

**Financial Committee Meeting:  
March 4, 2024**

**Financial Committee Members:** Steven Karpowicz- Chair; Elizabeth Valenzuela, Rey Martinez; Siri Gurunam Kaur Khalsa: Secretary.

**Guest:** Stephanie Gonzales.

Approval of February minutes with the changes in wording of Rey's charge of researching the trend data in job descriptions.

During the last of February, resolved the gaps within the current preliminary budget in order to present the revised budget to the Board of Regents on March 21, 2024. Dead line to submit documents to the Board Packet is Wednesday, March, 6<sup>th</sup>. News from the state is trickling in. Heard that there is a 3% compensation increase. The compensation increases are not listed in HB 2. Waiting for confirmation on numbers. House Bill 2, the state appropriation funds are located in HB 2. So, they did roll some of the RPSP funds into the I & G base. Social Work Grant Match Fund, Minority Student Services, Legislative Fellows, The Center for Development and Career Readiness, reconciliation of all these changes into the budget. The significance of the movement of funds from the RPSP funds into I & G accounts allows for some flexibility in how moneys are used. Example with the funds RPSP funds ear marked for the Center for Development and Career Readiness, year 2024, there is \$171,000, so less money would go to the Career Services and some of the money would be directed towards the Counselling services group. This change which will need the president's final approval. The new president when he visited NMHU campus mentioned that these decisions will be made out in the open with input from others.

The budget will be built with the numbers that are known with the understanding that there may be other moneys. At this moment, it does not look like that the budget will be balanced and there may need to be a student tuition/fee increase conversation.

There is a 3.8 million dollar increase in the I & G base from prior year to this year. This is coming from the state. It looks like the state revised the funding formula. This increase in the I & G base is not solely from the transfer of RPSP funds into the I & G Base.

The state does not want the university to increase tuition and fees because of the opportunity scholarship. Need to research this. There is a rumor out there that universities may need to sign a MOU with the state, not to increase the tuition and fees. There will be a problem if the university did sign a MOU with the state not to increase tuition/fees, and there is a shortfall in budget funds.

For a number of years, there has not been a designated person whose only job is to attend to each year's budget and make sure that each department's budget is correct. One goal is to have this budget manager meet with each department and determine the employee needs of each department. Need to look at the historical information of how many full-time employees each department had and what the department needs are now; what are the work study needs, and administrative needs and expenses.

The Board of Regents will review the preliminary budget on March 21, 2024 and provide advise on how to balance it. If the budget needs a fee and tuition increase then a meeting with faculty and students will need to happen in April. The final budget is due to the state by May 1<sup>st</sup> for FY 24.

Cash flow update to the board. NMHU received 5.7 million dollars for the capital outlay projects. In the past, NMHU would have to pay for the capital outlay projects and then submit the request to be reimbursed. The 5.7 million dollars was given up front which includes moneys for the Sininger Hall Project. We have the Building Renewal & Replacement funds from the state that is for Deferred Maintenance. 1.1 million is the current amount but is not sufficient for our current needs in maintaining the different buildings.

**HR Update:** Tickets are being submitted to HR for the different concerns. HR are working on resolving the tickets. Need to hire a person to do the audit work. Questions are asked by past employees and current employees ready to retire about historical pay, retirement and benefits. Some employees become upset when asked to review their paycheck and they find an error. The positive piece is that employees can review their upcoming paycheck for errors and then submit a ticket right away to address the error. Paycom can address the errors before the check is dispersed.

All audit reports are posted on the State Auditors website. Once the audit report is approved by the Board then the Audit report will be posted on the NMHU's website. A presentation on the audit findings will be done. There 12 audit findings that NMHU had and needs to fix. The big one is the payroll audit finding that is being fixed currently.

There is a yearly audit. Each year the auditors have a different audit plan. There are two small petty cash drawers, one in athletes and one at the cashiers. The auditors will test the balances and the controls. The goal is to have no audit findings, but is not realistic for how large NMHU is with all the centers. All the school's audit findings are listed on the State Auditors website.

Any resolutions with Payroll errors need to be reflected in the historical data in banner. Employees will need to work with payroll to make sure that this occurs.

Requests for Time and Efforts Certifications through office of Resources and Special Projects. How does this work? When we receive federal funds and grants, there is federal government compliance and reporting. There are employees who are paid through these federal moneys. Employees who are paid an hourly rate, the time sheets are the paper trail for use of these funds. The salary employees do not have the time sheet verifications, so the Time and Effort Certification documents serve as verification as working on the grants. Any agency who provides federal money for specific work will require the Time and Effort Certifications.

Rey asked for clarification on the Senate Charge and the need to research job descriptions for midlevel and upper-level administrative positions which had incurred a pay raise in recent years. Looking for trend data. Steven will make the adjustment in the February.

Steven reviewed the data graph he had researched and gathered on increases in annual pay starting in 2012. It looks like the university has been creating new jobs over time. There are visual graphs. Looking at everything under professional salaries which is an addition over time. One challenge is that over time titles have changed. For example, Student Affairs now called Office of the Dean of Students. It is possible that the university over time reclassified positions.