

Financial Planning Committee

Financial Committee: December 9, 2024: 4 PM

Steven Karpowicz: Chair

Members: Elisabeth Valenzuela, Rey Martinez (absent), Stephen Owusu-Ansah (Absent), Siri Gurunam Kaur (Secretary)

Ex-officio Member: Stephanie Gonzalez.

The graduate questions need to be converted to non-required. How and when do we wish to send out to the different departments. Global notifications can be restricted to specific groups. Unsure who is holding the chair position for English since Lauren Fath is on sabbatical leave. Steven will ask Ted Gonzales to send out a global email to the chairs of each department the first of January.

We return on January 6th. Maybe the global will go out on that first week.

Education meets the second Wednesday of the month is the chairs and deans meeting. Counseling, Educational administration and Curriculum have only graduate programs. Teacher Education does only undergraduate programs. Special Education does both undergraduate and graduate programs.

Nursing is having its first faculty meeting on January 27th.

What will be the cut off date for getting the information. Steven would need time to aggregate the data.

Have many chairs are new in their role.

The charge from faculty senate was to determine the cost of a course in terms of minimum enrollment. The focus was on a per course basis at this point versus what is the enrollment for contractual agreements for courses. We will focus on the summer courses and overload courses. What is the minimum income needed to employ the instructor? This may vary by department. Goal to get actual data on the topic versus perceived data. Question: How to analyze the objective data?

In regards to revenue. There is a lot going on there when considering the type of class being offered. It is difficult to say if a course is making revenue and then a profit. There are direct costs as a result of that class, like the faculty salary, but is determined over the number of classes they are actually teaching. Then there is the fringe benefits in relationship to that faculty's salary. Then there is overhead and additives when considering university wide. There is a lot of to unpack. Stephanie was asked the question: What is the gross revenue per student? If you are talking by head count, that is easier to calculate than when it is broken down to undergraduate, grad, out of state and in-state. There are the enrollments for different certificates. Like nursing has a differential. Online students have a different rate than face-to-face. It is not as simple as some people think and would like it to be.

Patrick did a presentation for the Board of Regents about the different centers and online courses and how each are doing cost wise. There was a coefficient of 2.69 for the online courses in relationship to what the revenue to the university is. The online courses are making money, but it is less than what other courses are doing per centers. Based on Patrick's presentation for every dollar the university spends at the center, the university makes about \$3.00. It seemed that the social work CYFD contract was being treated as completely supporting the Albuquerque Center whereas there is an University match to that. The university pays about 77 cents to every 33 cents that CYFD contract provides. It seemed that this was not incorporated into the analysis. There were questions about overhead for each

center. What Patrick presented at the December Board of Regents meeting was a very good starting off point. Some work needs to happen to bring some clarity based on reality.

What sort of data do we need to collect to provide clarity?

Where are we going to get our financial numbers? Where to start. Start with the tuition dollars. Start with the registrar's website. It states that if a student enrolls from 0 to 6 credit hours, the cost is this amount per course. From 7 to 18 hours there is a flat rate with an additional fee for taking more than 18 credit hours. Then looking at the per instructor cost. There may be a weight or scale to it based on other costs. That tuition and fee schedule which is on the website is for the general courses. The general courses have a manual fee attached. This manual fee is not attached to the asynchronistic online courses. Then there are the discounts, the scholarships, and the waivers. Wiley costs.

Stephanie offered to provide the banner financial numbers for revenue and expenses. There are two funds, the restricted funds (grants and contracts) are supporting faculty sometimes and sometimes not.

Starting point could be the published unmodified numbers and what we get. And then depending on the department, the mode of delivery, etc., we have this amount of income therefore the minimum enrollment would need to be this number.

Maybe the registrar's office could provide a report on the average enrollment for lower division courses and then for upper division courses. Is there even an issue or concern.? This information maybe available through the Institutional Research Department. At the university budget meeting, certain programs as profitable and other programs may not be as profitable, but as a university we value all departments. This is a hypothetically way of doing business. We are a non-profit. We know there are core courses that we need as pre-requisites for advance courses. Dr. Gonzales just came back from a conference where it was presented that businesses are wanting employees and students who have what is called "soft skills" which are developed through liberal arts and life experiences.

The framing of the information would be important when the report is generated.

The university audit report was due on November 1st to the State Auditor and it was late. Not everyone knows of this information. The plan is to submit it next week before the break. The biggest influence of the delay in submission was the cyber incidence. After that VPN access was lost. Year-end accounting started in June. There were issues due to key staff turnover. Johana Burciaga, senior accountant, worked on grants and contracts, left right before the audit. In the past the auditors could reach out to accountants with questions but this option was not available. Someone new had to provide information. There was additional testing in the single audit and then there was the Banner-Paycom transition created issues for the auditors. Everyone has been notified of the late audit. HED, DFC, LFC, HLC, OSA, etc.

The I & G fund balance is floating around 2.2 million heading out of fiscal year 2024. We want it to be higher. We need to build our cash reserves. EFOP: We are continuing our communication with HED with the fiscal watch. The two big pieces we are reporting to the state are the 1) Cap Matrix for the audit and audit findings from fiscal year 2023 and the resolution of those audit findings and 2) update on our fund balances and cash reserves. NMHU cannot reveal the audit findings until the State auditor approves the audit findings. We most likely will have audit findings with the HR concerns because we are not out of the woods with those concerns. For the budget audits, there is work with the VPs and the deans to get the data for the labor budget because we have not had that information before. Compiling that data. It

would be helpful to have a business analyst to help with the department budgets. Need to plan for fiscal year 2026. There is another board meeting on 12/13.

Elisabeth expressed a couple of questions and concerns. Concerns about accessing information on Chrome in order to submit travel request for approval. RPSP money is used to support the students for stipends and Chrome River has been returning the requests suggesting that financial aid money be used. This process is not simple because of different classification of student versus a student as an employee. There is a lot of complexity with the dispersant of funds for travel and stipends.

We need to be aware that when the university provides money to students, there are certain steps and considerations that faculty need to considered.

Training for Chrome River is needed. When submitting requests for travel, be aware of the following: Who, what, when, why, how much and provide as much details as possible in the report. That report will be tested later on. All transactions need to be able to stand on its own feet.

Stephanie will talk with Chrome River about office hours and availability. We have to follow the GSA rates for hotels and flights. These are federal established. The business office has to abide by state and federal guidelines for reimbursement. It would be good to have training in a computer lab.

Is it possible to have a scheduled time during fall and spring professional development days. Schedule times at varied times during the week. It seems that there is not a way for the faculty member to pay for the remaining amount on travel if the amount was more than the \$1500 allotted. Can faculty pay the difference between what the university provides and the cost of total travel. There is the travel pre-approval part to Chrome River. Stephanie said she will investigate this situation. A P-card adds a little complexity to travel purchase.

NMHU was threatened with a fine from OSHA secondary to the Ivan Hilton situation. There was an estimated cost of the Ivan Hilton situation of \$500,000. Artic Wolf cost for the cyber incident provided a bill for \$81,000. Baker Hosteller, the legal council brought in for Data Privacy Council. Their bill was \$20,000. \$174,000 spent from year to date, including the cyber attach expenses, with \$364,000 in encumbrances. This includes Clean Harbor. The \$364,000 are open POs for work done.