

New Mexico State University Board of Regents July 18, 2020

REVISED OPERATING BUDGET FOR
FISCAL YEAR 2020-2021

Andrew J. Burke

Senior Vice President for Administration and Finance



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Legislative Update

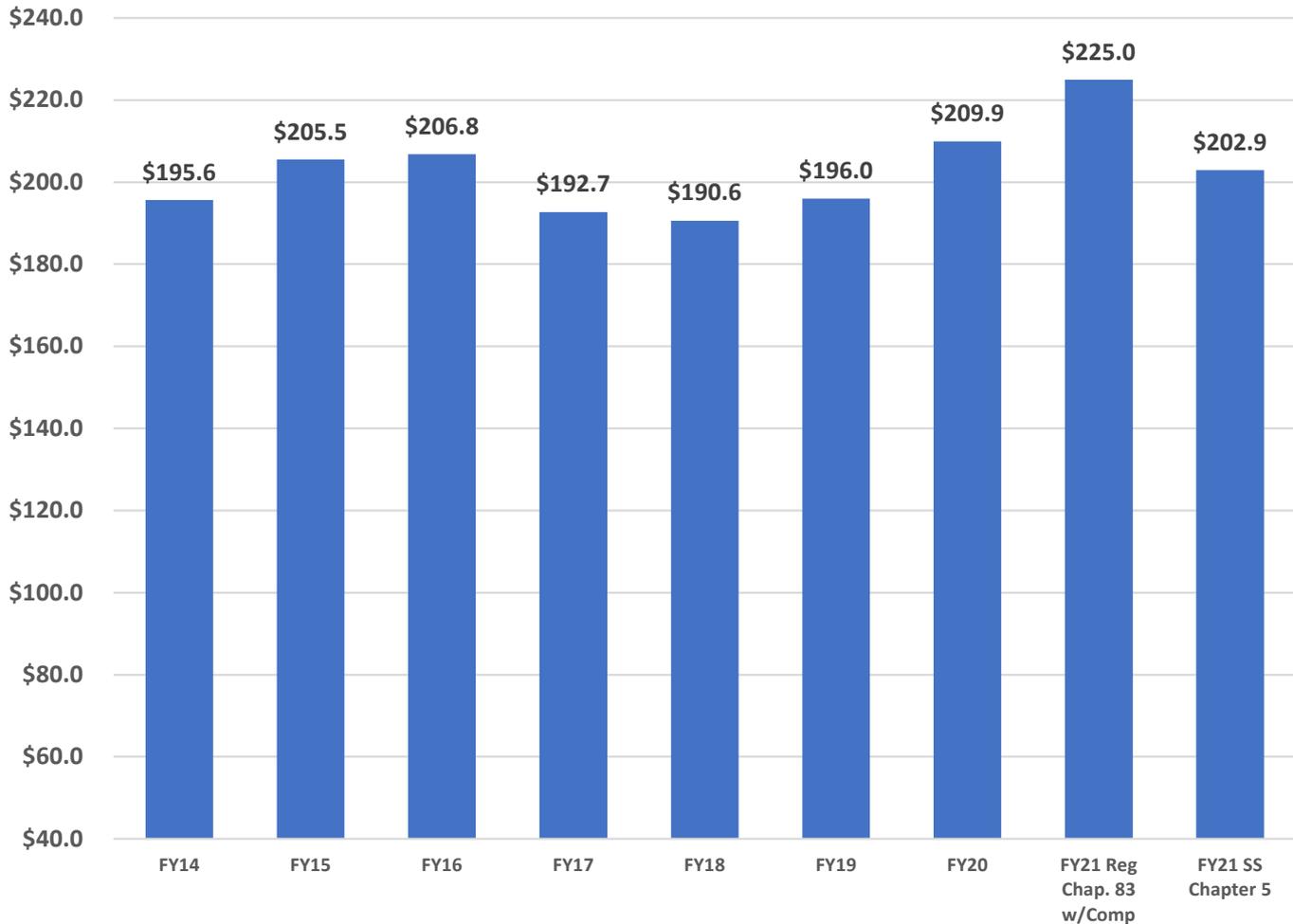


Legislative Special Session Results

- After the June special legislative session the Las Cruces campus Instruction and General (I&G) FY21 state appropriation was reduced by about \$13.4 million or 10.5% to \$114.2 million compared to the original \$127.6 million appropriated during the regular session. The reduction included:
 - Elimination of \$5.3 million for compensation
 - A 4% budget reduction of \$4.9 million, and
 - A CARES Act federal funds adjustment (SWAP) of \$3.2 million
- The community college state appropriations were reduced in the same way
- In addition, NMDA, AES, and, CES were reduced by 4%, other non-I&G programs had their state appropriations reduced by 6%, and compensation was eliminated across the board.

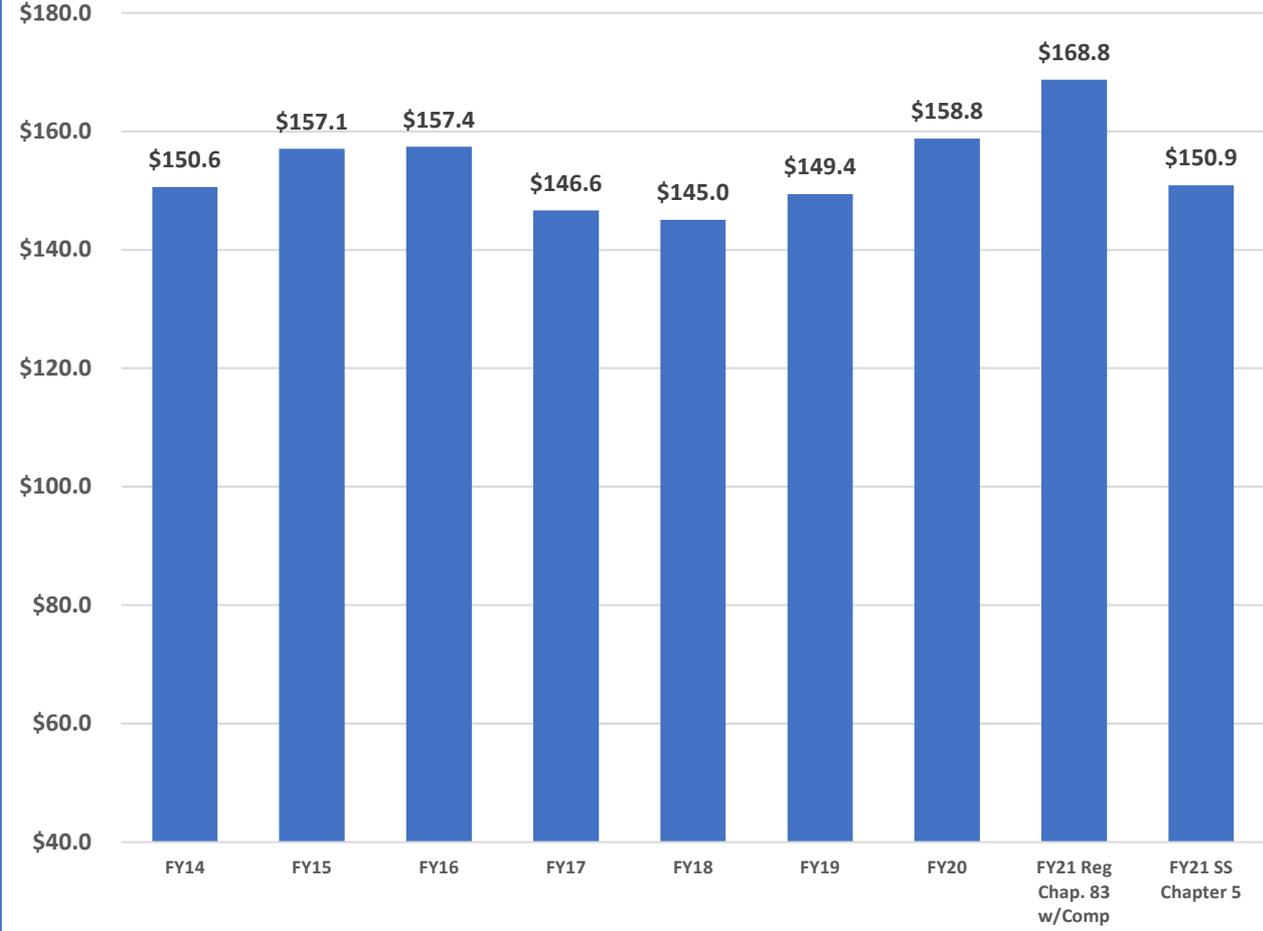
NMSU System State Appropriations Total System Funding

\$ in millions



NMSU System State Appropriations Total I&G System Funding

\$ in millions



Budget Reduction

- What this means for our budget is:
 - There will not be a compensation increase
 - The Las Cruces campus I&G expenditure budget will need to be cut \$10.9 million or roughly 6% compared to the budget approved by our Regents in May
 - Other budget cuts will need to be made across the NMSU system based on the state appropriation reductions
- Potential reduction in enrollment and thus tuition and fee revenue due to concerns about the coronavirus pandemic.
 - At the Las Cruces campus, every one percent in enrollment decline results in roughly a \$1.0 million dollar loss in tuition and fee revenue.
 - Budget reduction scenarios will need to consider this potential loss of revenue for FY21 once this amount can be estimated in late August.

FY21 General Appropriations for the NMSU System
HB1 (Chapter 5, Laws 2020 1st Special) - Excluding Compensation - Recurring
(\$ in thousands)

Institution / Program (detail listed primarily in HB2 order, in thousands)	FY20 OPBUD with junior & comp	FY21 House Bill 2 Chapter 83	Special Session HB1 Chapter 5	\$ Change HB1 v FY21	%Change HB1 vs FY21	\$ Change HB1 v FY20	% Change HB1 vs FY20
NEW MEXICO STATE UNIVERSITY							
Instruction and general purposes	120,020.6	122,313.9	117,421.3	(4,892.6)	-4.0%	(2,599.3)	-2.2%
<i>Federal CARES Stimulus SWAP</i>	0	0	(3,255.0)	(3,255.0)	NA	(3,255.0)	NA
Athletics	3,724.1	3,949.1	3,712.2	(236.9)	-6.0%	(11.9)	-0.3%
Educational television and public radio	1,054.3	1,054.3	991.0	(63.3)	-6.0%	(63.3)	-6.0%
Alamogordo Branch - Instruction and general purposes	7,323.8	7,374.9	7,079.9	(295.0)	-4.0%	(243.9)	-3.3%
Dual Credit adjustment	0	34.6	32.5	(2.1)	-6.0%	32.5	NA
<i>Federal CARES Stimulus SWAP</i>			(212.0)	(212.0)	NA	(212.0)	NA
Carlsbad Branch - Instruction and general purposes	4,271.2	4,342.3	4,168.6	(173.7)	-4.0%	(102.6)	-2.4%
Dual Credit adjustment		83.8	78.8	(5.0)	-6.0%	78.8	NA
<i>Federal CARES Stimulus SWAP</i>			(202.5)	(202.5)	NA	(202.5)	NA
Dona Ana Branch - Instruction and general purposes	23,658.3	24,106.4	23,142.1	(964.3)	-4.0%	(516.2)	-2.2%
Dual Credit adjustment		202.2	190.1	(12.1)	-6.0%	190.1	NA
<i>Federal CARES Stimulus SWAP</i>			(927.9)	(927.9)	NA	(927.9)	NA
Grants Branch - Instruction and general purposes	3,526.1	3,568.1	3,425.4	(142.7)	-4.0%	(100.7)	-2.9%
Dual Credit adjustment		51.0	47.9	(3.1)	-6.0%	47.9	NA
<i>Federal CARES Stimulus SWAP</i>			(113.0)	(113.0)	NA	(113.0)	NA
<i>Department of Agriculture</i>	12,019.2	12,496.2	11,996.4	(499.8)	-4.0%	(22.8)	-0.2%
NMDA - Veterinarians Externships		100.0	96.0	(4.0)	-4.0%	96.0	NA
<i>Agricultural Experiment Station (AES) (Language)</i>	14,948.6	15,148.6	14,542.7	(605.9)	-4.0%	(405.9)	-2.7%
<i>Cooperative Extension Service (CES)</i>	13,635.3	13,735.3	13,185.9	(549.4)	-4.0%	(449.4)	-3.3%
Research & Public Service Projects:						0.0	NA
NEW - Veterans Services	50.0	50.0	47.0	(3.0)	-6.0%	(3.0)	-6.0%
NEW - Sustainable Ag Center of Excellence	0	250.0	240.0	(10.0)	-4.0%	240.0	NA
STEM alliance for minority participation	318.0	318.0	298.9	(19.1)	-6.0%	(19.1)	-6.0%
NEW- Anna Age Eight Institute	0	874.0	821.6	(52.4)	-6.0%	821.6	NA
Mental health nurse practitioner	643.9	1,000.0	940.0	(60.0)	-6.0%	296.1	46.0%
Indian resources development	277.9	277.9	261.2	(16.7)	-6.0%	(16.7)	-6.0%
Manufacturing sector development program	674.6	674.6	634.1	(40.5)	-6.0%	(40.5)	-6.0%
Arrowhead center for business development	343.9	343.9	323.3	(20.6)	-6.0%	(20.6)	-6.0%
Nurse expansion	700.2	900.2	846.2	(54.0)	-6.0%	146.0	20.8%
Alliance teaching & learning advancement	155.9	155.9	146.5	(9.4)	-6.0%	(9.4)	-6.0%
Water resource research institute	931.9	1,131.9	1,064.0	(67.9)	-6.0%	132.1	14.2%
College assistance migrant program	205.8	205.8	193.5	(12.3)	-6.0%	(12.3)	-6.0%
Autism Program	614.0	614.0	577.2	(36.8)	-6.0%	(36.8)	-6.0%
Sunspot Solar Observatory Consortium	100.0	273.0	256.6	(16.4)	-6.0%	156.6	156.6%
Carlsbad - manufacturing sector development program	232.9	232.9	218.9	(14.0)	-6.0%	(14.0)	-6.0%
Carlsbad - nurse expansion	108.9	108.9	102.4	(6.5)	-6.0%	(6.5)	-6.0%
Dona Ana - dental hygiene program	206.0	306.0	287.6	(18.4)	-6.0%	81.6	39.6%
Dona Ana - nurse expansion	193.5	293.5	275.9	(17.6)	-6.0%	82.4	42.6%
Total NMSU	209,938.9	216,571.2	202,935.2	(13,636.0)	-6.3%	(7,003.7)	-3.3%

All Funds and Campuses

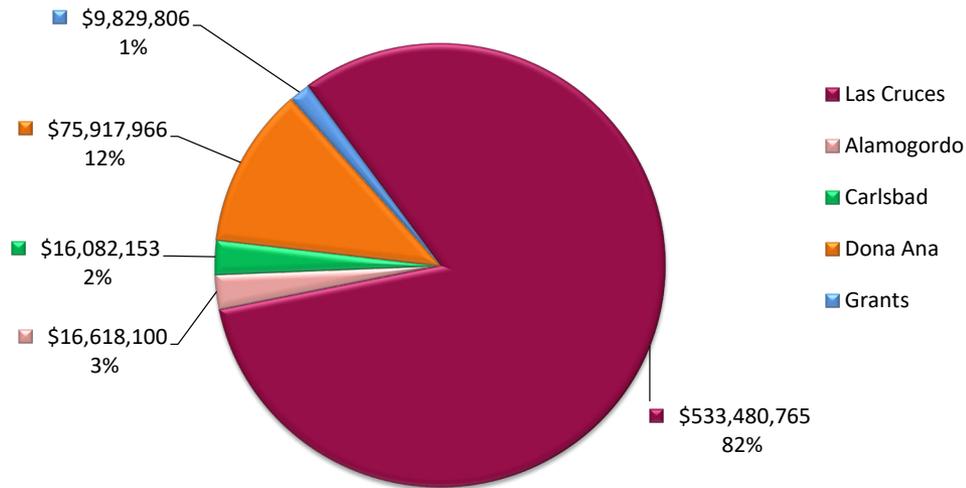


New Mexico State University

Revised Operating Budget for FY 2020-2021

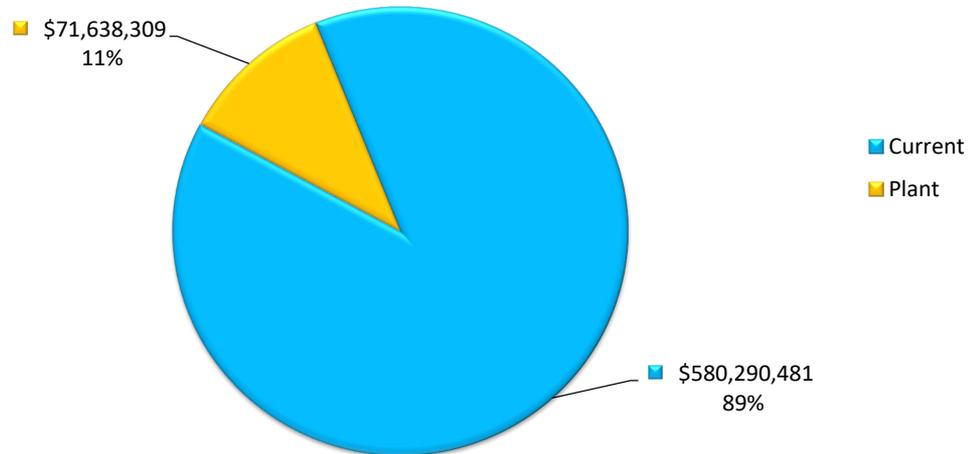
		UNRESTRICTED EXPENDITURES	RESTRICTED EXPENDITURES	TOTAL EXPENDITURES
LAS CRUCES CAMPUS	CURRENT FUNDS	\$ 317,319,869	\$ 167,374,743	\$ 484,694,612
	PLANT FUNDS	48,786,153	N/A	48,786,153
	TOTAL	\$ 366,106,022	\$ 167,374,743	\$ 533,480,765
ALAMOGORDO CAMPUS	CURRENT FUNDS	\$ 10,131,295	\$ 2,871,426	\$ 13,002,721
	PLANT FUNDS	3,615,379	N/A	3,615,379
	TOTAL	\$ 13,746,674	\$ 2,871,426	\$ 16,618,100
CARLSBAD CAMPUS	CURRENT FUNDS	\$ 11,101,291	\$ 2,980,862	\$ 14,082,153
	PLANT FUNDS	2,000,000	N/A	2,000,000
	TOTAL	\$ 13,101,291	\$ 2,980,862	\$ 16,082,153
DOÑA ANA CAMPUS	CURRENT FUNDS	\$ 41,628,435	\$ 20,763,754	\$ 62,392,189
	PLANT FUNDS	13,525,777	N/A	13,525,777
	TOTAL	\$ 55,154,212	\$ 20,763,754	\$ 75,917,966
GRANTS CAMPUS	CURRENT FUNDS	\$ 4,419,679	\$ 1,699,127	\$ 6,118,806
	PLANT FUNDS	3,711,000	N/A	3,711,000
	TOTAL	\$ 8,130,679	\$ 1,699,127	\$ 9,829,806
SUMMARY EXPENDITURES	CURRENT FUNDS	\$ 384,600,569	\$ 195,689,912	\$ 580,290,481
	PLANT FUNDS	71,638,309	N/A	71,638,309
	TOTAL	\$ 456,238,878	\$ 195,689,912	\$ 651,928,790

FY2021 Revised Expenditure Budget by Campus



Total Proposed Budget - \$651,928,790

FY2021 Revised Expenditure Budget by Fund Type



Total Proposed Budget - \$651,928,790

Current Funds Combined Campuses and Las Cruces Campus

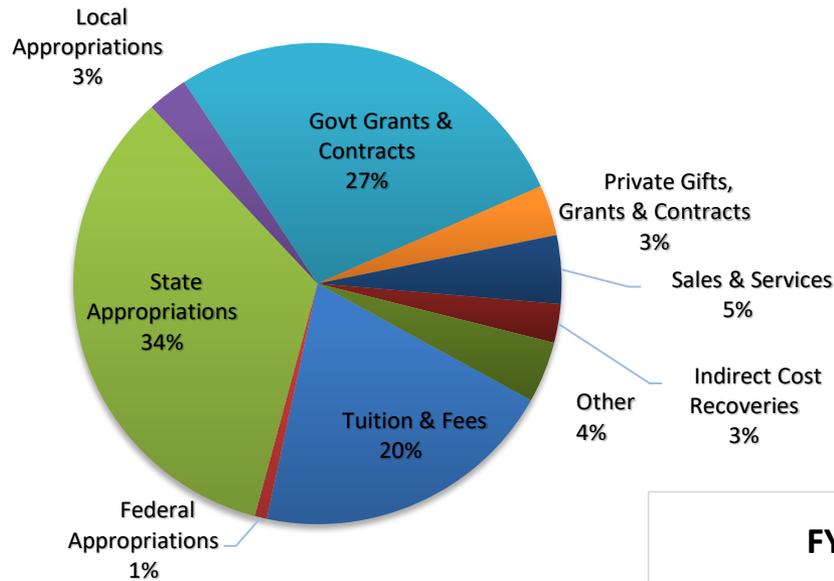
NMSU Sources of Current Funds

Combined Campuses	Original Budget <i>Approved</i> FY 2019-2020				Revised Budget <i>Proposed</i> FY 2020-2021				% Change
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total		
Tuition & Fees	\$ 118,307,277	\$ -	\$ 118,307,277	20.1%	\$ 121,148,502	\$ -	\$ 121,148,502	20.3%	2.4%
Federal Appropriations	-	5,060,308	5,060,308	0.9%	-	5,035,526	5,035,526	0.8%	-0.5%
State Appropriations	211,342,800	-	211,342,800	35.9%	203,135,300	-	203,135,300	34.0%	-3.9%
Local Appropriations	13,110,005	2,622,627	15,732,632	2.7%	13,339,210	2,609,740	15,948,950	2.7%	1.4%
Govt Grants & Contracts	126,370	151,924,064	152,050,434	25.8%	133,460	164,788,598	164,922,058	27.6%	8.5%
Private Gifts, Grants & Contracts	51,200	18,836,122	18,887,322	3.2%	20,100	20,289,000	20,309,100	3.4%	7.5%
Sales & Services	30,670,836	-	30,670,836	5.2%	27,401,932	-	27,401,932	4.6%	-10.7%
Indirect Cost Recoveries	13,944,225	-	13,944,225	2.4%	15,683,024	-	15,683,024	2.6%	12.5%
Other	20,322,935	2,821,775	23,144,710	3.9%	21,629,574	2,967,048	24,596,622	4.1%	6.3%
Total	\$ 407,875,648	\$ 181,264,896	\$ 589,140,544	100%	\$ 402,491,102	\$ 195,689,912	\$ 598,181,014	100%	1.5%

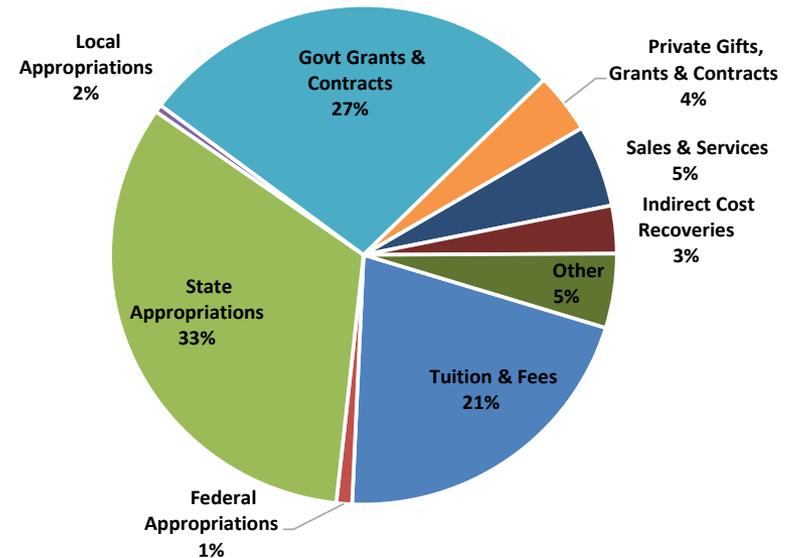
Las Cruces Campus	Original Budget <i>Approved</i> FY 2019-2020				Revised Budget <i>Proposed</i> FY 2020-2021				% Change
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total		
Tuition & Fees	\$ 102,154,423	\$ -	\$ 102,154,423	20.9%	\$ 105,138,978	\$ -	\$ 105,138,978	21.0%	2.9%
Federal Appropriations	-	5,060,308	5,060,308	1.0%	-	5,035,526	5,035,526	1.0%	-0.5%
State Appropriations	171,435,252	-	171,435,252	35.0%	165,493,600	-	165,493,600	33.0%	-3.5%
Local Appropriations	-	2,622,627	2,622,627	0.5%	-	2,609,740	2,609,740	0.5%	-0.5%
Govt Grants & Contracts	123,900	124,326,203	124,450,103	25.4%	130,000	137,361,052	137,491,052	27.4%	10.5%
Private Gifts, Grants & Contracts	51,200	18,059,883	18,111,083	3.7%	20,100	19,486,275	19,506,375	3.9%	7.7%
Sales & Services	29,826,911	-	29,826,911	6.1%	26,515,997	-	26,515,997	5.3%	-11.1%
Indirect Cost Recoveries	13,737,335	-	13,737,335	2.8%	15,445,800	-	15,445,800	3.1%	12.4%
Other	19,766,622	2,745,600	22,512,222	4.6%	21,182,706	2,882,150	24,064,856	4.8%	6.9%
Total	\$ 337,095,643	\$ 152,814,621	\$ 489,910,264	100%	\$ 333,927,181	\$ 167,374,743	\$ 501,301,924	100%	2.3%



FY21 Sources of Funds All Campuses Combined



FY21 Sources of Current Funds Las Cruces



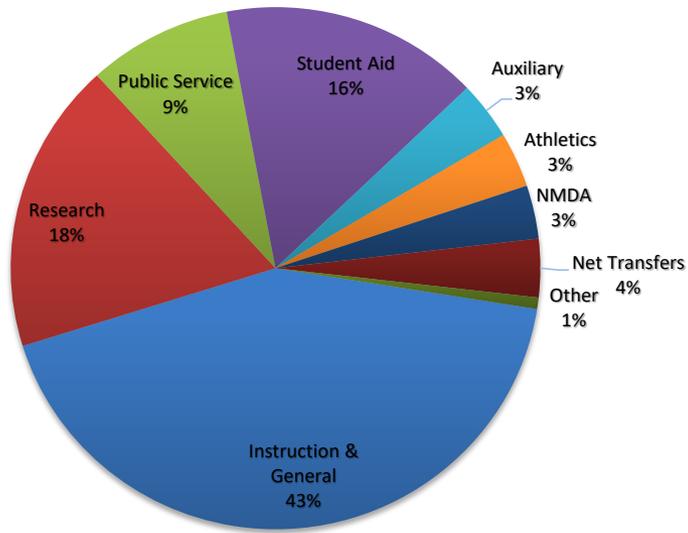
NMSU Uses of Current Funds

Combined Campuses	Original Budget <i>Approved</i> FY 2019-2020				Revised Budget <i>Proposed</i> FY 2020-2021				% Change
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total		
Instruction & General	\$ 248,333,848	\$ 14,078,602	\$ 262,412,450	44.5%	\$ 241,934,460	\$ 14,631,820	\$ 256,566,280	42.6%	-2.2%
Research	33,845,318	64,734,120	98,579,438	16.7%	34,107,573	74,538,745	108,646,318	18.0%	10.2%
Public Service	23,292,095	29,424,506	52,716,601	8.9%	23,848,812	29,143,347	52,992,159	8.8%	0.5%
Student Aid	19,801,721	69,387,016	89,188,737	15.1%	22,390,590	72,923,948	95,314,538	15.8%	6.9%
Auxiliary	21,593,004	81,700	21,674,704	3.7%	21,825,660	123,500	21,949,160	3.6%	1.3%
Athletics	19,027,168	1,378,152	20,405,320	3.5%	18,981,614	1,482,352	20,463,966	3.4%	0.3%
NMDA	16,438,159	2,050,000	18,488,159	3.1%	17,300,137	2,726,600	20,026,737	3.3%	8.3%
Net Transfers	22,073,793	-	22,073,793	3.7%	21,822,728	-	21,822,728	3.6%	-1.1%
Other	3,731,831	130,800	3,862,631	0.7%	4,211,723	119,600	4,331,323	0.7%	12.1%
Total	\$ 408,136,937	\$ 181,264,896	\$ 589,401,833	100%	\$ 406,423,297	\$ 195,689,912	\$ 602,113,209	100%	2.2%

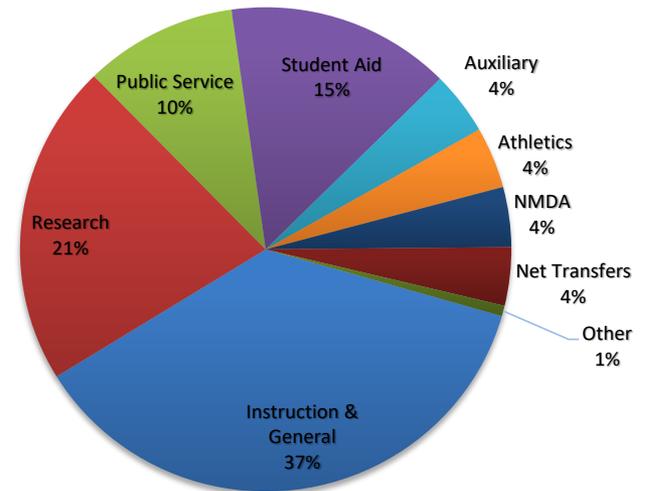
Las Cruces Campus	Original Budget <i>Approved</i> FY 2019-2020				Revised Budget <i>Proposed</i> FY 2020-2021				% Change
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total		
Instruction & General	\$ 183,030,880	\$ 8,615,400	\$ 191,646,280	39.1%	\$ 177,199,560	\$ 8,295,100	\$ 185,494,660	36.8%	-3.2%
Research	33,845,318	64,734,120	98,579,438	20.1%	34,107,573	74,538,745	108,646,318	21.5%	10.2%
Public Service	22,924,143	28,025,388	50,949,531	10.4%	23,476,614	27,409,246	50,885,860	10.1%	-0.1%
Student Aid	19,085,986	47,917,261	67,003,247	13.7%	21,685,986	52,804,600	74,490,586	14.8%	11.2%
Auxiliary	20,680,957	18,000	20,698,957	4.2%	20,996,551	51,400	21,047,951	4.2%	1.7%
Athletics	19,027,168	1,378,152	20,405,320	4.2%	18,981,614	1,482,352	20,463,966	4.1%	0.3%
NMDA	16,438,159	2,050,000	18,488,159	3.8%	17,300,137	2,726,600	20,026,737	4.0%	8.3%
Net Transfers	19,068,808	-	19,068,808	3.9%	19,487,285	-	19,487,285	3.9%	2.2%
Other	3,150,562	76,300	3,226,862	0.7%	3,571,834	66,700	3,638,534	0.7%	12.8%
Total	\$ 337,251,981	\$ 152,814,621	\$ 490,066,602	100%	\$ 336,807,154	\$ 167,374,743	\$ 504,181,897	100%	2.9%



FY21 Uses of Current Funds All Campuses Combined



FY21 Uses of Current Funds Las Cruces



**New Mexico State University - Las Cruces Campus
FY2020-21 Sources & Uses of New I&G Funds**

<i>Ref. No.</i>	New Sources of Funds / Revenues	FY21 Approved	PROPOSED FY21 Revised
1	I&G State Appropriations (CARES ACT SWAP Las Cruces = \$3,255,000)	\$ 2,293,300	\$ (5,854,300)
2	I&G State Appropriations - Compensation	5,323,100	-
3	I&G State Appropriations - Nursing		(114,000)
4	Enrollment Projection (no change)	-	-
5	Tuition and Fees Rate Increase, 3%	2,200,000	2,200,000
6	Savings from Utilities Budget as a result of efficiencies	700,000	700,000
7	Savings from Fringe Rate (37.5% to 37.1%)	426,000	426,000
8	Budget Reduction and/or Reallocation	2,629,600	10,976,300
9	Total Estimated Sources / Revenues	\$ 13,572,000	\$ 8,334,000

<i>Ref.</i>	New Uses of Funds / Expenditures		
10	Faculty and Staff Compensation Pool of 3%, plus fringes	\$ 5,238,000	\$ -
11	Faculty Promotion & Tenure Fund (effective 7/1/20)	400,000	400,000
12	Student minimum wage (increase in operations)	400,000	400,000
13	Investment in Scholarships	2,500,000	2,500,000
14	Outstanding FY20 Budget Shortfall	3,884,000	3,884,000
15	Strategic Investments: Enhance Student Success and Social Mobility	400,000	400,000
16	Strategic Investments: Elevate Research and Creativity	200,000	200,000
17	Strategic Investments: Amplify Extension and Outreach	100,000	100,000
18	Strategic Investments: Build a Robust NMSU System	450,000	450,000
19	Total Estimated Uses / Expenditures	\$ 13,572,000	\$ 8,334,000

Community College Campuses



**New Mexico State University - Alamogordo Campus
FY20-21 Sources and Uses of New I&G Funds**

	FY21 Approved	PROPOSED FY21 Revised
Sources/Revenues:		
General Fund I&G Appropriation (CARES ACT SWAP Alamogordo = \$212,000)	\$ 51,100	\$ (455,900)
General Fund I&G Appropriation (Dual Credit Adjustment)	34,600	32,500
General Fund I&G Appropriation for Compensation, including 30% Fringes	260,100	-
Enrollment Adjustment - (2.74%) Decrease	(64,273)	(64,273)
Change in Tax Mil Levy	29,205	29,205
Other Revenues	(73,680)	(73,680)
Non-recurring State Appropriations	(130,000)	(130,000)
Proceeds from NMSU Online	251,800	251,800
Permanent Budget Reduction/Reallocation		
Reduction in Utility Budget	43,800	43,800
Reduction in Part-Time Faculty/Overloads plus fringes	79,521	79,521
Reduction in Support Staff	41,752	93,987
Faculty Resignation (plus fringe) - not filling	81,385	81,385
Reduction in Fringes	18,782	38,162
Reduction in Supplies and Expenses		172,666
Total Sources	\$ 624,092	\$ 99,173
Uses/Expenditures:		
Faculty and Staff Compensation Increase, including fringes	\$ 242,947	\$ -
Minimum Wage Increase (\$10.50/hour), including fringes	16,473	16,473
Faculty Promotion and Tenure Fund, including fringes	40,269	40,269
Other Expenditures		
Travel	4,000	4,000
Supplies and Expense	281,972	-
Longevities, Increases to Temp Salaries and Reclasses (plus fringes)	23,619	23,619
Dona Ana Faculty Study (plus fringes)	14,812	14,812
Total Uses	\$ 624,092	\$ 99,173

**New Mexico State University - Carlsbad Campus
FY20-21 Sources and Uses of New I&G Funds**

	FY21 Approved	PROPOSED FY21 Revised
Sources/Revenues:		
General Fund I&G Appropriation (CARES ACT SWAP Carlsbad = \$202,500)	\$ 71,100	\$ (311,600)
General Fund I&G Appropriation (Dual Credit Adjustment)	83,800	78,800
General Fund I&G Appropriation for Compensation, including 30% Fringes	85,000	-
Saving from decrease in Fringe Rate (decrease from 37.5% to 37.1%)	15,998	15,998
Enrollment Adjustment - 5% Increase (Decrease)	46,000	46,000
Change in Tax Mil Levy (increasase in proverty valuation)	290,245	290,245
Permanent Budget Reduction/Reallocation - Wage reduction from retirements and vacant posit	-	117,850
Decrease in travel funds allocated for nursing students		6,500
Total Sources	<u>\$ 592,143</u>	<u>\$ 243,793</u>
Uses/Expenditures:		
Faculty and Staff Compensation Increase, including fringes	\$ 219,350	\$ -
Minimum Wage Increase (\$10.50/hour), including fringes	350	350
Faculty Promotion and Tenure Fund, including fringes	56,143	56,143
New 9-Month Faculty Position - Two Oil & Gas Faculty	129,000	-
Other Expenditures - Institutional Support	187,300	187,300
Total Uses	<u>\$ 592,143</u>	<u>\$ 243,793</u>

**New Mexico State University - Dona Ana Campus
FY20-21 Sources and Uses of New I&G Funds**

	FY21 Approved	PROPOSED FY21 Revised
Sources/Revenues:		
General Fund I&G Appropriation (CARES ACT SWAP Dona Ana = \$927,900)	\$ 448,100	\$ (1,444,100)
General Fund I&G Appropriation (Dual Credit Adjustment 2m)	202,200	190,100
General Fund I&G Appropriation for Compensation, including 30% Fringes	916,700	-
RPSP Increases for Dental & Nursing	200,000	164,000
Indirect Cost Recovery		81,774
Reduction of Non Mandatory Cap Outlay/R&R Tsf \$200k/Other Tsf (UO Tsf \$150k)	150,000	350,000
Savings from reduction in Fringe Rate (decrease from 37.5% to 37.1% and contingency)	157,791	157,791
Change in Tax Mil Levy	200,000	200,000
Permanent Budget Reduction/Reallocation (Legal Assistant, Library Science, Elec Apprenticeship)	208,216	236,506
Use of DACC Fund Balance or Budget Reduction and/or Reallocation		755,387
Total Sources	\$ 2,483,007	\$ 691,458

Uses/Expenditures:		
Faculty and Staff Compensation Increase, including fringes	\$ 1,686,799	\$ -
Minimum Wage Increase (\$10.50/hour), including fringes (Students)	34,019	34,019
Faculty Promotion and Tenure Fund, including fringes	110,291	110,291
RPSP Dental & Nursing Increases	200,000	164,000
Institutional Overhead	187,300	187,300
Increase in Internal Services	24,600	24,600
Faculty Equity Pool	68,750	
Other Expenditures (Committed Positions Perkins/Avanza with fringes)	171,248	171,248
Total Uses	\$ 2,483,007	\$ 691,458

**New Mexico State University - Grants Campus
FY20-21 Sources and Uses of New I&G Funds**

	FY21 Approved	PROPOSED FY21 Revised
Sources/Revenues:		
General Fund I&G Appropriation (CARES ACT SWAP Grants = \$113,000)	\$ 42,000	\$ (216,700)
General Fund I&G Appropriation (Dual Credit Adjustment)	51,000	47,900
General Fund I&G Appropriation for Compensation, including 30% Fringes	89,300	-
Saving from decrease in Fringe Rate (decrease from 37.5% to 37.1%)	7,925	7,925
Permanent Budget Reduction/Reallocation	63,286	242,666
Total Sources	<u>\$ 253,511</u>	<u>\$ 81,791</u>
Uses/Expenditures:		
Faculty and Staff Compensation Increase, including fringes	\$ 108,654	\$ -
Faculty Promotion and Tenure Fund, including fringes	9,610	9,610
New Student Success Coordinator, including fringes	63,066	-
Other Expenditures	72,181	72,181
Total Uses	<u>\$ 253,511</u>	<u>\$ 81,791</u>

Thank You!



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