



NEW MEXICO HIGHLANDS UNIVERSITY®

# Annual Operating Budget Process

*An institution's budget process is shaped by "institutional character; institutional size; administrative sophistication; faculty governance structures and processes; the degree of centralization of decision-making authority; the amount of trust among administrators, faculty, and students; the openness of the budgetary process; and the demand for information".<sup>1</sup>*

At NMHU, the Office of the Vice President for Finance and Administration (VPFA) in concurrence with the Office of Budget, and Planning (BP) will facilitate an appropriate budget process for the campus by achieving the following goals:

- Budget priorities are developed in a manner that facilitates planning; informed discussion; faculty, staff and student participation; and a proactive response to critical external and internal issues.
- The process encourages openness, trust and transparency by providing feedback to identified groups at various designated points in the budget process.
- Efficiency and effectiveness of the budget process is increased by implementing procedures to achieve an on-line, paperless budget process at the college and major unit level.
- Institutional divisions, colleges, and major units are assisted in their development of summary information on budget decisions, reallocation decisions, and budget actions to support budget objectives.

## NMHU Strategic Goals

- ❖
- ❖ Highlands will achieve academic excellence, academic integration, and student success.
- ❖ Highlands will achieve strategic enrollment management.
- ❖ Highlands will achieve a vibrant campus life.
- ❖ Highlands will achieve will be a community partner.
- ❖ Highlands will achieve technological advancement and innovation.
- ❖ Highlands will achieve enhanced communication and efficiency.

## NMHU Budget Values:

- Active campus involvement throughout the entire budget process;

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<sup>1</sup> Richard J. Meisinger, Jr., College & University Budgeting (National Association of College and University Business Officers, 1994), p.49

- Collaborative relationships with each of the institutional divisions, colleges and units at NMHU;
- Innovative budgeting ideas that diversify and broaden revenue sources and / or reduce operating expenses while still providing a high-quality learning and living environment for students and a high-quality work environment for faculty and staff;
- Open communication and availability of information on campus.
- Creating a budget process that aligns with the strategic plan's goals, adapts, to the current financial situation, and supports the Board of Regent's priorities.
- Maintain fiscal responsibilities set by state policy makers, laws, and administrative policies, balance the needs of students, faculty, staff, community members, and the public trust.

To achieve these goals, the annual operating budget process at NMHU includes the following steps and processes, which are further outlined on the following pages:

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|--|---------------------|
| 1. Strategic Planning Group (SPG)                                | Summer / Early Fall |
| 2. Listening Sessions  | Fall                |
| 3. Budget Planning at the Institutional Division / College Level | Fall                |
| 4. President Communicates the Final Budget Plan                  | Winter/Spring       |

In addition, the Campus Budget and Planning Committee will meet on a quarterly basis to discuss and provided suggestions and input to NMHU's executive leadership team on short and long-term budget and campus improvements.

Please note the Strategic Planning Process addresses NMHU's Mission, Values, Vision, Situation Analysis, Enduing Goals, Action Plans, and Periodic Reviews.

*Timetables on specific steps on the budget process are developed each year by VPFA and provided suggestions from the Campus Budget and Planning Committee at the end of May.*

Strategic Planning Group (SPG) / (Strategic Plan Steering Committee) Summer / Early Fall

Purpose: To draft short-term university priorities, outline training and development needs, and target process improvement areas.

Meeting: The group will hold a series of meetings in the Spring/ Summer/Early Fall to suggest annual priorities to the President and the campus community.

Stakeholders: Campus community – Strategic Plan Steering Committee

Actions:

BP compiles information and data for the spring, summer, and early fall meetings, and reviews the information with the SPG members during the spring and summer months prior to the beginning of the semester. The information should include:

- Campus Action Plans
- Emerging Issues
- Enrollment Management Data
- Prior Year's University Priorities
- Current Year's University Priorities
- University-Wide Performance Data
- Survey Data
- Financial Information
- Training & Development Plans
- Process Improvement Plans

Fall Listening Sessions

Fall

Purpose: To encourage faculty, staff, and students to engage in direct, unfiltered, unedited communication with university administration on the draft university priorities, training and development needs, and process improvement areas.

Meetings: The VPFA will arrange at least 2 meetings open to the entire Campus Community to present information about the budget and discuss potential budget priorities as linked to the Mission and Strategic Plan.

Stakeholders:

President's Office (President, Directors, Individuals)  
Academic Affairs (Provost, Associate Vice President(s), Dean(s), Directors, Individuals)  
Finance and Administration (Vice President, Directors, Individuals)  
Strategic Enrollment Management (Vice President, Dean(s), Directors, Individuals)  
Advancement (Vice President, Dean(s), Directors, Individuals)  
Student Affairs (Dean(s), Directors, Individuals)  
Faculty Senate (Executive Board, Senate Members, Individuals)  
Staff Senate (Executive Board, Senate Members, Individuals)  
Student Senate (Executive Board, Senate Members, Individuals)  
College of Arts and Science (Dean, Program Directors, Department Chairs, Individuals)  
School of Education (Dean(s), Program Directors, Department Chairs, Individuals)  
School of Business, Media and Technology (Dean(s), Program Directors, Department Chairs, Individuals)  
School of Social Work (Dean(s), Program Directors, Department Chairs, Individuals)  
Library (Director, Manager(s), Individuals)

Actions:

Taking the information presented at the meeting, the BP, along with input from the Campus Budget and Planning Committee, enters the draft priorities on the University Priority template and distributes them to the campus community.

Information includes:

- Defining the priority statement, which outlines the proposed solution;
- Outlining the linkage to the University goals;
- Stating the issue to be solved;
- Listing the actions required to ensure the priority's success. This includes naming an individual responsible for the action and the timeline to complete the specific action;
- Estimating the resource requirements (employees, funding, etc.) needed for the priority to succeed;
- Selecting information to be collected for up to six critical measures to benchmark the priorities success;
- Naming a priority champion, to ensure the completion of the priority;

- Estimating a completion date for the priority.
- SPG reviews / revises each of the priorities prior to the forums to ensure accuracy.
- BP schedules several focus groups for the campus to review each of the draft priorities. All faculty, staff, and students are encouraged to participate and provide feedback on the draft priorities.
- BP publishes draft priorities on the web site in advance of the focus groups for the campus to review.

**Budget Hearing at the Institutional Division / College / Unit Level****Fall/Winter**

Purpose: To develop budgets at the institutional division / college / unit level.

Meetings: The BP will schedule Budget Hearings with each Department and Unit to discuss budgets for the upcoming academic year. For Departments, the meetings shall include the Department Chair, Budget Director, and if appropriate, the Dean, and the Provost. For other Units, the meetings shall include the Budget Director and Unit Director.

Prior to the meetings, the Department Chair will submit their Budget Requests (form with linkages to strategic plan), their Department Strategic Plan, their Department's most recent Program Review and Response, and their last two years of Outcomes Assessment Reports. Failure to submit these documents may result in denial of Budget Requests.

Stakeholders:

President's Office (President, Directors, and Individuals)  
 Academic Affairs (Provost, Associate Vice President(s), Dean(s), Directors, Individuals)  
 Finance and Administration (Vice President, Directors, Individuals)  
 Strategic Enrollment Management (Vice President, Dean(s), Directors, Individuals)  
 Advancement (Vice President, Dean(s), Directors, Individuals)  
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 Library (Director, Manager(s), Individuals)

Resulting Actions:

- Within four weeks of the Budget Hearing, the BP will provide feedback to the department on the requests, indicating whether the requests have been approved, pending funding, or denied.
- Working with the appropriate stakeholders, the BP will develop a list of budget priorities for submittal to the President and Campus Budget and Planning Committee based on the budget hearings.
- The President, working with the BP and the suggestions of the Campus Budget and Planning Committee, will establish budget-planning allocations at the institutional division level.

## Additional Information:

- Corresponding budget planning occurs simultaneously at the institutional division / college / unit level. At this point, the specific budget detail is developed. Please note that NMHU utilizes incremental budgeting model, not zero-based budgeting.
- BP provides training and support to budgeters as they develop individual account budgets.
- BP ensures that the budgets equate to targets at the college and major unit levels.
- Institutional divisions, colleges, and major units provide summary information on budget decisions, reallocation decisions, and budget actions to support budget objectives.

**Campus Budget and Planning Committee (BPC)**

**Meet on Quarterly Basis**

Purpose: To finalize university priorities, recommend budget allocations, training and development needs, and process improvement areas.

Meetings: Meets on a quarterly basis. See Committee's composition and duties and responsibilities.

Stakeholders: Campus Budget and Planning Committee

Actions:

- BP estimates the amount of money available for the university priorities from the various sources of funds.
- The BPC recommends the monetary amount and any other resources to be allocated toward each priority and verifies the sources of funding.