

**APPENDIX A**  
**THE UNIVERSITY**  
**ORGANIZATION, PROGRAMS AND SUMMARY FINANCIAL INFORMATION**

**Administrative Officers**

**ORGANIZATION**

Article XII, Section 13 of the New Mexico Constitution vests control and management of the University of New Mexico (the “University”) in a board of regents (the “Regents”). The Regents elect a president, who, with the advice and consent of the Regents, appoints the University’s principal administrative officers. In addition to the specific responsibilities outlined below, the administrative officers as a group are charged with the general responsibility of carrying out the policies established by the Regents.

As of July 1, 2016 the following persons served as officers of the University:

*Chaouki Abdallah, Ph.D., Acting President*

Chaouki Abdallah became acting president of the University of New Mexico (UNM) on January 1, 2017. He joined the UNM Electrical and Computer Engineering department (ECE) in 1988, where he is professor of Electrical & Computer Engineering. Between 2005 and 2011, he was the ECE department chair and currently serves as provost and executive vice president for Academic Affairs at UNM; a role he assumed in July of 2011.

As provost, he has assembled a team to improve student success focusing on underprepared and underrepresented students. Under his leadership and within four years, UNM has increased the first-year retention rates by 6%, the four-year graduation rate by 7%, and the six-year graduation rate by 4%. The team has also designed and implemented degree-plan software that allows current and potential students to investigate and track their coursework progress. He also shepherded the design and implementation of an Honors college that has since increased the number of high-achieving students attending UNM by more than 20%.

Professor Abdallah conducts research and teaches courses in the general area of systems theory with focus on control, communications, and computing systems. His research has been funded by NSF, AFOSR, NRL, national laboratories, and by various companies. Professor Abdallah is fluent in English, French, and Arabic. He currently serves as a board member for the Albuquerque Academy Board, The GaTech ECE external advisory board, as well as STC.UNM.

Chaouki T. Abdallah obtained his BE from Youngstown State University in 1981, and his MS and Ph.D. in Electrical Engineering from the Georgia Institute of Technology in 1982, and 1988 respectively.

*David W. Harris, Executive Vice President for Administration*

David W. Harris joined the University in May 2004. Mr. Harris brings to the University more than 30 years of financial expertise. Before joining the University in 2004, Mr. Harris held several leadership posts in the State of New Mexico government, including Director of the

Legislative Finance Committee from 1989-1995, Secretary of the Department of Finance and Administration from 1995-2000, Deputy Chief of Staff for Governor Richardson from 2001-2003, and Executive Director of the New Mexico Finance Authority until he accepted his appointment at the University.

David W. Harris served as Acting President for the University of New Mexico from 2006–2007.

Mr. Harris holds a Bachelor of Business Administration from Eastern New Mexico University. In 1997 he received the New Mexico Distinguished Public Service award, and in 2002, he was recognized as an Outstanding Alumnus of Eastern New Mexico University. He has also received the UNM Regents Meritorious Service award.

*Craig White, Ph.D. Acting Provost*

Craig White became acting provost of the University of New Mexico (UNM) on January 1, 2017. He joined the Anderson School of Management in 1998 where he is professor of Accounting. Between 2009 & 2014 he was chair of the Accounting department and currently serves as dean of the Anderson School of Management at UNM; a role he assumed in July 2014.

Prior to entering academia, he worked in the tax department of the Fort Worth, TX office of Price Waterhouse. His research and teaching specialization is in the area of federal income taxation. Dr. White's research interests also include the effect of tax incentives on business decision making, ownership of intellectual property, and business startups commercializing new technologies. His work has been published in a variety of academic and professional journals. His consulting work has focused on helping organizations use data to improve business decision making and to efficiently comply with accounting reporting requirements.

Professor White holds both a Ph.D. and Master's degree from Texas Tech University and a BBA from Texas A&M University.

*Dr. Eliseo Torres, Vice President for Student Affairs*

Dr. Torres was appointed Vice President for Student Affairs January 1, 1996. Dr. Torres received his B.S. in Elementary Education, his M.A. in Secondary Education, has an Ed.D. in Curriculum and Instruction all from Texas A&M–Kingsville and taught in the Bilingual Doctoral Program. He served as interim President, Vice President for Student Affairs and Special Services, Director of the University's Center for Continuing Education, and also as Assistant to the President.

*Norma J. Allen, Associate Director for Planning, Budget and Analysis*

Ms. Allen has over 19 years of professional accounting experience in both private and public industries including entertainment, healthcare, and higher education. Sixteen of those years have been in higher education. She began her career at the University of New Mexico in the Financial Services Division in 2000. Since then, she has gained experience in various areas including UNM finance, budgeting, and IT. In 2006, she began working in the Office of Planning, Budget, and Analysis as a UNM Budgets Administrator and in 2008, she became the Associate Director of the Office of Planning, Budget, and Analysis. In 2016, Ms. Allen became the Interim Senior Administrator overseeing all areas of the Office of Planning, Budget, and Analysis including

budget operations, systems, Higher Education Department (HED) reporting, institutional bonds, debt service, capital, and investments.

*Paul B. Roth, M.D., FACEP, Chancellor for Health Sciences, Health Sciences Center, Chief Executive Officer, UNM Health System, Dean, UNM School of Medicine*

Dr. Roth was appointed Chancellor for Health Sciences in December 2010, was appointed as Executive Vice President for the Health Sciences Office in January 2006 and also serves as the Dean of the School of Medicine, a position he has held since 1994. Prior to 1994, Dr. Roth held a variety of leadership positions at the University of New Mexico including Chair of the Department of Emergency Medicine, Director of Ambulatory Care Programs, and Chief Medical Officer.

Dr. Roth's professional emphasis is in the field of Disaster Medicine. He founded the UNM Center of Disaster Medicine and created the nation's first civilian Disaster Medical Assistance Team in the National Disaster Medical System in 1984. The team continues as the largest and most experienced team in the United States.

In addition to serving on the UNM Hospital Board of Trustees, Science and Technology Corporation Board of Directors, he also sits on several other national boards and committees including the Association of American Medical Colleges' Executive Council and the Council of Deans' Administrative Board since 2000. He was Chair of the Council of Deans from 2005-2006. Dr. Roth was invited to be a member of the United States Department of Health and Human Services' Public Health Emergency Advisory Council, and most recently was invited to be a member of the joint Department of Homeland Security and Department of State "Secure Borders/Open Doors" Advisory Committee.

He is a Fellow in the American College of Emergency Physicians. He graduated from George Washington University School of Medicine in Washington, D.C. in 1976 and completed his Family Practice Residency in 1979 at the University of New Mexico School of Medicine. He completed a B.S. in 1969 and an M.S. (Biology) in 1972, both at Fairleigh Dickinson University.

*Stephen W. McKernan, Chief Executive Officer UNM Hospitals and UNM Health System  
Chief Operation Officer*

Steve McKernan is Chief Executive Officer at University Hospital and UNM Health System Chief Operations Officer. He was promoted to the UNM Hospital Chief Executive Officer position in February 1998, after having served as Interim CEO for 1-1/2 years. Prior to that, he served for eleven years as CFO for the UNM Hospital and for four years as Executive Director of University Physician Associates. He has been associated with the hospital for 25 years. Mr. McKernan is a Certified Public Accountant and worked for Deloitte, Haskins and Sells before he joined University Hospital. He holds a Bachelor's Degree in Accounting and a Master's Degree in Economics. He is President of the Great Southwest Council of the Boy Scouts, a member of Rotary Club and serves on various Boards and Committees related to the healthcare industry.

*Ava J. Lovell, CPA, Senior Executive Officer for Finance & Administration, UNM Health Sciences Center*

Ava Lovell is a CPA with 30 years of financial management experience, including work for a

national auditing firm and several Fortune 500 companies. Ms. Lovell came to UNM in 1994 and gained experience in the offices of Research Accounting, Property Accounting, Accounts Payable, Financial Reporting and Financial Systems. Later, she served as associate university controller, project director for Banner Finance and associate vice president for financial services at the UNM Health Sciences Center. In October 2007, she accepted the position of vice president and university controller over both main campus and UNM Health Sciences center Financial Services. She started her present position as senior executive officer for finance and administration on July 1, 2012. Ms. Lovell's current responsibilities include fiscal and administrative oversight for the Health Sciences Center's academic, research and health system enterprises.

Ms. Lovell received her bachelor of science degree in accountancy from Northern Arizona University and a Masters of Health Administration from the University of Southern California.

*Leslie Morrison, MD*

*Vice Chancellor for Academic Affairs, UNM Health Sciences Center*

Dr. Morrison joined the UNM Health Sciences Center in 1992. She has served as division chief, vice chair and chief of clinical operations for the Department of Neurology, and as associate dean for academic affairs in the School of Medicine. As vice chancellor, she is responsible for student and faculty affairs on the Health Sciences campus, including student and faculty governance councils. The Office of Academic Affairs oversees Professionalism, Interprofessional Education, the Institute for Indigenous Knowledge and Development, Student Financial Aid and the Registrar. Dr. Morrison interacts closely with counterparts on the main campus and serves on several cross-campus initiatives.

She is a fellow of the Executive Leadership in Academic Medicine program, and has served on the steering committee of the Association of Academic Medical Colleges (AAMC) Group on Faculty Affairs and the program planning subcommittee. She has also been a leader in the AAMC Faculty Forward faculty engagement survey since 2009. She remains active nationally and internationally in neurology and child neurology, having served for many years as an examiner and recertification committee member for the American Board of Neurology and Psychiatry. She has also held a variety of leadership positions in professional societies, having served as chair of the United Council for Neurologic Subspecialties, which certifies subspecialists and accredits training programs.

Dr. Morrison received her undergraduate degree at UNM and practiced pediatric physical therapy for five years prior to attending medical school in the innovative problem-based Primary Care Curriculum at UNM. She trained in pediatrics and child neurology at Johns Hopkins University.

*Richard S. Larson, MD, PhD*

*Executive Vice Chancellor and Vice Chancellor for Research, UNM Health Sciences Center*

Dr. Larson oversees a number of operational, clinical and educational programs, as well as the UNM Health Sciences Center's research mission. An established scholar and leader, his many accolades include the College of American Pathology's Lansky Award for his leadership in and contribution to the practice of pathology and laboratory medicine, the UNM Regents Lectureship for contributions to the university and the American Cancer Society Designated National Investigator for the Coaches against Cancer and Hoops for Lymphoma/Leukemia.

Dr. Larson has initiated and supported several commercial ventures in New Mexico. He currently has commercial partnerships with Senior Scientific, Accelera, Adaptive Methods and Sandia

National Laboratories. He is a member of the board of directors for TriCore Reference Laboratory, New Mexico's twelfth-largest company, where he has been involved in founding, operating and governance. He has also served on the board of directors for the National Center for Genome Research. In 2001, he co-founded Cancer Services of New Mexico, a non-profit organization that each year serves, free of charge, more than 2,000 New Mexicans suffering from cancer. He is president of the Cancer Services of New Mexico Foundation and serves on the boards of Cancer Services of New Mexico, CleanSpot, Innovate ABQ, New Mexico Biomedical Business Association, New Mexico Consortium, New Mexico University Research Consortium, Science and Technology Corporation and Sigma Xi.

Dr. Larson received both his MD and PhD from Harvard University and performed his residency training at Washington University in St. Louis and his fellowship training at Vanderbilt University.

*Michael Richards, MD*  
*Executive Physician-in-Chief, UNM Health System*

Dr. Richards is the executive physician-in-chief for the University of New Mexico Health System and is also a professor and former chair of the Department of Emergency Medicine and former chief of staff at UNM Hospital. He has an extensive background as both an administrator and physician leader, having previously served as director of the UNM Center for Disaster Medicine and medical director of the EMS Bureau at the New Mexico Department of Health.

Dr. Richards focuses on translating the health system's strategic plan and vision into structure, function and operational plans. He is also responsible for helping the health system achieve greater alignment and integration across all of its operational elements.

Dr. Richards has a masters of public administration from the University of North Carolina. He earned his MD at East Carolina University and served his internship/residency at the UNM School of Medicine.

*Martha Cole McGrew, MD*  
*Executive Vice Dean, UNM School of Medicine*

Dr. McGrew is the executive vice dean of the UNM School of Medicine, where she is responsible for day-to-day operations. Dr. McGrew is focused on serving the needs of New Mexicans by promoting excellence in the school's academic and workforce missions. She has received many educational grants and teaching awards and has consulted on medical education in countries such as China, Nepal and Guatemala – and throughout the United States. She is a graduate of the Executive Leadership in Academic Medicine fellowship at Drexel University.

Dr. McGrew's interests and expertise include maternal-child health and medical education. She is a graduate of the Louisiana State University School of Medicine-Shreveport. She completed her family medicine residency at LSU Medical Center and later earned a fellowship in family medicine faculty development at the University of California, San Francisco. She joined the UNM School of Medicine faculty in 1990 and served as chair of the Department of Family and Community Medicine prior to her current position.

*Vanessa Hawker,*

### *Chief Officer for Budget & Facilities, UNM Health Sciences Center*

Dr. Hawker was appointed as UNM Health Sciences Center's chief budget and facilities officer in November, 2016. She oversees the development and coordination of its \$1.9 billion budget and is responsible for facility planning and construction projects.

Prior to this position, Dr. Hawker was a Senior Strategic Advisor to the Senior Executive Officer of Finance & Administration of the UNM Health Sciences Center. In this position she coordinated all substantive legislation and oversaw the Health Sciences Center's fiscal impact report process. Dr. Hawker worked closely with the senior leadership on institutional budget development and capital projects.

Dr. Hawker has held multiple top-level budget positions within the UNM Health Sciences Center, including Director of Budget and Administrative Services and Associate Budget Director. Collectively, these positions have provided extensive experience in budget implementation and control and policy development, including directing the budget management process for all academic administrative units.

Prior to Dr. Hawker's tenure at UNM Health Sciences Center, she held leading budget and finance positions at both the Commission on Higher Education (now New Mexico Higher Education Department) and Central New Mexico Community College (formerly Albuquerque Technical-Vocational Institute) from 1988 – 2001, collectively. While at the Commission, Dr. Hawker served as Director for Finance, where she maintained and ran the state's higher education funding formula.

Dr. Hawker received her PhD in Education Administration from New Mexico State University in 2007 and a Master of Public Administration from The University of New Mexico in 1993. She also served as adjunct faculty at NMSU teaching doctorate and master-level courses on finance and funding.

### **Faculty and Other Employees**

The University employs approximately 29,080 people in full-time, part-time, professional and non-professional capacities at its main campus, branch campuses, graduate centers and hospitals. Of these people, over 4,484 persons are part of the University's full-time and part-time faculty. Members of the faculty have received their degrees from over 650 colleges and universities in the United States and approximately 35 schools and institutions in various foreign countries. The majority of the University's faculty members hold doctorate degrees.

In addition to the faculty, the University employs approximately 5,073 students as graduate assistants, teaching assistants and research assistants and in various work-study programs and part-time positions at the University.

The University employs approximately 15,000 staff members (including Hospital employees, but excluding student employees) in professional, crafts, manual and food service areas and in various clerical and technical positions at the University. The University is a party to three separate collective bargaining agreements, which cover a total of approximately 2,000 employees. The University believes its relations with its employees are good and the outstanding collective bargaining agreements are not subject to renegotiation for two or three years, as applicable.

	<u>2016</u> <sup>(1)</sup>	<u>2015</u> <sup>(1)</sup>	<u>2014</u> <sup>(1)</sup>	<u>2013</u> <sup>(1)</sup>	<u>2012</u> <sup>(1)</sup>
Faculty Headcount	2,812	2,775	2,791	2,788	2,674
Faculty, Full-time	2,217	2,170	2,066	2,016	1,920
% Full-time Faculty Who are Tenured	34.33%	35.61%	37.37%	37.50%	39.32%
% Full-time Faculty With Doctorates or Other Terminal Degrees	83.54%	83.25%	83.68%	84.13%	82.71%

<sup>(1)</sup> Includes Main Campus and HSC Faculty.

All non-student University employees (except Hospital employees) are covered by the New Mexico Educational Retirement Plan, which is managed by the New Mexico Educational Retirement Board, a state agency. See “FINANCIAL INFORMATION: Retirement Program and Post-Retirement Benefits” in this Appendix A and Note 16 to the University’s Financial Statements included as Appendix B to this Official Statement.

## **ACADEMIC PROGRAMS**

The University of New Mexico is organized into 14 colleges and schools, which offer a total of over 200 baccalaureate, graduate and doctorate degrees. These colleges and schools are as follows:

Robert O. Anderson Schools of Management  
School of Architecture and Planning  
College of Arts and Sciences  
College of Education  
School of Engineering  
College of Fine Arts  
School of Law  
School of Medicine  
College of Nursing  
College of Pharmacy  
College of Population Health  
Honors College  
College of University Libraries and Learning Sciences  
University College



## ACCREDITATION AND AFFILIATIONS

The University of New Mexico is accredited by the following organizations:

The Higher Learning Commission (Institutional)  
The Association to Advance Collegiate Schools of Business International  
National Association of Schools of Public Affairs and Administration  
National Architectural Accrediting Board  
Landscape Architectural Accreditation Board  
Planning Accreditation Board  
American Council on Education in Journalism and Mass Communication  
American Psychological Association  
American Speech-Language-Hearing Association  
Commission of Collegiate Interpreter Education  
American Society for Biochemistry and Molecular Biology  
Council for the Accreditation of Counseling and Related Education Programs  
National Council on Family Relations  
Commission on Sport Management Accreditation  
Commission on Accreditation of Athletic Training Education  
National Council for Accreditation of Teacher Education  
New Mexico Public Education Department  
Commission on Accreditation for Dietetic Education of the American Dietetic Association  
Engineering Accreditation Commission of the Accreditation Board for Eng. and Tech.  
Computing Accreditation Commission of the Accreditation Board for Eng. and Tech.  
American Council for Construction Education  
National Center for Construction Education and Research  
American Welding Society  
National Association of Schools of Music  
National Association of Schools of Theatre  
National Association of Schools of Dance  
Commission on Collegiate Nurses Education  
New Mexico State Board of Nursing  
American College of Nurse-Midwives Division of Accreditation  
Accreditation Council for Pharmacy Education  
Liaison Committee on Medical Education (representing the Association of American Medical Colleges  
and the American Medical Association)  
Commission on Accreditation of Allied Health Education Programs  
Accreditation Review Commission on Education for the Physician Assistant, Inc.  
Council on Education for Public Health  
Accreditation Council for Occupational Therapy Education  
Commission on Accreditation in Physical Therapy Education  
National Accrediting Agency for Clinical Laboratory Sciences  
Commission on Dental Accreditation  
Commission on Accreditation for Health and Information Management Education  
American Dental Association Council on Dental Education  
National Accreditation Agency for Clinical Laboratory Science  
New Mexico Department of Health Licensing & Certification  
American Bar Association  
Association of American Law Schools  
New Mexico State Board of Cosmetology/Barbering

## **BRANCH CAMPUSES; GRADUATE STUDIES; EDUCATION CENTER**

In addition to its Main Campus in Albuquerque, New Mexico, and the extension and independent study programs offered through that campus, the University also administers four branch colleges and offers courses at nine distance education centers throughout the State of New Mexico. The branch colleges are located in Gallup, Los Lunas (Valencia County Branch), Los Alamos, and Taos, New Mexico. The distance education centers are at the University's four branches, and at Farmington, Kirtland Air Force Base, Santa Fe, and Rio Rancho, New Mexico.

The branch colleges offer a wide variety of programs and courses in academic, vocational/technical and community service areas. Persons taking classes in academic areas may earn credits toward a baccalaureate degree and credits earned in the academic programs are generally transferable to the University's main campus and treated as if they were earned at the main campus. Similarly, persons participating in the vocational/technical programs may earn credits toward associate degrees in nursing, electronics and other fields. The branch colleges also strive to provide non-credit courses and programs on subjects of general community interest.

## **ENROLLMENT**

### **Enrollment Statistics**

The University saw a slight decrease in enrollment in fall 2016 on the Main Campus. Overall headcount fell 1.07% to 27,060. Total credit hours have also decreased reflecting decreased enrollments. However, the average number of credit hours carried by students has risen slightly (13.51 vs.13.47).

Branch campus headcount enrollment has fluctuated. Gallup posted a 1.29 percent increase. Taos also posted a loss of 4.41 percent. Los Alamos gained 8.81 percent and Valencia decreased 6.17 percent. The Main Campus and branches combined enrollment decreased 1.04 percent to 34,501 in fall 2016.

The following tables set forth the full-time and part-time enrollments by class, the full-time equivalent enrollments and the total enrollment at the University's Main Campus and the Health Sciences Center for the last five years. For discussion of the Health Sciences Center, see "HEALTH SCIENCES CENTER" herein in Appendix "A."

**Main Campus and Health Sciences Center  
Headcount Enrollment (Full and Part-time) by Class**

<u>Fall Term</u>	<u>Total</u>	<u>Freshman</u>	<u>Sophomore</u>	<u>Junior</u>	<u>Senior<sup>(1)</sup></u>	<u>Non-Degree<sup>(2)</sup></u>	<u>Graduate<sup>(3)</sup></u>
2012	29,100	4,204	4,327	4,891	7,586	1,830	6,262
2013	29,211	4,301	4,333	4,788	7,821	1,632	6,336
2014	27,889	3,770	4,391	4,627	7,463	1,585	6,053
2015	27,353	3,578	4,130	4,839	7,339	1,529	5,938
2016	27,060	3,523	4,021	4,612	7,492	1,436	5,976

<sup>(1)</sup> Includes baccalaureate certificate students.

<sup>(2)</sup> Includes non-degreed students with or without bachelors and concurrent dual credit students.

<sup>(3)</sup> Includes all graduate students, including those students enrolled in the Health Sciences Center, Law School and the Anderson Graduate School of Management.

**Main Campus and Health Sciences Center Full-time Equivalent Students by Class<sup>(1)</sup>**

<u>Fall Term</u>	<u>Total</u>	<u>Freshman</u>	<u>Sophomore</u>	<u>Junior</u>	<u>Senior</u>	<u>Non-Degree<sup>(2)</sup></u>	<u>Graduate<sup>(3)</sup></u>
2012	23,471	3,713	3,908	4,191	5,877	690	4,818
2013	23,618	3,940	3,939	4,122	6,336	710	4,751
2014	23,173	3,616	4,139	4,041	6,197	617	4,797
2015	23,005	3,600	3,898	4,321	5,877	636	4,590
2016	22,857	3,544	3,805	4,125	6,221	586	4,575

<sup>(1)</sup> Full-time equivalent is based on a class load of 15 credit hours per semester for undergraduates and 12 credit hours per semester for graduate and law students. Full-time equivalent enrollment for medical students is based on actual student enrollment, with some adjustment being made for variations in attendance during the summer sessions.

<sup>(2)</sup> Includes non-degreed students with or without bachelors and concurrent dual credit students.

<sup>(3)</sup> Includes all graduate students, including those students enrolled in the Health Sciences Center, Law School and the Anderson Graduate School of Management.

**Main Campus and Health Sciences Center Full-time Equivalent Students by Class<sup>(1)</sup>**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Headcount Enrollment	27,060	27,353	27,889	29,211	29,100
Total FTE Enrollment	22,857	23,005	23,173	23,618	23,471
Undergraduate Headcount	19,648	19,886	20,251	21,183	21,008
Undergraduate FTE	17,696	17,862	17,947	18,316	18,010
Full-time Undergraduates	15,732	15,851	15,991	16,241	16,310
Part-time Undergraduates	3,916	4,035	4,260	4,942	4,878
Graduate Headcount	4,788	5,317	4,820	5,141	5,198
Graduate FTE	3,123	3,108	3,097	3,356	3,465
Professional Headcount	1,188	1,201	1,233	1,195	1,064
Professional FTE	1,453	1,442	1,493	1,441	1,286

<sup>(1)</sup> Full-time equivalent is based on a class load of 15 credit hours per semester for undergraduates and 12 credit hours per semester for graduate and law students. Full-time equivalent enrollment for medical students is based on actual student enrollment, with some adjustment being made for variations in attendance during the summer sessions.

THE UNIVERSITY OF NEW MEXICO  
SUMMARY OF ENROLLMENT STATISTICS  
FALL 2016

Totals by Campus	Enrollments <sup>(1)</sup>	Student Credit Hours <sup>(2)</sup>	Full-Time Equivalents <sup>(3)</sup>
Main Campus			
Undergraduate	19,648	265,434	17,696
Graduate and Professional <sup>(4)</sup>	5,123	42,199	3,522
Non-degree	1,436	7,814	586
Health Sciences Center <sup>(5)</sup>	420	10,705	420
Gallup Branch			
Undergraduate	2,505	24,371	1,626
Los Alamos Branch			
Undergraduate	1,050	6,329	423
Valencia County Branch			
Undergraduate	2,142	17,952	1,065
Los Alamos Graduate Center			
Graduate		Included in Main Campus	
Santa Fe Graduate Center			
Graduate		Included in Main Campus	
Taos Center			
Undergraduate	1,714	12,048	811
Grand Totals	34,038	384,915	26,149

<sup>(1)</sup> These statistics are as of the third Friday of classes for the fall and spring semesters, and as of the last day of classes for the summer semester. (These statistics do not represent unduplicated head counts.)

<sup>(2)</sup> A student credit hour (SCH) is a unit of measurement assigned to courses at colleges and universities which operate on a semester system of sixteen-week sessions during the academic year. Typically, a 3-hour course with 10 students enrolled will generate thirty student credit hours.

<sup>(3)</sup> Full-time equivalents (FTEs) are computed by dividing undergraduate and graduate SCHs by a theoretical full-time load. For undergraduates the load is fifteen hours of credit and for graduate and law students it is twelve hours of credit. The medical graduate FTE is the actual student enrollment. The summer session SCHs were divided by a theoretical full-time load of 6 hours for both undergraduate and graduate categories.

<sup>(4)</sup> Except MD.

<sup>(5)</sup> School of Medicine (MD Program).

## ADMISSIONS

The following table summarizes applications, acceptances and matriculants for the University for the last five academic years:

Academic Year	Applications	Acceptances	Matriculants
	Fall <sup>(1)</sup>	Fall <sup>(2)</sup>	Fall <sup>(3)</sup>
2011-2012	15,067	9,561	4,723
2012-2013	14,930	9,373	4,752
2013-2014	15,024	9,238	4,383
2014-2015	16,337	9,680	4,531
2015-2016	17,502	10,675	4,582

<sup>(1)</sup> Includes new (freshman) and transfer admissions categories.

<sup>(2)</sup> The University admits approximately 60 percent of the applicants who apply at all class levels.

<sup>(3)</sup> Approximately 80 percent of the University's students are from the State of New Mexico; the remaining students are from other states (14 percent) and foreign countries (6 percent).

### Beginning Freshman Class Profile

The following table sets forth the average American College Test (“ACT”) composite score and average high school grade point average (“HS GPA”) of the beginning undergraduate freshman class of the University for the past five fall semesters:

	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
ACT	22.17	22.30	22.66	22.46	22.43
HS GPA (4.0 Scale)	3.24	3.31	3.40	3.37	3.39

### Admission Criteria

The University maintains admission requirements for traditional freshman applicants that require the applicant meet one of the following criteria:

(1) Complete a specific college preparatory curriculum of at least 16 high school units with a 2.5 average as calculated by the University;

(2) Qualify for admission through a comparison of a University calculated high school GPA and standardized test scores;

(3) Be admitted upon review by the University's Admission Committee considering both quantitative and subjective factors.

ACT Taken After 10/19/05	Class Rank
18-20	Top 25% of Class
21-24	Top 50% of Class
25-28	Top 75% of Class
29 or Higher	No Rank Requirement

## TUITION AND FEES

The University meets the costs of its educational programs primarily through State appropriations, tuition, fees and federal grants. Tuition and fees are set by the Board of Regents of the University. The Regents have adopted guidelines which correlate annual tuition and fee increases to the average percentage increase in the higher education price index and per capita income in New Mexico. Compliance with the guidelines is subject to other factors such as State funding, availability of access grants to financially needy students and unforeseen events. The following table sets forth the base tuition and fees charged to full-time and part-time undergraduate, graduate and law students on the basis of in-state and out-of-state residence for the past 5 academic years:

Academic Year	Full-Time Students				Part-Time Students	
	New Mexico Residents (per semester)		Non-Residents (per semester)		(per semester hour)	
	Tuition	Fees	Tuition	Fees	New Mexico Residents Tuition	Non-Residents Tuition
2012-2013	\$2,412.84	\$611.88	\$9,732.12	\$611.88	\$201.07	\$811.01
2013-2014	2,503.35	720.00	9,732.12	611.88	166.89 <sup>(1)</sup>	811.01
2014-2015	2,503.35	720.00	9,732.00	600.00	166.89	811.01
2015-2016	2,578.50	753.60	10,023.96	627.96	171.90	835.33
2016-2017	2,643.00	832.20	10,274.64	693.36	176.20	856.22

(1) Adjusted to reflect Per Credit Hour Rate (hours 15 and above)

The income from student tuition and fees available for inclusion in Pledged Revenues is dependent on the number of students, particularly full-time students, enrolled. See “ENROLLMENT” for information concerning the University’s recent enrollment history. It is possible that any significant increase in student tuition and fees or other required fees could result in a reduction of the number of students at the University.

The University competes for students with junior colleges, other colleges and universities and other institutions of higher education, including vocational and other career-related schools. In addition, the University competes with other entities in the community in the sale of goods and services; this is particularly true of the goods and services offered by the University’s auxiliary enterprises. Consequently, the revenues from student tuition and fees and these auxiliary enterprises of the University may vary depending on the University’s ability to compete successfully with these various outside entities.

## FINANCIAL AID

During the 2015-2016 academic year, approximately 27,206 students received some form of institutionally sponsored or supported financial assistance totaling approximately \$266.8 million. Of this amount, \$141.9 million was in the form of grants and scholarships, \$4.5 million in the form of student employment and \$120.4 million in the form of loans. The University expects that the percentage distribution among programs for the 2015-2016 academic years will be the same as those percentages for the 2014-2015 academic years.

A substantial portion of funds provided to students is derived from sources outside the University. Programs provided by the federal and state government are subject to appropriation and funding by the respective legislatures. There can be no assurance that the amounts of federal financial aid to students will be available in the future at the same levels and under the same terms and conditions as presently apply. Any changes in the availability of federal financial aid may affect the University’s enrollment, but the impact of any such changes cannot be assessed at this time.

The Lottery Tuition Fund was established by the New Mexico Legislature in 1997 and receives 100 percent of net lottery proceeds from sales in New Mexico. Lottery tuition scholarships are made available to New Mexico residents graduating from New Mexico high schools and are awarded during the second semester of full-time enrollment at an eligible New Mexico public college or university, including the University. If a lottery tuition scholarship recipient maintains a 2.5 GPA and meets other criteria, the scholarship may continue for up to seven consecutive semesters. The amount of the scholarship is equal to 90 percent of tuition. See “INVESTMENT CONSIDERATIONS – Lottery Scholarships.”

Number of Lottery Scholarship Recipients and Total Amounts Received

	Fall 2015		Spring 2016	
	Students	Total Amount	Students	Total Amount
UNM Main Campus	6,496	\$15,489,093	7,379	\$17,633,532
Gallup Branch	25	15,228	62	37,765
Los Alamos Branch	22	13,322	57	34,703
Valencia Branch	109	66,013	205	124,489
Taos Branch	37	22,377	53	32,142

## **STUDENT HOUSING**

Residence Life and Student Housing strives to develop and maintain an environment of personal growth and academic opportunity for on-campus residents. The University does not require students to live on campus; however, students are strongly encouraged to do so for academic and personal success.

University Housing is comprised of four traditional style halls, two suite style halls, and two apartment style halls for single student occupancy. In addition, the University also operates one apartment-style housing complex on South Campus for students with families.

Students electing to live in the University residence halls designed for single student housing are required to sign a room and board contract with the University for at least two semesters (one academic year) and have the option to sign a separate contract for the summer session. Students electing to live in the University residence halls designed for student family housing are required to sign an academic year lease, with the option of extending their license agreement through the summer session.

During the University's summer session, the student family apartment housing remains in operation and rented to students. Single student housing on main campus is available within the Student Residence Center apartments in connection with regular academic and special programs sponsored by the University. The other residence halls are utilized intermittently during the summer by specially arranged institutes, workshops and conventions.

Residence Halls and Apartments  
(Dates of Construction and Capacity)

Residence	Date Built	Student Family Units	Co-Educational	Rooms/ Beds Total <sup>(3)</sup>
Alvarado	1965	-	166	166
Student Family Housing	1975	200	-	200
Coronado <sup>(1)</sup>	1959	-	433	433
Hokona	1957	-	304	304
Laguna/DeVargas <sup>(2)</sup>	1969	-	371	371
Student Residence Center Apts.	1992	-	424	424
Santa Clara	1964	-	166	166
Redondo Village Apts.	2001	-	397	397
<b>TOTAL</b>		<u>200</u>	<u>2,261</u>	<u>2,461</u>

<sup>(1)</sup> Room configuration change.

<sup>(2)</sup> Known as Laguna/DeVargas Suites.

<sup>(3)</sup> Capacity does not reflect the assignment of space to live-in staff, modifications, etc.

Freshmen students are required to select a meal plan. Sophmores and above are not required to purchase a meal plan. Several meal plan options are available through the UNM Lobo Card office.

The semester contract rate for a room may be paid in full at the beginning of a semester or on an installment basis throughout the semester if arranged through the Bursar's office. Students who cancel a residence hall contract after the commencement of classes are charged a contract release fee, a percentage of the remaining contract, and a weekly rate until the resident is officially checked out of their room by a University employee.



### Room and Board and Apartment Rent Charges

Double Room/ School Year	Full Meal Plan <sup>(1)</sup>	SRC Apartment Style Residence Hall <sup>(2)</sup>	RVA Apartment Style Residence Hall <sup>(3)</sup>	Buena Vista Apartments <sup>(4)</sup>
2006-2007	\$3,340	\$2,650	\$2,650	\$505-680
2007-2008	3,510	2,780	2,780	537
2008-2009	3,184	3,092	2,092	537
2009-2010	3,300	3,267	3,267	537
2010-2011	3,380	3,095	3,095	600
2011-2012	3,460	3,095	3,095	618
2012-2013	3,600	3,095	3,095	618
2013-2014	3,800	3,095	3,095	618
2014-2015	3,800	3,145	3,145	634
2015-2016	3,800	3,145	3,145	634

<sup>(1)</sup> Figures listed are average semester fees for a typical double room and a full seven-day meal plan. Plan changed to a weekly meal plan in 2004-05.

<sup>(2)</sup> Student Residence Center (SRC) opened in 1992-93. Figures listed are for an average semester fee, room only.

<sup>(3)</sup> Redondo Village Apts. (RVA) 402 additional units opened in 2001, for an average semester fee, room only.

<sup>(4)</sup> Student Family Housing Figures listed are monthly rental rates for unfurnished one-bedroom apartments.

### Occupancy Statistics - All Residence Halls Combined<sup>(1)</sup>

Capacity <sup>(2)</sup>	Fall Term	Actual	Occupancy Rate	Spring Term	Actual	Occupancy Rate
2,164	2006	2,080	96.10%	2007	1,945	93.51%
2,149	2007	2,093	97.60%	2008	1,958	91.11%
2,144	2008	2,093	93.82%	2009	2,075	94.90%
2,416	2009	2,354	99.43%	2010	2,200	91.05%
2,416	2010	2,354	94.87%	2011	2,185	91.05%
2,497	2011	2,137	97.80%	2012	2,038	81.61%
2,126 <sup>(3)</sup>	2012	1,891	88.94%	2013	1,835	86.31%
2,126	2013	1,954	91.94%	2014	1,777	83.60%
2,126	2014	1,814	87.00%	2015	1,763	82.93%
2,126	2015	1,746	82.13%	2016	1,634	76.86%

<sup>(1)</sup> Student family apartment occupancy figures are not included above.

<sup>(2)</sup> These capacity figures reflect the addition of some triple rooms and conversion of some single rooms to double occupancy. Triple room space is used only for over flow and is not a permanent designation.

<sup>(3)</sup> Capacity reflects the destruction of Santa Ana Hall and SRC Apartment Buildings M&N. Occupancy may also be affected by the opening of ACC Main Campus Housing.

In order to accommodate growing enrollment and increased demand for student housing, the University entered into an agreement with American Campus Communities, Inc. (“ACC”) to construct student housing. ACC constructed an 864 bed, \$41.6 million facility for upperclassmen located on the University’s South Campus, approximately one mile from the University’s Main Campus, which was completed for occupancy in the fall of 2011. The site is ground leased to ACC for 40 years with three 10-year extensions options. In 2012, ACC also constructed a 1,027 bed, \$35.0 million facility for freshmen located on the University's main campus. Both projects were funded with ACC equity.

## FINANCIAL INFORMATION

### Endowment Funds

The University's endowment funds consist of two principal components. The first component consists of endowment assets held in the name of the University and the second component consists of endowment funds held by the UNM Foundation for the benefit of the University. The balances of the University endowment assets are liquid funds. The UNM Foundation was established in 1979 as a 501(c)(3) corporation to solicit and manage private support for the University. Endowment funds provide student financial assistance, endowed faculty positions, library support and funding for other programs and projects that assist in meeting the institutional long-term goals.

All liquid funds held in the University endowment fund and all funds in the UNM Foundation are invested in the Consolidated Investment Fund (the "CIF"), an internal pool of common endowment funds. The Investment Committee of the UNM Foundation Board manages the common endowment funds. The CIF is invested in diversified funds with one year target allocation as follows: fixed income (18 percent); international equity (20 percent); domestic equity (20 percent) private equity (10 percent); marketable alternatives (20 percent); real assets (10 percent); and cash (2 percent). The asset allocation on June 30, 2016, was near the policy target and is rebalanced as needed to match the policy target. The return on the CIF for the one-year period ending on June 30, 2016, was -1.3%, net of all management costs. Since inception in 1991, the CIF has produced an approximate average annual return of approximately 7.0 percent.

#### Historical Endowment Fund Balances

Fiscal Year Ending June 30	<u>University Endowment Assets</u>	<u>UNM Foundation Assets</u>
2007 <sup>(1)</sup>	211,856,998	112,208,544
2008	208,967,520	121,546,524
2009	164,689,394	103,043,785
2010	167,833,064	115,413,103
2011	192,584,392	143,392,723
2012	184,520,000	144,980,000
2013	196,179,493	162,220,155
2014	226,163,176	189,073,515
2015	216,840,566	188,958,673
2016	208,100,937	187,038,856

<sup>(1)</sup> Because of new GASB reporting requirements, the figures, starting in 2004, are the proportional share of the "Consolidated Investment Fund" which is the combined endowment assets of the University and the Foundation which is operated as a unitized pool.

The University Development Program raises funds to support multiple causes and programs at the University. The target audience for the Development Program is the alumni base of the University. The funds are raised primarily through direct appeals to alumni. Approximately 4.1 percent of the living alumni of the University participate in the Development Program through contribution of funds. For the year ended June 30, 2016, the

Development Program raised approximately \$87.0 million in total private support for the University from approximately 33,000 donations.

### **Land Fund, Permanent Fund and Other Lands Fund**

Land Fund. The United States granted certain land to the Territory of New Mexico in 1893 and in 1910. Under the terms of the grants, it was stipulated that those lands, as well as all funds derived from them, were to be held in trust for the common schools and other designated institutions of the State, including the University.

The custody and control of the granted trust lands is entrusted to the Commissioner of Public Lands. The University land under his jurisdiction is estimated by the State Land Office to include surface rights to 272,113 acres and subsurface rights to 361,051 acres. These lands are located throughout the State and are used for a variety of purposes.

Land income available to the University from these lands is derived from the surface uses of the land under lease agreements, plus any bonuses paid for mineral leases. Payment is made to the University by the State Commissioner of Public Lands, which receives such payments from various lessees on a monthly basis.

Permanent Fund. Funds derived from the sale of land or from mineral royalties are transferred by the Commissioner of Public Lands to the University's Permanent Fund. The University's Permanent Fund is held in trust as part of the State Permanent Funds over which the State Investment Council exercises complete investment jurisdiction and only the investment income from that fund is available to the University.

In order to achieve proportional equality in the diversification of investments and distribution of income, the 19 individual institutional funds were combined on September 21, 1961, for investment purposes, into a common trust fund known as the State Permanent Funds.

In combining the investments of the 19 funds, each of the beneficiary institutions was credited initially with its percentage share of the total assets transferred to the combined funds. Subsequent transfers of additional capital funds from the State Land Office have been similarly credited to the individual beneficiaries. Thus, each of the beneficiaries now participates pro rata in all investments held by the Permanent Funds in accordance with its percentage contribution to the combined assets.

Income is distributed monthly to these 19 beneficiaries in proportion to their percentage participation in the assets of the combined funds.

Distributions from the Land and Permanent Fund to the University have been as follows for the past ten fiscal years:

## Land and Permanent Fund Distribution

Fiscal Year	Total	Land Fund <sup>(1)</sup>	Permanent Fund
2007	\$8,408,286	\$1,227,509	\$7,180,777
2008	8,502,365	802,215	7,700,150
2009	10,284,371	1,788,475	8,495,896
2010	9,238,337	764,000	8,474,137
2011	9,663,955	1,155,355	8,508,600
2012	9,603,794	990,801	8,612,993
2013	8,993,750	956,302	8,037,448
2014	8,749,529	809,814	7,939,715
2015	9,518,002	1,661,851	7,856,151
2016	9,888,203	749,633	9,138,569

<sup>(1)</sup> Revenues from the Land Fund include only those revenues from University land which are managed by the State Land Office and do not include revenues from lands managed separately by the University.

### Land, Buildings and Improvements

The University's Main Campus in Albuquerque, New Mexico encompasses approximately 770 acres and consists of more than 325 buildings. Its general library holdings include more than 1,400,000 books and over 3,160,000 volumes of microforms and United States Federal Depository Documents. The cost value of the University's entire physical plant (including branch campuses and the hospitals) for the past ten fiscal years ended June 30 was as follows:

Fiscal Year	Total <sup>(1)</sup>	Land and Land Improvements	Buildings and Infrastructure	Library Books and Equipment	Construction in Progress
2007	\$1,233,818,000	\$71,272,000	\$713,572,000	\$345,473,000	\$103,501,000
2008	1,365,489,000	76,324,000	824,594,000	349,463,000	115,108,000
2009	1,476,350,000	77,942,000	901,287,000	365,603,000	131,518,000
2010	1,621,980,000	78,524,000	1,053,800,000	375,154,000	114,440,000
2011	1,707,235,000	98,704,000	1,175,105,000	380,710,000	52,716,000
2012	1,729,162,000	98,795,000	1,224,426,000	373,065,000	32,876,000
2013	1,770,984,000	106,906,000	1,264,694,000	385,225,000	15,129,000
2014	1,794,585,000	114,608,000	1,273,050,000	391,222,000	15,705,000
2015	1,831,500,000	114,994,000	1,291,813,000	398,336,000	26,357,000
2016	1,879,762,000	119,264,000	1,332,223,000	405,752,000	22,523,000

<sup>(1)</sup> The above figures do not reflect depreciation.

### Retirement Program and Post-Retirement Benefits

The University's full-time employees participate in one of two retirement plans authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board ("ERB") is the administrator of both plans. One plan is a cost-sharing, multiple-employer defined-benefit plan. The other plan is a defined contribution plan, available only to employees in positions designated by the ERB as eligible to participate in the plan (the "Alternative Retirement Plan"). The ERB issues a separate, publicly available financial report that includes Financial Statements and required supplementary information for the defined

benefit plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

The ERB had 150,082 members as of June 30, 2016, including active, retired and beneficiaries, inactive vested and inactive non-vested members. The market value of the Educational Retirement Fund (the "Fund") as of June 30, 2016 was \$11.5 billion, which was up from a low of \$6.0 billion in February 2009. The ERB had net investment losses for Fiscal Year 2016 of \$123.3 million. As of June 30, 2016, the actuarial value of assets was \$11.9 billion and the unfunded accrued actuarial liability ("UAAL") was \$6.6 billion based on an assumed 7.75% rate of return. The ERB continues to monitor both its investment returns and general market conditions and may change its assumed rate of return as market conditions and experience warrant. The funded ratio on June 30, 2016 was 64.2%.

In July 2012, the ERB adopted goals of achieving 95%, plus or minus 5%, funded ratio by 2040. To achieve this goal, the New Mexico Legislature amended the Educational Retirement Act in the 2013 legislative session (Senate Bill 115; Chapter 61, Laws 2013). The amendments increase employee contributions for members whose salary exceeds \$20,000 per year to 10.1% in Fiscal Year 2014 and 10.7% beginning in Fiscal Year 2015 (ERB members who make less than \$20,000 contribute 7.9% of their gross salary); keeps in place scheduled increases in employer contribution rates; creates a new tier membership for persons who become members of the ERB Fund on or after July 1, 2013; creates certain actuarial limitations on benefits of new tier members; places limitations on future cost of living adjustments ("COLA") for current and future retirees which are tied to the future funded ratios of the Fund; and make certain other clarifying and technical changes. The projected actuarial funded ratio in 2043 with these legislative changes is greater than 90%.

In December 2013, the New Mexico Supreme Court, in *Barlett v. Cameron*, (316 P.3d 889 013), rejected the claims of certain retired teachers, professors and other public education employees challenging the state constitutionality of Senate Bill 115 (Chapter 61, Laws 2013) to the extent that it reduces the future amounts that all education retirees might receive as annual COLA. The Court held that Article XX, Section 22 of the New Mexico Constitution did not grant the retirees a right to an annual COLA based on the formula in effect on the date of their retirement for the entirety of their retirement. The Court held that in the absence of any contrary indication from the New Mexico Legislature, any future COLA to a retirement benefit is merely a year-to-year expectation that, until paid, does not create a property right under the New Mexico Constitution. Once paid, the COLA by statute becomes part of the retirement benefit and a property right subject to those constitutional protections.

In Fiscal Year 2016, the University was required to contribute 13.90% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.90% of the gross salary for employees whose annual salary is more than \$20,000. The University will contribute the following percentages of the gross covered salary of employees: 13.90% of gross covered salary in Fiscal Year 2016; and 13.90% of gross covered salary in Fiscal Year 2017. In addition, New Mexico universities and colleges make an additional contribution of 3% of the salary of those employees who elect to participate in the Alternative Retirement Plan. The benefit received upon retirement is based on the amount contributed by the employee during their career, subject to any investment gains or losses. Employees are 100% vested in both the employee and employer contributions upon enrollment in the Alternative Retirement Plan.

The contribution requirements of plan members and the University are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the State Legislature. The University's contribution to ERB for the fiscal years ending June 30, 2016, 2015, and 2014, were \$78,854,261, \$78,578,751, and \$71,024,417, respectively, which equal the amount of the required contributions for each fiscal year.

## Leases

As of June 30, 2016 and 2015, the University had various lease arrangements summarized as follows:

- (1) University and clinical operations as lessees:
  - (a) Capital Leases - The University had no capital leases as of June 30, 2016 and 2015.
  - (b) Operating Leases - Rent expense for operating leases amounted to \$6,321,789 and \$6,297,517 for the years ended June 30, 2016 and 2015, respectively.

The clinical operations are committed under various leases for building and office space and data processing equipment. Rental expense on operating leases and other non-lease equipment were \$10,556,279 and \$10,579,859 in 2016 and 2015, respectively, and includes amounts paid to the University of \$3,555,547 and \$3,524,178 in 2016 and 2015, respectively, which is eliminated in the government-wide financial statements.

- (c) Minimum Lease Payments – The following is a schedule of future minimum lease payments for operating leases at June 30, 2016:

Fiscal Year Ending June 30	Future Lease Payments
2017	\$6,454,895
2018	5,351,851
2019	4,981,277
2020	3,365,458
2021	1,730,872
2022-2026	9,933,826
2027-2031	4,555,589
2032-2036	4,071,398
2037-2041	30,464
2042	<u>524</u>
TOTAL	<u>\$40,476,154</u>

- (2) University as lessor:

The University is lessor of various properties. For the years ended June 30, 2016 and 2015, respectively, total lease income, which includes annually renewable lease agreements, was \$7,014,991 and \$7,061,378.

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2016:

Fiscal Year Ending June 30	Future Lease Income
2017	\$ 6,259,705
2018	4,645,213
2019	4,186,826
2020	4,221,536
2021	4,144,636
2022-2026	5,043,837
2027-2031	4,791,069
2032-2036	4,791,029
2037-2041	4,791,019
2042 and thereafter	<u>11,718,274</u>
TOTAL	<u>\$ 25,296,505</u>

Source: Excerpted from University's Financial Statements.

## Operating Budget

The University's operating budget is determined independently from the process described above. The operating budget is prepared by the assistant vice president for Planning, Budget and Analysis and is based on information supplied by each University department. The operating budget is submitted to the Regents in May of each year. Following approval by the Regents, the budget is then submitted to the New Mexico Higher Education Department (HED) for its approval and then to the Budget Division of the State Department of Finance and Administration for official approval before July 1 of each year. The University's operating budget for its Fiscal Year 2017, which began July 1, 2016, has been approved.

## State Appropriations

A significant amount of the University's current unrestricted funds revenues is derived from State appropriations. These appropriations are determined each year by the State Legislature and are excluded from Pledged Revenues. (State and local appropriations, which were classified by the auditors as other revenues, are not reflected in the table below and are also excluded from Pledged Revenues.) The State is not obligated to provide a specific appropriation in any year. The New Mexico Legislature has set the State budget appropriation for Fiscal Year 2016 at \$313,643,087. The annual appropriation is distributed to the University in monthly installments. The University may request monthly installments from the State on an accelerated basis to meet temporary cash flow needs. The following table sets forth State appropriations for the University, Health Sciences Center (formerly Medical Center) and branch colleges for the past ten fiscal years ended June 30.

<u>Fiscal Year</u>	<u>Total<sup>(1)</sup></u>
2007	\$291,077,007
2008	340,410,735
2009	323,186,061
2010	301,874,887
2011	282,533,303
2012	264,468,603
2013	279,468,603
2014	305,128,503
2015	309,009,274
2016	313,643,087

<sup>(1)</sup> State appropriations are reported as a single consolidated amount in accordance with GASB standards.

The (“HED”) formerly known as the Commission on Higher Education was established in 1951 to oversee the finances of State institutions of higher education. The HED must review, adjust and approve requests for appropriations submitted by the State educational institutions before the submission of those requests to the State Legislature. Additionally, the HED must approve all building construction plans and projects undertaken by the educational institutions and any new advanced degree programs. The HED is currently developing a new funding formula that will impact the University as well as other higher education institutions in the State. The purpose of the new formula is to move from an input to an output based allocation philosophy. The University believes that current funding levels will remain constant, and may even increase, under the new incentive based formula.

In addition to State appropriations for operations, the University receives proceeds from State general obligation bonds, severance tax bonds, and the State general fund for specific capital projects. Over the past 5 Fiscal Years, the University has received the following capital appropriations which are listed in the fiscal year when the University received the money:

<u>State Appropriations for Capital Projects</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Buildings and Equipment Renewal/Replacement <sup>(1)</sup>	\$13,108,246	\$13,058,246	\$13,230,632	\$13,369,459	\$13,579,459
General Appropriations for Capital Projects	-0-	-0-	-0-	-0-	-0-
Severance Tax Bonds for Capital Projects	0-	3,577,660	9,990,234	3,253,000	-0-
General Obligation Bonds for capital Projects <sup>(2)</sup>	10,476,500	39,000,000	-0-	24,500,000	-0-
TOTAL	<u>\$23,584,746</u>	<u>\$55,635,906</u>	<u>\$23,220,866</u>	<u>\$41,122,459</u>	<u>\$13,579,459</u>

<sup>(1)</sup> Funded initially in Instruction and General and then transferred to Capital Fund.

<sup>(2)</sup> General Obligation Bonds are subject to voter approval.

## **Governmental and Private Gifts, Grants and Contracts**

The United States, and state and local governments, corporations, individuals and other entities through various gifts, grant and contract programs, provide a substantial portion of the University’s current restricted funds revenues and a small portion of the University’s unrestricted



funds revenues. A portion of revenues from these gifts, grants and contracts are allocated to a University account titled “Indirect Costs Recovered” and constitute a portion of the University’s Pledged Revenues. The University believes it has complied with all material conditions and requirements of these various gifts, grants and contracts. The following table sets forth revenues from federal, state, local government and private grants and contracts:

Fiscal Year	Total
2007	\$269,738,243
2008	324,544,243
2009	311,967,504
2010	343,550,440
2011	383,539,889
2012	343,550,440
2013	346,565,819
2014	289,981,907
2015	306,145,765
2016	310,819,879

### **HEALTH SCIENCES CENTER**

The Health Sciences Center (“HSC”) is a component part of the University and is subject to governance by the Regents. Except as described below, revenues of HSC are not Pledged Revenues. HSC consists of the School of Medicine (including programs of Allied Health Sciences and Dental Programs), the College of Nursing, the College of Pharmacy, the Health Sciences Library and Informatics Center, several research and public service programs related to health sciences, and as a part of the HSC, the UNM Health System, an integrated health care delivery system consisting of patient care facilities including the University of New Mexico Hospital and clinics (“UNMH”), UNM Psychiatric Center (“UNMPC”), UNM Children’s Psychiatric Center, Carrie Tingley Hospital and University of New Mexico Cancer Research and Treatment Center (collectively, “The HSC Clinical Facilities”), UNM Sandoval Regional Medical Center Inc. (which includes a 72-bed hospital and associated ambulatory clinics and the faculty practice plan for the medical for the medical faculty of the School of Medicine, UNM Medical Group, Inc. (which includes clinics and an ambulatory surgery center). The HSC Clinical Facilities also include various outpatient clinics. UNM Sandoval Regional Medical Center, Inc. and UNM Medical Group, Inc. are non-profit corporations formed by the University under the University Research Park and Economic Development Act Corporations.

The HSC Clinical Facilities are accredited as a single organization by the Joint Commission on Accreditation of Healthcare Organizations, whose standards require a single governing body, a single medical staff, and approval of medical staff credentialing decisions and oversight of quality assurance matters by the governing body. However, HSC has clinics that are not accredited by the Joint Commission. The HSC Clinical Facilities are served by the unified HSC medical staff with unified bylaws, rules and regulations, whose members are required to be employed by the University or to have faculty appointments in the School of Medicine. UNM Sandoval Regional Medical Center is also accredited by the Joint Commission on Accreditation of Healthcare Organizations. The Dental Ambulatory Surgery Center operated by UNM Medical Group, Inc. is accredited by the Accreditation Association for Ambulatory Health Care (AAAHC).

Certain aspects of the HSC Clinical Facilities (UNMH and UNMPC) are owned by Bernalillo County; however, under a lease agreement between the Regents and parts of the Board of Bernalillo County Commissioners, dated July 1, 1999 as amended by that certain First Amendment thereto dated as of November 18, 2004. As amended, the (“Lease Agreement”), the Regents are responsible for operation and maintenance of UNMH and the UNMPC. The Lease Agreement became effective on October 8, 1999, after receipt of approval from the Indian Health Service (required because of contractual obligations of the County to the federal government to provide health care to Native Americans). The Lease Agreement provides that the University will have exclusive responsibility and authority to control and manage UNMH and the UNMPC in accordance with terms of the Lease Agreement. UNMH and the UNMPC are part of the HSC Clinical Facilities and consistent with the Regents' constitutional and statutory responsibilities, the Regents retain the right to consider, determine and act upon any matter relating to all HSC Clinical Facilities. Consistent with provisions of the Lease Agreement and for purposes of compliance with federal and state laws and regulations and accreditation standards applicable to healthcare facilities, UNM BOT (as described below) have been delegated governing body status, but the Regents are the ultimate governing body of all HSC Clinical Facilities.

In 2010, the Regents established the Health Sciences Board of Directors (the “HSC Board”) for the purpose of greater governance oversight of HSC’s patient care, education, and research missions and created the Regents Health Sciences Center Committee (“HSC Committee”). The HSC Board is appointed by the Regents and consists of three members from the Board of Regents and two community members, and the authority delegated to the HSC Board is set forth in Regent Policy. The Lease Agreement provides for the appointment of a combined nine-member governing board, called UNM Hospital Board of Trustees (“UNMH BOT”), for the non-research, non-educational, clinical operations of UNMH, with such authority and powers as are delegated to the UNMH BOT by Regents' policy and consistent with applicable federal and state laws and regulations and accreditation standards. The non-research, non-educational clinical operations of the HSC Clinical Facilities delegated to the UNMH BOT are essentially those operations related to the delivery of routine patient care, including medical and surgical care, diagnostic procedures, psychiatric and mental health care, substance abuse services, rehabilitation, cancer treatment, home health services and hospice care, to HSC patients. The Regents have authority to appoint seven of the UNMH BOT members, and the Bernalillo County Commissioners have authority to appoint two of the UNMH BOT members. At least one Regent-appointed member of the UNMH BOT must be a Pueblo Indian, as required by the contract between the County and the federal government for provision of healthcare to Native Americans.

The University's Chancellor for Health Sciences serves as the Chief Executive Officer of the UNM Health System. The Chancellor also serves as the Chief Academic Officer for the Health Sciences Center. The chief administrative and medical officers of the UNM Health System are appointed by, and may be removed by, the Chancellor for Health Sciences or designee. The Health System Chief Operations Officer is responsible for administering and managing the business and administrative operations of, and the clinical operations in support of delivery of medical care by, the HSC Clinical Facilities. The Executive Physician-in-Chief is responsible for medical direction of the UNM Health System including the HSC Clinical Facilities but not limited to, delivery of medical care by, and related activities of, the medical

staff practicing within the UNM Health System. The Health System Chief Operations Officer and the Executive Physician-in-Chief also report to the HSC Board and to the UNMH BOT regarding matters involving their respective authorities and responsibilities in respect of or relating to the UNMH. The Chancellor for Health Sciences has the authority to appoint such other directors or administrators as in his or her judgment are necessary to carry out the functions of the HSC and of the UNM Health System.

### **University of New Mexico Hospital**

UNM Hospital, a 543-bed hospital facility, is used by the School of Medicine as its primary teaching facility. It is the public hospital for Bernalillo County (the “County”) and is partially supported by the County through County property tax revenues. UNM Hospital is not part of the System (as defined in the Bond Resolution), and revenue attributable to UNM Hospital operations is not part of Pledged Revenues except for the lease payments to be paid to the University by UNM Hospital for (a) the ambulatory care center and (b) approximately one-half of the parking structure financed with the proceeds of a prior bond issue.

### **Other Health Sciences Center Facilities**

In addition to UNM Hospital, the Health Sciences Center is responsible for the operation of the UNM Psychiatric Center, the UNM Children’s Psychiatric Center, Carrie Tingley Hospital, the University of New Mexico Cancer Research and Treatment Center and related programs. Each of these facilities is used for teaching purposes as well as providing patient care and public service programs. Like revenues derived from University Hospital, most revenue attributable to other HSC facilities are not part of the Pledged Revenues.

### **Sandoval Regional Medical Center**

UNM Sandoval Regional Medical Center, Inc. (“SRMC”), a wholly owned subsidiary of the University with a majority of SRMC’s Board of Directors membership from the University and UNM Hospital, is and, as required by law, all are, appointed by the Board of Regents. SRMC benefits from a mill levy from Sandoval County. In November 2008, the voters of Sandoval County voted to approve a mill levy to enable Sandoval County to contract with SRMC and another hospital to provide care to the sick of Sandoval County, in an amount equal to 4.25 mills. SRMC has received its share of the accumulated mill levy funds shortly after the hospital opened. A lump sum equal to 50 percent of the mill levy revenue collected from the imposition of the mill levy through October 2011, of approximately \$14.0 million, and then approximately \$8.0 to \$6.0 million annually over the next three to five years.

### **Bernalillo County Property Tax Support**

The Lease Agreement provides that the County will use its best efforts to obtain voter approval to continue to provide mill levy support for the operation and maintenance of UNM

Hospital and UNM Psychiatric Center. Under New Mexico law, a levy of up to 6.5 mills can be levied to support UNMH and UNMPC for a period of up to 8 years before expiring unless extended by additional voter approval. In 1992, voter approval was obtained for 4.3 mills for UNMH and for 0.5 mills for UNMPC. In November 2000, voters re-approved, by a 2 to 1 margin, the levy in the combined amount of 6.0 mills for UNMH and UNMPC. In November 2008, voters re-approved, by a 2 to 1 margin, the levy in the combined amount of 6.4 mills for UNMH and UNMPC. Voters re-approved in 2016. The following is a ten-year history of Bernalillo County mill levy collections dedicated to UNMH:

#### Historical Mill Levy Collections

Year	UNMH Share of Mill Levy Collections	UNMPC Share of Mill-Levy Collections
2007	\$66,510,944	\$9,071,887
2008	73,752,924	10,058,692
2009	77,229,062	10,531,923
2010	79,710,329	10,873,144
2011	76,782,085	12,533,910
2012	77,542,303	12,623,286
2013	78,457,065	12,772,080
2014	78,217,226	13,803,040
2015	79,261,909	13,987,396
2016	81,471,947	14,377,402

UNMPC receives 15 percent of the mill levy designated for the hospitals. None of the revenues received from the mill levy are Pledged Revenues.

#### **Historical Balance Sheets, Income Statements, Cash Flows and Patient Statistics of UNMH**

The tables on the following pages show selected financial and statistical information regarding the University compiled by the UNMH finance office. Similar information was not compiled for other clinical operations of the Health Sciences Center because the operations at UNMH constitute the largest component of activities of the Health Sciences Center. Revenues of UNMH and its assets are not pledged to payment of the Bonds. This information is also reported on the University's Combined Statement and should be read in conjunction with the audited Financial Statements included in Appendix B.

## University Hospital Balance Sheet

### Fiscal Years 2012-2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013<sup>(1)</sup></u> <u>(restated)</u>	<u>2012</u>
<u>Assets</u>					
Cash and Investments	\$178,129,000	\$181,046,000	\$140,637,000	\$136,790,000	\$122,603,000
Accounts Receivables & Other Current Assets	214,552,000	184,854,000	150,342,000	115,913,000	122,116,000
Non-current Assets	37,168,000	36,525,000	64,607,000	60,007,000	56,142,000
Deferred Outflows	432,000	178,000			
Fixed Assets	223,548,000	231,035,000	239,079,000	254,688,000	270,358,000
<b>Total</b>	<b>\$653,829,000</b>	<b>\$633,638,000</b>	<b>\$594,665,000</b>	<b>\$567,398,000</b>	<b>\$571,219,000</b>
<u>Liabilities and Fund Balances</u>					
	\$	\$	\$	\$	\$
Current Liabilities	209,052,000	195,831,000	131,275,000	104,243,000	104,151,000
Non-current Liabilities	116,814,000	129,440,000	170,097,000	179,051,000	185,731,000
Deferred Inflows	1,069,000	655,095	-	-	-
Fund Balances	326,894,000	307,712,000	293,293,000	284,104,000	281,337,000
<b>Total</b>	<b>\$653,829,000</b>	<b>\$633,638,095</b>	<b>\$594,665,000</b>	<b>\$567,398,000</b>	<b>\$571,219,000</b>

<sup>(1)</sup> 2013 Balance Sheet was restated due to a change in accounting treatment of the bond issuance costs, pursuant to GASB 65.

## University Hospital Income Statement

### Fiscal Years 2012-2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Patient Revenues	\$868,420,000	\$900,298,000	\$698,834,000	\$643,691,000	\$631,486,000
County Taxes	81,472,000	79,262,000	78,217,000	78,457,000	77,542,000
Interest Income	6,262,000	16,116,000	40,688,000	15,122,000	4,978,000
Other Revenues	32,207,000	34,165,000	28,924,000	18,001,000	24,268,000
<b>Operating Revenues</b>	<b>\$988,361,000</b>	<b>\$1,015,155,000</b>	<b>\$846,663,000</b>	<b>\$755,271,000</b>	<b>\$738,274,000</b>
Expenses	\$948,516,000	\$991,424,000	\$820,259,000	\$732,994,000	\$721,026,000
Net Margin Before Transfers	39,845,000	23,731,000	26,404,000	2,277,000	17,248,000
Intergovernmental Transfers	20,663,000	20,377,000	9,018,000	16,286,000	15,458,000
<b>Net Income</b>	<b>\$ 19,182,000</b>	<b>\$ 18,040,000</b>	<b>\$ 9,189,000</b>	<b>\$ 5,991,000</b>	<b>\$ 1,790,000</b>

University Hospital Cash Flow Statement  
Fiscal Years 2012-2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess Revenues	\$19,182,000	\$18,040,000	\$5,991,000	\$5,991,000	\$1,790,000
Depreciation	32,030,000	32,783,000	33,983,000	32,202,000	34,223,000
Loss on Retirement of Assets	(32,000)	5,000	204,000	(173,000)	121,000
Other Non-Cash Transactions <sup>(1)</sup>	(6,195,000)	-0-	-0-	-0-	-0-
Change in Assets	(87,287,000)	(6,430,000)	(39,029,000)	( 887,000)	(21,958,000)
Change in Liabilities	64,078,000	23,899,000	18,078,000	(6,588,000)	(15,166,000)
Capital Expenditures	<u>(24,543,000)</u>	<u>(24,701,000)</u>	<u>(15,557,000)</u>	<u>(16,358,000)</u>	<u>(18,681,000)</u>
Net Cash Provided by Operations	(2,917,000)	\$40,407,000	\$3,848,000	\$14,187,000)	(\$19,661,000)
Beginning Cash and Investments	<u>\$181,046,000</u>	<u>140,638,000</u>	<u>136,790,000</u>	<u>122,603,000</u>	<u>142,264,000</u>
Ending Balance	<u>\$178,129,000</u>	<u>\$181,045,000</u>	<u>\$140,638,000</u>	<u>\$136,790,000</u>	<u>\$122,603,000</u>

<sup>(1)</sup> Additional Line-Item.

University Hospital Patient Statistics  
Fiscal Years 2012-2016

		<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Days	Adult	104,168	103,314	97,273	97,182	99,248
	Pediatric	40,353	41,665	40,560	42,385	40,343
	Newborn & Obstetric	<u>14,089</u>	<u>15,533</u>	<u>16,740</u>	<u>16,986</u>	<u>16,531</u>
	Total	158,610	160,512	154,573	156,553	156,124
Discharges	Adult	14,740	14,752	15,850	15,402	15,550
	Pediatric	4,457	5,009	4,914	4,814	5,076
	Newborn & Obstetric	<u>5,630</u>	<u>5,567</u>	<u>6,191</u>	<u>6,377</u>	<u>6,449</u>
	Total	24,872	25,328	26,955	26,583	27,095
Outpatient Visits	Outpatient Clinics	520,038	512,127	504,785	510,277	487,180
	Emergency Room <sup>(1)</sup>	102,188	102,899	108,410	114,992	118,173
Ancillary Statistics	Operations	19,947	19,460	18,654	18,747	19,098
	Births	3,024	2,979	3,161	3,204	3,256

University Hospital Payor Mix  
Fiscal Years 2012-2016

	2016	2015	2014	2013	2012
Gross					
Medicaid	42%	38%	30%	21%	22%
Medicare	28%	29%	25%	22%	23%
Managed Care/Insurance	21%	21%	21%	21%	20%
Self-pay	4%	5%	8%	7%	7%
Other	<u>5%</u>	<u>7%</u>	<u>16%</u>	<u>29%</u>	<u>28%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

	2016	2015	2014	2013	2012
Net					
Medicaid	47%	44%	31%	39%	37%
Medicare	23%	25%	27%	21%	22%
Managed Care/Insurance	27%	28%	36%	29%	30%
Self-pay	0%	0%	1%	1%	1%
Other	<u>3%</u>	<u>3%</u>	<u>5%</u>	<u>10%</u>	<u>10%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Further information relating to the financial status of University of New Mexico Hospital can be found in the University of New Mexico Hospital independent audit report.



**APPENDIX B**

**UNIVERSITY OF NEW MEXICO  
REPORT ON EXAMINATION OF COMBINED FINANCIAL  
STATEMENTS AND ADDITIONAL INFORMATION FOR THE  
YEAR ENDED JUNE 30, 2016**

(Includes consolidated audited Financial Statements for fiscal year ended June 30, 2016 for both Academic and Health Sciences Center campuses.)