

**Financial Committee Meeting:
April 29, 2024 1100 AM.**

Financial Committee Members: Steven Karpowicz- Chair, Siri Gurunam Kaur Khalsa: Secretary, Elizabeth Valenzuela, Stephanie Gonzales- Ex-officio member, Ram Adhikari,
Absent: Rey Martinez,
New Member: Ram Adhikari-Forestry.

Stephanie provided an update on the cyber incident. Waiting on the conclusion of the investigation. There are still some issues with VNP access. IT is working with employees in clarification of when VNP is necessary for access to different aspects of banner. It is important to have the right access for the specific job an employee is doing. There is some issue with getting VNP up and running. There is some issue with financial aid's ability to connect with ED-Connect. Challenges with student financial aid and unsure if this has been resolved.

Still working on the budget. Received an extension from HED from May 1st to May 21st for budget submission. The Board meeting has been rescheduled for either May 16th or 18th.

The question was asked about the restrictions that have been communicated through the global emails. The I & G fund balance is not as large as the university wanted it to be. We have to have the 3 to 5 % reserve that HED requires the university to have. So far the numbers within the budget are not allowing that range of reserve. Working on solutions to tightening up the budget for end of fiscal year 2024. The solutions are impacting fund 1100.

Need to encourage everyone to be conservative in their spending. This situation is not impacting everything. It is not impacting CBA Faculty Development, travel, and Per diem. In the past there has been the practice of buying extra supplies at the end of the year in order to use up department's budgeted moneys. This is one area of restrictions.

Stephanie still needs to meet with all the department head about their budgets. The work of the Budget Manager has not started that work. Most likely this work will start in Fiscal Year 2025. The goal is to start building more accurate budget plans for the future. The way departments have been doing their budgets have not been working up to now. One of the barriers is the lack of an actual budget department to communicate and coordinate with each department on the campuses. Up to this point Stephanie has been the only budget employee and balancing that as a comptroller. The department budgets have taken a back seat to the books in the past. The university needs a skilled budget staff member to work with each department to get this aspect going. Need to coordinate this with Academic Affairs and the other VPs. All the departments fall under the different VPS. Need to work through the VPs and then the departments. Having dedicated time to work on restructuring this new work flow is the main barrier. We need help to present this to upper management so they see the logic of this new way of working.

There was a question about the financial situation with Wiley. Some of the departments are working under Wiley and now Academic Partners which bought the student management and enrollment division from Wiley. At the meeting last week with Academic Partners and Wiley, Academic Partners could not really tell us how many students they were able to bring into each department program versus How many students each department was able to bring into their programs through word of mouth. Increase in enrollment is not only increase in student numbers but also an increase in revenue. Normally,

these third-party companies take a large chunk of the tuition. With Wiley, it is believed that there is a 40-60 split with NMHU receiving 60% of all tuitions from those programs under Wiley. NMHU turn around and transfers 40 % of the tuition and fees. There has been confusion on how these students are classified either as a Wiley student or University student. There are students living on campus that are classified as a Wiley student and there is the question on how that occurred. It is unknown how the students enrolling in these programs are being classified within the registrar's office. It would be important to tighten up the process of how the students are being classified from the aspect of who brought the student to NMHU: Wiley or through a different route, either through the department or recruitment. And with any third- party companies, revenue sharing arrangement, it would be important to know what the Return on Investment (ROI)? This part of the equation is not known. There is a Conter Revenue Account to pay Wiley. NMHU reports gross tuition and fee revenue and from that there a net amount from which the Wiley payment is created. At this point, there is not a good way in Banner to determine how much tuition/fee revenue is received per class versus per program. There are students who take classes outside of their programs. A student may take a PE class when they major in Business. Question: What is our tuition/fee revenue per class to see which classes are bringing in tuition/fees.

We need this type of analysis as well. In order to get this type of analysis, what do we need to do, invest in an additional program or do an upgrade in Banner? Currently in Banner there is no way to tell. When a student registers for a class, one can see their undergraduate or graduate status, residency status. But on the revenue side one can not see what class the student has registered for. Rumor has it that Banner had that capability to determine which class has incurred which revenue. But now, that feature is not available. We would need to reach out to Ellucian to see if that feature is available and can be turned on. Maybe there is a cross walk between student enrollment and registrars, and merge the data. Unsure if someone in OYER can do that. It seems that Banner would have the capability versus considering the option of purchasing an additional program. We need to be careful with such a functionality that could evaluate programs whether they are bringing in revenue for the university or not. Some programs are going to cost more than others, such as Chemistry, art or music. Some programs bring in more revenue than others. An Analysis of the out flow of funds to an outside vendor may be worthwhile. It has been said that these 3rd party vendors cover the cost of marketing which the university does not have to cover, but up to now, there has not been such an analyst. It would be important to see the data. It would be important to see the revenue and balance the budget at the end of the day.

There are three more years to the Wiley contract and it would be important to have the data to make future decisions.

It would be important to tighten up how students are classified, how did they get here, how did they know about us, how did you register, etc. That way when the student registers they are coded properly and correctly.

It is thought that the registrars or possible recruiting and admissions would be responsible for the coding process. Unsure how this part works.

Steven showed the report he has been working on for the faculty senate based on the charge given to the financial committee. Review the final report for details.