

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Finance and Facilities (F&F) Committee
May 3, 2022 Meeting Summary

Committee Members Present:
Regent Sandra Begay, Chair
Regent William Payne, Vice Chair
Regent Randy Ko, Student Regent

Non-Voting Committee Members Present:
Regent Doug Brown, President
Regent Kimberly Sanchez Rael

Executive Administration Present: Garnett Stokes, University President; James Holloway, Provost and EVP for Academic Affairs; and Teresa Costantinidis, SVP for Finance and Administration (SVPFA)

Presenters in Attendance: Bruce Cherrin, Purchasing; Reilly White, Anderson School of Management; Julia Sze, Anderson School of Management; Nathan Price, Anderson School of Management Program ; Norma Allen, University Controller; Ava Lovell, HSC Budget Office; Ryan Berryman, Athletics; Nicole Dopson, Academic Affairs/ Provost Office; Jeremy Hamlin, OPBA; Lisa Marbury, ISS; Ed Manzanares, Athletics; Duane Arruti, IT; Chin-Liang Chang, IT; Brian Pietrewicz, IT; Amy Coburn, Planning, Design and Construction; Raimund McClain, McClain + Yu Architecture and Design; and Dan Garcia, Enrollment Management

ACTION ITEMS:

1. **Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Begay called the virtual meeting to order at 1:31 p.m. and confirmed that a quorum was established with Regent Bill Payne and Regent Randy Ko present. **Regent Payne moved to adopt the agenda and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

COMMENTS:

2. **There were no public comments.**

ACTION ITEMS (continued):

3. **Approval of Finance and Facilities Committee Meeting Summary from March 8, 2022.** Regent Payne moved to approve the minutes and Regent Ko seconded. **The motion passed by unanimous vote with a quorum of committee members present and voting.**
4. **Approval of Disposition of Surplus Property for February and March 2022.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for February and March 2022. Items listed in the E-Book are either obsolete or beyond repair. The detailed reports are in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

INFORMATION ITEMS:

5. **Report of the UNM Regents' Student-Run Portfolio and Investment Policy Statement.** Reilly White, Julia Sze, and Nathan Price gave the presentation. The detailed report is in the E-book.
6. **3rd Quarter Consolidated Financial Report through March 31, 2022.** Norma Allen and Ava Lovell gave the presentation the detailed report is in the E-book.

ACTION ITEMS (continued):

7. **Approval of the New Mexico Higher Education Department, Institutional Finance Division, and 3rd Quarter Financial Actions Report and Certification through March 31, 2022.** Norma Allan gave the presentation. Regents' approval of the second Quarter Financial Actions report and certification through March 31, 2022, was requested. The Quarterly Financial Actions Report is a one-page report submitted to the Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED. There were no budget changes to report and a "no" response was provided for each question because all financial changes have been reflected in the Budget Adjustment Request (BAR). The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
8. **Approval of 3rd Quarter Athletics' Enhanced Fiscal Oversight Program Report (EFOP) and Certification through March 31, 2022, and 3rd Quarter Information on Athletics' Report by Sport through March 31, 2022.** Ryan Berryman and Nicole Dopson gave the presentation. Regents' approval was requested for the Athletics' EFOP Report and Certification instituted by the New Mexico Higher Education Department (HED). The report covers the FY22 third quarter financial status and budget exhibits for the Athletics department. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

3rd Quarter Information on Athletics' Report by Sport through March 31, 2022. Ryan Berryman and Nichole Dopson gave the presentation. The report details the pooled revenues and directed revenues by sport for FY22 budget and actuals year-to-date through March 31, 2022. The detailed report is in the E-book

9. **Approval for the FY22 BAR and FY23 Operating Budget for Main and Branch Campuses.** Jeremy Hamlin gave the presentation. Regents' approval was requested for the FY22 BAR. The BAR is due to the NM Higher Education Department (HED) by May 1, 2022. HED does allow a post-May 1 board approval. The primary purpose of the BAR is to ensure actual expenditures do not exceed budget authority by exhibit.

Primary drivers for the BAR for Main Campus include changes in revenue and expenditure projections, the use of reserves for one-time expenditures, an increase in restricted grant and contract revenues and expenditures, and other changes in transfers. These updates are summarized and listed below.

Summary of Changes for Main Campus current funds (Unrestricted) are listed below:

- \$5.9M net increase in revenues
- (\$21.5M) net transfers out
- \$13.4M net increases in expenses

Summary of Plant Fund changes are listed below:

- \$1.4M net increase in plant fund revenues
- \$33.9M net transfers in
- (\$3.7M) net decrease in expenses

Summary of Changes for Main Campus current funds (restricted) are listed below:

- \$41.3M net increase in expenses

Summary of Branch Campus changes are listed below:

- Gallup increased \$720K or 4.2%
- Los Alamos increased \$241K or 3.4%
- Valencia decreased \$714K or (4.5%)
- Taos increased \$208K or 1.8%

Regent Ko requested a three-year breakdown of tuition revenue forecast. SVP Costantinidis and Jeremy Hamlin agreed to have the requested forecast to Regent Ko before the next full board of Regents Meeting.

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

FY23 Operating Budget for Main and Branch Campuses. Regents' approval was requested for the FY23 operating budget for Main and Branch Campuses. Jeremy Hamlin gave the presentation. The University's total consolidated budget is projected to be \$3.7B which is a 9.3% increase over the FY22 budget. The Main Campus' budget for FY23 is \$898.2M which is an increase of 4.2% over FY22's original budget. The primary drivers for these changes include:

- State appropriations increased 15.5% over the FY22 original budget, due primarily to increases in compensation (7.12% compensation increase for FY23) and 2% increase in employer ERB contribution.
- Tuition and fee increases were approved at the March 22nd BOR meeting, including a 3% increase in resident-based tuition, and a 5% increase in non-resident base tuition.

The Branch Campuses' overall budget is projected to be \$53.1 M which is a 2.8% increase from the FY22 original budget and a 1.9% increase over FY22 revised budget. The primary drivers include an 11.2% increase in state appropriations due primarily to a 7.12% compensation increase and 2% ERB increase.

The detailed reports are in the E-book. **Regent Payne moved to approve Main and Branch Campuses' FY23 Budget and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

10. Project Construction Approvals of:

a. Institution Support Services:

1. **Demolition of Building #178.** Lisa Marbury gave the presentation. Regents' approval was requested for the Demolition of Building #178. The total estimated project budget is \$102K. The detailed report is in the E-book.
2. **Demolition of Building #125.** Lisa Marbury gave the presentation. Regents' approval was requested for the Demolition of Building #125. The total estimated project budget is \$131K. The detailed report is in the E-book.

3. **Northrop (NTHP) Research Lab Renovation.** Lisa Marbury gave the presentation. Regents' approval was requested for the Northrop (NTHP) Research Lab Renovation. The total estimated project budget is \$391K. The detailed report is in the E-book.
4. **Center for the Arts Renovate Basement Restrooms Re-Approval.** Lisa Marbury gave the presentation. Regents' approval was requested for the Center for the Arts Renovate Basement Restrooms Re-Approval. The total estimated project budget is \$502K. The detailed report is in the E-book.
5. **Student Residence Center Stairs Repair & Modification Phase 3.** Lisa Marbury gave the presentation. Regents' approval was requested for the Student Residence Center Stairs Repair & Modification Phase 3. The total estimated project budget is \$550K. The detailed report is in the E-book.
6. **Castetter Cage Wash Facility Upgrade.** Lisa Marbury gave the presentation. Regents' approval was requested for the Castetter Cage Wash Facility Upgrade. The total estimated project budget is \$716K. The detailed report is in the E-book.
7. **Lobo Welcome Center.** Lisa Marbury, Amy Coburn; Raimund McClain; and Dan Garcia gave the presentation. Regents' approval was requested for the Lobo Welcome Center. The total estimated project budget is \$7M. The detailed report is in the E-book.
8. **ROTC Renovation Re-Approval.** Lisa Marbury gave the presentation. Regents' re-approval was requested for the ROTC renovation. The total estimated project budget is \$11.4M. The detailed report is in the E-book.

Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

b. Athletics:

1. **Video Display Graphic Control Equipment at The Pit** Ed Manzanares gave the presentation. Regents' approval was requested for the Video Display Graphic Control Equipment at The Pit. The total estimated project budget is \$700K. The detailed report is in the E-book.
2. **Football Practice Field Renovation.** Ed Manzanares gave the presentation. Regents' approval was requested for the Football Practice Field Renovation. The total estimated project budget is \$800K. The detailed report is in the E-book.
3. **Track Resurfacing at UNM Track/Soccer Stadium.** Ed Manzanares gave the presentation. Regents' approval was requested for the Track Resurfacing at UNM Track/Soccer Stadium. The total estimated project budget is \$881K. The detailed report is in the E-book.
4. **Field Lighting Replacement at University Stadium.** Ed Manzanares gave the presentation. Regents' approval was requested for the Field Lighting Replacement at University Stadium. The total estimated project budget is \$2M. The detailed report is in the E-book.

Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

c. Information Technology Services:

1. **Learning Environments Technology Infrastructure and Network Upgrades.** Duane Arruti, Chin-Liang Chang, Kirsten Martinez, and Brian Pietrewicz gave the presentation. Regents' approval was requested for the Learning Environments Technology Infrastructure and Network Upgrades. The total estimated project budget is \$2.1M. The detailed report is in the E-book.

2. **Campus Fiber Renewal.** Duane Arruti gave the presentation. Regents' approval was requested for the Campus Fiber Renewal. The total estimated project budget is \$2.5M. The detailed report is in the E-book.
3. **Edge Switch Equipment Refresh.** Duane Arruti, Chin-Liang Chang, and Brian Pietrewicz gave the presentation. Regents' approval was requested for the Edge Switch Equipment Refresh. The total estimated project budget is \$3.5M. The detailed report is in the E-book.

Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

11. Approval of:

a. **Capital Outlay Request Package for 2022 – 2023 projects which must be submitted to the Higher Education Department (HED).** Teresa Costantinidis and James Holloway gave the presentation. Regents' approval was requested for the Capital Outlay package for FY23 projects, which must be submitted to HED. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

b. **Five Year Capital Plans, detailing projects which will construct and/or significantly improve and renew numerous facilities on the University of New Mexico Campuses.** Teresa Costantinidis and James Holloway gave the presentation. Regents' approval was requested for the five year capital plans that detail projects which will construct and/or significantly improve and renew numerous facilities on the University Campuses. The detailed report is in the E-book. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

12. **Recommendations for Consent Agenda Items on Full Board of Regents' Agenda.** Regent Begay recommended items 7, 8, and 10 be placed on the full Board of Regents' consent agenda. **Regent Payne moved to approve and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

13. **Recommendations for Information Agenda Items on Full Board of Regents' Agenda.** Regent Begay recommended items 5 and 6 be placed on the full Board of Regents agenda.

EXECUTIVE SESSION:

14. None

Regent Payne moved to adjourn at 3:34 p.m. and Regent Ko seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.