



President's Weekly Perspective

Good morning.

This has been a pivotal year in how the University of New Mexico approaches its finances. We have had to address mounting fiscal pressures and find a structure flexible enough to meet economic realities, while remaining responsible for fulfilling our mission as the State's flagship university.

We have done more with less, having engaged in efforts over the past several years to reduce costs and capture savings, improve processes and enhance efficiency, all while protecting the quality of the academic enterprise. Now, as we are in the process of refining UNM2020, we need an equal commitment to innovative thinking, as we continue with our strategic planning initiative to shape the University's future. We need to be willing to move beyond the way things have been done in the past and create new and better ways of doing things.

If we approach our challenges as opportunities to shape the future picture of UNM, by participating in a sustained, engaged and comprehensive conversation, the possibilities and potential rewards are great and are worth taking the chance.

Changes to State Educational Retirement Plan/Swap

The State Legislature took a balanced approach to the long-term solvency of the State educational retirement plan with the passage SB115. These changes will fully fund the retirement plan by the year 2043. Changes for current members, current retirees and new members go into effect on July 1, 2013.

Current Employees

Contribution rates for all active university employees with a salary of \$20,000 and above will increase to 10.1 percent in FY14, and to 10.7 in FY15. Employees with an annual salary below \$20,000 will remain at the current level. UNM's contribution will be 13.15 percent in FY14, and 13.9 percent in FY15.

Current Retirees

For current retirees, the COLA is immediately reduced until the plan is 100% funded. Retirees with benefits at or below the median AND with 25 or more years' service will have a 10 percent COLA reduction, which will average 1.8 percent. All other retirees will have a 20 percent COLA reduction, which will average 1.6 percent. These reductions will stay in place until ERB is 90 percent funded, at which time the COLA reductions will decrease.

New Employees

For new employees hired on or after July 1, 2013, the minimum retirement age will become 55. There will be a reduction if the member retires with 30 years of service and is younger than age 55. Also, COLA will begin at age 67, rather than age 65.

Compensation

The UNM Board of Regents has approved a compensation plan proposed by the UNM administration that will create a 3 percent-on-average compensation pool for faculty along with a state approved 1 percent compensation increase for all regular, non-bargaining unit staff. Eligible staff cannot be on probation as of June 30, 2013 in order to receive the 1 percent increase. The UNM administration has also approved a one-time \$1,000 supplemental income adjustment for eligible staff to be paid on Aug. 30, 2013. Eligible staff includes those who were hired before Jan. 1, 2013 and have received a "Meets" or better on their 2012 performance review.

For more information on compensation and changes to the State's educational retirement plan, visit [Human Resources](#).

The Health Sciences Center (HSC) is expected to match this plan for staff only. HSC faculty operate under a separate compensation plan, to be communicated through the Chancellor for Health Sciences.

Change in Retiree Health Benefits & Open Enrollment

Retiree Health Benefits

Due to the directive from the Government Accounting Standards Board (GASB), and as a provider of post-employment benefits, UNM is required to carry on its balance sheet the accrued actuarial liability for the future cost of health care benefits. Because this liability has never been funded, it has been growing exponentially. In response, the UNM Board of Regents has approved a plan, titled [FY14 Retiree Health Care](#), presented by the Faculty/Staff Benefits Committee.

Effective July 1, 2013, there will be two significant changes. First, the employer/employee participation ratio for health benefit premiums will gradually change for all retirees. Second, active employees will be required to make contributions into a trust account that will be matched equally by the University. These two actions will eliminate the liability over time, and will provide employees top tier health benefits. At a later date the University will be creating a voluntary employee benefits plan (VEBA), that will give employees the opportunity to opt out of future health benefits if they so choose. The details of this plan will be forthcoming in a future message.

Open Enrollment

Wednesday, April 24 will begin the open-enrollment period for all benefits-eligible employees to enroll in or modify existing medical, dental and vision, and other benefit plans. For additional information and a presentation schedule, visit [open enrollment](#).

Equity & Inclusion Climate Survey Launch

The University of New Mexico is committed to cultivating a caring campus "community that provides leadership for constructive participation in a diverse, multicultural world," as the Association of American Colleges and Universities describes in "[Assessing Campus Climate](#)." This includes creating a welcoming environment for everyone working and learning on campus, and helping to nurture a culture of inclusiveness and respect. I am pleased to announce the launch of the Equity & Inclusion Survey at UNM. Your invitation to participate in the survey will be sent to you via an email from Halualani & Associates, an independent research firm conducting the survey on behalf of the University. After the survey results are analyzed, the data will be used to improve institutional climate. Your participation is very important to the success of the survey. The Division for Equity & Inclusion has established a

[web site](#) to provide more information. This survey is critical to furthering UNM's diversity and climate initiatives, and I thank you in advance for your participation.

Celebrating UNM's International Culture and Global Initiatives

The UNM2020 plan includes global education as one of its priorities, and the [Global Education Office](#) is actively focused on implementing this strategic initiative, and to help shape a globally engaged University of New Mexico.

It is with great pleasure that I invite you to join the newly transformed Global Education Office, formerly known as the Office of International Programs and Studies, in celebrating UNM International Festival Week. Activities are scheduled daily and include the Global Education Office Open House, Wednesday, April 17, 3-5 p.m. in Mesa Vista Hall, Room 2120 and the annual outdoor International Festival on Thursday, April 18, 10 a.m. - 2 p.m. on Cornell Mall. The Festival will include international food, live performances and other cultural activities.

Have a great week and Go Lobos!

Bob

[@Lobo_Pres](#)