




## Office of the President

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To: Vice Presidents and Deans  
From: John Floros, President   
Date: November 23, 2020  
Re: Phased Budget Realignment Initiative (BRI)  
CC: Chancellor Arvizu, Vice Chancellor Johnston, University Administrative Council

This memo is to update the NMSU community on the campus strategic budget realignment initiative (BRI).

Due to actions taken by the New Mexico Legislature in June’s special session, and signed into law by the Governor, as well as actions anticipated in the upcoming Legislative session, our Instruction and General (I&G) Budget has been drastically reduced. These actions have had a major impact on all operations throughout the University.

Faced with cuts to state funding, we announced the [budget realignment initiative](#) in September and assembled a Budget Coordinating Team comprising of leaders of the university’s financial operations, student success, faculty, and research. The group is advised by a Faculty Senate budget realignment committee.

The Budget Coordinating Team has worked to define two goals for the initiative as:

1. To better align our fiscal resources with our strategic priorities, and
2. To reduce our main campus budget by \$16.7 million, or 9.4%, in two phases over two fiscal years in an orderly way and a financially responsible manner.

For the Las Cruces campus, the I&G budget is divided between academic and administrative units.

Colleges (academic units)	\$66,826,087	56%
Administrative units	\$52,192,461	44%
Total	\$119,018,548	100%

### Phased Approach

Based on the recommendations of the Budget Coordinating Team, executive administration identified \$2.5 million in strategic investments and transfers from the I&G budget that will be eliminated. To cover the remaining deficit and anticipated revenue loss, we will reduce our I&G budget by 8.0% (\$14.2 million including benefits or \$9.4 million excluding benefits). Permanent reductions to budgets will be addressed in two phases for both academic and administrative units.

This budget reduction will be strategic rather than across the board, and will be consistent with priorities outlined in Vision 2025. Consequently, academic units will be reduced by 7.5% (or \$5,011,957), while administrative units will be reduced by 8.5% (or \$4,436,359).

### Academic Unit Reduction

Each college will work with the Budget Office to identify permanent reductions in their I&G budget by an average of 3.75% for each phase, with the first reduction submitted to the Budget Office by January 29, 2021. A second budget reduction is needed for fiscal year 2022. This additional three months allows colleges to work together and with administrative units to identify ways to save costs. These reductions must be identified to the Budget Office by April 30, 2021 (table: Academic Colleges). Any reductions in the first phase that exceed the target will be applied to the second phase target.

#### Academic Colleges First Phase of I&G Budget Reductions

College/Unit	Net Base Budget	First Phase Target	
		Percent	Amount
Agricultural, Consumer and Environmental Sciences	\$ 6,389,918	3.75%	\$ 239,622
Arts & Sciences	27,974,956	3.75%	\$ 1,049,061
Business	9,344,567	3.75%	\$ 350,421
Education	8,115,698	3.75%	\$ 304,339
Engineering	9,886,903	3.75%	\$ 370,759
Health & Social Services	5,114,045	3.75%	\$ 191,777
Academic Units First Phase	\$ 66,826,087	3.75%	\$ 2,505,978
		Second Phase Target	
Academic Unit Realignment Second Phase		3.75%	\$ 2,505,978
Total Planned Academic Unit Targeted Reduction		<b>7.50%</b>	<b>\$5,011,956</b>

### Administrative Unit Reduction

Administrative units will permanently reduce their I&G budgets for an average of 4.25% in each phase. The first phase reduction must be submitted to the Budget Office by January 29, 2021. The second I&G budget reduction will be effective for fiscal year 2022 and must be communicated to the Budget Office by April 30, 2021 (table: Administrative Units). Any reductions in the first phase that exceed the target will be applied to the second phase target.

#### Administrative Units First Phase I&G Budget Targets

College/Unit	Net Base Budget	First Phase Target	
		Percent	Amount
Office of the Chancellor	8,349,317	5.00%	417,466
Office of the President	2,751,834	5.00%	137,592
Office of the Provost	3,662,632	4.25%	155,662
University Library	5,451,718	2.50%	136,293
Sr. Vice President for Administration and Finance	21,293,053	5.00%	1,064,653
Vice President for Research	931,408	4.25%	39,585
Vice President for Student Success	8,096,784	2.00%	161,936
Vice President for University Advancement	1,655,715	6.00%	99,343
General Administrative Units	\$ 52,192,461	4.24%	\$ 2,212,528
		Second Phase Target	
Administrative Unit Realignment Second Phase		4.26%	\$ 2,223,831
Total Planned Administrative Unit Targeted Reduction		<b>8.50%</b>	<b>\$4,436,359</b>

**Personnel Note**

Any reduction that affects currently occupied positions will be reviewed first by the Budget Office and then by Human Resource Services. Both the Budget Office and Human Resource Services will be in touch soon with unit spreadsheets, a training schedule, and additional guidelines.