survey there was statistically significant improvement; the comparable index for the staff survey was improvement in 13 of 22 questions. These are noteworthy results but, as the president acknowledges, only represent incremental change.

What is the magnitude of the extant challenge after these improvements? Again we cite from Exhibit 11, Executive Summary (p. 5):

- "Overall satisfaction levels with UNM faculty's role in shared governance continue to be low as only one-fifth of faculty are very or somewhat satisfied (19%). . ."
- "[T]hese have increased slightly (from 13% to 19%)" over the course of one year.
- Staff satisfaction is also low (26%) and "has remained consistent" over the previous year.

Fifty-five percent of faculty respondents in 2011 disagree with the statement, "The University fosters shared governance by supporting faculty development of governance skills and acknowledging/rewarding participation in governance work" (Ex. 11, Exec. Summ., p. 12), nearly three times as many as agree (19%) with that statement. Sixty-four percent disagree with the statement, "The University's organizational management structure fosters shared governance between the faculty and Central Administration" (Ex. 11, Exec. Summ., p. 15), four times as many as agree (16%). Sixty-seven percent disagree with the statement, "Relationships between the faculty and Central Administration are cooperative" (Ex. 11, Exec. Summ., p. 17), nearly five times as many as agree (14%). Fifty-two percent disagree with the statement, "Negotiations and communication

between the faculty and Central Administration are carried out in good faith," (Ex. 11, Exec. Summ., p. 17), over twice as many as agree (19%). Seventy-eight percent disagree with the statement, "An atmosphere of trust exists between the faculty and Central Administration" (Ex. 11, Exec. Summ., p. 17), eleven times as many as agree (7%). Seventy percent of the faculty disagree with the statement, "A collaborative decision-making environment exists between the faculty and Central Administration" (Ex. 11, Exec. Summ., p. 17), seven times as many as agree (10%). Not all attitudes are overwhelmingly negative. Thirty-seven percent disagree with the statement, "The campus climate supports diversity of: opinions, schools of thought, perspectives, and personal styles" (Ex. 11, Exec. Summ., p. 17), slightly less than agree with that statement (40%).

It is not the purpose of this comment to present a detailed analysis of the extraordinary breadth of information presented by Research and Polling, but to simply underscore the point initially made: improvement has been registered, but in 2011, even after that improvement, there is an enormous gap to be closed in key indicators of trust and shared governance between central administration and faculty.

Clarifying the long-term issues:

The slow progress exhibited in the faculty report reflects several fundamental issues that the university faces. These can be seen from two angles of view, both important. First, from a bottom-up perspective, a deficit of trust continues to exist across the university: From both faculty and staff (as documented above) and from administrators and Regents (more anecdotally), there is still skepticism that trust, collaboration, shared governance, and good faith communications currently exist or (presumably) will be reciprocated. The experience of recent months, in which some participants from both sides of that divide have made forays into a different way of doing decision-making – around the Strategic Budget Process, the search for the interim Provost, revisions to the core curriculum, and other efforts – appear to have *begun* to create the trust and reciprocal respect needed to undergird shared governance. But they have *only* begun to do so, and clearly have not reached into the broader faculty and staff community in a way that would change perceptions documented in the Research and Polling survey. The necessary deep change we need at UNM will come only with long term experience of a collaborative way of making decisions plus competent implementation and management of those decisions.

Second, from a top-down perspective, we must begin to create a *culture* of shared governance within all parts of the university community. We will know we have achieved this when shared governance, rather than representing an exception to the rule, becomes standard operating habit: When administrators facing crucial strategic decisions immediately know where within the faculty governance structure the right dialogue partners reside, and habitually seek them out; when all regents habitually seek information, insight, and perspective from administrators and faculty leaders (and value that perspective); and when most faculty habitually take responsibility for the long-term health of the institution underlying the academic mission, and for effective management of that institution. Such a culture of shared governance must be constructed gradually through new *practices* that embody participatory decision-making. In turn, those practices will only be adopted as the university creates the *structures* that can sustain focused attention on these challenges from all parties.

We have the beginnings of such structures and practices in a few arenas now, and thus some first taste of what a broad culture of shared governance could be: the Strategic Budget Process; the interim Provost search process; the role of the presidents of the Faculty Senate, Staff Council, and student bodies as Regents' Advisors; and the collaborative work of the Deans' Council/Faculty Senate Budget Committee and the Office of Governmental Relations/Faculty Senate Governmental Relations Committee – all these reflect *inchoate* structures and initial practices that can be built upon and expanded. But the faculty and staff survey data discussed above demonstrate that these structures and practices have only begun to penetrate into the everyday culture of the institution, where most faculty and staff live their lives.

In sum, the fundamental issues we face involve institutionalizing the initial structures and practices of shared governance in which the faculty, administration, staff, and regents have begun to engage.

Making this real:

We here identify the kinds of measures that can be taken in the next few years to address these fundamental issues. This list is by no means complete, but may help make the above discussion more concrete and specific:

1. Strategic Budget Process: Build upon the effort that drove this year's budget preparation in a way that institutionalizes its strengths *and* addresses its shortcomings (as discussed in Exhibit 21 above). Assure that a variety of campus constituencies (staff, students, parents, alumni, etc.) are included in the budget process, while keeping the final recommendation to the Regents in the hands of the administration and faculty who have core responsibility for the academic mission.
2. Strive to move UNM continuously toward a decision-making and administrative structure that reflects the university's stated commitment that the academic mission will drive financial decisions, rather than the other way around.
3. Strengthen the capacity of the Office of the Provost to manage and assess the academic mission and the financial decision-making that supports it, in part through restructuring within that Office.
4. Institutionalize the practice of shared engagement in all strategic hiring initiatives, as explored initially in the interim Provost search this year – as appropriate in the context of coming searches for a new president, deans, a permanent provost, etc.
5. Resolve the current doubts about the 2010 hiring of a new Director of Internal Audit in a way that clarifies the reporting structure for that position, publicly acknowledges the fact that UNM hiring policies apply to this position, and analyzes whether those policies were followed during the 2010 hiring process.
6. Permanently institutionalize regular and substantial training for the Board of Regents, as called for in the HLC accreditation report, to include appropriate press relations, the complementary roles of regents/administrators/faculty within the overall authority of the Board of Regents, the role of public research universities in sustaining democratic life, and other relevant topics. In many cases, faculty leadership would also benefit from participation in such training, and the resulting conversations might prove enlightening for all.

7. Coordinate the restructuring processes under discussion in the upper administration and the faculty governance structures (see below) of the university, so that coming changes in both settings dovetail in ways that truly undergird shared decision-making processes.
8. Create a systematic process to train academically-driven and managerially-talented faculty for future leadership in the university, and mentor them into appropriate roles.
9. Address morale issues among university staff and faculty by building greater contact with administrators and regents into their daily routines at the university, reversing recent declines in real wages, and creating the kinds of governance structures discussed above.

Finally, as a sign of the good faith with which the faculty leadership is engaging in rethinking the faculty's role in university governance, we briefly describe our own emergent efforts to create a structure capable of sustaining shared governance from the faculty side of the equation.

Faculty-led rethinking for shared governance:

The UNM Faculty Senate initiated an internal study in the summer of 2010 to look at a restructuring of its committees and its executive leadership in terms of scope and duties. The purpose of this restructuring was two-fold: (1) to become more timely in responding to administration initiatives related to the academic mission; and (2) to be a more effective, efficient, and participatory body in the shared governance of the University.

The reorganization idea and what its final elements will be are currently under review within the faculty governance structure, in dialogue with key administrative and faculty leaders. Under various options for revised faculty governance structure that are being considered, administrative initiatives could be brought to the faculty in a more immediate and formal way for comments, revision, and concurrence from faculty members operating through faculty senate governance bodies. All decisions affecting the academic mission will derive from, and be approved via, joint discussion between faculty and administration.

Ultimately, we hope that a more adequate structure to drive shared governance in the management and conduct of academic operations at UNM will emerge from this process. Through implementation of such a structure, we believe that UNM can build upon the partial progress made so far and documented above, in order to create a strong culture of shared responsibilities and mutual respect in working together on the future of our academic mission. In other words, these changes are being designed to create a *structure and culture* of shared governance at the University of New Mexico.

Conclusion: Moving forward

Shared governance entails a permanent dialogue among a variety of stakeholders, but most fundamentally between administration, faculty, and regents – each engaging in that dialogue in a way appropriate to their respective roles and all doing so within the ultimate authority of the UNM Board of Regents under the Constitution of the State of New Mexico. This brief comment on the UNM Monitoring Report to the Higher Learning Commission cannot substitute for that ongoing dialogue, but rather represents one further iteration of what must become a habit for all of us.

Respectfully submitted June 8, 2011 by the Faculty Committee on University Governance:

LM Manuel Garcia y Griego

Department of History and Chicano Studies and Chairperson, Research Policy Committee

Sever Bordeianu

University Libraries and Chairperson, Committee on Governance

Tim Lowrey

Department of Biology and Member, Committee on Governance

Claudia Isaac

Department of Community & Regional Planning; Chairperson, Faculty Senate Graduate Committee

Tim Ross

Department of Mechanical Engineering; President-Elect of the Faculty Senate

Richard L. Wood

Department of Sociology; President of the Faculty Senate