



Office of the President

MSC 3Z

New Mexico State University

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DATE: April 8, 2011

TO: Faculty and Staff, NMSU Las Cruces

FROM: Barbara Couture, President

RE: Tuition and Fees 2011-2012

A handwritten signature in cursive script, reading 'Barbara Couture', written in black ink.

On April 8, the New Mexico State University Board of Regents approved a tuition and fee increase for the next academic year of 7.9 percent for resident undergraduate students. I would like to give you some insight into the process we followed leading up to this decision, the context in which it was made and an update on the recent legislative session on both the impact the session had on our budget and other issues of interest for New Mexico State University.

I would like to assure you that we are doing everything we can to keep costs at an affordable level, while striving to maintain the excellence in educational opportunities we provide the students of New Mexico State University.

The Budget Process

We met personally with the student leadership to review proposed tuition and fees and to ensure student needs would be met by these budget proposals. NMSU faculty, staff and students are an integral part of our budget process. All of these groups are represented on the University Budget Committee, which participates in annual budget hearings and recommends funding priorities for the consideration of the President.

For FY11, administration, faculty and staff implemented a strategic budget reduction process. Through the process, which impacted every department on campus, the required savings for FY11 were achieved and additional reductions were identified to assist NMSU in addressing anticipated state budget reductions for FY12. Administrative departments were reduced 7.9 percent while academic cuts were held to 5.1 percent. The university was able to identify 110 positions for elimination at the Las Cruces campus: 68 of these were administrative positions and 42 were academic positions. Most of these positions were vacant.

Based on state revenue forecasts indicating that further appropriations cuts were likely, we challenged our campus by exceeding our initial budget reduction goals. We identified nearly \$4 million in additional cuts to assist in offsetting potential FY12 budget reductions. In short, NMSU has already done a significant budget cut for FY12. Fixed costs continue to rise and NMSU cannot take an additional cut in FY12 without cutting from essential programs.

Summary of 2011 session of the New Mexico Legislature

On March 19, the 2011 Legislative Session came to a close and the budgetary decisions of our legislators were reflected in House Bill 2, which Governor Susana Martinez signed today. The total NMSU general fund reduction for all campuses and all sources was \$14.8 million or 7.65 percent from July 2010 to July 2011. For the same period, the Instruction and General (I&G) appropriations for NMSU Las Cruces are reduced by 7.22 percent or \$8.2 million resulting in a FY12 reduced I&G appropriation of \$105.2 million. The primary cut components for NMSU Las Cruces were a FY11 mid-year reduction of \$3.7 million, which was made permanent, \$3.8 million in waiver eliminations and a \$2.5 million (3.1% resident student) tuition credit.

New Mexico Educational Retirement Board changes

Legislation in this year's session includes the following changes:

1. Extends the 1.5 percent contribution shift from the employer to the employee – for those employees making more than \$20,000 – another two years (FY12 and FY13)
2. Adds a contribution shift of 1.75 percent from the employer to the employee – for those employees making more than \$20,000 – for two years (FY12 and FY13). Note: FY13 is conditional upon general fund revenues not meeting threshold.
3. Delays the two remaining .75 percent increases for ERB from FY12 and FY13 to FY14 and FY15.

Relevant web sites

Information on the 2011 legislative session is available through our Governmental Relations web site at <http://www.nmsu.edu/~legislat/index.html>. More information on the NMSU Budget is available on the Budget Office's web site at <http://www.nmsu.edu/~budget/>.

Open Forum for Faculty, Staff

In addition, I would like to remind you that I am holding an open forum for faculty and staff about the university budget and other matters affecting the university on **Thursday, April 14, 2011, at 11 a.m.** in the Corbett Center auditorium.

I hope you will join me at this important forum. I welcome your questions, suggestions and feedback.

If you are unable to attend, you can send your questions to prez_forum@nmsu.edu or view the forum via webcast. The address for the webcast is <http://mediasite-server.nmsu.edu/ictmsite5/Viewer/?peid=571c730ab67b4e0fb0e5985353d7fe0d1d>.

As always, thank you for the great work you do for New Mexico State University, for your patience in these difficult financial times and for your strong support of our students.