

MEMORANDUM

Date: January 25, 2013

To: Members of the Board of Regents' Finance & Facilities Committee

Thru: Robert G. Frank, President
David W. Harris, EVP for Administration, COO, and CFO

From: Kevin Stevenson, Associate Director, CEPR

Re: RCM/PBB Update

The UNM RCM/PBB Steering Committee has made considerable progress over the past several months, including agreement on values and principles that will guide the process toward a new budget model, examination of preliminary revenue and cost data to begin establishing a baseline for analysis, and research into budget models and processes utilized by other institutions. As a result of these efforts, the Steering Committee has established three subcommittees to address issues of particular importance:

Academic Subcommittee: This subcommittee is charged with examining and making recommendations on the role of academic units within a new budget model. This process includes exploring incentives, developing mechanisms that will ensure a balance of academic quality and financial efficiency, and providing measurements for the evaluation of financial and non-financial performance.

Institutional Support Subcommittee: This subcommittee is charged with examining and making recommendations on the role of institutional support units within a new budget model. This includes exploring incentives, creating mechanisms to facilitate transparency and optimize financial efficiency with service levels, and providing measurements for the evaluation of financial and non-financial performance.

Categorization Subcommittee: This subcommittee is charged with examining and making recommendations on the appropriate organizational level for categorization and evaluation, the participation of units (discussion of units being "in" or "out"), and the categorization of individual units (which are considered Academic and which are considered Institutional Support). This subcommittee will also make recommendations on the scope of the new model, such as potential varying treatment of different funding sources (unrestricted/restricted, I&G/non-I&G, etc.).

Finally, preliminary data analysis is nearly complete, and the committee will turn to modeling various scenarios based on RCM-style models that are implemented at other universities, allowing us to better understand what the implications would be at UNM and to inform committee deliberations and recommendations.

We look forward to discussing our progress with the committee during the February meeting. Thank you for your consideration.