

New Mexico Highlands University
Board of Regents Special Meeting
April 14, 2023

The New Mexico Highlands University Board of Regents held an in-person special meeting on April 14, 2023. The meeting was held live at the New Mexico Highlands University Rodgers Hall Building, Room RAB107, 803 National Ave., Las Vegas, New Mexico. The university made every effort to accommodate members of the public as stated in the April 11, 2023 meeting announcement. The meeting was livestreamed via Zoom Platform. Members of the public were able to access the livestream through the following link:

<https://nmhu.zoom.us/j/99373471046>

Meeting ID: 993 7347 1046

One tap mobile

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Meeting ID: 993 7347 1046

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Call to Order – Chairman Garcia called the meeting to order at 9:59 a.m.

Roll Call - Board Members present: Mr. William Garcia, Mr. Robert Lucero, Mr. Cody Rivera, Dr. Frank Sanchez, and Ms. Danelle Smith.

Administrative Personnel Present: Dr. Sam Minner, President; Mr. Max Baca, Executive VP of Finance, Administration, and Government Relations; and Dr. Kimberly Blea, Dean of Students.

Others Present: Mr. Robert Anaya, Staff Advisory Senate Chair, Dr. Rodney Rock, Faculty Senate Chair, Ms. Patricia Ives, University Legal Counsel, and Ms. Maria Sena, Senior Executive Administrative Assistant. Numerous faculty, staff, students, community members, and the general public participated in the meeting as it was streamed via ZOOM.

Compliance with Meeting Notice Requirements

Chairman William Garcia stated that the Board would be conducting business in compliance with the meeting notice requirement. Regent Lucero had pointed out at the last meeting that we had not posted the agenda and minutes on the website. This has now been done. Regent Lucero thanked Attorney Ms. Pat Ives and Assistant to the Board Ms. Maria Sena for preparing the memo that was part of the Board packet. It was confirmed that the notice and agenda was posted timely in accordance with the Open Meetings Act.

Memo read: “In compliance with the Board of Regents Open Meetings Resolution, notice of the date, time, and place of the April 14, 2023 special meeting and agenda was posted in the Administration Building and on the University’s Board of Regents webpage”.

Approval of the April 14, 2023 Agenda

Regent Lucero moved to approve the Board's meeting agenda for April 14, 2023 as presented. Regent Rivera seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, Regent Smith, and Chairman Garcia. Motion carried.

Approval of the Minutes from March 31, 2023 Meeting

Regent Lucero moved to table the March 31, 2023 Minutes due to additional edits he would like to make. After discussion of potential edits, it was agreed to table the Board's consideration of the March 31st minutes and that Regent Lucero would make the changes and share the updated minutes with the new Board secretary. Regent Sanchez seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, Regent Smith, and Chairman Garcia. Motion carried.

Recognition of Guests Senator Pete Campos, Senator Elizabeth Stefanics, Representative Joseph Sanchez, and Representative Ambrose Castellano -Dr. Sam Minner & Chairman William E. Garcia

Chairman Garcia welcomed Senator Pete Campos and thanked the entire delegation for all the support they have provided to Highlands during the last legislative session.

Dr. Sam Minner stated that Senator Campos has always been a great supporter of Highlands and education. He stated that Senator Campos has been at the forefront efforts for PreK-16 plus education.

Regent Rivera thanked Senator Campos for the experience he received during the legislative session as part of the NMHU Legislative Leadership Fellowship.

Regent Smith thanked Senator Campos for all the hard work he has done for the citizens of Las Vegas and San Miguel County.

Regent Sanchez thanked Senator Campos for all his hard work and asked him to provide a few words of encouragement for the future.

Senator Pete Campos stated that he is committed to the people of this region. There are often times more than two sides to so many of the issues. It takes communication and working together to ensure that we move forward.

He discussed the success of the last legislative session. One hundred million dollars was provided to local communities due to the wildfire devastation.

He also stated that he would like to be known as a servant leader going into the future. Highlands can make a difference for young and adult learners.

Regent Lucero stated that he appreciated Senator Campos call to service. He applauded all the area Senators and Representatives for all they do for Highlands.

Matters from the Board

Ratification of March 25, 2023 Board of Regents Officer Elections-Action Item

Chairman Garcia stated he would like to ratify the Board of Regents officer elections held during the March 25, 2023 Board meeting.

Regent Smith moved to approve the Ratification of the March 25, 2023 Board of Regents Officer Elections as presented. Regent Rivera seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, Regent Smith, and Chairman Garcia. Motion carried.

Election of Board of Regent Secretary

Chairman Garcia stated that Regent Cody Rivera had expressed an interest in serving as the Board Secretary.

Regent Lucero moved to approve Regent Cody Rivera as the Board of Regent Secretary as presented. Regent Smith seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, Regent Smith, and Chairman Garcia. Motion carried.

Presentation from Kim Murphy (Altura LLC) Golf Course Development (Attachment A)

Chairman Garcia introduced Mr. Kim Murphy. He has known Mr. Murphy for many years and became acquainted with him through the work he did for the University of New Mexico. He said a taskforce was appointed to determine what would be necessary to open the Gene Torres Golf Course. The taskforce also had to find lasting solutions to the issues of removing the deficit that has accrued in the auxiliary account. Garcia stated that there were two considerations – 1. Reopening the golf course with subsidy to cover anticipated losses and 2. Long term solution which involves developing vacant land on course.

Mr. Murphy stated he has engaged in two previous consultations with New Mexico Highlands University; (1) Determine development potential of the golf course, as to which he prepared a comprehensive working program, budget, and schedule for proceeding with the development; and (2) Establish a business case. He worked with the Board and members of the community to expose this opportunity to a wider audience and obtain input. He said he did a substantial review of records and files to obtain the history behind the golf course. He found discussions of developing the land around the golf course go back over sixty years.

He provided the possible financial benefits to Highlands, which included (1) pre-development; (2) residential land sales of \$3,225,000; and (3) commercial land rent of \$210,000 per year. Economic benefits to the community included, (1) project value of 50 million dollars; (2) annual tax revenue of \$3.2 million; (3) annual City tax revenue of 1.2 million dollars; and (4) non-recurring gross receipts tax of 2.4 million dollars.

He emphasized that the initial investigations were based on records and information that was already completed. He did minimal investigations and research in a few areas. Investigation included review of the subdivision plats and surveys, deeds, abstract of title, complaint to quiet title, and real property appraisals.

He stated that the golf course recommendations included a problem statement which addressed the accumulated deficit from the golf course operations that would need to be addressed and expenditures that needed to be supplemented. Recommendation highlighted a short-term opportunity to elicit support from both the City of Las Vegas and San Miguel County.

Mr. Murphy recommended that based on his preliminary study, further study was needed. He recommended the following: 1) a feasibility study; 2) infrastructure needs and 3) financial analysis.

Regent Smith addressed her concerns. She said one concern with developing the golf course property is that the residential subdivision and its infrastructure dated back to the 1960's. A study of the infrastructure was conducted in 2005. Mr. Murphy said that the study was to look at the possibility of expanding the

infrastructure but no one looked at the quality of the existing infrastructure. Regent Smith doesn't know what would need to be done to find out the condition of the infrastructure.

Regent Smith welcomed Mr. Jay Moore, Owner of New Mexico Land and Title Company to discuss the golf course property ownership. Mr. Moore informed the Board that to his knowledge no title commitment has ever been issued on the golf course property. Other concerns that Regent Smith addressed was the deed between the City of Las Vegas and San Miguel County. She is wondering if there were covenants on the deeds.

Mr. Moore requested a copy of the abstract that Mr. Murphy referred to. He said that from 1960 forward there are no conditions on the property that would prohibit Highlands from developing the property. He would need to review the prior abstract and title to determine if anything was of record that might prevent the development.

Regent Smith would like to see a title commitment to determine if Highlands is able to sell or lease the property. The title commitment would show any requirements and exceptions and Highlands would be able to determine if it would be feasible to sell this property.

Regent Smith also asked Mr. Murphy where he got the figure of \$3,225,000 for residential land sales. Murphy indicated that this was merely an estimate based on the idea of selling a maximum of 200 residential lots in the subdivision. Murphy was not able to provide a copy of the Abstract for the Golf Course. Regent Smith raised the issue of the need to determine the condition of the utilities in the residential subdivision at the Golf Course, given that the utilities were installed in the 1960's. Even the 2005 review of the infrastructure is almost 20 years old. Smith also raised the issue of whether a residential subdivision was realistic given the current cost of building and the existing Oxido subdivision which, while it is a well planned and executed subdivision, in the last some 10 years, few lots have sold.

Chairman Garcia suggested a planning model that would incorporate a title search, a review of the infrastructure, and conduct a market analysis to determine if it will be feasible to develop the land.

Regent Lucero asked if the costs of the economic benefit is in today's prices. Mr. Murphy stated yes.

Regent Lucero asked if ground leases would be a method to monetize the land for commercial purposes and if universities use ground leases for residential. Mr. Murphy said that leases were fairly common in the 70s and 80s due to interest rates being high. This gave the property owners an opportunity to lower their overall costs. Single family homes, residential, townhomes, etc. are not conducive to long-term ground leases. An apartment project or student housing would be.

Regent Sanchez stated that opportunities are coming to the area due to the disasters. The need for housing will be much greater. This will give Highlands an opportunity with the property to be developed for both commercial and residential.

President Minner stated that his mind had changed on how he views the golf course property moving forward. It is not about the golf course, it is about the golf course property. He is in favor of developing that property for purposes of housing and economic development.

Regent Rivera said that the golf course has been an area of concern. Tuition and housing were increased at the last Board meeting. Students are not coming to Highlands to golf. They are here for an education. He questioned how this development was going to be funded if the grant does not get approved. Mr. Max Baca addressed his concern by saying that funds would come from unrestricted reserves. Chairman Garcia stated

that developing the land could produce a \$3 million benefit to HU, which could be used to fund many needed projects.

Adoption of Kim Murphy (Altura LLC) Golf Course Development Plan

Chairman Garcia requested adoption of Kim Murphy Golf Course Development Plan.

Regent Sanchez moved to adopt the comprehensive three-phase planning process stated in the Kim Murphy Golf Course Development Plan as presented. Chairman Garcia seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, and Chairman Garcia. Voting against: Regent Smith. Motion carried.

RFP for Gene Torres Golf Course Development Plan Professional Services-Action Item

Regent Lucero moved to direct the Administration to prepare an RFP for the Board review for implementation of the three-phase planning process. Regent Sanchez seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, and Chairman Garcia. Voting against: Regent Smith. Motion carried.

RFP for Presidential Search Firm

Chairman Garcia invited Mr. Aaron Flure to discuss the RFP for the Presidential Search. Mr. Flure said the main purpose of the RFP was to assist the Board of Regents in helping locate the next President for New Mexico Highlands University.

He reviewed Section 3-Scope of Work. It will be a nationwide search. Items 1-9 will specify what the firm or individual would be responsible for doing which included creating the presidential job advertisement, developing a pool of qualified candidates, providing a written process for all applications, and to maintain confidentiality.

Regent Lucero asked Mr. Flure to spell out the NMHU Strategic Plan 2025 on Section III. He also asked that a clause be added to Section III that states, "*and the communities in which New Mexico Highlands is located, in which it serves*". He also asked that Mr. Flure review and determine the difference between Page 6, Item 2, Number 3, provide a list of references for relevant experience, including the phone numbers and mailing addresses of references and Page 7, Item 2, Number 6, provide a list of references that identifies Universities and other institutions similar in size to NMHU that your firm has successfully served in the past on similar projects. Mr. Flure recommended removing Number 3 and keeping Number 6.

Regent Lucero discussed Page 7, Tab 2-Work Plans. He said he did not want to discourage plans that were proven but not innovative. He asked that it be reworded to welcome plans that have been proven and have worked in the past.

Regent Lucero asked counsel to weigh in on Page 7, Paragraph 3-Changes and Page 9, Number 8-Failure to Meet Requirements. Ms. Patricia Ives stated that the University is allowed to make changes without notice to anyone. However, in her experience, any changes that are made are, in fact, noticed to potential responders.

Mr. Flure recommended that only two Board members be on the selection committee for the RFP, however, he would like to see three committee members in the event there is a standstill and a tiebreaker is needed.

Regent Lucero moved to approve the RFP for Presidential Search Firm with the requested changes. Regent Smith seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, Regent Smith, and Chairman Garcia. Motion carried.

Proclamation Recognizing Mr. Frank Marchi and Mr. Christopher Ulibarri for Years of Service (Attachment B)

Chairman Garcia read the Proclamation recognizing Mr. Frank Marchi and Mr. Christopher Ulibarri for their Years of Service to New Mexico Highlands University.

Mr. Frank Marchi thanked the Board of the Proclamation. He recognized the former Governor for the appointment to the NMHU Board and the current Governor for the support she provides Highlands and the Community.

Each Board members provided comments. Regent Lucero congratulated and acknowledged Mr. Marchi for all his contributions. Regent Rivera appreciated his service to the Board. Regent Smith said she enjoyed working with him and had learned a lot from him. Regent Sanchez thanked Mr. Marchi for all his service and the opportunities that he afforded the institution.

Mr. Max Baca wished him the best and Mr. Sam Minner said that Mr. Marchi had been a mentor and had always put Highlands first.

Chairman Garcia closed by saying that he admired and respected the work that was done by Mr. Marchi.

The meeting recessed for lunch at 12:21 pm. The meeting returned from recess at 1:18 p.m.

**Executive VP for Finance, Administration, and Government Relations-Mr. Max Baca
FY2023 Final Budget Adjustment Requests (BARS)-Action Item (Attachment C)**

Mr. Max Baca provided a PowerPoint for discussion. He discussed the funding sources for the University, which included state appropriations, tuition and fees, and external funding.

Chairman Garcia asked about the three bond sources to do capital outlay. Sources include general obligation bonds, service tax bonds, and a system revenue bond. Chairman Garcia asked for clarification of the system revenue bond. Mr. Baca said that the system revenue bond would need approval from the Board of Regents and the University would need to impose some kind of fee in order to enter into a loan. The University currently has two system revenue bonds, which includes the Viles & Crimmin and the Student Center.

Regent Lucero urged that the Board adopt a culture of trusting but verifying information received. He expressed concerns that the board packet was not provided to the Regents until the evening before the meeting. While stating he will not stand in the way of this BARS proposal, he requested that information be provided to the Regents within a week in advance of the meeting when feasible.

Regent Smith moved to approve the FY2023 Final Budget Adjustment Requests (BARS) with a stipulation that the Chairman of the Board and the Chairman of the Finance Committee can approve technical changes as needed. Chairman Garcia seconded. A roll call vote was taken, voting in favor: Regent Rivera, Regent Smith, and Chairman Garcia. Abstaining: Regent Lucero and Regent Sanchez. Motion carried.

FY2024 Operating Budget-Action Item (Attachment D)

Mr. Baca said spending levels are similar to the last few years. Six percent salary increases were approved by the State and the employee portion of the ERB will increase. The budget also includes \$100,000 for the presidential search.

Mr. Baca shared a summary of current funds. Document included the original budget, the restricted and unrestricted BARS, and the proposed budget. Unrestricted funds include tuition and fees and land grant permanent funds obtained by leasing and mining extract dollars. Restricted funds include grants and financial aid.

Regent Lucero asked if it was possible to add a percentage column to the budget form. They would be able to tell what percentage of increase occurred.

Regent Smith moved to approve the FY2024 Operating Budget with a stipulation that Chairman Garcia and the Chairman of the Finance Committee can review and approve any technical changes as needed. Chairman Garcia seconded. A roll call vote was taken, voting in favor: Regent Rivera, Regent Smith, and Chairman Garcia. Abstaining: Regent Lucero and Regent Sanchez. Motion carried.

2023 NMHED Annual Capital Outlay Funding Submittal-Ms. Sylvia Baca (Attachment E)

Ms. Sylvia Baca stated that every year the Higher Education Department requires that every institution submit their capital outlay projects, their updated five-year capital master plans, and their facilities maintenance plans for funding approval. Reports are due at June 1, 2023.

She said that on July 1, 2023, the University would receive four and a half million dollars in capital outlay monies for the construction of a new facilities building. An additional four and a half million dollars in supplemental funding would be received for the Sininger Hall project.

Capital Outlay funding is separate from Instruction & General funding. These types of funds can only be used on capitalized items and the physical brick and mortar of a campus. The three way these funds are allocated to the University include 1) general obligation bonds; 2) Severance Tax Bonds; and 3) State General Funds.

Capital Outlay project benefit the local economy because local employees are hired by contractors. Construction materials are purchased at local building and improvement stores.

Chairman Garcia asked that Mr. Baca track the fiscal impact of Main Campus and Centers in the area due to the capital outlay projects.

Regent Smith moved to approve the 2023 NMHED Annual Capital Outlay Funding Submittal as presented. Regent Lucero seconded. A roll call vote was taken, voting in favor: Regent Lucero, Regent Rivera, Regent Sanchez, Regent Smith, and Chairman Garcia. Motion carried.

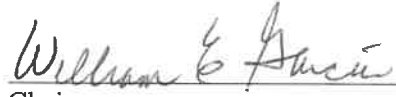
Follow Up Items

1. March 31, 2023 minutes will be revised by Regent Lucero and provided to Chairman Garcia Vice-Chairman Smith before the next regular Board meeting.
2. Chairman Garcia asked that VP Baca track the fiscal impact of Main Campus and Centers in the area due to the capital outlay projects.

3. Operating Budgets, Final Budget Adjustment Requests will be provided to Board one week prior to Board vote.

Adjournment

With no further business, the meeting adjourned at 2:56 p.m.



Chairman
NMHU Board of Regents



Secretary/Treasurer
NMHU Board of Regents

Board of Regents Meeting

April 14, 2023

New Mexico Highlands University

Development Potential of Vacant Land Adjoining Gene Torres Golf Course

Kim Murphy, Altura Real Estate, LLC

- I. Introduction
- II. Previous Consultations
 - a. Preliminary Investigation (July-August 2019)
 - Assessment of development potential
 - Comprehensive work plan, budget & schedule
 - b. Golf Course Task Force Business Case (September- November 2019)
 - Regent Bill Garcia (Chair) and Community Groups
 - Financial benefits to University (Pre-development)
 - Residential land sales \$3,225,000
 - Commercial land rent \$210,000 per year
 - Economic benefits to the Community (Full Buildout)
 - Total project value \$50 million
 - Annual tax revenue \$3.2 million
 - Annual City tax revenue \$1.2 million
 - Non-recurring GRT \$2.4 million
 - c. Investigations Based on Previous Studies, Reports & Information (Partial List)
 - Subdivision Plats & Surveys (1963, 1996)
 - Deeds: City of Las Vegas to NMHU (1963, 1969)
 - Abstract of Title (1996)
 - Complaint to "Quiet Title": NMHU vs. City of Las Vegas (1997)
 - Judgement: NMSU vs. City of Las Vegas (2000)
 - Fee simple title vested in NMHU with no restrictions, reservations or other conditions (including reversion)
 - Real Property Appraisal (Barrett Appraisal Services, 2002)
 - "As is" Value: \$775,000
 - "Developed" Value: \$1,971,000

- Pre-development Study: Golf Course Residential Subdivision (Miller Engineering, 2005)
 - General Land Use Plan (Jeffrey Brauer Golf Course Designers, 2005)
 - Feasibility Study Related to Sale/Lease of Residential/Commercial Property at NMHU Golf Course (Dr. Keith Tucker, 2018)
- II. Golf Course Task Force Report & Recommendations (Report to Regents, November 2019)
- a. Problem Statement: Accumulated deficits from golf course operations
 - b. Opportunity
 - Short-term: Obtain financial support from the City and County to offset annual shortfall in golf course operations (DONE)
 - Long-term: Explore development of vacant land, as a real estate asset that generates land sale and/or ground lease revenue (PENDING)
 - c. Vision & Benefits
 - Stable, financially viable golf course operations
 - Monetize real estate asset
 - Stimulate economic development
 - Enhance community housing stock & amenities
 - d. Development Planning Roadmap (“Three-phase Plan”)
 - Comprehensive three-phase development process including:
 - Real property analysis; market research; community input
 - Land use & infrastructure master plan; valuation; phasing; development strategies
 - Financial analysis & implementation structures
 - Budget estimate: \$190,000
- III. Initial Planning Approach
- a. Consider all potential NMHU lands
 - b. Development planning scope
 - Investigate & confirm surveys, plats & title issues (in process)
 - Research market opportunities: residential & commercial
 - Develop land use & infrastructure master plan
 - Determine financial & implementation feasibility (preliminary)
 - c. Solicit development planning proposals
 - d. Initial scope budget & schedule (TBD)



New Mexico Highlands University Board of Regents Proclamation

WHEREAS, Frank Marchi has dedicated 11 years of service as a member of the New Mexico Highlands University Board of Regents; and

WHEREAS, he served as the Chairman of the Board of regents for over four years; and

WHEREAS, he was a founding member of the Highlands University Alumni Association; and

WHEREAS, he served on the Highlands University Foundation Board of Directors for more than 20 years; and

WHEREAS, he is currently the foundation board's first vice president; and

WHEREAS, he has spent a lifetime in service to his alma mater, graduating from Highlands University in 1967 with a business degree.

NOW, THEREFORE, on behalf of the New Mexico Highlands University Board of Regents, I, William "Bill" Garcia, Chairman of the Board of Regents at New Mexico Highlands University, do hereby proclaim Friday, April 14, 2023, as:

"FRANK MARCHI and CHRISTOPHER ULIBARRI APPRECIATION DAY"

at New Mexico Highlands University, and urge our students, staff, and faculty to join with me in recognizing the valuable contributions made by Frank Marchi and Christopher Ulibarri to our institution, the region, and higher education in New Mexico.

PROCLAIMED this 14th day of April, 2023.

William "Bill" Garcia
Chairman, New Mexico Highlands Board of Regents



New Mexico Highlands University Board of Regents Proclamation

WHEREAS, Christopher Ulibarri has dedicated three years of service to the New Mexico Highlands University Board of Regents as its Student regent; and

WHEREAS, during his term as the Student Regent, he ensured that the views and interests of the student body were always understood and represented; and

WHEREAS, he served New Mexico Highlands University as the President of the Associated Students of New Mexico Highlands University; and

WHEREAS, he was selected as a New Mexico Highlands University Legislative Fellow for 2020;

NOW, THEREFORE, on behalf of the New Mexico Highlands University Board of Regents, I, William "Bill" Garcia, Chairman of the Board of Regents at New Mexico Highlands University, do hereby proclaim Friday, April 14, 2023, as:

"FRANK MARCHI and CHRISTOPHER ULIBARRI APPRECIATION DAY"

at New Mexico Highlands University, and urge our students, staff, and faculty to join with me in recognizing the valuable contributions made by Frank Marchi and Christopher Ulibarri to our institution, the region, and higher education in New Mexico.

PROCLAIMED this 14th day of April, 2023.

William "Bill" Garcia


Chairman, New Mexico Highlands University Board of Regents



MEMORANDUM

TO: NMHU Board of Regents

THROUGH: Dr. Sam Minner, President

FROM:  Max Baca, Vice President for Finance and Administration

DATE: April 14, 2023

RE: **FY23 Budget Adjustment Request – Action Item**

Background

New Mexico Highlands University is required to submit a final Budget Adjustment Request (BAR) to the Higher Education Department.

This bar is to reflect the changes to the initial approved budget submitted at the beginning of the fiscal year. Also, this BAR is utilized as the final expenditure figures used in our FY 2022 audit.

Required Action

Approval by the Board of Regents is requested in order to meet our financial requirement obligations. The deadline for submittal to the Higher Education Department is May 1, 2023.

NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico Highlands University FY 23

Adjustment to Fund: Unrestricted BAR Request # 1

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	51,369,984	(1,755,251)	49,614,733
Student Social & Cultural Activities	1,255,700	(70,923)	1,184,777
Research	0	0	0
Public Service	1,872,116	2,825,000	4,697,116
Internal Service Dept.	0	0	0
Student Financial Aid	0	0	0
Auxiliary Enterprises	3,335,000	622,699	3,957,699
Athletics	3,773,700	(198,617)	3,575,083
Independent Operations	0	0	0
Subtotal Current Funds	61,606,500	1,422,908	63,029,408
Capital Outlay	6,433,392	1,024,475	7,457,867
Renewals & Replacements	330,410	(2,910)	327,500
Retirement of Indebtedness	1,100,000	150,183	1,250,183
Subtotal Plant Funds	7,863,802	1,171,748	9,035,550
TOTAL REVENUES	69,470,302	2,594,656	72,064,958
BEGINNING BALANCES			
Instruction and General	6,404,869	1,494,384	7,899,253
Student Social & Cultural Activities	937,798	456,195	1,393,993
Research	2,657	67,062	69,719
Public Service	1,392,214	577,847	1,970,061
Internal Service Dept.	828	383,532	384,360
Student Financial Aid	544,290	168,721	713,011
Auxiliary Enterprises	(491,702)	(33,608)	(525,310)
Athletics	865	126,389	127,254
Independent Operations	0	0	0
Subtotal Current Funds	8,791,819	3,240,522	12,032,341
Capital Outlay	2,714,519	(1,416,724)	1,297,795
Renewals & Replacements	133,005	306,561	439,566
Retirement of Indebtedness	1,414,562	1,371,872	2,786,434
Subtotal Plant Funds	4,262,086	261,709	4,523,795
TOTAL BEGINNING BALANCES	13,053,905	3,502,231	16,556,136
TOTAL AVAILABLE			
Instruction and General	57,774,853	(260,867)	57,513,986
Student Social & Cultural Activities	2,193,498	385,272	2,578,770
Research	2,657	67,062	69,719
Public Service	3,264,330	3,402,847	6,667,177
Internal Service Dept.	828	383,532	384,360
Student Financial Aid	544,290	168,721	713,011
Auxiliary Enterprises	2,843,298	589,091	3,432,389
Athletics	3,774,565	(72,228)	3,702,337
Independent Operations	0	0	0
Subtotal Current Funds	70,398,319	4,663,430	75,061,749
Capital Outlay	9,147,911	(392,249)	8,755,662
Renewals & Replacements	463,415	303,651	767,066
Retirement of Indebtedness	2,514,562	1,522,055	4,036,617
Subtotal Plant Funds	12,125,888	1,433,457	13,559,345
GRAND TOTAL AVAILABLE	82,524,207	6,096,887	88,621,094

NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico Highlands University FY 23

Adjustment to Fund: Unrestricted BAR Request # 1

	Current Approved Budget	INCREASE (DECREASE)	Revised Budget
EXPENDITURES			
Instruction and General	48,852,743	1,533,768	50,386,511
Student Social & Cultural Activities	1,508,441	14,044	1,522,485
Research	481,935	(14,604)	467,331
Public Service	1,895,572	2,841,016	4,736,588
Internal Service Dept.	3,610,356	561,146	4,171,502
Student Financial Aid	1,005,385	0	1,005,385
Auxiliary Enterprises	2,234,233	878,704	3,112,937
Athletics	3,973,700	198,262	4,171,962
Independent Operations		0	
Subtotal Current Funds	63,562,365	6,012,336	69,574,701
Capital Outlay	6,433,392	1,024,475	7,457,867
Renewals & Replacements	1,626,432	224,766	1,851,198
Retirement of Indebtedness	2,296,681	0	2,296,681
Subtotal Plant Funds	10,356,505	1,249,241	11,605,746
TOTAL EXPENDITURES	73,918,870	7,261,577	81,180,447
TRANSFERS IN (OUT)			
Instruction and General	(6,948,607)	4,524,182	(2,424,425)
Student Social & Cultural Activities	0	0	0
Research	480,000	(80,000)	400,000
Public Service	10,200	0	10,200
Internal Service Dept.	3,610,000	178,000	3,788,000
Student Financial Aid	1,005,385	0	1,005,385
Auxiliary Enterprises	(753,000)	668,319	(84,681)
Athletics	200,000	(77,254)	122,746
Independent Operations		0	0
Subtotal Current Funds	(2,396,022)	5,213,247	2,817,225
Capital Outlay		0	
Renewals & Replacements	1,296,022	0	1,296,022
Retirement of Indebtedness	1,100,000	0	1,100,000
Subtotal Plant Funds	2,396,022	0	2,396,022
NET TRANSFERS	0	5,213,247	5,213,247
ENDING BALANCES			
Instruction and General	1,973,503	(6,318,817)	4,703,050
Student Social & Cultural Activities	685,057	371,228	1,056,285
Research	722	1,666	2,388
Public Service	1,378,958	561,831	1,940,789
Internal Service Dept.	472	386	858
Student Financial Aid	544,290	168,721	713,011
Auxiliary Enterprises	(143,935)	378,708	234,771
Athletics	865	(347,744)	(346,879)
Independent Operations	0	0	0
Subtotal Current Funds	4,439,932	(5,184,023)	8,304,273
Capital Outlay	2,714,519	(1,416,724)	1,297,795
Renewals & Replacements	133,005	78,885	211,890
Retirement of Indebtedness	1,317,881	1,522,055	2,839,936
Subtotal Plant Funds	4,165,405	184,216	4,349,621
TOTAL ENDING BALANCES	8,605,337	(4,999,807)	12,653,894
TOTAL EXPENDITURES, TRANSFERS, BALANCES	82,524,207	(2,951,477)	88,621,094

**NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST**

INSTITUTION : New Mexico Highlands University FY 23

Adjustment to Fund: Unrestricted BAR Request # 1

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees	14,473,300	168,584	14,641,884
Federal Government Appropriations		0	
State Government Appropriations	35,733,684	(2,825,000)	32,908,684
Local Government Appropriations		0	
Federal Grants/Contracts		0	
State Grants/Contracts		0	
Local Grants/Contracts		0	
Private Gifts/Grants/Contracts		0	
Endowment/Land/Permanent Fund	258,000	326,773	584,773
Sales & Services of Ed Activities		0	
Other Sources	905,000	574,392	1,479,392
TOTAL REVENUES	51,369,984	(1,755,251)	49,614,733
BEGINNING BALANCE	6,404,869	1,494,384	7,899,253
TOTAL AVAILABLE	57,774,853	(260,867)	57,513,986
EXPENDITURES			
Instruction	26,872,434	1,557,362	28,429,796
Academic Support	2,937,195	(530,513)	2,406,682
Student Services	4,651,485	44,570	4,696,055
Institutional Support	7,685,507	690,500	8,376,007
Operation & Maintenance of Plant	6,706,122	(228,151)	6,477,971
TOTAL EXPENDITURES	48,852,743	1,533,768	50,386,511
TRANSFERS IN (OUT) OF I&G			
Student Social & Cultural Activities		0	
Research	(480,000)	80,000	(400,000)
Public Service	(10,200)	5,213,247	5,203,047
Internal Service Dept.	(3,610,000)	(178,000)	(3,788,000)
Student Financial Aid	(1,005,385)	0	(1,005,385)
Auxiliary Enterprises	(347,000)	(668,319)	(1,015,319)
Intercollegiate Athletics	(200,000)	77,254	(122,746)
Independent Operations		0	0
Capital Outlay		0	
Renewals & Replacements	(1,296,022)	0	(1,296,022)
Retirement of Indebtedness		0	
Non-Budgetary Exhibits:			
Endowment Fund		0	
Other (Specify)		0	
Other (Specify)		0	
NET TRANSFERS	(6,948,607)	4,524,182	(2,424,425)
ENDING BALANCE	1,973,503	(6,318,817)	4,703,050

Prepared by: Stephanie Gonzales Date Approved by BOR 14-Apr-2023

For NMHED Use Only	Accept	Reject	Date	
NMHED Analyst	_____	_____	___/___/___	NMHED Control # _____
NMHED Director	_____	_____	___/___/___	
For DFA Use Only				
DFA Analyst	_____	_____	___/___/___	DFA Control # _____

NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico Highlands University FY 23

Adjustment to Fund: Restricted Request # 1

	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
REVENUES			
Instruction and General	459,542	202,924	662,466
Student Social & Cultural Activities	155	52,737	52,892
Research	5,292,331	857,821	6,150,152
Public Service	10,721,833	15,853,087	26,574,920
Internal Service Dept.	14,063	74,545	88,608
Student Financial Aid	10,951,744	(102,015)	10,849,729
Auxiliary Enterprises	22,559	11,018	33,577
Athletics	21,618	18,382	40,000
Independent Operations	0	0	0
Subtotal Current Funds	27,483,845	16,968,499	44,452,344
Capital Outlay	0	0	0
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	0	0	0
TOTAL REVENUES	27,483,845	16,968,499	44,452,344
BEGINNING BALANCES			
Instruction and General	0	0	0
Student Social & Cultural Activities	0	0	0
Research	996	1,877	2,873
Public Service	625,138	10,207	635,345
Internal Service Dept.	0	0	0
Student Financial Aid	0	(474)	(474)
Auxiliary Enterprises	0	0	0
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	626,134	11,610	637,744
Capital Outlay	0	0	0
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	0	0	0
TOTAL BEGINNING BALANCES	626,134	11,610	637,744
TOTAL AVAILABLE			
Instruction and General	459,542	202,924	662,466
Student Social & Cultural Activities	155	52,737	52,892
Research	5,293,327	859,698	6,153,025
Public Service	11,346,971	15,863,294	27,210,265
Internal Service Dept.	14,063	74,545	88,608
Student Financial Aid	10,951,744	(102,489)	10,849,255
Auxiliary Enterprises	22,559	11,018	33,577
Athletics	21,618	18,382	40,000
Independent Operations	0	0	0
Subtotal Current Funds	28,109,979	16,980,109	45,090,088
Capital Outlay	0	0	0
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	0	0	0
GRAND TOTAL AVAILABLE	28,109,979	16,980,109	45,090,088

NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico Highlands University FY 23

Adjustment to Fund: Restricted Request # 1

	Current Approved Budget	INCREASE (DECREASE)	Revised Budget
EXPENDITURES			
Instruction and General	459,542	202,924	662,466
Student Social & Cultural Activities	155	52,737	52,892
Research	5,292,331	857,821	6,150,152
Public Service	10,721,833	10,639,840	21,361,673
Internal Service Dept.	14,063	74,545	88,608
Student Financial Aid	10,951,744	(102,489)	10,849,255
Auxiliary Enterprises	22,559	11,018	33,577
Athletics	21,618	18,382	40,000
Independent Operations		0	
Subtotal Current Funds	27,483,845	11,754,778	39,238,623
Capital Outlay		0	
Renewals & Replacements		0	
Retirement of Indebtedness		0	
Subtotal Plant Funds	0	0	0
TOTAL EXPENDITURES	27,483,845	11,754,778	39,238,623
TRANSFERS IN (OUT)			
Instruction and General	0	0	0
Student Social & Cultural Activities		0	
Research		0	
Public Service		(5,213,247)	(5,213,247)
Internal Service Dept.		0	
Student Financial Aid		0	
Auxiliary Enterprises		0	
Athletics		0	
Independent Operations		0	0
Subtotal Current Funds	0	(5,213,247)	(5,213,247)
Capital Outlay		0	
Renewals & Replacements		0	0
Retirement of Indebtedness		0	
Subtotal Plant Funds	0	0	0
NET TRANSFERS	0	(5,213,247)	(5,213,247)
ENDING BALANCES			
Instruction and General	0	0	0
Student Social & Cultural Activities	0	0	0
Research	996	1,877	2,873
Public Service	625,138	10,207	635,345
Internal Service Dept.	0	0	0
Student Financial Aid	0	0	0
Auxiliary Enterprises	0	0	0
Athletics	0	0	0
Independent Operations	0	0	0
Subtotal Current Funds	626,134	12,084	638,218
Capital Outlay	0	0	0
Renewals & Replacements	0	0	0
Retirement of Indebtedness	0	0	0
Subtotal Plant Funds	0	0	0
TOTAL ENDING BALANCES	626,134	12,084	638,218
TOTAL EXPENDITURES, TRANSFERS, BALANCES	28,109,979	16,980,109	45,090,088

NEW MEXICO HIGHER EDUCATION DEPARTMENT
BUDGET ADJUSTMENT REQUEST

INSTITUTION : New Mexico Highlands University FY 23

Adjustment to Fund: Restricted Request # 1


	<u>Current Approved Budget</u>	<u>INCREASE (DECREASE)</u>	<u>Revised Budget</u>
INSTRUCTION & GENERAL:			
REVENUES			
Tuition and Fees		0	
Federal Government Appropriations		0	
State Government Appropriations		0	
Local Government Appropriations		0	
Federal Grants/Contracts	299,879	79,538	379,417
State Grants/Contracts	159,663	123,386	283,049
Local Grants/Contracts		0	
Private Gifts/Grants/Contracts		0	
Endowment/Land/Permanent Fund		0	
Sales & Services of Ed Activities		0	
Other Sources		0	
TOTAL REVENUES	459,542	202,924	662,466
BEGINNING BALANCE	0	0	0
TOTAL AVAILABLE	459,542	202,924	662,466
EXPENDITURES			
Instruction	243,109	(64,375)	178,734
Academic Support	43,852	25,402	69,254
Student Services	76,552	167,621	244,173
Institutional Support	86,809	79,629	166,438
Operation & Maintenance of Plant	9,220	(5,353)	3,867
TOTAL EXPENDITURES	459,542	202,924	662,466
TRANSFERS IN (OUT) OF I&G			
Student Social & Cultural Activities		0	
Research		0	
Public Service		0	
Internal Service Dept.		0	
Student Financial Aid		0	
Auxiliary Enterprises		0	
Intercollegiate Athletics		0	
Independent Operations		0	
Capital Outlay		0	
Renewals & Replacements		0	
Retirement of Indebtedness		0	
Non-Budgetary Exhibits:			
Endowment Fund		0	
Other (Specify)		0	
Other (Specify)		0	
NET TRANSFERS	0	0	0
ENDING BALANCE	0	0	0

Prepared by: Stephanie Gonzales

Date Approved by BOR 13-Apr-2023

**MEMORANDUM**

TO: NMHU Board of Regents
Dr. Sam Minner, President

FROM:  Max Baca, Executive Vice President of Finance, Administration and Government Relations

DATE: April 14, 2023

RE: FY 2024 Operating Budget - Action Item

Background

This end-of-Fiscal Year 2023 budget forecast and new financial resources for Fiscal Year 2024 will help shape NMHU's future by investing in our labor forces. The University's Fiscal Year 2023-2024 Budget Plan focuses on increasing faculty and staff compensation and additional funding to cover the unfunded appropriations, the total unrestricted budget of slightly over \$85M operating budget, and nearly \$40M of restricted funding. This budget increases instruction and general revenues by a little over \$3M in new recurring funding; as noted in the earlier presentations, the effective use of these new funds is allocated toward staff compensation. In addition, the University successfully acquired new funds for Research, and Public Service Projects (RPSP), or what is sometimes referred to as "below-the-line funding." Although these funding sources have limited restrictions, these are new financial resources that can assist the University in moving its strategic goals forward. We also received an increase in appropriation in athletic funding of nearly \$600K. Again, this funding helps with operational challenges and includes staff compensation increases. Below are some key takeaways or highlights we felt necessary to bring to your attention.

At a glance:**Highlights for Fiscal Year 2023**

- We had an increase in enrollment for the first time in a decade; however, when analyzing the tuition and fees data, online students drove our growth. Those students were categorized as "Wiley" students. With this stated, I want to remind the Board that we have a revenue share agreement with Wiley. The share is 40% for Wiley and 60% for NMHU. Therefore, our revenue projections were slightly lower than if we had recruited them. However, this should not be considered a negative because we are growing our enrollment.

- Our Athletic Department overspent its FY 2023 budget by nearly \$346K. I have been working with the new co-directors to implement further budget strategies to negate a larger negative balance.
- We continue to provide additional resources in over \$400K in the Human Resources Department to address the deficiencies we have identified over the last several years. These resources have been specific in hiring external consultants in areas of expertise, such as Banner's technical human resources functionality, human resource management, and advanced accounting and financial support. In addition, by the recommendation of numerous groups and administration, we just outsourced our payroll functionality to Paycom and are implementing this new engagement.
- The University received additional resources in Research and Public Service Projects (RPSP); however, we were delayed in spending those funds. In Fiscal Year 2024, we will do a better job and spend those additional resources.
- Spending levels are similar to prior years, except for the abovementioned items. Therefore, we will end the fiscal year by adding additional resources to our fund balances.

Highlights for FY 2024 Budget:

- 6% compensation for all eligible employees, \$2.68M
- 1% Employer increase of around \$270K
- 1.4% new funding formula dollars for Instruction and General estimated at \$534,300
- Targeted additional faculty compensation NMHU Estimate is \$217,413
- Additional resources for student support wrap-around services in the amount of \$113,992
- RPSP's additional funding for the Native American Social Work Institute is around \$8.5K, Reforestation is listed under Forest and Watershed Institute in the amount of \$89.8K, and \$250K additional resources for the Center of Excellence in Social Work, Mental and Behavioral Health
- Additional non-reoccurring funding for Donnelly Library and Athletics of \$165K, the Legislative Leadership Fellowship Program received an additional \$75K, and \$75K for alumni outreach and educational projects
- Additionally, Building Renewal and Replacement one-time funding increased by \$613.2K; however, we do not have appropriation dollar amounts for equipment renewal replacement from the Higher Education Department.
- Reoccurring and non-reoccurring non-capital funding from this past legislative session grew from nearly \$38M to \$42.3M, an increase of almost \$4.3M or 11.2%.
- In capital outlay, funding received was \$4.5M for Sininger Hall's completion, \$1.2M for the Legislative Leadership Fellows' initiative and renovation space for mental health services on the campus, \$50K for security upgrades, and \$100K for police vehicles, for a total capital outlay funding of \$5.78M.
- This budget will include several faculty staff and operational funding resources coming from the \$20M endowments that we received this fiscal year. In consultation with our financial advisors, Santa Fe Advisors, they are recommending a 4% spinoff to be

utilized. We are budgeting around \$820K. As the fund matures, we believe that we will be able to fully fund the programmatic needs requested by awarded academic departments.

- Additional resources were allocated for the presidential search and all the associated activities in conducting this type of search.

The University is required by the Higher Education Department to submit their annual Operating Budget by May 1, 2023.

Required Action

The FY2024 Operating Budget is submitted to the Board for approval.

Thank you for your consideration.

NEW MEXICO HIGHLANDS UNIVERSITY
EXHIBIT 1 - SUMMARY OF CURRENT FUNDS AND PLANT FUNDS

	Original Budget 2022-23		Estimated Actuals 2022-23		Original Budget 2023-24	
	FTE	Amount	FTE	Amount	FTE	Amount
REVENUES:						
Instruction and General		51,369,984		49,614,732		53,561,492
Student Social and Cultural		1,255,700		1,184,777		1,234,226
Research		0		52,892		32,000
Public Service		1,872,116		4,697,116		6,150,152
Internal Service Dept.		0		26,574,970		21,361,673
Student Financial Aid		0		88,608		83,000
Auxiliary Enterprises		3,335,000		10,849,729		10,849,729
Intercollegiate Athletics		3,773,700		33,577		10,000
Independent Operations		0		40,000		4,188,800
Subtotal Current Funds		61,606,500		63,029,406		65,495,826
Capital Outlay		6,433,392		7,457,867		7,457,867
Renewals & Replacements		330,410		327,500		613,200
Retirement of Indebtedness		1,100,000		1,250,183		1,184,040
Subtotal Plant Funds		7,863,802		9,035,550		9,255,107
TOTAL REVENUES		69,470,302		72,064,956		74,750,933
BEGINNING BALANCES:						
Instruction and General		6,404,869		7,899,253		4,703,049
Student Social and Cultural		937,798		1,393,993		1,056,285
Research		2,657		69,719		2,388
Public Service		1,392,214		1,970,061		1,940,790
Internal Service Dept.		828		384,360		859
Student Financial Aid		544,290		713,011		713,011
Auxiliary Enterprises		(491,702)		(525,310)		234,770
Intercollegiate Athletics		865		127,254		(346,879)
Independent Operations		0		0		0
Subtotal Current Funds		8,791,820		12,032,341		8,304,273
Capital Outlay		2,714,519		1,297,795		1,297,795
Renewals & Replacements		133,005		439,566		211,889
Retirement of Indebtedness		1,414,562		2,786,434		2,839,936
Subtotal Plant Funds		4,262,086		4,523,795		4,349,621
TOTAL BEGINNING BALANCES		13,053,905		16,556,136		12,653,894
TOTAL AVAILABLE:						
Instruction and General		57,774,863		57,513,985		58,264,541
Student Social and Cultural		2,193,498		2,578,770		2,290,511
Research		2,657		69,719		32,000
Public Service		3,264,330		6,667,177		6,153,025
Internal Service Dept.		828		384,360		2,388
Student Financial Aid		544,290		713,011		5,250,098
Auxiliary Enterprises		2,843,298		10,849,255		859
Intercollegiate Athletics		3,774,565		3,432,388		713,011
Independent Operations		0		33,577		10,849,729
Subtotal Current Funds		70,398,320		75,061,748		73,800,099
Capital Outlay		9,147,910		8,755,662		8,755,662
Renewals & Replacements		463,415		767,066		0
Retirement of Indebtedness		2,514,562		4,036,617		4,036,976
Subtotal Plant Funds		12,125,887		13,559,345		13,604,728
TOTAL AVAILABLE		82,524,207		88,621,093		87,404,827
EXPENDITURES:						
Instruction and General		495.21		553.36		553.36
Student Social and Cultural		10.00		9.50		9.50
Research		0.00		4.00		0.00
Public Service		0.00		4.00		0.00
Internal Service Dept.		0.00		4.00		0.00
Student Financial Aid		0.00		4.00		0.00
Auxiliary Enterprises		0.00		4.00		0.00
Intercollegiate Athletics		0.00		4.00		0.00
Independent Operations		0.00		4.00		0.00
Subtotal Current Funds		495.21		553.36		553.36
Capital Outlay		48,852,744		50,386,511		48,926,399
Renewals & Replacements		1,508,441		1,522,485		1,556,842
Retirement of Indebtedness		0.00		4.00		0.00
Subtotal Plant Funds		49,361,185		51,913,400		50,483,241
TOTAL EXPENDITURES		49,856,396		52,466,804		51,036,641

NEW MEXICO HIGHLANDS UNIVERSITY
EXHIBIT 1 - SUMMARY OF CURRENT FUNDS AND PLANT FUNDS

	Original Budget 2022-23			Estimated Actuals 2022-23			Original Budget 2023-24			
	FTE	Unrestricted Amount	Restricted Amount	FTE	Unrestricted Amount	Restricted Amount	FTE	Unrestricted Amount	Restricted Amount	
Research	4.13	481,918	10,000	467,731	30.38	6,150,152	31.00	466,088	30.38	6,150,152
Public Service	25.55	1,895,572	0.00	4,736,588	112.21	21,361,673	31.70	3,332,766	112.21	21,361,673
Internal Service Dept.	28.25	3,610,356	0.00	4,171,502	4.50	88,608	25.00	4,044,138	4.50	83,000
Student Financial Aid	0.00	1,005,385	0.00	1,005,385	0.00	10,849,255	0.00	1,005,385	0.00	10,849,255
Auxiliary Enterprises	16.00	2,234,233	0.00	3,112,937	1.00	33,577	20.25	2,473,117	1.00	10,000
Intercollegiate Athletics	44.85	3,973,700	0.00	4,171,962	1.50	40,000	45.85	3,938,800	1.50	40,000
Independent Operations										
Subtotal Current Funds	623.99	63,562,365	0.00	69,574,700	196.09	39,238,623	656.96	65,743,537	187.09	38,983,471
Capital Outlay	0.00	6,433,392	0.00	7,457,867	0.00	0	0.00	7,457,867	0.00	0
Renewals & Replacements	0.00	1,626,432	0.00	1,851,198	0.00	0	0.00	1,296,022	0.00	0
Retirement of Indebtedness	0.00	2,296,681	0.00	2,296,681	0.00	0	0.00	2,285,639	0.00	0
Subtotal Plant Funds	0.00	10,356,504	0.00	11,605,746	0.00	0	0.00	11,039,528	0.00	0
TOTAL EXPENDITURES	623.99	73,918,870	0.00	81,180,446	196.09	39,238,623	656.96	76,783,065	187.09	38,983,471
TRANSFERS IN (OUT):										
Instruction and General		(6,948,607)	0	(2,424,425)				(7,320,607)		
Student Social and Cultural		0	0	0				0		
Research		480,000	0	400,000				465,000		
Public Service		10,200	0	10,200		(5,213,247)		10,200		
Internal Service Dept.		3,610,000	0	3,788,000				4,044,000		
Student Financial Aid		1,005,385	0	1,005,385				1,005,385		
Auxiliary Enterprises		(753,000)	0	(84,681)				(600,000)		
Intercollegiate Athletics		200,000	0	122,746						
Independent Operations										
Subtotal Current Funds		(2,396,022)	0	2,817,225		(5,213,247)		(2,396,022)		0
Capital Outlay		0	0	0				0		
Renewals & Replacements		1,296,022	0	1,296,022				1,296,022		
Retirement of Indebtedness		1,100,000	0	1,100,000				1,100,000		
Subtotal Plant Funds		2,396,022	0	2,396,022		0		2,396,022		0
NET TRANSFERS		0	0	5,213,247		(5,213,247)		0		0
ENDING BALANCES:										
Instruction and General		1,973,502	(0)	4,703,049	9.3%	(0)		2,017,535	4.1%	0
Student Social and Cultural		685,057	0	1,056,285		0		733,669		0
Research		722	996	2,388		2,873		1,300		2,873
Public Service		1,378,959	625,138	1,940,790		635,345		1,927,532		635,345
Internal Service Dept.		472	0	859		(0)		720		(0)
Student Financial Aid		544,290	(0)	713,011		(0)		713,011		(0)
Auxiliary Enterprises		(143,935)	0	234,770		0		363,653		0
Intercollegiate Athletics		865	0	(346,879)		0		(96,879)		0
Independent Operations										
Subtotal Current Funds		4,439,932	626,134	8,304,273	11.9%	638,217		5,660,540	8.6%	638,218
Capital Outlay		2,714,519	0	1,297,795		0		1,297,795		0
Renewals & Replacements		133,005	0	211,889		0		825,089		0
Retirement of Indebtedness		1,317,881	0	2,839,936		0		2,838,337		0
Subtotal Plant Funds		4,165,405	626,134	4,349,621		0		4,961,222		0
TOTAL ENDING BALANCES		8,605,337	28,109,980	12,653,894		638,217		10,621,762		638,218
TOT EXP, TRANSF & BAL		82,524,207		88,621,093		45,090,088		87,404,827		39,621,689

NEW MEXICO HIGHLANDS UNIVERSITY
EXHIBIT 1A
DETAIL OF TRANSFERS

1A-1

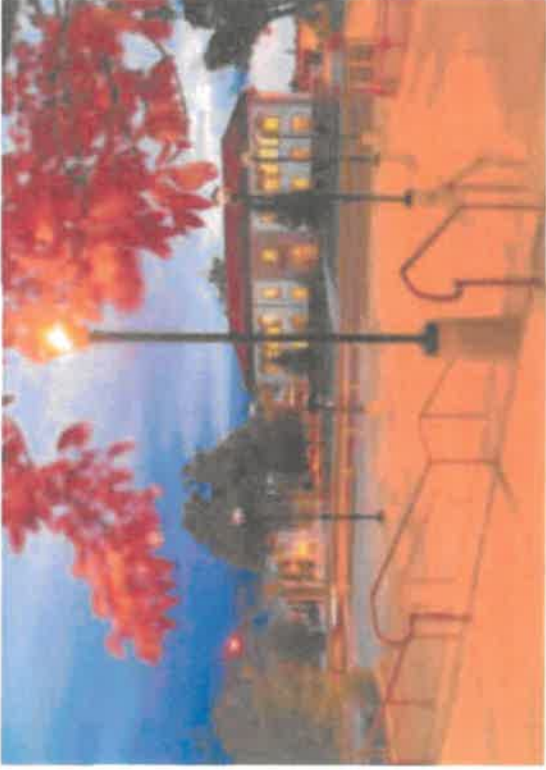
	Original Budget 2022-23		Estimated Actuals 2022-23		Original Budget 2023-24	
	Unrestricted FTE	Restricted Amount	Unrestricted FTE	Restricted Amount	Unrestricted FTE	Restricted Amount
INSTRUCTION & GENERAL - FROM (TO)						
Financial Aid -3% Scholarship	343,174		343,174		343,174	
Exh. II	1,187,527		1,187,527		1,187,527	
Building Renewals - State Appropriation	108,495		108,495		108,495	
Exh. II						
Equipment Replacement - State Appropriation						
Exh. III						
Retirement of Indebtedness						
Student Social and Cultural	0		0		0	
Exh. 15						
Research	480,000		400,000		465,000	
Exh. 16	10,200		10,200		10,200	
Public Service	3,610,000		3,788,000		4,044,000	
Exh. 17						
Internal Service Dept.	62,211		62,211		62,211	
Exh. 18	600,000		600,000		600,000	
Financial Aid - SEOG Match	347,000		1,015,319		500,000	
Exh. 19	200,000		122,746		0	
Financial Aid - NIMHU Scholarships						
Exh. 19						
Auxiliary Enterprises						
Exh. 20						
Intercollegiate Athletics						
Exh. 21						
Capital Outlay						
Exh. I						
TOTAL FROM (TO) I & G	6,948,607		7,637,672	0	7,320,607	
NET TRANSFERS IN (OUT)						
Instruction & General (per above)	(6,948,607)		(2,424,425)		(7,320,607)	
Exh. 2						
Student Social and Cultural	0		0		0	
Exh. 15						
Research	480,000		400,000		465,000	
Exh. 16	10,200		10,200		10,200	
Public Service	0				0	
Exh. 17						
Internal Service Dept	3,610,000		3,788,000	(5,213,247)	4,044,000	
Exh. 18	1,005,385		1,005,385		1,005,385	
Student Financial Aid	(753,000)		(84,681)		(600,000)	
Exh. 19	200,000		122,746		0	
Auxiliary Enterprises						
Exh. 20						
Intercollegiate Athletics						
Exh. 21						
Subtotal Current Funds	(2,396,022)		2,817,225	(5,213,247)	(2,396,022)	0
Capital Outlay	0		0		0	
Exh. I						
Renewals & Replacements	1,296,022		1,296,022		1,296,022	
Exh. II	1,100,000		1,100,000		1,100,000	
Retirement of Indebt						
Exh. III						
Subtotal Plant Funds	2,396,022		2,396,022	0	2,396,022	
NET TRANSFERS	0	0.00	5,213,247	(5,213,247)	0	0

NEW MEXICO HIGHLANDS UNIVERSITY
EXHIBIT 2
SUMMARY OF INSTRUCTION AND GENERAL

	Original Budget 2022-23		Estimated Actuals 2022-23		Original Budget 2023-24	
	Unrestricted FTE	Restricted Amount	Unrestricted FTE	Restricted Amount	Unrestricted FTE	Restricted Amount
REVENUE:						
Tuition and Fees	14,473,300	0	14,641,884	0	15,339,100	0
Federal Gov't Appropriations	0	0	0	0	0	0
State Gov't Appropriations	35,733,684	0	32,908,684	0	35,837,392	0
Local Gov't Appropriations	0	0	0	0	0	0
Federal Gov't Grants/Contracts	0	299,879	0	379,417	0	173,867
State Gov't Grants/Contracts	0	159,663	0	283,049	0	283,049
Local Gov't Grants/Contracts	0	0	0	0	0	0
Private Gifts/Grants/Contracts	0	0	0	0	0	0
Endowment/Lend/Perm Fund	258,000	0	584,773	0	1,320,000	0
Sales and Services	0	0	0	0	0	0
Other Sources	905,000	0	1,479,392	0	1,065,000	0
TOTAL REVENUE	51,369,984	459,542	49,614,732	662,466	53,561,492	456,916
BEGINNING BALANCE	6,404,869		7,899,253		4,703,049	
TOTAL AVAILABLE	57,774,853	459,542	57,513,985	662,466	58,264,541	456,916
EXPENDITURES:						
Instruction	261.17	26,872,434	303.08	28,429,796	303.08	26,027,550
Academic Support	32.50	2,937,195	32.00	2,406,692	32.00	2,565,567
Student Services	55.15	4,651,485	62.95	4,696,055	62.95	4,787,126
Institutional Support	75.39	7,685,507	74.83	8,376,007	74.83	8,186,648
Oper & Maint of Plant	71.00	6,706,122	80.50	6,477,971	80.50	7,359,309
TOTAL EXPENDITURES	495.21	48,852,744	553.38	50,386,511	553.36	48,926,399
TRANSFERS IN (OUT) of I&G:						
Student Social/Cultural Actv		0		0		0
Research		(480,000)		(400,000)		(465,000)
Public Service		(10,200)		5,203,047		(10,200)
Internal Service Dept.		(3,610,000)		(3,788,000)		(4,044,000)
Student Financial Aid		(1,005,385)		(1,005,385)		(1,005,385)
Auxiliary Enterprises		(347,000)		(1,015,319)		(500,000)
Intercollegiate Athletics		(200,000)		(122,746)		0
Capital Outlay		0		0		0
Renewals & Replacements		(1,296,022)		(1,296,022)		(1,296,022)
Retirement of Indebtedness		0		0		0
TOTAL TRANSFERS		(6,948,607)		(2,424,425)		(7,320,607)
ENDING BALANCE		1,973,502		4,703,049		2,017,535
TOT EXP. TRANSF & BAL		43,877,639		52,865,135		43,623,327

NEW MEXICO HIGHLANDS UNIVERSITY
EXHIBIT 3
STUDENT TUITION AND MISCELLANEOUS FEES FOR INSTRUCTION AND GENERAL

	Original Budget 2022-23		Estimated Actuals 2022-23		Original Budget 2023-24	
	Unrestricted Amount	FTE	Unrestricted Amount	FTE	Unrestricted Amount	FTE
TUITION						
CREDIT - MAIN CAMPUS						
SUMMER						
Resident Full-time	25,900		223,306		31,000	
Resident Part-time	979,500		707,830		1,006,000	
Non-resident Full-time	14,800		9,629		33,000	
Non-resident Part-time	192,100		156,924		208,000	
Waivers	(70,000)		(49,048)		(43,000)	
Subtotal Summer	1,212,300		1,048,641		1,235,000	
FALL						
Resident Full-time	2,408,800		2,835,503		2,561,000	
Resident Part-time	1,764,600		1,586,918		1,995,000	
Non-resident Full-time	1,307,500		1,165,891		1,251,000	
Non-resident Part-time	326,700		380,931		554,000	
Waivers	(500,000)		(709,134)		(610,000)	
Subtotal Fall	5,807,600		5,260,108		5,751,000	
SPRING						
Resident Full-time	2,131,900		2,835,467		2,302,000	
Resident Part-time	1,665,100		1,489,532		2,150,000	
Non-resident Full-time	1,083,800		982,741		1,055,000	
Non-resident Part-time	405,600		403,465		659,000	
Waivers	(500,000)		(566,048)		(492,000)	
Subtotal Spring	5,286,400		5,145,157		5,674,000	
TOTAL TUITION - CREDIT - MAIN	12,306,300		11,453,906		12,560,000	
CREDIT - EOS & CENTERS						
Off-Campus/ITV	6,000		24,383		7,000	
Center - Farmington	90,000		130,403		92,000	
Center - Rio Rancho	154,000		131,418		155,000	
Center - Roswell	14,000		7,943		15,000	
Center - Santa Fe	74,000		117,638		95,000	
Center - Raton	0		0		0	
Center - Albuquerque	244,000		658,983		410,000	
TOTAL TUITION - CREDIT - EOS/CTRS	582,000		1,070,767		774,000	
NON-CREDIT - CONT EDUC	0		0		0	
TOTAL TUITION	12,888,300		12,524,673		13,434,000	
MISCELLANEOUS FEES						
Application/Matriculation	0		124		0	
Collection	0		419,334		35,000	
Course	38,000		38,890		109,000	
Graduation	38,000		40,750		33,000	
Installment Plan	1,509,000		1,618,113		1,695,100	
Technology & Infrastructure Fee	1,585,000		2,117,211		1,905,100	
TOTAL TUITION AND FEES	14,473,300		14,641,884		15,139,100	



NMHU's Annual "Five Year Capital Plan"

April 14, 2023



**Facilities & Planning
Department**



Capital Outlay Funding is Separate from I&G Funding



Capital Outlay money is completely separate from Instruction & General funding, and can only be used on capitalized items and the physical bricks and mortar of a campus.

Three ways Capital Outlay funding is allocated to universities annually:

- 1) **General Obligation Bonds** - issued every other, even year (in millions)
- 2) **Severance Tax Bonds** are issued annually; funding amounts can run from the tens to hundreds of thousands of dollars.
- 3) **State General Funds** – i.e., funding for classroom technology and furnishings

State Capital Outlay Funding Exclusions



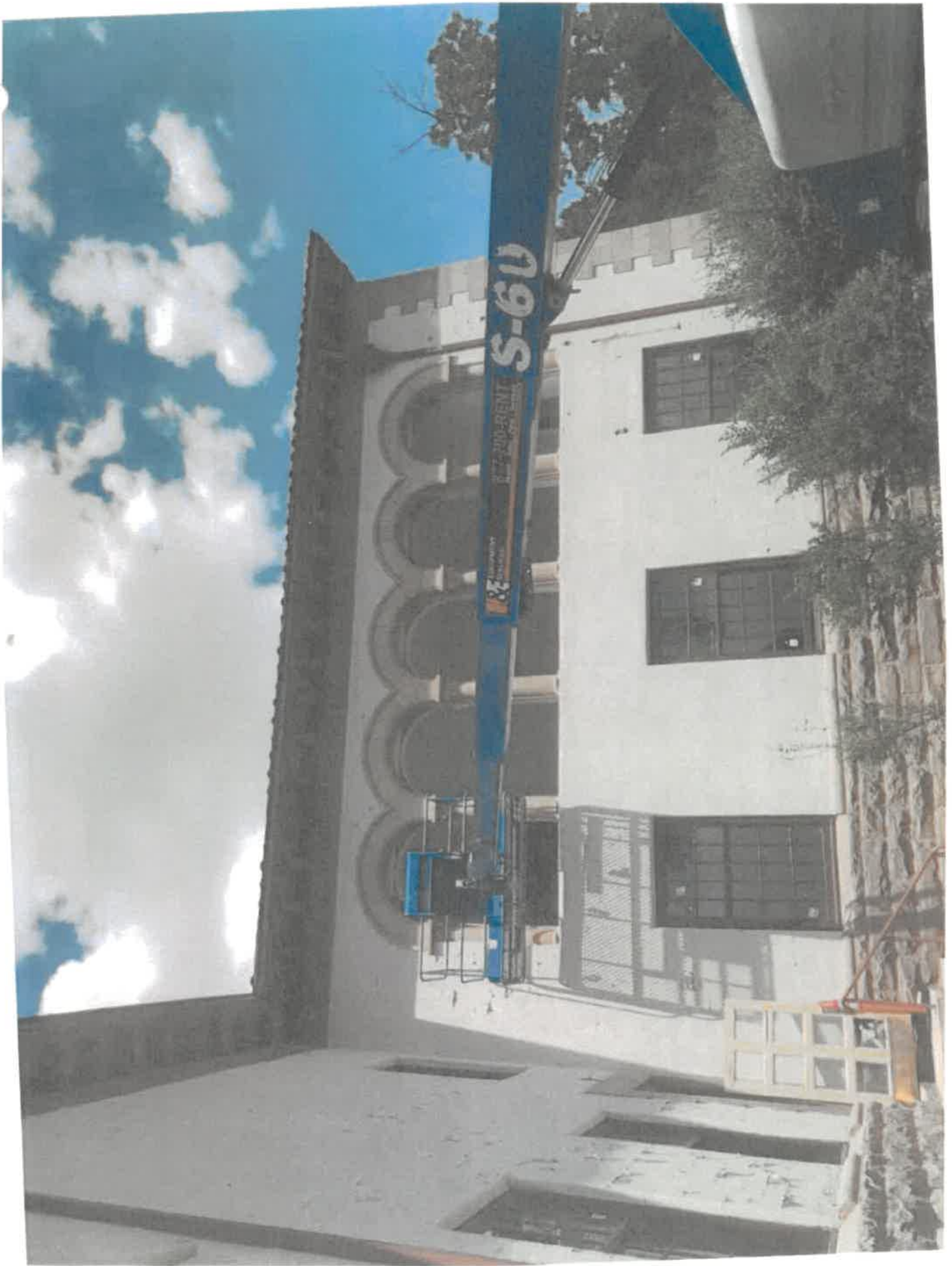
Despite we all recognize that the campus's Housing buildings and some Athletic spaces are in dire need of being renovated, at this time the State of New Mexico, through its capital outlay process and state statute, does not fund auxiliary buildings belonging to Housing, the golf course, and Athletics, etc.

The State considers auxiliary programs and operations self-sustaining, and currently takes the position that universities should use system revenue bonds (loans) or their own revenue sources to renovate auxiliary buildings and spaces.

Last Major Building Renovation on Campus

At a cost of \$5.5M, Rogers Hall was the most recently renovated building on campus. The building was funded with a GOB and supplemental severance tax bond. The original architect of Rogers Hall was John Gaw Meem, and the building was constructed in 1933.









Fresco murals in photo are by Lloyd Moylan.



Capital Outlay Projects Benefit Everyone



Capital Outlay projects benefit the local economy because local employees are hired by contractors and are paid higher State Wage Rate (market) wages.

Many of the construction materials are purchased at local building and improvement stores, which generates gross receipts revenue for the local economy.

These projects keep universities modern and viable by supporting instruction and ultimately the state's work force.

How are Capital Outlay Projects Prioritized?



A project can be named in the university's "Capital Outlay Master Plan" and "Facilities Maintenance Plan," which are updated every five years.

The Facilities Services Department keeps a count of all deferred maintenance issues across the campus, and its these issues that generally dictate what buildings should be prioritized with regard to addressing building deficiencies. However, academic programs, for example, that are expanding and in need of a larger footprint could be placed on the priority list for renovation or construction funding of a building.

All three Senates of the university are presented with the "five-year capital plan" annually as an information item, and the Senates can weigh-in on the discussion at any time.

The "Five Year Capital Plan" goes before the university's Board of Regents annually as part of the capital outlay funding review process. The Board determines if a project ultimately meets the university's strategic goals and mission and approves the priority of the project(s) through this process.



Thank You and Questions