NMHU Financial Planning Committee

Date: December 5, 2025
Time: 1:00 PM – 1:57 PM
Location: Virtual Meeting
Chair: Steven Karpowicz
Recorder: Meeting recorded, link emailed to Secretary.
Secretary: Siri GuruNam Khalsa (Meeting recorded and transcribed through Co-Pilot)
Members Present:

- Steven Karpowicz (Chair)
- Siri GuruNam Khalsa (Secretary)
- Roxanne Gonzales
- Rey Martinez
- Gerardo Moreira
- Stephanie Gonzales (Ex Officio)

Members Absent:

- Elizabeth Valenzuela

---

1. Call to Order

The meeting was called to order by **Chair Steven Karpowicz**.

---

2. Approval of Minutes from Previous Meeting

- **Motion:** Roxanne Gonzales moved to approve the previous meeting's minutes.
- **Vote:**
  - *In Favor:* 4
  - *Opposed:* 0
- **Outcome:** Motion carried; minutes approved.

---

3. Finance Office Update

Presenter: Stephanie (Finance Office)

VPFA provided an overview of the **unaudited and unadjusted pro forma as of October 31**.

3.1 Revenue Summary

- Instruction & General (I&G) revenue posted at approximately **42%**.
- Percentages across categories appear reasonable for four months into the fiscal year.
- The Business Office remains behind on some postings due to audit workload.

3.2 Public Service Expenditures (17%)

Question: Why are public service expenditures so low?
Response:

- Public service categories include restricted grants and contracts.
- Lower expenditures likely due to:
  - Grants underspending, **or**
  - Revenue not yet billed/invoiced (revenue recognized only upon billing).

3.3 Expenditures Summary

- **Internal Services:** Higher-than-expected expenditure due to late posting of FY25 invoices following staff turnover.
- **Student Financial Aid:**
  - Issues due to changes in scholarship awarding strategies (use federal/state funds before institutional funds).
  - Budget misalignment requires reconciliation.
  - An **RFP for financial aid optimization** has been issued to evaluate scholarship allocations and budgeting.

3.4 Ending Fund Balance

- Preliminary combined fund balance shows **just over $12M**, but is expected to change as postings continue.
- Data remains fluid until audit completion.

3.5 Faculty Questions & Discussion

- **Committee member:** Concern about future federal/state policy impacts on student financial aid.
  - VPFA noted no major federal changes yet but emphasized the importance of monitoring Pell Grant policy shifts.
  - University considering financial literacy training modules for students.
- **Committee member:** Asked about strategies to mitigate federal funding volatility.
  - VPFA highlighted rebuilding reserves and the possibility of RPSP supplemental funding for lost federal revenue.
  - Emphasized need for long-term contingency planning.
- **Committee member:** Asked about stipend processing through Financial Aid.

  - VPFA confirmed this is the correct process and advised coordination with Lara Barela.
  - Clarified how stipends apply to student accounts and disbursements.
- **Audit Status:**
  - Financial statement audit submitted on **December 1**.
  - Single audit delayed due to federal government's pending compliance supplement.
  - Expectation: Single audit finalization in early 2026.
  - Ongoing challenges:
    - Legacy unreconciled Banner balances (dating to early 2000s)
    - Nationwide shortage of experienced accountants
    - Business office understaffed, seeking senior accountants

---

4. Administrative & Personnel Updates

VPFA announced several organizational changes:

4.1 Reporting Structure Changes

- **Human Resources** now reports directly to **General Counsel (Mr. Hicks)**.
- **Campus Police** have also moved under General Counsel.
- These changes aim to centralize and strengthen compliance oversight.

4.2 Facilities Management

- As of **December 1**, **Facilities now report to Finance & Administration**.
- **Aaron Flure** has assumed leadership of Facilities (position shifting from AVP to Director).
- ITS now reports back to Stephanie; Purchasing remains under Aaron.

---

5. Discussion: Financial Evaluation of Centers

Committee Chair initiated the topic based on:

- Perceived concerns from regional centers about the accuracy of prior financial analyses.
- Increasing safety and operational needs at centers.

5.1 Key Points Raised

- **Committee member:**
  - Broader university conversations about enrollment structures (center-based vs. program-based) are forthcoming.
  - Financial analysis must include:
    - Travel costs for faculty from centers to main campus

        - Support for remote faculty
        - Collective bargaining considerations
    - Faculty representation from each center should be included in any university-wide planning.
- **Committee member:**
    - Asked how remote faculty can be meaningfully included in recognition events and service expectations.
    - Expressed concerns about balancing support for local vs. out-of-state faculty.
- **Committee member response:**
    - Many gestures (gift cards, benefits) are restricted by state law.
    - Alternatives include non-monetary recognition (cards, communication).
    - Larger issue: culture-building around a geographically distributed workforce.
- **Committee member:**
    - Suggested exploring whether faculty development funds could cover travel to New Mexico for professional development.
- **Broader Themes Identified:**
    - True cost of remote faculty
    - Costs of supporting students/faculty across distributed locations
    - Need for university-wide clarity on service expectations for remote employees

5.2 Action Consideration

Committee Chair will gather the committee's talking points and possibly bring them to **Faculty Senate President** to initiate a university-wide discussion.

---

6. Report to Faculty Senate (Handbook Requirement)

Committee Chair noted the committee is required to present a **financial state-of-the-university report** to Faculty Senate annually, though this has not occurred in recent years.

Plan

- Committee Chair will collaborate with VPFA to co-present a clear financial overview to the Faculty Senate in the spring.
- A draft of any presentation will be shared with committee members for review.

---

7. Scheduling Spring Meetings

- Regular meeting time proposed: **Fridays at 1:00 PM**.
- Due to a conflict on January 6, the committee agreed to meet **the second Friday of the month**.
- **Next Meeting: February 13, 2026, at 1 PM** (tentative; Committee Chair will send confirmation in January).

8. Adjournment

Meeting adjourned with well-wishes for a pleasant winter break.