

New Mexico Highlands University Annual Operating Budget Process

approved Fall 2016

Appendix I added Spring 2017



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Introduction

An institution's budget process is shaped by "institutional character; institutional size; administrative sophistication; faculty governance structures and processes; the degree of centralization of decision-making authority; the amount of trust among administrators, faculty, and students; the openness of the budgetary process; and the demand for information".¹

At NMHU, the office of Vice President for Finance and Administration (VPFA) in concurrence with the office of Budget and Planning (Budget Office) will facilitate an appropriate budget process for the campus by achieving the following goals:

- Budget priorities are developed in a manner that facilitates planning; informed discussion; faculty, staff and student participation; and a proactive response to critical external and internal issues.
- The process encourages openness, trust and transparency by providing feedback to identified groups at various designated points in the budget process.
- Efficiency and effectiveness of the budget process is increased by implementing procedures to achieve an on-line, paperless budget process at the college and major unit level.
- Institutional divisions, colleges, and major units are assisted in their development of summary information on budget decisions, reallocation decisions, and budget actions to support budget objectives.

¹ Richard J. Meisinger, Jr., *College & University Budgeting* (National Association of College and University Business Officers, 1994), p.49

NMHU Budget Values and the NMHU Strategic Plan

The NMHU budget process operates according to the values of the NMHU Mission, Vision, and Strategic Plan:

Mission

New Mexico Highlands University is a public comprehensive university serving our local and global communities. Our mission is to provide opportunities for undergraduate and graduate students to attain an exceptional education by fostering creativity, critical thinking and research in the liberal arts, sciences, and professions within a diverse community.

Vision

Our vision is to be a premier comprehensive university transforming lives and communities now and for generations to come.

Core Values

- *Excellence*
- *Diversity*
- *Accessibility*
- *Responsiveness*

Strategic Goals for 2020

1. ***Highlands University will achieve academic excellence, academic integration and student success.***

We commit to establishing and strengthening systems, structures and programs to enhance students' holistic well-being and success at all levels of study (including life-long learning), through the delivery of High-Impact Practices such as research and creative opportunities, increased student engagement, and service learning.

2. ***Highlands University will achieve strategic enrollment management.***

We commit to establishing and implementing a strategic enrollment management plan that includes target enrollments, recruitment, and retention strategies for all academic degree programs and all locations.

3. ***Highlands University will achieve a vibrant campus life.***

We commit to enhancing campus life for students, staff, faculty, alumni and community through expanded intellectual and recreational programs and services at the main campus and Centers, with a commitment to safety and inclusion.

4. ***Highlands University will be a community partner.***

We commit to developing, expanding, and enhancing collaborative community partnerships for mutual benefit in the areas of leadership, community and economic development, community service, academic enrichment, entertainment, and recreation.

5. ***Highlands University will achieve technological advancement and innovation.***

We commit to using technology strategically to support quality, efficiency, and innovation in daily operations, student support services, and teaching and learning.

6. Highlands University will achieve enhanced communication and efficiency.

We commit to engaging in proactive communication at all levels to provide efficient and effective services.

The NMHU Budget Process accomplishes the following goals:

- Active campus involvement throughout the entire budget process (Goal #6);
- Collaborative relationships with each of the institutional division, colleges and units at NMHU (Goal #6);
- Innovative budgeting ideas that diversify and broaden revenue sources and / or reduce operating expenses while still providing a high-quality learning and living environment for students and a high-quality work environment for faculty and staff (Goals #1, #2, #3);
- Open communication and availability of information on campus. (Goal #6)
- Creating a budget process that aligns with the strategic plan's goals, adapts to the current financial situation, and supports the Board of Regents' priorities. (Goals #1, #2)
- Maintain fiscal responsibilities set by state policy makers, laws, and administrative policies, and balance the needs of students, faculty, staff community members, and the public trust that is granted to the university. (Goals #1, #2, #3, #6)

To achieve these goals, the annual operating budget process at NMHU includes the following steps and processes, which are further outlined on the following pages:

- | | |
|---|---------------|
| 1. Strategic Planning Group (SPG), President, VPFA set Priorities | Spring |
| 2. Listening Sessions | Fall |
| 3. Budget Planning at the Institutional Division / College Level | Fall |
| 4. Budget Prioritization | Winter |
| 5. President Communicates Final Budget Plan Institution-Wide | Winter/Spring |

In addition, the Campus Budget and Planning Committee (CBPC) will meet on a quarterly basis to discuss and provide advice and input to NMHU's executive leadership team on short and long-term budget and campus improvements.

Please note the Strategic Planning Process addresses NMHU's Mission, Values, Vision, Situation Analysis, Enduing Goals, Action Plans, and Periodic Reviews.

Timetables on the specific steps in the entire budget process are developed each year by the VPFA during the Spring semester of the current fiscal year.

Budget Flow

Spring: Strategic Planning Group (SPG) meets with President and VPFA to establish preliminary budget priorities for the year, tying those priorities to the strategic plan.

Early Fall: VPFA distributes priorities to campus via e-mail; holds meetings with the campus to receive feedback on budget priorities (Listening Sessions).

Early Fall: Based on feedback, the SPG, President, and VPFA revise budget priorities and distributes them to the campus community.

Fall: Departments and Units prepare budget requests based on the budget priorities, tying them to the strategic plan, their Program reviews, and their Outcomes Assessments.

Fall: Departments will have individual Budget Hearings with the Budget Office and Deans to present their requests.

Late Fall: The VPFA, working with the President, the Provost, the Deans, the SPG, and the Campus Budget and Planning Committee, prioritizes the budget requests from the budget hearings.

Late Fall: The VPFA's office provides written feedback to departments on their budget requests. If departments have new information or new arguments, they may submit a written appeal to the Dean, VPFA, and Provost regarding their budget requests. The response to the appeal will be yes or no.

Winter: The VPFA's office, working with the President, produces the final budget.

Early Spring: The President presents the final budget to the Campus Community, including a list of prioritized requests.

For every step of this process, the VPFA will be responsible for making all relevant documents, including Budget Priorities, Budget Requests, and the Final Budget, available online for the NMHU community to review.

Stakeholders

The Budget Process strives to include University stakeholders, including those listed below:

President's Office (President, Directors, Individuals)
Academic Affairs (Provost, Associate Vice President(s), Dean(s), Directors, Individuals)
Finance and Administrative Affairs (Vice President, Directors, Individuals)
Strategic Enrollment Management (Vice President, Dean(s), Directors, Individuals)
Advancement (Vice President, Dean(s), Directors, Individuals)
Student Affairs (Dean(s), Directors, Individuals)
Faculty Senate (Executive Board, Senate Members, Individuals)
Staff Senate (Executive Board, Senate Members, Individuals)
Student Senate (Executive Board, Senate Members, Individuals)
College of Arts and Science (Dean, Program Directors, Department Chairs, Individuals)
School of Education (Dean(s), Program Directors, Department Chairs, Individuals)
School of Business, Media and Technology (Dean(s), Program Directors, Department Chairs, Individuals)
School of Social Work (Dean(s), Program Directors, Department Chairs, Individuals)
Library (Director, Manager(s), Individuals)
Students

Campus Budget and Planning Committee

Charge, Duties and Responsibilities

The Campus Budget and Planning Committee shall provide advice, and input to the NMHU's executive leadership team on short and long-term budget and campus improvements. The Campus Planning Committee's duties and responsibilities shall include the following:

1. Serve as the primary contributors on updates to the budget, capital planning, and campus master plan;
2. Serve on various qualification-based Request for Proposals (RFPs) for any professional services contract on any capital projects or major initiatives;
3. Serve on standing administrative, faculty, staff or student financial committees;
4. Review, recommend, and provide revised policies as necessary related to budget and capital planning;
5. Meetings must be recorded and minutes on action(s) taken must be approved by the next scheduled meeting and must be published on NMHU's website; and
6. Members shall be appointed for a 3 year period with stagnating terms, no more than 2 student appointments per year with the exception of student membership. These appointments will be for (1) year only.

Membership

Membership of the committee should be seven to nine (7 to 9). This membership should consist of a blend of administration, faculty, staff, students, and center leadership. Membership should be: Two (2) administration – appointed by the president; Two (2) faculty – selected by faculty senate; Two (2) staff – selected by staff senate; Two (2) student body representatives – selected by student senate [(1) undergraduate student and (1) graduate student]; and One (1) center leadership member – appointed by the president. The president shall appoint the chair of the committee. Other members may be appointed by the president for specific initiatives.

Meetings

Chair shall hold at least (1) meeting each quarter and any special meetings as needed. All meeting minutes and actions taken must be approved by the committee at the next scheduled meeting and must be published on NMHU's website.

Setting of Budget Priorities

Spring / Summer / Early Fall

Purpose: To draft near-term university priorities, outline training and development needs, and target process improvement areas.

Meetings: The group will hold a series of meetings in the Spring with the President and VPFA to suggest annual priorities to the President and the campus community.

Actions:

Budget Office compiles information and data for the spring, summer, and early fall meetings, and reviews the information with the SPG members during the spring and summer months prior to the beginning of the semester. The information should include:

- Campus Action Plans
- Emerging Issues
- Enrollment Management Data
- Prior Year's University Priorities
- Current Year's University Priorities
- University-Wide Performance Data
- Survey Data
- Financial Information
- Training & Development Plans
- Process Improvement Plans

Fall Listening Sessions

Fall

Purpose: To encourage faculty, staff, and students to engage in direct, unfiltered, unedited communication with university administration on the draft university priorities, training and development needs, and process improvement areas.

Meetings: The VPFA will arrange at least 2 meetings open to the entire Campus Community to present information about the budget and discuss potential budget priorities as linked to the Mission and Strategic Plan.

Actions:

Taking the information presented at the meeting, the Office of Budget and Planning (Budget Office), along with input from the Campus Budget and Planning Committee, enters the draft priorities on the University Priority templates and distributes them to the campus community.

This information includes:

- Defining the priority statement, which outlines the proposed solution;
- Outlining the linkage to the University goals;
- Stating the issue to be solved;
- Listing the actions required to ensure the priority's success. This includes naming an individual responsible for the action and the timeline for completion of the specific action;
- Estimating the resource requirements (employees, funding, etc.) needed for the priority to succeed;
- Selecting information to be collected for up to six critical measures to benchmark the priorities success;
- Naming a priority champion, to ensure the completion of the priority;
- Estimating a completion date for the priority.
- SPG reviews / revises each of the priorities prior to the forums to ensure accuracy.
- Budget Office schedules several focus groups for the campus to review each of the draft priorities. All faculty, staff, and students are encouraged to participate and provide feedback on the draft priorities.
- Budget Office publishes draft priorities on the web site in advance of the focus groups for the campus to review.

Budget Hearings at the Institutional Division / College / Unit Level

Fall/Winter

Purpose: To develop budgets at the institutional division / college / unit level.

Meetings: The Budget Office will schedule Budget Hearings with each Department and Unit to discuss budgets for the upcoming academic year. For Departments, the meetings shall include the Department Chair, Budget Director, the appropriate Dean, and, if necessary, the Provost. For other Units, the meetings shall include the Budget Director and Unit Director.

Prior to the meetings, the Department Chair will submit their Budget Requests (form with linkages to strategic plan), their Department Strategic Plan, their Department's most recent Program Review and Response, and their last two years of Outcomes Assessment Reports. Failure to submit these documents may result in denial of Budget Requests.

Resulting Actions:

- Within four weeks of the Budget Hearing, the Budget Office will provide written feedback to the department on the requests, indicating whether the requests have been approved pending funding or denied. If departments have new information or new arguments, they may submit a written appeal to the Dean, VPFA, and Provost regarding their budget requests. The response to the appeal will be yes or no
- Working with the appropriate stakeholders, the Budget Office will develop a list of budget priorities for submittal to the President and Campus Budget and Planning Committee based on the budget hearings.
- The President, working with the Budget Office and the advice of the Campus Budget and Planning Committee, will establish budget-planning allocations at the institutional division level.

Additional Information:

- Corresponding budget planning occurs simultaneously at the institutional division / college / unit level. At this point, the specific budget detail is developed. Please note that NMHU utilizes incremental budgeting model, not zero-based budgeting.
- Budget Office provides training and support to budgeters as they develop individual account budgets.
- Budget Office ensures that the budgets balance to targets at the college and major unit levels
- Institutional divisions, colleges and major units provide summary information on budget decisions, reallocation decisions, and budget actions to support budget objectives.

Budget Prioritization

Fall/Winter

Purpose: To finalize budget priorities for the year.

Meeting: The VPFA, working with the President, the Provost, appropriate VPs, Deans, and Directors, the SPG, and the Campus Budget and Planning Committee, prioritizes the budget requests from the budget hearings.

Resulting Actions:

- A list of ranked budget priorities is created from the Budget Requests provided at the Budget Hearings; this list will be distributed to the campus community.
- Budget Office ensures that the budgets balance to targets at the college and major unit levels.
- VPFA provides estimates as to how many Budget Requests can be fulfilled based on likely funding scenarios.

Final Budget Communication

Winter

Purpose: To communicate the final budget to the Highlands campus community, including connections to the strategic plan and budget rationale.

Meetings: The President and the VPFA will schedule a meeting with Faculty, Staff, and Administration to present the final budget.

Budget Reductions and Budget Exigencies

As needed

The Faculty, staff, and administration of NMHU recognize that academic budgets can change suddenly for a number of reasons, include reductions in state appropriations and negative enrollment trends. In such cases, the Budget Office will immediately hold a meeting with the Campus Budget and Planning Committee to decide next steps. In general, the options will be:

- Not funding or partially funding budget requests from that year's budget process.
- Targeted cuts or freezes to unfilled or retiring positions and lines.
- Targeted cuts or freezes to discretionary spending.
- Imposing across the board reduction of budgets, with possible exceptions for growing units/departments and other key strategic planning initiatives.

The impact of such cuts on the strategic plan should be considered before any cuts are made.

Whatever cuts are agreed to by the Campus Budget and Planning Committee will be clearly and openly communicated to the campus community.

Departments may be asked to prepare contingency plans based on likely budget scenarios.

Appendix I

Improvements Need to Budget Process for 2017-2018

As Recommended by the Faculty Senate

April 12, 2017

- Better feedback from Deans to Department Chairs about his or her priorities, including justifications, and a clearer space/opportunity to appeal and discuss budget requests with the Dean.
- Clarification on how the budget approval process works regarding money already included in a departmental budget, such as unfilled lines or combining existing positions to create a tenure-track line.
- Clearer communication about any reductions in departmental supply budgets as a result of state-wide budget cuts, including the longevity of the cut.
- Clarification on how budgets would be reduced, either temporarily or permanently, including whether or not freezes carry over from year to year.
- Clarification on how budget neutral and quasi-neutral budget requests are handled and approved.
- Clarification on how budgets work when a faculty member receives release time, including grant release time.
- Clarification of how course fees are factored into budgets.
- Better communication to allow departments to return unspent budget funds for a year without the danger of having their budgets permanently reduced. How do you carry over from year to year on some budget lines?
- How does fundraising work for departments?
- Better communication from VPFA on why some purchasing requests are denied and his role in approving academic expenditures.