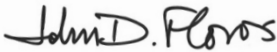




Office of the President

MSC 3445
New Mexico State University
P. O. Box 30001
Las Cruces, NM 88003-8001
575-646-2127

DATE: August 14, 2020
TO: NMSU-Las Cruces Deans and Vice Presidents
FROM: John Floros, President 
SUBJECT: Response to Reduced State Appropriations

In response to significant state reductions in appropriations to NMSU, our budget for Instruction and General (I&G) must be adjusted accordingly. We are temporarily covering some of these reductions with one-time budget savings. This strategy will allow us some time to thoughtfully identify permanent solutions through savings and revenues to address this budget situation.

In addition to decreases in spending within each unit, all units need to consider other options, as discussed at the August 7 Executive Leadership Retreat. Examples include working together to identify ways to collaborate more effectively, reduce duplication, and cease functions that do not serve our Land Grant mission.

The Las Cruces-based units that report to the Chancellor are included in this response. The Community Colleges are working directly with the Chancellor on their budget reductions.

One-time budget savings

Because the permanent reductions cannot be realized immediately, we have identified short-term solutions that will cover a portion of the budget shortfall for the current fiscal year (FY21). To assist with one-time savings, we have done the following:

1. Identified central funds that can contribute to the cut for this year.
2. Reduced the I&G funds carried forward from FY20 to FY21 from 6% to 3%.
3. Paused hiring for all regular faculty and staff positions on the Las Cruces campus through December 31, 2020 (see [August 7 memo](#)).
4. Requested that academic and administrative units identify additional one-time funds, with additional information to follow.

Permanent budget savings

Because the budget cuts are to our permanent budget, they cannot continue to be covered by one-time funds. Rather, we must reduce permanent (recurring) funds to meet the reduced budget.

In addition to reductions we can make centrally, we are asking all Vice Presidents and Deans to submit permanent budget reduction scenarios of 6%, 9%, and 12%. The scenarios are due to the President's Office by September 15, 2020. The specific amounts are identified in Table 1.

Revenue solutions

At the August 7 Executive Leadership Retreat, we also discussed revenue generation. State budgets are unable to fund the full cost of educating students for an increasingly technological and rapidly evolving workplace. Differential tuition and technology fees are becoming common across higher education, and these can be part of our overall budget solution. I caution that solutions including either increased tuition revenue or fees must also allow for appropriate approval processes and notifications.

Table 1. Budget Reductions for Academic and Administrative Units

New Mexico State University				
FY21 I&G Salary and Operating Budget by Unit				
Budget Reduction Scenario Based on 6%, 9%, and 12%				
		Reduction Scenario Amounts		
College/Exhibit	FY21 Operating Budget	6%	9%	12%
Agricultural, Consumer and Environmental Sciences	\$ 7,471,186	\$ 448,271	\$ 672,407	\$ 896,542
Arts & Sciences	\$ 33,054,813	\$ 1,983,289	\$ 2,974,933	\$ 3,966,578
Business	\$ 10,238,502	\$ 614,310	\$ 921,465	\$ 1,228,620
Education	\$ 9,037,289	\$ 542,237	\$ 813,356	\$ 1,084,475
Engineering	\$ 11,101,236	\$ 666,074	\$ 999,111	\$ 1,332,148
Executive Vice President and Provost	\$ 3,872,903	\$ 232,374	\$ 348,561	\$ 464,748
Health & Social Services	\$ 7,346,044	\$ 440,763	\$ 661,144	\$ 881,525
Office of the Chancellor	\$ 8,101,588	\$ 486,095	\$ 729,143	\$ 972,191
Office of the President	\$ 2,751,834	\$ 165,110	\$ 247,665	\$ 330,220
Sr. Vice President for Administration and Finance	\$ 32,170,947	\$ 1,930,257	\$ 2,895,385	\$ 3,860,514
University Library	\$ 5,749,060	\$ 344,944	\$ 517,415	\$ 689,887
Vice President for Economic Development	\$ 247,729	\$ 14,864	\$ 22,296	\$ 29,727
Vice President for Research	\$ 2,096,105	\$ 125,766	\$ 188,649	\$ 251,533
Vice President for Student Success	\$ 8,066,327	\$ 483,980	\$ 725,969	\$ 967,959
Vice President for University Advancement	\$ 1,655,715	\$ 99,343	\$ 149,014	\$ 198,686
Grand Total	\$ 142,961,278	\$ 8,577,677	\$ 12,866,513	\$ 17,155,353

Additional Assistance

As you move forward in developing these plans, please work with our Budget Office and Human Resource Services to ensure that you are following NMSU policies. More specific information will be provided by those two offices.

- Budget Office: (575) 646-2432
- Human Resource Services: (575) 646-2449

What happens next

Soon after September 15, we will review all submitted scenarios, schedule another Retreat to further discuss budget realignment, make final decisions regarding unit budget cuts, and work with each unit to finalize plans.

CC: Chancellor Arvizu, University Administrative Council