

Financial Planning Committee:

Meeting: Monday 12/4/2023 at 1100 AM.

Chair Person: Steven Karpowicz

Members: Elisabeth Valenzuela, Rey Martinez, Siri Gurunam Khalsa.

Guest: Stephanie Gonzales

Need to plan the spring meetings. Suggested the first Monday of each month starting February 5th at 11 AM.

October and November minutes were reviewed. The minutes were approved.

Stephanie Gonzales provided the Budget Review. Original proposed budget FY 2023-2024. This budget provides information on the unrestricted and restricted funds. It does not include the endowment funds, Perkins grants, loan funds, capitalized asset funds. This is the structure of the report. The report is sent off to the State of New Mexico for review and approval.

The report starts off with a Table of Content.

Each tab is an exhibit.

Exhibit 1: This is the main summary of current funds and plant funds. The first page of the budget.

Exhibit 1 is organized vertically with the following main headings: Revenues, Beginning Balances, Total Available, Expenditures, Transfers in & out, and Ending balances. It is organized horizontally by the Original Budget 2022-23 (Unrestricted & Restricted funds), Estimated Actuals 2022-2023 (Unrestricted & Restricted) and Original Budget 2023-2024 (Unrestricted & Restricted)

Instruction and General (I&G): Subtotal of programs numbered 100, 110, 120, 130, and 140. Known collectively as I & G. Instruction. Academic support, etc.

100 is instruction.

110 is academic support

Stephanie has a word document used to train new accountants in the business office that she is willing to share.

FOAP: Fund, Organization, Account and Program.
All FOAPs start with a fund.

1 represents unrestricted funds. Instruction.

2 represents restricted funds for expendable grants, contracts, Federal, state, private

4 funds are loans like Perkins. These are funds are not added to the budget.

6 funds Corporis non expendable scholarship. endowment funds.

8 funds- agency.

10 NMHU Stable Isotopes. A blended component of the university. Not separated out. 2012 there were some professors at NMHU created a chemical compound that was patented. NMHU received royalty revenue from this patent. About 100,000 from the Los Alamos Labs sends a check to NMHU each year. There was the intention of creating a research park. By 2018 NMHU fronted about 1.5 million dollars to Highlands stable isotope project. It was not making money. The board stopped the operation of it because it was not profitable, but NMHU Stable Isotopes still receives the money from the Los Alamos labs. There are some small expenses. Patent renewal and annual corporation annual fee (\$11.00). The money left is transferred back to the university as payment for the initial backing funds. Currently, there is still about \$600,000 left to collect from the Stable Isotopes fund as of 2023. It is possible that once the initial backing funds to the NMHU is paid back, those funds could be available for other things. Dr. Minner had talked about selling the research park. Someone had offered to purchase the park. This needs to be discussed.

Funds 91, 92, 93: Restricted funds for capital outlay projects. Funds from the state.

Funds 95: Funds restricted for debit services. There are two bonds for some Sub (Files and Crimsons) projects.

Funds 1100 will always match up to programs. 100, 110, 130, 140.

Each of the tabs detail the different aspects of the budget.

There is a comparison of the different year's budgets.

The budget is a project of what moneys the university will receive each year.

There are the beginning year budgets, then the expenditures, then the transfers, and then the ending balances.

Exhibit 1A is the details of the transfers. Transfer 1.8 million into RBR, building renewals. HED wants the university to keep track of all the transfers of funds.

In theory, money in should balance the money out.

4 and 6 funds are not included in the budget.

20 million endowment moneys. Need to keep track of how the funds are transferred into the 2 funds.

Exhibit 2: a summary of programs of 100 to 140. Summary of Instruction and General I&G.

Exhibit 3: Student Tuition and miscellaneous Fees for I & G. details.

Exhibit 4: Government Appropriations. (I & G).

Exhibits 2 through 9: represents the details for the moneys for I & G funds. Program 100 to 140.

Unrestricted (1 funds): federal government appropriation, state government appropriations, tuition and fee moneys.

Restricted (2 funds): federal, state, and private grant moneys.

Explains where the moneys are coming from and what they can be used for.

1 funds unrestricted state appropriation funds are moneys that support the university's mission. Pay faculty salary, work-study students, have fringe and maintain the university. For operational purposes, these funds are unrestricted. These funds cannot be used for the dorms, the golf course and meal plan, etc.

There is a restriction on the dorms, the golf course, and meal plan axillary which are like little businesses on their own. These small businesses are to be self-sustaining.

The moneys generated by these axillary businesses are to support the business, pay the salaries. Moneys can be transferred except into the axillary funding.

Moneys from the forest department for research. Restricted with a purpose. The university does not transfer out of or into.

HERFA funds were used for COVID expenses. These were federal restricted funds which the federal government said could be used for COVID related expenses.

Endowment land and permanent fund income.

The state gives money to the land and permanent fund.

How are the endowment funds managed? These have to be kept separate. NMHU received a total of 20 million in endowment funds. 2 million for nursing, 8 million for social work, and 10 million for education. The university had to create a separate 6

fund for each of the departments. The funds are kept separate. There is one fund for nursing, one fund for social work, and one fund for education. These funds are invested at the State Investment Council. Investments will do what they do. There will be income, unleased gain and loss. At the end of the fiscal year the university takes the 4%. At one time the thought was to take 7% of the invested income to fund whatever the 3 departments needed. Stephanie thinks that these will fund the faculty lines. They kept track of the invest. They will withdraw from the funds and transfer the funds into a 2 fund. #21994. This fund was set up for education. The education department used the funds. \$400,000 was budgeted for 2024 and distributed across their accounts. The business department will keep track of the spending from the 2 funds and the investments from the 6 funds.

The endowment funds were actually from federal funding. The state had received the federal funds and then passed it on to the university.

Exhibit 9: Other sources of revenue. Some federal grants charge 48 % and others charge 10%. Miscellaneous funds are like vending machines, etc.

Exhibits with an A are the expenditures.

10A contain the details for the instruction expenditures for all the general academic departments. For instruction there is a 26 million budget for FY 2024.

The budget needs to be reviewed and reset.

Title 4 E is an arrangement with CYFD. CYFD is a grant. #21906. Program 170 the sums are lumped together. The grants and contracts are a lump sum at the end. What happens with CYFD is they have a match. The grant was the primary spending point for social work. Their invoice has a federal penetration rate. #14110. Stephanie has to break down the funds in order to report the real salaries and expenditures are. 1.6 million from CYFD each year. The grant module helps to keep track of the cost share.

Instructional 130 is the back up for the operations.

Roman Numbers are Capital Outlay:

Exhibit I: Program 300 Capital Outlay

Exhibit II: Renewals and Replacements for equipment. Program 310.

Exhibit III: Retirement of Indebtedness: Program 320

Exhibit D: Tuition and Required Fees.

EXPSum. Contains the summary of the expenditures.

Historically, a deferred maintenance on repairs. There is no a place within the budget to address any of the deferred maintenance issues, like the pool. This year a group of individuals got together to make a list of all of the deferred maintenance issues.

As an institution, we need to incorporate a set amount of money for future maintenance. If the state does not provide the funding for the pool repairs, there is no way for the university to find the money to do the repairs.