

NORTHERN NEW MEXICO COLLEGE



**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS**

MAY 23, 2024

NORTHERN New Mexico College



NOTICE

The Board of Regents of Northern New Mexico College will hold a regular meeting on **Thursday, May 23, 2024 at 9:00AM**, Via Zoom and in person at Northern New Mexico College, Board Room, Española Campus, Española, New Mexico.

Join Zoom Meeting

<https://nmmc.zoom.us/j/93884181987>

Meeting ID: 938 8418 1987

One tap mobile

+16694449171,,93884181987# US

+16699006833,,93884181987# US (San Jose)

FINAL AGENDA

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. PRESENTATION OF AUDIT BY EXTERNAL FINANCIAL AUDITORS – Action Required**
- IV. PUBLIC INPUT**
- V. COMMENTS FROM THE BOARD**
 - A. Board of Regents Subcommittee Reports
 - 1. Housing Committee – Informational
 - 2. Audit, Finance, Facilities Committee – Informational
 - 3. Academic and Student Affairs Committee – Informational
 - 4. Recognition of Dr. Denise Montoya – Informational
 - 5. Governance Committee – Action Required
- VI. APPROVAL OF MINUTES**
- VII. PRESIDENT’S REPORT AND ANNOUNCEMENTS**
 - A. Celebrate Northern – Informational
 - B. CUP/NMICC Report – Informational
 - C. NNMC Foundation – Informational
 - D. Introduction of Staff and Faculty – Informational
 - E. College Updates – Informational
- VIII. FACULTY SENATE PRESIDENT REPORT**
- IX. STUDENT SENATE PRESIDENT REPORT**

X. STAFF REPORTS

A. Vice President for Finance & Administration

1. The Northern Federation of Educational Employees, AFT-NM, AFL-CIO Faculty Bargaining Unit Collective Bargaining Agreement – Action Required
2. Fiscal Watch Report – Action Required

XI. EXECUTIVE SESSION

- (1) Limited personnel matters related to the hiring, promotion, demotion, dismissal, assignment, resignation, or investigation or consideration of complaints or charges against an employee;
 - a. President's Evaluation
- (2) Bargaining strategy preliminary to collective bargaining
 - a. No items
- (3) Threatened or pending litigation subject to the attorney-client privilege in which the College may be a participant; and
 - a. No items
- (4) Real estate acquisition or disposal.
 - a. No items

XII. POSSIBLE ACTION ON EXECUTIVE SESSION

XIII. ADJOURNMENT

In accordance with the Americans with Disabilities Act (ADA), physically challenged individuals who require special accommodations should contact the President's Office at 505-747-2140 at least one week prior to the meeting or as soon as possible.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2023**

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
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NORTHERN NEW MEXICO COLLEGE
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**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
OFFICIAL ROSTER (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

BOARD OF REGENTS

Michael A. Martin Board President
Erica Rita Velarde, PE, Board Vice-President
Dr. Porter Swentzell, PhD, Board Secretary/Treasurer
Ruben Archuleta Board Member
Casandra Duaz Student Regent and Member

ADMINISTRATIVE OFFICIALS

Hector Balderas, JD, CFE President
Dr. Denise Montoya, PhD Chief of Staff/VP for Finance and Administration
Dr. Ivan Lopez, PhD Provost and VP for Academic Affairs
Theresa Storey Chief Financial Officer
Matthew Baca General Counsel

STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
OFFICIAL ROSTER (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

FOUNDATION BOARD MEMBERS

Alfred Herrera Board President
Tania Sanchez Board Vice-President/Treasurer/Secretary
James Owen Board Member
Leo Valdez Board Member
Hector Balderas Ex-Officio Board Member
Denise Montoya, PhD Ex-Officio Board Member

ADMINISTRATIVE OFFICIALS

Hector Balderas Interim Executive Director

FINANCIAL SECTION



Independent Auditors' Report

Joseph M. Maestas, P.E., CFE
New Mexico State Auditor
and
The Board of Regents
Northern New Mexico College
Española, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Northern New Mexico College (College), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the College as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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(505) 822 5100



(505) 822 5106



Emphasis of Matter

As discussed in the notes, the financial statements of the College are intended to present the net position, and the changes in net position and cash flows of only that portion of the business-type activities and the aggregate remaining fund information of the State of New Mexico that is attributable to the transactions of the Northern New Mexico College. They do not purport to, and do not, present fairly the net position of the State of New Mexico as of June 30, 2023, and the changes in its net position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 and the *Schedule of the Proportionate Share of the Net Pension Liability*, and the *Schedule of Proportionate Share of the OPEB Liability* on pages 64 and 67, the *Schedule of Contributions (ERB)*, and the *Schedule of Contributions (NMRHCA)* on pages 65 and 68, and the notes to the required supplementary information on pages 66 and 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information identified above in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary information listed in the table of contents, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



TKM, LLC
Auditors | Advisors | CPAs

Albuquerque, New Mexico
March 25, 2024

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Overview of Financial Statements

The following discussion and analysis provide an overview of the financial position and activities of Northern New Mexico College (College) as of and for the fiscal years ended June 30, 2023 and 2022. This discussion should be read in conjunction with the accompanying financial statements and notes. Management has prepared the basic financial statements and the related note disclosures along with this discussion and analysis. As such, the basic financial statements, notes, and this discussion are the responsibility of College management. This Management's Discussion and Analysis (MD&A) includes comparative financial information of the primary institution for fiscal years 2023 and 2022. The MD&A does not include information of the discretely presented component unit, for which separately issued financial statements are available.

Financial Highlights

The Board of Regents approved a tuition increase and tuition and fee structure that became effective in Fall 2023. Both tuition and fees were combined proving a single fee structure to students, and the overall average increase was five percent. This was the first tuition related increase in five years.

During the current period the enhanced New Mexico Opportunity Scholarships amended by the New Mexico Legislature Expanded opportunity scholarships amounts that were distributed to eligible students. The increase in available funding.

Student enrollment continued to increase marginally during the current period. The increases were 0.3% in headcount and a 4.0% increase in student credit hours.

Using the Basic Financial Statements

The Statement of Net Position presents the assets, liabilities and net position of the College as of the end of the fiscal year 2023. It is a point-in-time financial statement, the purposes of which is to give readers a quick view of the financial condition of College. The statement present end of year data concerning current and non-current assets, current and non-current liabilities and net position.

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenue, Expenses and Changes in Net Position. The purpose of this statement is to present the revenue received by the College as well as the expenses, gains and losses received or incurred.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The Statement of Cash Flows presents the inflows of cash, summarized by operating, capital, financing and investing activities. The statement is prepared using the direct method of cash flows, presenting gross amounts for the year's activities.

	Primary Government	Northern New Mexico College Foundation
ASSETS		
Current Assets	\$ 14,140,656	\$ 1,150,110
Noncurrent Assets	38,208,981	8,776,294
Deferred Outflows of Resources	<u>8,806,927</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 61,156,564</u>	<u>\$ 9,926,404</u>
LIABILITIES		
Current Liabilities	\$ 4,939,471	\$ 307,683
Noncurrent Liabilities	28,663,385	-
Deferred Inflows of Resources	<u>19,754,648</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>53,357,504</u>	<u>307,683</u>
Investment in Capital Assets	36,641,576	-
Restricted - Endowments	-	9,769,708
Unrestricted (Deficit)	<u>(28,842,516)</u>	<u>(150,987)</u>
TOTAL NET POSITION	<u>7,799,060</u>	<u>9,618,721</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 61,156,564</u>	<u>\$ 9,926,404</u>

Current assets include cash and other assets that are deemed to be consumed or convertible to cash within one year. The most significant change in current assets of the College as of June 30, 2023, is the increase over the prior year by \$1,505,467. Non-current assets include capital assets, net of accumulated depreciation, of \$36,645,605.

Current liabilities are generally defined as amounts due within one year, and include accounts payable, payroll accruals and accrued annual leave, which increased by \$436,841 over the prior year.

Net position may serve as a useful indicator of the College's financial position. For the College, assets exceeded liabilities by \$7,799,060 at the close of June 30, 2023, as compared to \$4,401,207 as of June 30, 2022.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

At June 30, 2023, the College's current ratio, the amount of current assets of \$14,140,656 available to cover current liabilities of \$4,939,471, was 2.86.

	Primary Government	Northern New Mexico College Foundation
	Government	Foundation
OPERATING REVENUES	\$ 19,058,168	\$ 5,495,767
OPERATING EXPENSES	(33,010,380)	(463,357)
NON-OPERATING REVENUES AND EXPENSES		
State General Fund / Capital Appropriations	13,776,139	-
Mill Levy	3,003,004	-
Gain (Loss) on Investments	570,922	(56,431)
Transfers Out	-	-
TOTAL NON-OPERATING REVENUES AND EXPENSES	17,350,065	(56,431)
CHANGE IN NET POSITION	3,397,853	4,975,979
NET POSITION, BEGINNING OF YEAR	4,401,207	4,642,742
NET POSITION, END OF YEAR	\$ 7,799,060	\$ 9,618,721

Current year operating revenues, shown by the source of funding increased by \$5,283,693 over the prior period with the significant increase in grants the College received during the year. The increase is reflected on the tuition increase approved by the Board of Regents and funding for the enhanced opportunity scholarship which was funded by AARA funding for the State of New Mexico. Other sources of funding are the non-operating revenues from state appropriations and mill levy for the Trades program.

Operating expenses for the College are grouped by function with the majority of expenditures being related to instruction, student support and student financial aid.

Total net position is classified by the College's ability to use those assets to meet operating needs. Net position that is restricted as to their use is generally made by an awarding entity (i.e. a federal grant or third-party scholarship award, etc.). The difference of unrestricted net position is generally used to meet the operating needs of the College.

Economic Outlook

The College is largely dependent upon appropriations made by the state legislature for both operating and student financial aid. The College has been able to secure long-term federal grant funding over the course of four years, which has increased its ability to provide additional student programs. Expenditures are conservative given the Colleges dependence upon legislative funding, the current local and national economic conditions and New Mexico's dependence upon crude oil and natural gas extractions.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Component Unit

Northern New Mexico College Foundation (Foundation) is a legally separate, tax-exempt component unit of the College and is discretely presented in the College's financial statements. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs

Contacting the College's Financial Management

The financial report is designed to provide the public, customers, and creditors with a general overview of the College's finances and demonstrate the College's accountability for the money it receives. For any questions regarding this report, contact the NNMC Chief Financial Officer at:

Northern New Mexico College
Attention: Chief Financial Officer
921 N. Paseo De Oate
Española, NM 87532

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF NET POSITION – PROPRIETARY FUND
JUNE 30, 2023**

ASSETS	Primary Government	Northern New Mexico College Foundation
Current Assets		
Cash and Cash Equivalents	\$ 8,780,952	\$ 156,696
Restricted Cash and Cash Equivalents	-	993,414
Receivables:		-
Accounts Receivable	4,909,287	-
Student, Net	68,822	-
Due From Component Units	307,683	-
Due From Custodial Fund	6,449	-
Prepaid Expenses	27,960	-
Lease Receivable, Current	20,596	-
Inventory	18,907	-
Total Current Assets	<u>14,140,656</u>	<u>1,150,110</u>
Noncurrent Assets		
Restricted Endowment Investments	-	8,776,294
Lease Receivable, Noncurrent	768,385	-
Lease Right-to-Use Assets, Net	71,348	-
Subscription Assets, Net	723,643	-
Capital Assets, Net	36,645,605	-
Total Noncurrent Assets	<u>38,208,981</u>	<u>8,776,294</u>
TOTAL ASSETS	<u>52,349,637</u>	<u>9,926,404</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pension	6,723,349	-
Deferred Outflows - OPEB	2,083,578	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,806,927</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 61,156,564</u>	<u>\$ 9,926,404</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONTINUED)
JUNE 30, 2023**

LIABILITIES	Primary Government	Northern New Mexico College Foundation
Current Liabilities		
Accounts Payable	\$ 1,883,686	\$ -
Accrued Expenses	1,391,848	-
Due to Primary Government	-	307,683
Interest Payable	6,229	-
Unearned Revenue	745,899	-
Compensated Absences, Current	550,148	-
Lease Liability, Current	82,532	-
Subscription Liability, Current	279,129	-
Total Current Liabilities	<u>4,939,471</u>	<u>307,683</u>
Noncurrent Liabilities		
Lease Liability, Noncurrent	14,676	-
Subscription Liability, Current	422,683	-
Net Pension Liability	23,727,330	-
Net OPEB Liability	4,498,696	-
Total Noncurrent Liabilities	<u>28,663,385</u>	<u>-</u>
TOTAL LIABILITIES	<u>33,602,856</u>	<u>307,683</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pension	14,583,182	-
Deferred Inflows - OPEB	4,333,007	-
Deferred Inflows - Leases	838,459	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>19,754,648</u>	<u>-</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>53,357,504</u>	<u>307,683</u>
NET POSITION		
Investment in Capital Assets	36,641,576	-
Restricted - Endowments	-	9,769,708
Unrestricted (Deficit)	(28,842,516)	(150,987)
TOTAL NET POSITION	<u>7,799,060</u>	<u>9,618,721</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 61,156,564</u>	<u>\$ 9,926,404</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
– PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Primary Government	Northern New Mexico College Foundation
OPERATING REVENUES		
Student Tuition, Fees and Trainings	\$ 3,962,086	\$ -
Grants and Contracts	14,483,004	-
Sales and Services - Auxiliary Enterprises	271,307	-
Gifts Bequests and Endowments	-	5,495,767
Other	341,771	-
TOTAL OPERATING REVENUES	<u>19,058,168</u>	<u>5,495,767</u>
OPERATING EXPENSES		
Instruction and General:		
Institutional Support	10,409,346	313,883
Student Aid Grants and Stipends	5,362,046	-
Operation and Maintenance of Plant	6,627,334	-
Student Services	3,108,378	-
Instruction and Academic Support	4,587,248	-
Athletics	611,310	-
Public Service	605,531	-
Student Activities	459,404	-
Research	90,272	-
Scholarships	171,411	149,474
Other	353,151	-
Auxiliary Enterprises	313,891	-
Pension Expense (Income)	(600,778)	-
OPEB Expense (Income)	(977,377)	-
Amortization	343,556	-
Depreciation	1,545,657	-
TOTAL OPERATING EXPENSES	<u>33,010,380</u>	<u>463,357</u>
NET OPERATING INCOME (LOSS)	<u>(13,952,212)</u>	<u>5,032,410</u>
NON-OPERATING REVENUES AND EXPENSES		
State General Fund Appropriations	13,776,139	-
Mill Levy	3,003,004	-
Gain (Loss) on Investments	570,922	(56,431)
TOTAL NON-OPERATING REVENUES AND EXPENSES	<u>17,350,065</u>	<u>(56,431)</u>
CHANGE IN NET POSITION	3,397,853	4,975,979
NET POSITION, BEGINNING OF YEAR	<u>4,401,207</u>	<u>4,642,742</u>
NET POSITION, END OF YEAR	<u>\$ 7,799,060</u>	<u>\$ 9,618,721</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition, Fees and Trainings	\$ 5,226,376
Grants and Contracts	12,323,890
Sales and Services of Auxiliary Enterprises	271,307
Other Operating Receipts	793,276
Payments for Employee Wages and Benefits	(15,642,189)
Payments to Suppliers for Good and Services	(17,290,726)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(14,318,066)</u>
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations, Non-Capital	13,776,139
Mill Levy Revenue	3,003,004
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	<u>16,779,143</u>
 CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of Capital Assets	(2,049,377)
Payments Received from Leases	12,871
Payments of Leases	(92,777)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,129,283)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Investments	570,628
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>570,628</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	902,422
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,878,530</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 8,780,952</u>
 Cash per Statement of Net Position	
Cash and Cash Equivalents	<u>8,780,952</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF CASH FLOWS – PROPRIETARY FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>Business-Type Activities</u>
Net Operating Income (Loss)	\$ (13,952,212)
Adjustments to reconcile operating income (loss) to Net cash used by operating activities:	
Depreciation Expense	1,545,657
Amortization Expense	343,556
Noncash Pension Expense (Income)	(600,778)
Noncash OPEB Expense (Income)	(977,377)
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) / Decrease in Receivables	(572,587)
(Increase) / Decrease in Due From Component Units	(68,226)
(Increase) / Decrease in Prepaid Expenses	(14,211)
(Increase) / Decrease in Inventory	57,103
Increase / (Decrease) in Accounts Payable	397,791
Increase / (Decrease) in Accrued Expenses	382,412
Increase / (Decrease) in Unearned Revenue	(702,011)
Increases / Decrease in Lease / Subscription Activity	(73,647)
Increase / (Decrease) in Compensated Absences	<u>(83,536)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (14,318,066)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ -
Total Assets	\$ -
LIABILITIES	
Due to College	6,449
Total Liabilities	6,449
NET POSITION	
Restricted for:	
Student Activities	(6,449)
Total Net Position	(6,449)
Total Liabilities and Net Position	\$ -

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Custodial Funds
ADDITIONS	
Miscellaneous Revenue	\$ 4,195
Total Additions	4,195
 DEDUCTIONS	
Student Activities	9,780
Total Deductions	9,780
Net Increase (Decrease) in Fiduciary Net Position	(5,585)
Net Position, Beginning of Year	(864)
Net Position, End of Year	\$ (6,449)

See Independent Auditors' Report and Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS

Northern New Mexico College (the “College”) was created under Section 21-4-1 New Mexico Statutes Annotated (NMSA) 1978, Article XII, Section 11 of the New Mexico State Constitution. Under Article XII, Section 13 of the New Mexico Constitution, the College is governed by a five-member Board of Regents appointed by the Governor, with the advice and consent of the Senate, for six-year terms.

The College was originally founded in 1909 by the New Mexico Territorial Legislature. The original mission of the College was to teach English to Spanish speaking teachers in the area. Technical-vocational programs were instituted during the 1960s. In 1969, the College became a full-time postsecondary technical-vocational school. In 1977, the New Mexico Legislature passed enabling legislation to merge the College and the Northern Branch of the University of New Mexico. In 2005, the College changed its name and it began offering four-year degree programs.

The College offers degrees in biology, business administration, elementary education, engineering, environmental science, information technology, and nursing. The College’s main campus is located in Española, New Mexico, and its original campus is located in El Rito, New Mexico.

This summary of significant accounting policies of the College is presented to assist in the understanding of the College’s financial statements. The financial statements and notes are the representation of College’s management who is responsible for their integrity and objectivity. The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities.

Reporting Entity

The College is part of the primary government of the State of New Mexico; however, these basic financial statements are intended to present the net position, changes in net position and cash flows, where applicable, of only that portion of the State of New Mexico that is attributable to the transactions of the College and its’ discretely presented component unit. They do not purport to and do not, present fairly the net position of the State of New Mexico as of June 30, 2023, and the changes in net position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, the accompanying financial statements present the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows of the College and the statement of net position, statement of revenues, expenses, and changes in net position of its discretely presented component unit.

In evaluating how to define the government for financial reporting purposes, the College has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Blended component units, although legally separate entities, are in substance part of the College's operations. Each discretely presented component unit is reported in a separate column in the College's financial statements to emphasize that it is legally separate from the College.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the College.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the College is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the College could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the College has one component unit required to be reported under GASB Statements No. 14, No. 39, No. 61, No. 80, and No. 90.

Discretely Presented Component Unit

An agreement between the Northern New Mexico College Foundation (the "Foundation") and the College was entered into on March 12, 1997. This agreement formalizes the relationship between the Foundation and the College and establishes the sole purpose of the Foundation as raising supplementary funds for the College. The Foundation is a component unit of the College discretely presented and reported upon as a part of the basic financial statements of the College. Separately issued financial statements can be obtained by writing to the Northern New Mexico College Foundation at 921 Paseo de Oñate, Española, NM 87532.

Basis of Accounting and Financial Statement Presentation

The accounting and reporting policies of the College reflected in the accompanying financial statements conform to accounting principles generally acceptable in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a public institution, the College is considered a special purpose government under the provisions of GASB Statement No. 35. The College records revenue in part from fees and other charges for services to external users and, accordingly, has chosen to present its financial statements using the reporting model for special-purpose governments engaged in business-type activities. This model allows all financial information for the College to be reported in a single column in each of the financial statements, accompanied by the financial information for the Foundation. The effect of internal activity between funds or groups has been eliminated from these financial statements.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred. All significant intra-entity transactions have been eliminated.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. The custodial fund is purely custodial and does not involve measurement of results of operations. The College's fiduciary fund is used to account for the collection and payment of student clubs.

Budgetary basis of accounting

The College follows the requirements established by the New Mexico Higher Education Department (HED) in formulating its budgets and in exercising budgetary control. It is through the HED's policy that, when the appropriation has been made to the College, its Board can, in general, adopt an operating budget within the limits of available income.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appointed in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as restricted fund balance.

To amend the budget, the College requires the following order of approval: (1) College President, (2) College Board Members, (3) New Mexico Department of Higher Education, and (4) State Department of Finance and Administration.

Unexpended state appropriations do not revert to the State of New Mexico at the end of the fiscal year, and are available for expenditures to the College in subsequent years pursuant to the General Appropriation Act of 2004, Section 4, J (Higher Education).

Budgetary Control. Total expenditures or transfers may not exceed the amount shown in the approved budget. Expenditures used as the items of budgetary control are as follows: (1) unrestricted and restricted expenditures are considered separately; (2) total expenditures in instruction and general; (3) total expenditures of each budget function in current funds other than instruction and general; and (4) within the plant funds budget, the items of budgetary control are major projects, library bonds, equipment bonds, minor capital outlay, renewals and replacements, and debt service.

Budgets are adopted on a basis of accounting that is not in accordance with accounting principles generally accepted in the United States of America. The purpose of the budget comparison is to reconcile the change in net position as reported on a budgetary basis to the change in net position as reported using generally accepted accounting principles. The reporting of actuals (budgetary basis) is a non-GAAP accounting method that excludes depreciation expense and includes the cost of capital equipment purchases.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in banks with various financial institutions. For purposes of the statement of cash flows, the College considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Receivables

The College has the following types of receivables:

Grants and contracts and other receivables. Grants and contracts and other receivables are amounts due from the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the College's grant awards. Grants and contracts receivable are recorded net of estimated uncollectible amounts.

Student accounts receivable. The College records student accounts receivable at the time a student registers for classes. Provisions for uncollectible student accounts are recorded to maintain an adequate allowance for possible losses.

Lease receivables. Lease receivables are amounts leased to Companies for the utilization of solar panels and telecommunications. Receivables consist primarily of amounts due from federal and state governmental entities for grants and contracts, local government entities for unremitted district mill levy collections, and oil and gas sales, and student and third-party payers for student tuition and fees. The allowance for doubtful accounts is maintained at a level which, in the administration's judgment, is sufficient to provide for possible losses in the collection of these accounts.

Inventory. Inventories consist of items held for resale or exchange within the College. The bookstore inventory is valued at cost. The food service inventory is reported utilizing the average cost method.

Prepaid Expenses. Prepaid expenses include postage and bookstore refunds, which reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets. Certain assets of the College are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments.

Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Bustos memorial account – This account was established prior to the existence of the Foundation and is donor restricted.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Pursuant to the College's capitalization policy, capital assets with a unit cost greater than \$5,000 are capitalized. The College includes software purchased with a piece of equipment in the cost of capitalization. Software purchased for internal use is capitalized and depreciated. Renovations to buildings, infrastructure, or land improvements that significantly increase the value, increase the productivity, or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction. There was no interest expense capitalized by the College during the current fiscal year. No interest was included as part of the cost of capital assets under construction.

Capital assets of the College are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Furniture, Fixtures and Equipment	5 -9
Library Materials	10
Vehicles and Heavy Equipment	5

Right to Use Lease Assets

The College has recorded intangible right to use lease assets as a result of implementing GASB Statement No. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability. The right to use lease assets are amortized on a straight-line basis over the term of the related lease or useful life, whichever is shorter. See Note 6 for more information.

Deferred Outflows of Resources

In addition to assets, the statement of net position report a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The College has transactions that qualify for reporting in this category related to reporting under GASB 68 and reporting under GASB 75, which total \$6,723,349 and \$2,083,578, respectively, in the statement of net position. The amounts are further detailed in Note 10 and Note 11. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability and other post-employment benefit liability, respectively, in future periods.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has transactions present on the statement of net position that qualify for reporting in this category related to reporting under GASB 68 and reporting under GASB 75. The deferred inflows of resources total \$14,583,182 and \$4,333,007, respectively, in the statement of net position, and are further detailed in Note 10 and Note 11. In addition, the College has deferred inflows of \$838,459 of rent revenue at June 30, 2023. This item is further detailed in Note 3. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Unearned Revenues

Unearned revenue relates to student tuition, fees, and bookstore sales received during the current fiscal period for classes to be held in the following period. Revenue for each academic session is reported within the fiscal year during which the session is completed. Receipts for the summer session beginning in April and amounts charged to the accounts of students pre-registering for fall semester, are reported as unearned revenue in the accompanying financial statements.

In addition, unearned revenues relate to property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts.

Long-term Liabilities

Compensated Absences. The College recognizes the value to the institution and to its staff for providing them the opportunity of relaxation and recreation for an extended period during the course of their employment. Regular probationary full-time, regular part-time, and temporary full-time staff hired for six months or more earn annual leave. Annual leave is earned during actual time worked and during paid sick leave and annual leave, holidays and paid leaves of absence. Annual leave is not earned during unpaid absence. Regular part-time employees earn annual leave on a prorated basis. Full-time employees accrue eight hours of annual leave per pay period or 192 hours per year (24 days). All regular employees will be permitted to carry over accrued annual leave from one fiscal year to the next not to exceed a total of 192 hours or 24 days for exempt staff and 240 hours or 30 days for nonexempt employees. Leave in excess of those hours will be lost if not taken before June 30 of each year. Upon discharge or other termination of employment, staff members are paid for unused annual leave based on the employee's contracted hourly pay rate to a maximum of 192 hours for exempt staff or 24 days or 240 hours of 30 days for non-exempt employees. According to College policy, conversion of sick leave accrual to cash is not permitted and no liability is recorded for non-vesting accumulating rights to receive sick leave.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Leases. The College has entered into agreements to lease certain office equipment and vehicles. Lease liabilities qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreements, using the facts and circumstances available at July 1, 2022. See Note 7 for more information.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the post-employment liability, deferred outflows of resources and deferred inflows of resources related to post-employment, and postemployment expense, information about the fiduciary net position of the Retiree Health Care Act (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The College's net position is classified into the following categories:

Net investment in capital assets – Capital assets, net of accumulated depreciation, amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The College does not have any related debt associated with its investment in capital assets.

Restricted – Net position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributions or laws and regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (Continued)

Net Position (Continued)

Unrestricted – All other categories of net position. In addition, unrestricted net position may be designated for use by management of the College. This requirement limits the area of operations for which expenditures of net position may be made, and require that unrestricted net position be designated to support future operations in these areas. College housing programs are a primary example of operations that have unrestricted net position with designated uses.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted, and then toward unrestricted resources.

Revenues and Expenses

Operating revenue include activities that have the characteristics of exchange transaction, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services; (3) federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans and other income.

Non-operating revenue include activities that have the characteristics of non-exchange transactions, such as (1) appropriations, (2) gifts, and (3) investment income. These revenue streams are recognized under GASB Statement No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions*. Revenues are recognized when all applicable eligibility requirements have been met.

Mill Levy

Santa Fe County – Current year taxes are levied on November 1 and are payable in two equal installments on December 10th and May 10th. Mill levies attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Taxes become delinquent 30 days after the due dates unless the original levy date has been formally extended. The mill levy is collected by the respective County Treasurers and is remitted to the College.

Rio Arriba County - Current year taxes are levied on November 1 and are payable in two equal installments on November 10th and April 10th. Mill levies attach as an unsubordinated enforceable lien on property as of January 1 of the assessment year. Taxes become delinquent on May 10th after the due dates unless the original levy date has been formally extended. The mill levy is collected by the respective County Treasurers and is remitted to the College.

Taos County - Current year taxes are levied on November 1 and are payable in two equal installments on November 10th and April 10th. Mill levies attach as an unsubordinated enforceable lien on property 30 days after the due dates unless the original levy date has been formally extended. The mill levy is collected by the respective County Treasurers and is remitted to the College.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: ORGANIZATION AND OPERATIONS (CONTINUED)

Tax Abatements

The College does not have any tax abatements at June 30, 2023.

Income Tax Status

The income generated by the College, as an instrumentality of the State of New Mexico, generally is excluded from federal income taxes under Section 115(a) of the Internal Revenue Code. However, the College is subject to taxation on income derived from business activities not substantially related to the College's exempt function (unrelated business income under Internal Revenue Code Section 511); such income is taxed at the normal corporate rate. Contributions to the College are deductible by donors as provided under Section 170 of the Internal Revenue Code.

Economic Dependency

The College depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the College is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ significantly from those estimates. Significant estimates for the College are management's estimate of depreciation on assets over their estimated useful lives, net pension liability, net OPEB liability, pension and OPEB related deferred inflows and outflows of resources, and the current portion of accrued compensated absences.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

State statutes authorize the investment of College funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the College properly followed State investment requirements as of June 30, 2023. Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the College. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2: DEPOSITS AND INVESTMENTS (CONTINUED)

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments. All of the College's accounts at an insured depository institution, including non-interest bearing accounts are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2023, \$8,881,383 of the College's bank balances of \$9,381,383 were exposed to custodial credit risk. \$8,881,383 was uninsured and collateralized by the collateral held by the pledging bank's trust department, not in the College's name.

	Century Bank	New Mexico Bank & Trust	Total
Checking Accounts	\$ 8,738,112	\$ 643,271	\$ 9,381,383
Less: FDIC Coverage	(250,000)	(250,000)	(500,000)
Total Uninsured Public Funds	\$ 8,488,112	\$ 393,271	\$ 8,881,383
50% Collateralization Requirement	4,244,056	196,636	4,440,692
Pledged Securities	(5,403,922)	(307,362)	(5,711,284)
(Over) Under Collateralized	\$ (1,159,866)	\$ (110,726)	\$ (1,270,592)

The collateral pledged is listed on the schedule of collateral pledged by depository in this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, District or political subdivision of the State of New Mexico, securities, including student loans, that are guaranteed by the United States or the state of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

NOTE 3: RECEIVABLES

Accounts receivable. The College's accounts receivable balance at June 30, 2023 represent revenues earned from student tuition and fees, loans, advances to students, federal government grants and contracts, and State of New Mexico agencies that include pass through federal and state grants. All amounts are expected to be collected within sixty days after year-end. An allowance for uncollectible accounts has been established for student accounts judged to be uncollectible due to the age of the receivables.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3: RECEIVABLES (CONTINUED)

A schedule of receivables and allowance for uncollectible accounts is as follows:

	Balance June 30, 2023
Receivables	
Grants and Contracts Receivable	\$ 4,628,947
Student Accounts Receivable	2,085,394
Less: Allowance for Doubtful Accounts	(1,933,193)
Student Accounts Receivable, Net	152,201
General	76,605
Other Receivables	120,356
Total Receivables, Net	\$ 4,978,109

Lease receivables. The College has recorded a lease receivable as a result of the implementation of GASB Statement No. 87. The lease receivable is initially measured at an amount equal to the initial measurement of the related deferred inflows of resources. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. The following lease agreements were in effect on July 1, 2022:

Description	Term (Years)	Interest Rate	Lease Receivable Balance June 30, 2023	Deferred Inflows- Leases June 30, 2023
<i>Lease receivables</i>				
Tower Structure	43	1.75%	\$ 437,505	\$ 427,692
Tower Structure	13	1.75%	35,271	26,019
Solar	46	1.8%	316,205	384,748
Total Lease Receivables			\$ 788,981	\$ 838,459

During the year ended June 30, 2023, the following changes occurred in lease receivables reported in the statement of net position:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Lease Receivables	\$ 801,852	\$ -	\$ (12,871)	\$ 788,981	\$ 20,596

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 3: RECEIVABLES (CONTINUED)

The future minimum lease payments to be received as June 30, 2023 are as follows:

Year Ended June 30,	Lease Revenue	Interest Revenue	Total
2024	\$ 14,971	\$ 13,704	\$ 28,675
2025	15,327	13,439	28,766
2026	15,693	13,167	28,860
2027	16,067	12,888	28,955
2028	16,451	12,604	29,055
2029-2033	89,382	58,460	147,842
2034-2038	83,567	50,816	134,383
2039-2043	87,940	43,488	131,428
2044-2048	97,155	35,401	132,556
2049-2053	107,229	26,471	133,700
2054-2058	118,241	16,620	134,861
2059-2063	118,995	5,795	124,790
2064	7,963	29	7,992
Total	\$ 788,981	\$ 302,882	\$ 1,091,863

NOTE 4: DUE FROM/TO COMPONENT UNITS

At June 30, 2023, the College had the following due from and due to component units:

	Due from Component Unit
Northern New Mexico College Foundation	\$ 307,683

NOTE 5: INVENTORY

The College's inventory at June 30, 2023 is as follows:

Inventory	
Bookstore Inventory	\$ 18,907
Total Inventory	\$ 18,907

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6: CAPITAL ASSETS / LEASE AND SUBSCRIPTION RIGHT-TO-USE ASSETS

The following table summarizes the changes in the College's capital assets during the fiscal year ended June 30, 2023. Land, art, and construction in progress are not subject to depreciation:

	Balance July 1, 2022	Additions	Deletions	Transfers	Adjustments	Balance June 30, 2023
Capital Assets Not Being Depreciated:						
Art	\$ 55,296	\$ -	\$ -	\$ -	\$ -	\$ 55,296
Land	10,156,229	-	-	-	2	10,156,231
Construction in Progress	4,996,241	1,466,475	-	(2,953,873)	(2)	3,508,841
Total Capital Assets Not Being Depreciated	<u>15,207,766</u>	<u>1,466,475</u>	<u>-</u>	<u>(2,953,873)</u>	<u>-</u>	<u>13,720,368</u>
Capital Assets Being Depreciated:						
Buildings	59,660,460	93,702	-	2,953,873	-	62,708,035
Furniture, Fixtures, and Equipment	4,185,590	428,128	-	-	(21,025)	4,592,693
Library Materials	3,197,924	-	-	-	-	3,197,924
Vehicles and Heavy Equipment	552,049	61,072	-	-	-	613,121
Total Capital Assets Being Depreciated	<u>67,596,023</u>	<u>582,902</u>	<u>-</u>	<u>2,953,873</u>	<u>(21,025)</u>	<u>71,111,773</u>
Total Capital Assets	<u>82,803,789</u>	<u>2,049,377</u>	<u>-</u>	<u>-</u>	<u>(21,025)</u>	<u>84,832,141</u>
Accumulated Depreciation:						
Buildings	(39,660,739)	(1,219,237)	-	-	-	(40,879,976)
Furniture, Fixtures, and Equipment	(3,359,659)	(285,185)	-	-	6,658	(3,638,186)
Library Materials	(3,164,886)	(10,342)	-	-	-	(3,175,228)
Vehicles and Heavy Equipment	(462,253)	(30,893)	-	-	-	(493,146)
Total Accumulated Depreciation	<u>(46,647,537)</u>	<u>(1,545,657)</u>	<u>-</u>	<u>-</u>	<u>6,658</u>	<u>(48,186,536)</u>
Capital Assets, Net	<u>\$ 36,156,252</u>	<u>\$ 503,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,367)</u>	<u>\$ 36,645,605</u>

Depreciation expense for the year ended June 30, 2023, was \$1,545,657.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 6: CAPITAL ASSETS / LEASE AND SUBSCRIPTION RIGHT-TO-USE ASSETS
(CONTINUED)**

Lease Right-To-Use Assets

The following table summarizes the changes in the College's lease right-to-use assets during the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Lease Right-to-Use Assets				
Leased Copiers	\$ 188,186	\$ -	\$ -	\$ 188,186
Leased Vehicles	85,773	-	-	85,773
Leased Postage Meter	34,791	-	-	34,791
Total Lease Right-to-Use Assets	<u>308,750</u>	<u>-</u>	<u>-</u>	<u>308,750</u>
Accumulated Amortization for:				
Leased Copiers	(121,439)	(32,039)	-	(153,478)
Leased Vehicles	(40,427)	(28,668)	-	(69,095)
Leased Postage Meter	(7,990)	(6,839)	-	(14,829)
Total Accumulated Amortization	<u>(169,856)</u>	<u>(67,546)</u>	<u>-</u>	<u>(237,402)</u>
Lease Right-to-Use Assets, Net	<u>\$ 138,894</u>	<u>\$ (67,546)</u>	<u>\$ -</u>	<u>\$ 71,348</u>

Lease right-to-use assets amortization expense for the year ended June 30, 2023, was \$67,546.

Subscription Right-To-Use Assets

The following table summarizes the changes in the College's subscription right-to-use assets during the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Subscription Right-to-Use Assets				
IT Subscriptions	\$ -	\$ 999,653	\$ -	\$ 999,653
Total Subscription Right-to-Use Assets	<u>-</u>	<u>999,653</u>	<u>-</u>	<u>999,653</u>
Accumulated Amortization for:				
IT Subscriptions	-	(276,010)	-	(276,010)
Total Accumulated Amortization	<u>-</u>	<u>(276,010)</u>	<u>-</u>	<u>(276,010)</u>
Subscription Right-to-Use Assets, Net	<u>\$ -</u>	<u>\$ 723,643</u>	<u>\$ -</u>	<u>\$ 723,643</u>

Subscription right-to-use assets amortization expense for the year ended June 30, 2023, was \$276,010.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 7: LONG-TERM LIABILITIES

Lease Liability. The College has entered into lease agreements for copiers, postage meter, and vehicles. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022. Leases are grouped for purposes of disclosure below.

The following lease agreements were in effect on July 1, 2022:

Description	Term (Months)	Interest Rate	Lease Liability Balance June 30, 2023	Lease Right-to-Use Asset, Net Balance June 30, 2023
<i>Leases</i>				
Copiers	43	2.75%	\$ 60,608	\$ 34,708
Postage Meter	13	0.50%	19,821	19,962
Vehicles	46	0.50%	16,779	16,678
Total Lease Liability			<u>\$ 97,208</u>	<u>\$ 71,348</u>

During the year ended June 30, 2023, the following changes occurred in lease liabilities reported in the statement of net position:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Lease Liability	\$ 189,985	\$ -	\$ (92,777)	\$ 97,208	\$ 82,532

The future minimum lease payments as of June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Total Lease Payment
2024	\$ 82,532	\$ 1,031	\$ 83,563
2025	8,818	60	8,878
2026	5,858	11	5,869
2027	-	-	-
Total	<u>\$ 97,208</u>	<u>\$ 1,102</u>	<u>\$ 98,310</u>

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Subscription Liability. The College has entered into IT subscription agreements for various software applications. The subscription agreements have been recorded at the present value of the future subscription payments as of the date of their inception or, for subscriptions existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022. These subscriptions are for periods between 36 to 72 months with a incremental borrowing rates (IBR) of 2.21% up to 2.86%. The College has not identified any renewal options that it is certain of exercising. There are no applicable variable payments or annual escalation clauses included in the College's calculations.

The following is a summary of the changes in the subscription liability:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Subscription Liability	\$ -	\$ 806,210	\$ (104,398)	\$ 701,812	\$ 279,129

The future minimum subscription payments as of June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Total Lease Payment
2024	\$ 279,129	\$ 11,433	\$ 290,562
2025	278,184	4,904	283,088
2026	82,553	3,947	86,500
2027	61,946	-	61,946
2028	-	-	-
Total	\$ 701,812	\$ 20,284	\$ 722,096

Compensated Absences

Accumulated unpaid vacation is accrued when incurred. All employees entitled to earn vacation pay both exempt and non-exempt earn it at the same rate per pay period. Up to 192 hours of vacation may be accrued and paid out upon termination for exempt staff. Up to 240 hours of vacation may be accrued and paid out to non-exempt employees. Sick leave is not paid out upon termination: accordingly, no liability for sick leave is recorded by the College.

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Compensated Absences Payable	\$ 466,612	\$ 544,440	\$ 460,904	\$ 550,148	\$ 550,148

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 8: RISK MANAGEMENT

New Mexico statutes (section 15-7-2 NMSA 1978) require the Risk Management Division (the “RMD”) to be responsible “for the acquisition and administration of all insurance purchased by the State.” Various statutes allowed RMD to insure, self-insure and use a combination of both for all risks administered by it. RMD operates under the supervision of the Secretary of the New Mexico General Services Department.

The College is exposed to various risks of loss related to general, automobile and aircraft liabilities, including those relating to civil rights (torts); theft of, damage to and destruction of state property assets; errors and omissions; injuries to employees; group insurance; and natural disasters, all of which are insured against by participation in the public entity risk pool described above, subject to limits of coverage set by RMD. All employees of the College are covered by a blanket fidelity bond up to \$5,000,000, with a \$1,000 deductible per occurrence, by the State of New Mexico for the period of July 1, 2022 to June 30, 2023.

NOTE 9: OTHER REQUIRED DISCLOSURES

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Deficit net position. The College does not maintain a deficit net position.
- B. Excess of expenses over appropriations. The College is not aware of any expenses in excess of budgetary authority.
- C. Designated cash appropriation in excess of available balances. The College is not aware of any designated cash appropriations in excess of available balances.

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD

The College offers three retirement plans. All eligible employees working more than 25% full-time equivalent are required to participate in one of the first two plans described below. Student employees do not participate in these plans.

General Information about the Pension Plan

Educational Retirement Plan

Plan description - The New Mexico Educational Retirement Act (“ERA”) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB’s annual comprehensive financial report. The report can be found on NMERB’s Web site at https://www.nmerb.org/Annual_reports.html.

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

General Information about the Pension Plan (Continued)

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

Return to Work Program - Effective January 1, 2002, the ERB implemented a retiree Return-to-Work (RTW) program whereby the College is required to make regular employer contributions on eligible retiree wages. As of July 1, 2011, House Bill 129 was passed requiring returning retirees to contribute the employee portion.

Benefits provided - A member's retirement benefit is determined by a formula, which includes three component parts: (1) the member's final average salary ("FAS"), (2) the number of years of service credit, and (3) a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after July 1, 2010 is as follows:

the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty- seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

General Information about the Pension Plan (Continued)

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions and returned to work for an NMERB employer on or after July 1, 2013. These members must meet one of the following requirements: the member's minimum age is 55 and has earned 30 or more years of service credit; the member's age and earned service credit add up to the sum of 80 or more; or the member's age is 67 and has earned five or more years of service credit.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

As of July 1, 2013, for current and future retirees the COLA is immediately reduced until the Plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10.00% COLA reduction; their average COLA will be 1.50%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5.00% COLA reduction; their average COLA will be 1.70%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement.

Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Contributions - The contribution requirements of plan members and the College are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2022 employers contributed 15.15% of the employees' gross annual salary to the Plan. Employees earning \$24,000 or less contributed 7.9% and employees earning more than \$24,000 contributed 10.70% of the gross annual salary. For the fiscal year ended June 30, 2021 employers contributed 14.15% of employees' gross annual salary to the Plan. Employees earning \$24,000 or less contributed 7.90% and employees earning more than \$24,000 contributed 10.70% of their gross annual salary. Contributions to the pension plan from the College was \$1,874,968 for the year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2021. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2022, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2021. At June 30, 2023, the College reported a liability of \$23,727,330 for its proportionate share of the net pension liability. The College's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2022. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2022, the College's proportion was 0.28174 percent, which was a decrease of 0.00385 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the College recognized pension income of \$600,778. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 851,523	\$ 387,564
Changes of assumptions	3,996,858	13,185,748
Net difference between projected and actual earnings on pension plan investments	-	541,921
Changes in proportion and differences between the School's contributions and proportionate share of contributions	-	467,949
Employer contributions subsequent to the measurement date	1,874,968	-
Total	\$ 6,723,349	\$ 14,583,182

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,874,968 was reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date of June 30, 2022, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	\$ (5,636,956)
2025	(3,992,695)
2026	(930,582)
2027	825,432
2028	-
Total	\$ (9,734,801)

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2021. The total pension liability was rolled forward from the valuation date to the Plan's year ending June 30, 2022 using generally accepted actuarial principles. The roll forward incorporated the recent legislation changes that were not available for the actuarial valuation performed as of June 30, 2022 but were made during the fiscal year. Specifically, the total pension liability measured as of June 30, 2022 incorporates the following changes to the Plan's provisions:

1. Employers contribute 0.25% more per employees,
2. Short-term substitute teachers working over quarter time and their employers make contributions,
3. Members beginning employment on or after July 1, 2020 have a new tiered retirement calculation increasing the credited service requirement to receive a full benefit,
4. Return to work members are required to make non-refundable contributions, and
5. Reduction of pay spiking in the final average salary calculation.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Inflation	2.30%
Salary Increases	3.00% composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus a step-rate promotional increase for members with less than 5 years of service.
Investment Rate of Return	7.00% compounded annually, net of expenses. This is composed of an assumed 2.30% inflation rate and a 4.70% real rate of return.
Mortality	<p>Healthy males: 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p> <p>Healthy females: 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.</p>

The target long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: (1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), (2) application of key economic projections (inflation, real growth, dividends, etc.), and (3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted on August 2019:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	24%	
Fixed Income	23%	
Alternatives	52%	
Cash	1%	
Total	100.0%	7.0%

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate - A single discount rate of 7.00% was used to measure the total ERB pension liability as of June 30, 2021. This single discount rate was based on an expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate - The following table shows the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2021. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the single discount rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
The College's proportionate share of the net pension liability	\$ 32,172,278	\$ 23,727,330	\$ 16,747,702

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2021, which are publicly available at www.nmerb.org.

Payables to the pension plan - The College remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2023, the College recorded a payable to NMERB in the amount of \$218,602 for the contributions withheld in the month of June 2023, which is included in the accrued expense on the statement of net position.

Alternative Retirement Plan

Effective October 1991, the New Mexico legislature established an Alternative Retirement Plan (ARP) through the enactment of ERA Sections 22-11-47 through 52 NMSA 1978 to provide eligible employees an election to establish an alternative retirement investment plan. In contrast to the defined benefit plan administered by NMERB, the ARP is a defined contribution plan. NMERB is the trustee of the ARP which is administered by two third-party contractors for NMERB. The two administrators approved to offer ARP plans to eligible participants are Teachers Insurance and Annuity Association (TIAA) and Fidelity Investments.

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

These administrators have the authority to perform record keeping, enrollment education services, and other administrative duties for the ARP. The administrators are delegated any and all powers as may be necessary or advisable to discharge their duties under the ARP and have certain discretionary authority to decide matters under the ARP. As the ARP trustee NMERB is responsible for selecting investment options that provide a prudent rate of return, and to ensure that all investments, amounts, property, and rights under the executed Plan-Trust are held for the exclusive benefit of Plan participants and their beneficiaries, as defined in the Plan Document.

Eligibility - Certain employees of the University of New Mexico, New Mexico State University, New Mexico Institute of Mining and Technology, New Mexico Highlands University, Eastern New Mexico University, Western New Mexico University, Central New Mexico Community College, Clovis Community College, Luna Community College, Mesalands Community College, New Mexico Junior College, Northern New Mexico College, San Juan College and Santa Fe Community College are eligible to make an election to participate within ninety days of employment. Information about the ARP is distributed by the employer. Those who do not elect to participate in the ARP remain members of the regular defined benefit retirement plan. Section 22-11-47(D) NMSA 1978 allows an ARP participant a one-time option to make an irrevocable switch to the defined benefit retirement plan after seven years of ARP participation.

Form of Payment - Retirement, death, and other benefits are based upon contributions made and earnings accumulated on those contributions, in accordance with the terms of the applicable vendor contracts and Internal Revenue Service Code. Retirement benefits shall, at the option of the employee, be paid in the form of:

1. A lifetime income, if held in an annuity contract,
2. Payments for a term of years, or
3. A single-sum cash payment.

ARP retirement benefits, death benefits, and other benefits, including disability benefits, cannot be paid from funds administered by NMERB.

ARP Contributions

For the year ended June 30, 2023, colleges and universities contributed 15.15% of participating employees' gross salary to the ARP vendor on behalf of the participant, and 6.25% of the employees' gross salary to NMERB. The colleges and universities are responsible for submitting the balance of the employers' contribution, and the employees' contributions directly to the ARP vendors.

Employees participating in the ARP do not accrue rights to benefits in the defined benefit pension plan based on the 6.25% contributions to the Plan.

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NOTE 10: PENSION PLAN – NEW MEXICO EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Employer contributions reported in the statement of changes in fiduciary net position include amounts remitted on behalf of both the ARP defined contribution plan and the defined benefit plan. The 6.25% contribution remitted for fiscal year ended June 30, 2023, was \$57,918.

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO STATE RETIREE HEALTH CARE PLAN

General Information about the Other Post-Employment Benefits Plan

Plan Description - Substantially all of the College's full-time employees are provided with other postemployment benefits (OPEB) through the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was created by the state's Retiree Health Care Act, Section 10-7C-1 through 10-7C-16, NMSA 1978, as amended, to administer the New Mexico Retiree Health Care Fund (Plan). The Plan is a cost-sharing, multiple employer defined benefit healthcare plan established to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

The purpose is to provide eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or out-of-pocket payments of eligible retirees.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during the period of time made contributions as a participant in plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former legislators who served at least two years; and (4) former governing authority members who served at least four years.

The Authority issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the NMRHCA at 6300 Jefferson St., Suite 150, Albuquerque, NM 87109.

Benefits provided

The Act authorizes the NMRHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical, plus basic life plan, plus an additional participation fee of five dollars (\$5) if the eligible participant retired prior to the employer's effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the NMRHCA or viewed on their website at www.nmrhca.state.nm.us.

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FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO STATE RETIREE HEALTH CARE PLAN (CONTINUED)

General Information about the Other Post-Employment Benefits Plan (Continued)

Employees covered by benefit terms - At June 30, 2022, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membersip	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefits	11,759
Current Active Members	<u>92,520</u>
	<u>157,371</u>
Active Membersip	
State General	18,691
State Police and Corrections	1,919
Municipal General	20,357
Municipal Police	1,573
Municipal FTRE	756
Educational Retirement Board	<u>49,224</u>
	<u>92,520</u>

Contributions

The employer, employee and retiree contributions are required to be remitted to the NMRHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the fund in the amount determined to be appropriate by the Board.

The Act is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.

For employees that were not members of an enhanced plan during the fiscal year ended June 30, 2021, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to 10-7C- 5(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Act.

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NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO STATE RETIREE HEALTH CARE PLAN (CONTINUED)

General Information about the Other Post-Employment Benefits Plan (Continued)

The College's contributions to the plan for the year ended June 30, 2023, totaled \$230,799, which equals the required contributions for the year.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the College reported a liability of \$4,498,696 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2022. At June 30, 2022, the College's proportion was 0.19461 percent, which was an decrease of 0.00790 percent from June 30, 2021.

For the year ended June 30, 2023, the College recognized OPEB benefit of \$977,377. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 74,827	\$ 666,802
Changes of assumptions	959,915	3,334,832
Net difference between projected and actual earnings on OPEB plan investments	62,033	-
Changes in proportion and differences between the School's contributions and proportionate share of contributions	756,004	331,373
The School's contributions subsequent to the measurement date	230,799	-
Total	\$ 2,083,578	\$ 4,333,007

\$230,799 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

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NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO STATE RETIREE HEALTH CARE PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial assumptions - The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021. The mortality, retirement, disability, turnover and salary increase assumptions are based on the PERA annual valuation as of June 30, 2021 and the ERB actuarial experience study as of June 30, 2021. The following actuarial assumptions were applied to the actuary's measurement.

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected payroll increases	3.25% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

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NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO STATE RETIREE HEALTH CARE PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The best estimates for the long-term expected rate of return is summarized as follows:

<u>Asset Class</u>	<u>Long-term Rate of Return</u>
U.S core fixed income	0.4%
U.S equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S equity - small / mid cap	6.6%

Discount Rate

The discount rate used to measure the total OPEB liability is 3.62% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2052. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2052, the index rate for 20- year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.16%) was applied. Thus, 5.42% is the blended discount rate.

Basis for Allocation

The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2022.

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NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) – NEW MEXICO STATE RETIREE HEALTH CARE PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the College's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the College's proportionate share of the net OPEB liability, calculated using the discount rate of 5.42%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.42 percent) or 1-percentage-point higher (6.42 percent) than the current discount rate:

	1% Decrease (4.42%)	Current Discount (5.42%)	1% Increase (6.42%)
The College's proportionate share of the net OPEB liability	\$ 5,598,350	\$ 4,498,696	\$ 3,621,942

The following presents the net OPEB liability of the College, as well as what the College's net OPEB liability would be if it were calculated using health cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
The College's proportionate share of the net OPEB liability	\$ 3,604,627	\$ 4,498,696	\$ 5,260,677

OPEB plan fiduciary net position

Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2021. Additional financial information is available at www.nmrhca.state.nm.us or by contacting New Mexico Retiree Health Care Authority at 6300 Jefferson St, Suite 150, Albuquerque, NM 87109.

Payables to the OPEB Plan

The NMRHCA requires that the contributions be remitted by the 15th day of the month following the month of which contributions are withheld. At June 30, 2023, the College recorded a payable to NMRHCA in the amount of \$28,801 for the contributions withheld in the month of June 2023, which is included in the accrued expense on the statement of net position.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
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NOTE 12: GROUP INSURANCE PROGRAM

The College participates in the State of New Mexico Public Schools Insurance Authority group health insurance plan. The Authority's two primary insurance underwriters are Blue Cross/Blue Shield of New Mexico and Presbyterian. The Authority's primary insurance underwriters are Blue Cross/Blue Shield of New Mexico, Presbyterian and SIGNA. The plan covers all eligible employees of the College who choose to participate in the plan. The plan covers all full-time employees of the College who choose to participate in the plan. The College pays premiums under the plan and employees contribute based on percentage splits established by 10-7-4 NMSA 1978 for public employees.

NOTE 13: DEFERRED COMPENSATION PLAN

The College offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all College employees, permits them to defer a portion of their salary until future years. The plan is administered by Voya Deferred. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan and are not subject to the claims of the College's general creditors. The College does not contribute to the plan.

NOTE 14: LAND GRANT PERMANENT FUND

Beneficial Interest. The New Mexico Land Grant Permanent Fund (LGPF) was originally established pursuant to the Enabling Act for New Mexico passed by the U.S. Congress on June 20, 1910 (which encompassed the Ferguson Act of 1898) and was made the law of New Mexico by its reference in the New Mexico Constitution. The Enabling Act (and its acceptance in the New Mexico Constitution) set forth certain parcels of land granted by the United States in trust to the state for the purposes of establishing a permanent fund, which could only be used for the purposes set out in the Enabling Act, namely, the funding of schools and state institutions throughout New Mexico. Highly restrictive criteria governing permitted uses of the assets of the LGPF are specifically prescribed in the New Mexico Constitution. The beneficiaries of the LGPF are also specifically prescribed in the New Mexico Constitution and in state statute. The College is one of the specific entities identified that has a beneficial interest in the LGPF.

On July 1, 2016 the State of New Mexico (the "State") changed its policy regarding the presentation of the College's beneficial interest in the LGPF within the State's Annual Comprehensive Financial Report. As a result of the State's change in policy the College no longer presents its beneficial interest in the LGPF in its stand-alone statement of net position. The income received from the beneficial interest by the College continues to be presented in its stand-alone statement of revenues, expenses, and changes in net position. For more information regarding the LGPF, please refer to the New Mexico State Investment Council's financial statements at <https://www.sic.state.nm.us/publications-reports/sicannual-audit-reports>.

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NORTHERN NEW MEXICO COLLEGE
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NOTE 14: LAND GRANT PERMANENT FUND (CONTINUED)

As an entity with a beneficial interest, the College receives monthly distributions of income from the LGPF as required by law. The College's beneficial interest and income received from this beneficial interest as of and for the year ended June 30, 2023, was as follows:

Balance of the College's beneficial interest	\$ 4,029,880
Income received from the College's beneficial interest in the LGPF	\$ 153,742

The amount of income received from the College's beneficial interest in the LGPF is recorded in the accompanying financial statements under state land and permanent fund income.

NOTE 15: CONTINGENT LIABILITIES

During the ordinary course of its operation, the College is party to various claims, legal actions, and complaints.

NOTE 16: COMMITMENTS

The various federal and state grants and programs are subject to audit by governmental agencies. These audits may result in disallowance of claimed reimbursable expenditures under rules and regulations of the various grants and programs. Management believes that the amounts of potential disallowances, if any, will not be material to the financial position or the operations of the College.

NOTE 17: CONCENTRATIONS

The College depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the College is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

NOTE 19: RELATED PARTY TRANSACTIONS

The Northern New Mexico College Foundation (the "Foundation") is a not-for-profit corporation established to acquire and manage charitable gifts, including endowed funds, to be used solely for the benefit of the College. The Foundation incurs certain expenses including various scholarships and programs that are paid through the College. The Foundation will reimburse the College for these items it has paid on behalf of the Foundation. The following transactions occurred during fiscal year ended June 30, 2023, between the College and the Foundation:

	Foundation to College	College to Foundation
Scholarships	\$ 95,021	\$ -
ECMC Grant Reimbursement	-	224,065
Other Expenses	52,384	-
Total	\$ 147,405	\$ 224,065

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NORTHERN NEW MEXICO COLLEGE
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FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 20: NEW ACCOUNTING STANDARDS

The College conforms to the pronouncements of the Governmental Accounting Standards Board (GASB), which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

The following pronouncements have been issued but are not yet effective and will be evaluated in year of implementation:

- GASB Statement No. 99, *Omnibus 2022, (paragraphs 4 – 10)*
- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*

The following pronouncements that are issued and effective and have been adopted by the College but do not impact the College's financial statements:

- GASB Statement No. 91, *Conduit Debt*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates (Paragraph 11b)*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 99, *Omnibus 2022, (paragraphs 18 – 22)*

The following pronouncement that is issued and effective was adopted by the College and had a significant impact on the College's financial statements:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

NOTE 21: SUBSEQUENT EVENTS

The College has evaluated subsequent events through March 25, 2024, which is the date the financial statements were available to be issued. There are no other matters identified for recognition in the accounts.

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
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NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 1: ORGANIZATION

Northern New Mexico College Foundation (the “Foundation”) is a legally separate, tax-exempt component unit of the Northern New Mexico College (the “College”). The Foundation acts primarily as a fund raising organization to supplement the resources that are available to the College in support of its programs. The five member board of the Foundation consists of community members and friends of the Foundation as well as the President of the College and the Vice President for Finance and Administration. Although the College does not control the timing or amount of receipts from the Foundation, the majority of its resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by donors.

The Foundation is a component unit of Northern New Mexico College. Northern New Mexico College issues separately issued financial statements. Additional information regarding Northern New Mexico College may be obtained directly from their administrative office as follows: 921 N. Paseo de Oñate, Española, New Mexico 87532.

These financial statements include those activities and functions related to the Foundation, which are controlled by or dependent upon its Board. The accompanying financial statements do not present the financial position and results of operations of the College, taken as a whole in accordance with generally accepted accounting principles (GAAP).

FOUNDATION NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In evaluating how to define the Foundation for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

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NORTHERN NEW MEXICO COLLEGE
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NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Foundation has no component units required to be included in these financial statements.

Basis of Accounting and Financial Statement Presentation

As a component unit of the College, the Foundation presents its financial statements in accordance with accounting standards generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB).

The Foundation applies the business-type activity accounting and the Foundation's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The significant accounting policies utilized by the Foundation in the preparation of the financial statements are described below.

Budgetary Information

The Foundation does not have a legally adopted budget; and therefore, does not present budgets.

Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly-liquid investments with original maturities of three months or less. For purposes of the statement of cash flows, cash and cash equivalents include demand deposits and money market accounts with an original maturity of three months or less.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Receivables and Payables

The Foundation has the following types of receivables:

Accounts Receivable. Contributions and promises to give are recognized as revenues when received or pledged. If there are no time or donor restrictions placed on these contributions and promises to give, the revenue is reflected as an increase in unrestricted net position; however, if such restrictions do exist, the revenue is classified as restricted expendable or restricted unexpendable, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), restricted net position is reclassified to unrestricted net position and reported in the statement of revenues, expenses and changes in net position as “net position released from restrictions.” The carrying amount of unconditional promises to give to be received in less than one year approximate the fair value because of the short maturity of those financial instruments. All promises to give expected to be received in more than one year are computed using the present value technique applied to anticipated cash flows.

Allowance for Doubtful Accounts

Generally accepted accounting principles (GAAP) include the use of the valuation method for estimating the allowance for doubtful accounts. The Foundation uses the direct write-off method in recognizing uncollectible pledges receivable. Under this method, pledges are charged to operations when they are deemed by management to be uncollectible. The Foundation’s use of the direct write-off method does not result in a material change to the financial statements in comparison to the valuation method. The Foundation does not have any receivables that might require an allowance as of June 30, 2023.

Investments

Investments are presented in the financial statements in accordance with GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk.

The Foundation also reports investments under the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value is the amount that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement for financial report purposes. The statement also provides guidance for applying fair value to certain investments and disclosures. Changes in the unrealized gain (loss) on the carrying value of investments are reported as a component of investment income (loss) in the statement of revenues, expenses, and changes in net position.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Investments (Continued)

The Foundation originally records marketable securities purchased at cost. Marketable securities received by gift are recorded at estimated fair value at the date of donation. Marketable securities are carried by the Foundation at fair value. Third-party investment managers administer substantially all marketable securities of the Foundation. Gains and losses resulting from securities transactions are recorded in investment income.

Donor restricted endowment disbursements of the net appreciation of investments are permitted in accordance with the Uniform Management of Institutional Funds Act (46-9-1 to 46-9-12 NMSA), except where a donor has specified otherwise.

Endowments

The Foundation's endowments consist of funds established for tuition assistance and institutional support. As required by generally accepted accounting principles, restricted assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's endowment policy requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor restricted endowment fund is classified as restricted assets until those amounts are appropriated for expense by the Foundation in a manner consistent with State laws and internal policies.

Unearned Revenue

Donations for each academic session are reported within the fiscal year during which the donor designates the revenue. Donations for the subsequent fiscal year are reported as unearned revenue in the accompanying financial statements.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
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NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Categories and Classification of Net Position

The Foundation's net position is classified into the following net position categories:

Restricted Net Position

Endowments. Restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. In addition, these balances consists of resources that the Foundation is legally or contractually obligated to spend in accordance with imposed restrictions by third parties, such as donors.

Categories and Classification of Net Position (Continued)

Unrestricted Net Position

Unrestricted net position represents resources whose use is not limited or restricted by donors. Unrestricted net position has risen from exchange transactions and receipt of unrestricted contributions.

Revenues and Expenses

Operating revenues include activities that have the characteristics of exchange transactions, such as unrestricted gifts. Revenue on contracts and grants are recognized to the extent that the underlying exchange transaction has occurred.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, investment income, and other revenue sources that are defined as nonoperating revenues by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Fund and Governmental Entities That use Proprietary Fund Accounting*, and GASB 34, such as investment income. Gifts and contributions are recognized when all applicable eligibility requirements have been met.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Foundation's policy is to first apply the expense towards restricted, and then toward unrestricted resources.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position (Continued)

Income Tax Status

The Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Foundation had no material unrelated business income during the year ended June 30, 2023; therefore, no provision for income taxes has been included in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. Actual results could differ from those estimates. Significant estimates of the Foundation include the allowance for promises to give not considered collectible.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 3: DEPOSITS AND INVESTMENTS

Deposits

A summary of cash and cash equivalents as of June 30, 2023, is as follows:

Cash and Cash Equivalents	
Deposits with Financial Institutions	\$ 1,008,606
Money Market Mutual Funds	143,659
Less: Reconciling Items	<u>(2,155)</u>
Total Cash and Cash Equivalents	<u>\$ 1,150,110</u>
Statement of Net Position	
Cash and Cash Equivalents	\$ 156,696
Restricted Cash and Cash Equivalents	<u>993,414</u>
Total Cash and Cash Equivalents	<u>\$ 1,150,110</u>

Custodial Credit Risk - The custodial credit risk for deposits is the risk that, in the event of a depository institution failure, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2023, the Foundation's deposits in the Century Bank accounts had carrying amounts of \$1,006,451 and bank balances of \$1,008,606. The Foundation does not have a policy for custodial credit risk. However, as of June 30, 2023, the Foundation's deposits with Century Bank were insured up to \$250,000 and the remaining uninsured balance of \$758,606 was fully collateralized by \$847,287 in pledged collateral.

In addition, at June 30, 2023, the Foundation had money market mutual funds invested through Asset Mark in the amount of \$143,659, which were fully insured through the Securities Investor Protection Corporation (SIPC).

Restricted Cash - At June 30, 2023, \$993,414 was restricted based on donor restrictions.

Investments

Investment Policy - The Foundation's investment policy authorizes monies to be invested in equity and fixed income securities of United States institutions, corporate and government securities. All investments the Foundation has are less than one year.

Credit Risk - Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Presented below is the credit rating for each type of investment:

Rating	Equity	EFTs & CEFs	Mutual Funds	Corporate Fixed Income	REIT	Total
AAA	\$ -	\$ -	\$ -	\$ 60,134	\$ -	\$ 60,134
AA+	-	-	-	57,315	-	57,315
AA	-	-	-	36,813	-	36,813
AA-	-	-	-	86,168	-	86,168
A+	-	-	-	104,967	-	104,967
A	-	-	-	114,071	-	114,071
A-	-	-	-	370,968	-	370,968
BBB+	-	185,156	-	376,126	-	561,282
BBB	-	-	-	261,881	-	261,881
BBB-	-	40,136	-	117,735	-	157,871
BB-	-	123,753	-	-	-	123,753
B+	-	165,004	-	-	-	165,004
Unrated	3,568,598	413,506	2,191,273	415,331	87,359	6,676,067
Total	\$ 3,568,598	\$ 927,555	\$ 2,191,273	\$ 2,001,509	\$ 87,359	\$ 8,776,294

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Foundation does not have formal investment policies that limit investment maturities as a means of managing its exposure to changing interest rates.

The Foundation's investments were not interest-bearing obligations, so they were not subject to interest rate risk at June 30, 2023.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of the Foundation's investment in a single issuer. Investments in any one investment type that represent 5% or more of total investments are considered to be exposed to concentrated credit risk and are required to be disclosed. Investments issued and explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. At June 30, 2023, the Foundation did not have any investments exposed to concentrated credit risk.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial Credit Risk - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. Of the investments in federal agency and corporate obligations and marketable securities, the Foundation had custodial credit risk exposure at June 30, 2023, because the related securities are held by the Foundation's brokerage firm, which is also the counterparty for these securities.

Fair Value Measurements - The Foundation adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which establishes fair value standards for certain investments held by governmental entities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

U.S. generally accepted accounting principles establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2. Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies.

Investments held in cash and cash equivalents, certificates of deposit, and money market funds were valued using quoted market prices in active markets for identical assets under Level 1 of the hierarchy.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments in common stock, mutual funds, and debt securities are valued using quoted market prices in active markets for identical assets under Level 1 of the hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments held in Level 3 of the hierarchy are valued at a pass-through of the Fund's published NAV per share at June 30, 2023 for Class E shares.

The following table presents the fair value measurements of the assets at June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Balances at June 30, 2023</u>
Equity	\$ 3,568,598	\$ -	\$ -	\$ 3,568,598
ETFs & CEFs	927,555	-	-	927,555
Mutual Funds	2,191,273	-	-	2,191,273
Fixed Income Securities	-	2,001,509	-	2,001,509
Real Estate Investment Trust (REIT)	87,359	-	-	87,359
Total Investments at				
Fair Market Value	<u>\$ 6,774,785</u>	<u>\$ 2,001,509</u>	<u>\$ -</u>	<u>\$ 8,776,294</u>

FOUNDATION NOTE 4: ENDOWMENTS

Donor restricted endowment disbursements of net appreciation of investments are permitted in accordance with the Uniform Prudent Management of Institutional Funds Act (46-9A-1 to 46-9A-12 NMSA 1978), except where a donor has specified otherwise. The Board of Directors of the Foundation review the investment earnings designed to support distributions from the Endowment and to protect the purchasing power of the endowment principal. Distributions from the Endowment are made available to students through scholarships.

The Foundation has not made any distributions from the Maley, SERPA or General Endowments in the fiscal year. The College and Board of Directors set the annual distribution from the Endowments each year.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 5: RELATED PARTY TRANSACTIONS

The Foundation is a not-for-profit corporation established to acquire and manage charitable gifts, including endowed funds, to be used solely for the benefit of the College. The Foundation incurs certain expenses including various scholarships and programs that are paid through the College. The Foundation will reimburse the College for these items it has paid on behalf of the Foundation. The following transactions occurred during fiscal year ended June 30, 2023, between the College and the Foundation related to expenditures.

	<u>Foundation to College</u>	<u>College to Foundation</u>
Scholarships	\$ 95,021	\$ -
ECMC Grant Reimbursement	-	224,065
Other Expenses	52,384	-
Total	<u>\$ 147,405</u>	<u>\$ 224,065</u>

The Foundation owes the College money related to scholarship expenses from both previous fiscal years and the current year, software expense, reimbursement for a grant, etc. The following transactions were outstanding as of June 30, 2023, between the College and the Foundation.

	<u>Due to Northern New Mexico College</u>
Various Items	\$ 307,683
Total	<u>\$ 307,683</u>

FOUNDATION NOTE 6: RISK MANAGEMENT

The Foundation is physically housed within the College that provides office space, personnel, utilities, and general operating expenses to the Foundation. The Foundation's exposure to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; injuries to employees; and natural disasters fall within the College's insurance coverage. The College uses the Risk Management Division (RMD), which operates under the supervision of the Secretary of New Mexico, General Services Department (GSD). Settled claims have not exceeded this coverage in any of the three preceding years.

FOUNDATION NOTE 7: CONTINGENT LIABILITIES

The Foundation is party to various litigation and other claims in the ordinary course of business. The Foundation is unaware of any material pending or threatened litigation, claims, or assessments against the Foundation that are not covered by the Foundation's insurance.

FOUNDATION NOTE 8: COMMITMENTS

The Foundation did not enter into any agreements with contractors or architects on any projects for the year ended June 30, 2023.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 22: NORTHERN NEW MEXICO COLLEGE FOUNDATION – NOTES TO THE FINANCIAL STATEMENTS

FOUNDATION NOTE 9: CONCENTRATIONS

The Foundation depends on financial resources flowing from, or associated with, private donors. Because of this dependency, the Foundation is subject to changes in specific flows of private donor donations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

FOUNDATION NOTE 10: NEW ACCOUNTING STANDARDS

The Foundation conforms to the pronouncements of the Governmental Accounting Standards Board (GASB), which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

The following pronouncements have been issued but are not yet effective and will be evaluated in year of implementation:

- GASB Statement No. 99, *Omnibus 2022, (paragraphs 4 – 10)*
- GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*

The following pronouncements that are issued and effective and have been adopted by the Foundation but do not impact the Foundation's financial statements:

- GASB Statement No. 91, *Conduit Debt*
- GASB Statement No. 93, *Replacement of Interbank Offered Rates (Paragraph 11b)*
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
- GASB Statement No. 99, *Omnibus 2022, (paragraphs 18 – 22)*

FOUNDATION NOTE 11: SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through March 25, 2024, which is the date the financial statements were available to be issued. There are no other matters identified for recognition in the accounts.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY
(ERB)
LAST 10 FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>
The College's proportion of the net pension liability	0.28174%	0.28559%	0.28873%
The College's proportion of the net pension liability	\$ 23,727,330	\$ 20,241,096	\$ 58,513,704
The College's covered employee payroll	\$ 11,521,493	\$ 9,623,508	\$ 8,827,590
The College's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>205.94%</u>	<u>210.33%</u>	<u>662.85%</u>
Plan fiduciary net position as a percentage of the total pension liability	64.87%	69.77%	39.11%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
The College's proportion of the net pension liability	0.28980%	0.29243%	0.2777%
The College's proportion of the net pension liability	\$ 21,959,024	\$ 34,773,819	\$ 30,865,435
The College's covered employee payroll	\$ 8,808,103	\$ 8,377,976	\$ 8,117,792
The College's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>249.30%</u>	<u>415.06%</u>	<u>380.22%</u>
Plan fiduciary net position as a percentage of the total pension liability	64.13%	52.17%	52.95%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
The College's proportion of the net pension liability	0.2928%	0.3196%	0.3540%
The College's proportion of the net pension liability	\$ 21,071,157	\$ 20,701,991	\$ 20,198,280
The College's covered employee payroll	\$ 8,726,377	\$ 9,820,806	\$ 9,067,933
The College's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>241.47%</u>	<u>210.80%</u>	<u>222.74%</u>
Plan fiduciary net position as a percentage of the total pension liability	61.58%	63.97%	66.54%

* *Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the College is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF CONTRIBUTIONS
(ERB)
LAST 10 FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 1,745,506	\$ 1,446,230	\$ 1,295,515
Contributions in relation to the contractually required contribution	<u>1,745,506</u>	<u>1,446,230</u>	<u>1,295,515</u>
Contributions deficiency (excess)	\$ -	\$ -	\$ -
The College's covered employee payroll	\$ 11,521,493	\$ 10,108,129	\$ 9,623,508
Contributions as a percentage of covered employee payroll	15.15%	14.31%	13.46%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,227,035	\$ 1,224,326	\$ 1,177,155
Contributions in relation to the contractually required contribution	<u>1,227,035</u>	<u>1,224,326</u>	<u>1,177,155</u>
Contributions deficiency (excess)	\$ -	\$ -	\$ -
The College's covered employee payroll	\$ 8,827,590	\$ 8,808,103	\$ 8,377,976
Contributions as a percentage of covered employee payroll	13.90%	13.90%	14.05%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,077,546	\$ 1,262,881	\$ 1,283,113
Contributions in relation to the contractually required contribution	<u>1,077,546</u>	<u>1,262,881</u>	<u>1,283,113</u>
Contributions deficiency (excess)	\$ -	\$ -	\$ -
The College's covered employee payroll	\$ 8,117,792	\$ 8,726,377	\$ 9,820,806
Contributions as a percentage of covered employee payroll	13.27%	14.47%	13.07% *

* *Governmental Accounting Standards Board Statement No. 68* requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information for the College is not available prior to fiscal year 2015, the year the statement's requirements became effective.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(ERB)
FOR THE YEAR ENDED JUNE 30, 2023**

Pension Plan

Changes in benefit provisions: Other than the employer contribution increases attributable to Senate Bill 42, there were no modifications to the benefit provisions with an actuarial impact that were reflected in the actuarial valuation as of June 30, 2021.

Changes in assumptions and methods: Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the plan's actuary. The Board adopted new assumptions on April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019. No changes have been made to the assumptions since the prior valuation. The calculation of the funding policy contribution has been updated to reflect an open group projection, recognizing new hire benefits as well as anticipated cost-of-living adjustments less than the assumed 1.80% while the plan is less than fully funded.

Additional Financial and Actuarial Information: Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer, including the disclosure of the net pension liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Educational Retirement Board's Annual Report for the fiscal year ended June 30, 2021. The supporting actuarial information is included in the GASB Reporting and Disclosure Information for NMERB's Fiscal Year Ending June 30, 2021 actuarial valuation for the retirement plan. The additional financial and actuarial information is available at www.nmerb.org or by contacting the Educational Retirement Board at 701 Camino de los Marquez, P.O. Box 26129, Santa Fe, New Mexico 87502-0129.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF THE PROPORTIONATE SHARE OF NET OPEB LIABILITY
(NMRHCA)
LAST 10 FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>
The College's proportion of the net OPEB liability	0.19461%	0.20251%	0.18987%
The College's proportionate share of the net OPEB liability	\$ 4,498,696	\$ 6,663,287	\$ 7,972,467
The College covered employee payroll	\$ 9,234,644	\$ 9,779,486	\$ 9,098,728
The College's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	48.72%	68.14%	87.62%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	25.39%	16.50%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
The College's proportion of the net OPEB liability	0.17870%	0.18143%	0.17247%
The College's proportionate share of the net OPEB liability	\$ 5,794,149	\$ 7,889,220	\$ 7,815,776
The College covered employee payroll	\$ 8,954,050	\$ 7,891,350	\$ 7,184,492
The College's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	64.71%	99.97%	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	13.14%	11.34%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the College will present information for available years.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF CONTRIBUTIONS
(NMRHCA)
LAST 10 FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 230,799	\$ 197,467	\$ 178,982
Less: Contributions in relation to the contractually required contributions	<u>230,799</u>	<u>197,467</u>	<u>178,982</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
The College's covered employee payroll	\$ 11,539,979	\$ 9,887,204	\$ 9,779,486
Contributions as a percentage of covered employee payroll	2.00%	2.01%	1.84%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 181,416	\$ 179,081	\$ 157,827
Less: Contributions in relation to the contractually required contributions	<u>181,416</u>	<u>179,081</u>	<u>157,827</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
The College's covered employee payroll	\$ 9,098,728	\$ 8,954,050	\$ 7,891,350
Contributions as a percentage of covered employee payroll	2.00%	2.00%	2.00%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the College will present information for available years.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(NMRHCA)
FOR THE YEAR ENDED JUNE 30, 2023**

In the June 30, 2021 actuarial valuation and the total OPEB liability measured as of June 30, 2022, changes in assumptions include adjustments resulting from an decrease in the discount rate from 2.86% to 3.62%.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) –
UNRESTRICTED AND RESTRICTED – ALL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
<u>Beginning Net Position</u>	\$ 4,856,921	\$ 11,532,638	\$ 11,532,638	\$ -
OPERATING REVENUES				
Student Tuition, Fees and Trainings	4,076,175	4,556,612	3,962,086	(594,526)
Grants and Contracts	8,941,426	16,686,481	14,483,004	(2,203,477)
Sales and Services - Auxiliary Enterprises	309,555	308,912	271,307	(37,605)
Other	117,701	249,129	341,771	92,642
State general fund and capital appropriations	24,270,649	24,339,886	13,776,139	(10,563,747)
Mill Levy	3,031,808	2,839,264	3,003,004	
Permanent Fund Income	222,957	420,034	-	(420,034)
TOTAL UNRESTRICTED AND RESTRICTED REVENUES	40,970,271	49,400,318	35,837,311	(13,726,747)
OPERATING EXPENSES				
Institutional Support	15,062,174	17,953,664	14,572,892	(8,287,360)
Student Aid Grants and Stipends	4,735,619	7,774,086	6,627,334	1,315,788
Operation and Maintenance of Plant	2,208,674	3,225,506	3,108,378	
Student Services	4,645,563	5,580,498	4,587,248	
Instruction and Academic Support	755,543	750,990	611,310	
Athletics	576,100	647,374	605,531	41,843
Public Service	810,829	863,829	459,404	404,425
Student Activities	116,232	125,894	90,272	35,622
Research	54,964	147,964	171,411	(23,447)
Scholarships	-	-	-	-
Other	1,619,340	1,924,329	1,512,391	(6,513,129)
Auxiliary Enterprises	547,400	467,400	353,151	
TOTAL UNRESTRICTED AND RESTRICTED EXPENSES	31,132,438	39,461,534	32,699,322	(6,054,686)
CHANGES IN NET POSITION	9,837,833	9,938,784	3,137,989	-
ENDING NET POSITION	<u>\$ 14,694,754</u>	<u>\$ 21,471,422</u>	14,670,627	<u>\$ -</u>
Change in Net Position (Budgetary Basis)			3,137,989	
Gain (Loss) on Investments			570,922	
Amortization			(343,556)	
Depreciation			(1,545,657)	
Pension Expense			600,778	
OPEB Expense			977,377	
Change in Net Position (GAAP Basis)			<u>\$ 3,397,853</u>	

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) –
UNRESTRICTED INSTRUCTION
FOR THE YEAR ENDED JUNE 30, 2023**

**Unrestricted Instruction For the Year
Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Modified Accrual)</u>	<u>(Unfavorable)</u>
Beginning net position	\$ 4,155,823	\$ 10,301,176	\$ 10,301,176	\$ -
Unrestricted revenues:				
Student tuition, fees and trainings	3,440,720	3,763,903	4,081,810	317,907
Federal grants and contracts	3,075	3,075	106,384	103,309
Sales and services of auxiliary enterprises	643	-	-	-
Other grants and contracts			-	-
Other	66,589	192,202	490,586	298,384
State general fund appropriations	13,136,349	13,136,349	13,097,111	(39,238)
Local Government Appropriations	3,031,808	2,839,264	3,003,004	163,740
Mill levy	-	-	-	-
State land and permanent fund income	222,957	420,034	611,175	191,141
Investment income	-	-	2,813	2,813
Total unrestricted revenues	19,902,141	20,354,827	21,392,883	1,038,056
Unrestricted expenses:				
Instruction	9,146,572	8,534,670	7,344,525	1,190,145
Institutional support	4,829,409	5,872,839	5,079,350	793,489
Operation and maintenance of plant	2,208,674	2,241,717	2,025,980	215,737
Student services	1,867,831	1,864,299	1,572,090	292,209
Academic support	755,543	750,990	592,992	157,998
Total unrestricted expenses	18,808,029	19,264,515	16,614,937	2,649,578
Net transfers	(1,107,213)	(1,731,724)	(1,731,724)	-
Change in net position	(13,101)	(641,412)	3,046,222	
Ending net position	\$ 4,142,722	\$ 9,659,764	\$ 13,347,398	

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) –
RESTRICTED INSTRUCTION
FOR THE YEAR ENDED JUNE 30, 2023**

**Restricted Instruction For the Year
Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual (Modified Accrual)</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Beginning net position	\$ -	\$ -	\$ -	\$ -
Restricted revenues:				
Federal grants and contracts	3,492,750	6,121,968	4,929,694	(1,192,274)
State and local grants and contracts	218,184	1,615,665	1,997,789	382,124
Other grants and contracts	368,300	772,300	2,563	(769,737)
Investment income	-	-	-	-
Total restricted revenues	<u>4,079,234</u>	<u>8,509,933</u>	<u>6,930,046</u>	<u>(1,579,887)</u>
Restricted expenses:				
Instruction	1,086,193	3,546,155	2,836,681	709,474
Institutional support	-	-	-	-
Operation and maintenance of plant	-	983,789	1,082,398	(98,609)
Student services	2,777,732	3,716,199	2,998,100	718,099
Academic support	-	-	-	-
Total restricted expenses	<u>3,863,925</u>	<u>8,246,143</u>	<u>6,917,179</u>	<u>1,328,964</u>
Net transfers	<u>(215,309)</u>	<u>(263,790)</u>	<u>(110,560)</u>	<u>-</u>
Change in net position	<u>-</u>	<u>-</u>	<u>(97,693)</u>	
Ending net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF DEPOSIT ACCOUNTS
JUNE 30, 2023**

Account Name	Type	Century Bank	New Mexico Bank & Trust	Total
Restricted and Unrestricted Cash				
General Fund	Checking	\$ 8,208,892	\$ -	\$ 8,208,892
Payroll	Checking	529,220	-	529,220
Bustos	Checking	-	-	-
General	Checking	-	148,461	148,461
P-Card *	Money Market	-	494,810	494,810
Total Amounts on Deposit		<u>8,738,112</u>	<u>643,271</u>	<u>9,381,383</u>
Reconciling Items		<u>(605,154)</u>	<u>4,723</u>	<u>(600,431)</u>
Reconciled Balance		<u>\$ 8,132,958</u>	<u>\$ 647,994</u>	<u>8,780,952</u>
Petty Cash				-
Total Cash and Cash Equivalents				<u>\$ 8,780,952</u>
Reconciliation to the financial statements				
Cash and Cash Equivalents				\$ 8,780,952
Restricted Cash and Cash Equivalents				-
Total Cash and Cash Equivalents				<u>\$ 8,780,952</u>

* Interest-bearing account

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULES OF COLLATERAL PLEDGED BY DEPOSITORY
JUNE 30, 2023**

Northern New Mexico College

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Fair / Par Market Value at June 30, 2023</u>	<u>Name and Location of Safekeeper</u>
New Mexico Bank & Trust	FNMA Pool #BF0485	3140FXRF1	1/1/2050	\$ 104,018	Raymond James; Santa Fe, NM
New Mexico Bank & Trust	FNMA Pool #BF0141	3140FXEP3	9/1/2056	203,344	Raymond James; Santa Fe, NM
Total New Mexico Bank & Trust				<u>307,362</u>	
Century Bank	FHLBD-1441 Century Vank- 3RD	013519AQ6	7/1/2037	1,820,180	FHL BANK Dallas
Century Bank	FHLBD-1441 Century Vank- 3RD	249015C89	12/1/2034	1,048,850	FHL BANK Dallas
Century Bank	FHLBD-1441 Century Vank- 3RD	41423PAZ0	8/15/2037	1,314,496	FHL BANK Dallas
Century Bank	FHLBD-1441 Century Vank- 3RD	454898TY3	1/1/2037	1,220,396	FHL BANK Dallas
Total Century Bank				<u>5,403,922</u>	
Total Pledged Collateral				<u>\$ 5,711,284</u>	

Northern New Mexico College Foundation

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Fair / Par Market Value at June 30, 2023</u>	<u>Name and Location of Safekeeper</u>
Century Bank	FHLBD-1441 CENTURY BANK-3RD	1610374G8	12/1/2035	\$ 847,287	FHL BANK Dallas
Total Century Bank				<u>847,287</u>	
Total Pledged Collateral				<u>\$ 847,287</u>	

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF SPECIAL, DEFICIENCY, SPECIFIC AND CAPITAL OUTLAY APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

Description	SHARE Identifier #	Original Appropriation	Appropriation Period	Expenditures to Date	Outstanding Encumbrances	Unencumbered balance
Special, Deficiency, Specific and Capital Outlay Appropriations						
NNMSS Dormitory & Kitchen Pipes Replace	D3499	\$ 132,565	2019 to 6/30/2023	\$ 132,565	\$ -	\$ -
NNMSS Espanola Infra Improve Bldgs & Grounds	D3500	1,855,000	2019 to 6/30/2023	1,787,827	4397	62,776
NNMSS-EI Rito Fire Alarm Sys	E2881	100,000	6/29/2020 to 6/30/2024	-	-	100,000
NNMSS-Espanola Robotics & Computer Prgm Equip	E2882	35,000	2020 to 6/30/2023	-	-	35,000
NNMSS Parking Drain & Infra Improve	E5331	2,500,000	2020 to 6/30/2024	-	-	2,500,000
NNMSS HVAC Sys & Control Improvement	F3132	1,000,000	2021 to 6/30/2025	-	-	1,000,000
NNMSS Ben Lujan Library Ren	F3133	50,000	2021 to 6/30/2025	50,000	-	-
NNMSS Montoya Building Equip	F3134	100,000	2021 to 6/30/2023	80,915	4,941	14,144
NNMSS Infra & Roofs Improve	G3243	300,000	2023 to 6/30/2026	-	-	300,000
NNMSS Espanola Sportsplex Bleachers Improve	G3244	100,000	2023 to 6/30/2026	-	-	100,000
NNMSS Sostenga Farm Equipment	G3245	150,000	2023 to 6/30/2024	-	-	150,000
NNMSS Campuswide Infra Upgrade	G5398	3,000,000	2023 to 6/30/2026	-	-	3,000,000
NNMSS-Espanola Campus Beautification Plan	H3434	100,000	2023 to 6/30/2025	-	-	100,000
NNMSS-Espanola Campus Improve	H3435	500,000	2023 to 6/30/2027	-	-	500,000
NNMSS-Espanola Office & Classroom Improve	H3436	500,000	2023 to 6/30/2027	-	-	500,000
Total Special, Deficiency, Specific and Capital Outlay Appropriations		<u>\$ 10,422,565</u>		<u>\$ 2,051,307</u>	<u>\$ 9,338</u>	<u>\$ 8,361,920</u>

SINGLE AUDIT SECTION

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Agency/Pass-Through Agency/Name of Program	Pass-Through Number	Assistance Listing Number	Federal Expenditures
U.S. Department of the Treasury			
<i>Passed-through State of New Mexico</i>			
Coronavirus Local Fiscal Recovery Fund *		21.027	\$ 1,612,273
Total U.S. Department of the Treasury			<u>1,612,273</u>
Research and Development Cluster *			
National Science Foundation			
<i>Direct programs</i>			
Geosciences		47.050	95,656
Biological Sciences		47.074	8,430
<i>Passed-through New Mexico State University</i>			
Education and Human Resources	HRD-1826758	47.076	<u>7,916</u>
Total National Science Foundation			<u>112,002</u>
U.S. Department of Education			
Higher Education Institutional Aid		84.031	2,043,568
National Institutes of Health			
<i>Passed-through New Mexico State University</i>			
Biomedical Research and Research Training	5P20GM103451	93.859	<u>152,676</u>
Total Research and Development Cluster			<u>2,308,246</u>
U.S. Department of Health and Human Services			
<i>Passed-through State of New Mexico</i>			
Child Care and Development		93.575	<u>121,425</u>
Total U.S. Department of Health and Human Services			<u>121,425</u>

* - Denotes Major Program

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Agency/Pass-Through Agency/Name of Program	Pass-Through Number	Assistance Listing Number	Federal Expenditures
U.S. Department of Education			
<i>Direct Programs</i>			
Migrant Education High School Equivalency Program		84.141	\$ 477,493
Migrant Education College Assistance Migrant Program		84.149	457,787
Student Financial Assistance Cluster *			
Federal Supplemental Education Opportunity Grant		84.007	68,790
Federal Work Study Program		84.033	102,156
Federal Pell Grant Program		84.063	2,233,093
Federal Direct Student Loans		84.268	<u>222,882</u>
Total Student Financial Assistance Cluster			<u>2,626,921</u>
COVID-19 HIGHER EDUCATION EMERGENCY RELIEF FUND *			
Higher Education Emergency Relief Fund Student Aid Portion		84.425E	3,207
Higher Education Emergency Relief Fund Institutional Portion		84.425F	1,127,499
Higher Education Emergency Relief Fund Minority Serving Institutions		84.425L	<u>147,088</u>
Total COVID-19 HIGHER EDUCATION EMERGENCY RELIEF FUND			<u>1,277,794</u>
TRIO Cluster			
TRIO Upward Bound (TRIO Cluster)		84.047	297,772
TRIO EOC Program		84.066	<u>245,423</u>
Total TRIO Cluster			<u>543,195</u>
<i>Passed-through University of New Mexico</i>			
Higher Education Emergency Relief Fund	315011-87P0	84.425C	28,601
<i>Passed-through State of New Mexico</i>			
Career and Technical Education - Basic Grants to State Grants	V048A200031-20A V048A2220031-22A	84.048	122,010
Adult Education Basic Grants to States	V002A220032	84.002	<u>95,727</u>
Total U.S. Department of Education			<u>5,629,528</u>
Total Federal Expenditures			<u>\$ 9,671,472</u>

* - Denotes Major Program

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1: BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards contains federal grant activity of the College was prepared using the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of *Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

NOTE 2: NON-CASH ASSISTANCE

The College did not receive any federal awards in the form of noncash assistance during the year.

NOTE 3: RECONCILIATION OF EXPENDITURES

The following is a reconciliation of expenditures reported on the schedule of expenditures of federal awards to the expenditures reported in the governmental fund financial statements:

Federal Expenditures	\$ 9,671,472
Other Expenditures	<u>7,678,592</u>
Total Expenditures	<u>\$ 17,350,064</u>

NOTE 4: SUBRECIPIENTS

There are no sub-recipients of federal funds as of and for the year ended June 30, 2023.

NOTE 5: INDIRECT COST RATE

The College did not elect to utilize the 10% minimum indirect cost rate.

NOTE 6: LOANS

The College did not expend federal awards related to loans or loan guarantees for the year ended June 30, 2023.

COMPLIANCE SECTION



Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Joseph M. Maestas, P.E., CFE
 New Mexico State Auditor
 and
 The Board of Regents
 Northern New Mexico College
 Española, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Northern New Mexico College's (College) basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item *2023-001* that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs – Sections IV and V, 12-6-5 NMSA 1978 Findings as item *2023-005* and *2023-006*.

The College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TKM, LLC
TKM, LLC
Auditors | Advisors | CPAs

Albuquerque, New Mexico
March 25, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Joseph M. Maestas, P.E., CFE
New Mexico State Auditor
and
The Board of Regents
Northern New Mexico College
Española, New Mexico

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northern New Mexico College's (College), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.



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We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a *material weakness in internal control over compliance*, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-004 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

TKM, LLC
TKM, LLC
Auditors | Advisors | CPAs

Albuquerque, New Mexico
March 25, 2024

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with section 200.516
of OMB Uniform Guidance – Subpart F? Yes

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

Section I. Summary of Auditors' Results (Continued)

Identification of major programs:

Assistance Listing Number	Name of Program
21.027	Coronavirus Local Fiscal Recovery Fund
Research and Development Cluster	
47.050	Geosciences
47.074	Biological Sciences
47.076	Education and Human Resources
84.031	Higher Education Institutional Aid
93.859	Biomedical Research and Research Training
Student Financial Assistance Cluster	
84.007	Federal Supplemental Education Opportunity Grant
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
COVID-19 Higher Education Emergency Relief Fund	
84.425E	Higher Education Emergency Relief Fund Student Aid Portion
84.425F	Higher Education Emergency Relief Fund Institutional Portion
84.425L	Higher Education Emergency Relief Fund Minority Serving Institutions

Dollar threshold used to distinguish
between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee under 200.520 of OMB
Uniform Guidance – Subpart F?.....No

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION II. FINANCIAL STATEMENT FINDINGS

2023-001 (2021-003) – Trial Balance Maintenance and Account Reconciliation – (Material Weakness) - Repeated & Modified

Condition: The College did not have adequate internal control procedures in place to ensure timely account reconciliation and year-end financial accounting and reporting for a timely audit submission. The following items were not reconciled until several months after year-end:

- Accounts Receivables
- Capital Assets
- Accounts Payable
- Unearned Revenue
- Leases & Subscriptions

Management's Progress: The College made progress on their prior year corrective action plan; however, there were still issues noted in the current year, which caused a late audit submission and finding to be repeated and modified.

Criteria: Per the 2013 COSO Framework, management is responsible for establishing and maintaining internal controls to ensure accurate and complete financial reporting. Monthly maintenance of the trial balance and preparation of annual financial statements and related note disclosures in accordance with generally accepted accounting principles (GAAP) helps ensure that timely, accurate and useful information is available to management and those charged with governance to make informed decisions as well as to the auditors to ensure a timely audit process.

Cause: Internal controls were not in place to ensure that monthly and annual general ledger account reconciliations were completed and reviewed for all significant accounts in a timely manner.

Effect: The trial balance was not fully reconciled and ready for audit, which ultimately led to a late audit report. Improper or lack of internal controls over financial accounting and reporting increases the risk of material misstatements in the College's financial statements. In addition, the College increases its risk of not complying with federal and state requirements.

Auditors' Recommendation: We recommend that the College develop and implement policies and procedures regarding its accounting and information systems including the College's various accounting cycles and month-end and year-end closing procedures.

Management's Response: Management agrees with the finding and has made significant progress in establishing timely reconciliation procedures under the newly implemented Enterprise Resource System (ERP). Additionally, the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.

Timeline to Correct: Fiscal year 2024

Responsible Party: Vice President for Finance & Administration, Chief Financial Officer, and Accountants.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III. FEDERAL AWARD FINDINGS

2023-002 (2022-012) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll – (Material Weakness and Material Noncompliance) - Repeated & Modified

Federal Program Information

Funding Agency:	Department of Defense, National Science, Foundation, Department of Education, Department of Health and Human Services – National Institute of Health
Federal Award Agreement Number:	Not Applicable
Award Year:	Fiscal year 2022
Title:	Research and Development Cluster
Assistance Listing Number:	47.050, 47.076, 84.031, and 93.859
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

Condition: For two (2) of twenty-seven (27) salaried employees tested, there was no time and effort documentation provided for the period under review.

Management's Progress: The College did not implement their prior corrective action plan. As a result, the current year corrective action plan has been revised.

Criteria: 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of grant agreements. 2 CFR 200.430(i)(1)(vii) requires that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed, which includes support for the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one federal award; a federal award and non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. In addition, 2 CFR 200.430(i)(1)(viii) indicates that budget estimates alone do not qualify as support for charges to federal awards, but may be used for interim accounting purposes, provided that (B) significant changes in the corresponding work activity are identified and entered into the records in a timely manner. Short term fluctuations between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and (C) the non-federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

In addition, the College's grant fiscal management guide requires bi-annual reviews of time and effort certifications and related reports pertaining to split allocations of personnel charges, including the allocation of fringe benefits, will be conducted and maintained for all federal awards by the Compliance Officer.

Questioned Costs: Not applicable.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III. FEDERAL AWARD FINDINGS (CONTINUED)

2023-002 (2022-012) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll – (Material Weakness and Material Noncompliance) - Repeated & Modified (Continued)

Effect: The College could over allocate payroll costs to a particular grant in which the employee did not participate.

Cause: The College could not locate the time and effort certifications for the employees selected due to transitions within the payroll and the grant monitoring functions.

Auditors' Recommendation: We recommend the College follow their policies and procedures related to time and effort certifications.

Management's Response: Management agrees with the finding and has reestablished the Grant Manager position. In addition, the College through the Grant Manager has increased communication regarding compliance and will complete reviews more frequently than the requirement. The College believes that this will reduce the possibility of missed certifications due to turnover.

Timeline and Estimated Completion Date: Fiscal Year 2024

Responsible Officials: Vice President for Finance & Administration, Chief Financial Officer, Grant Manager, and Accountant

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III. FEDERAL AWARD FINDINGS (CONTINUED)

2023-003 (2022-013) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll – (Significant Deficiency) - Repeated & Modified

Federal Program Information

Funding Agency: Department of Defense, National Science, Foundation, Department of Education, Department of Health and Human Services – National Institute of Health

Federal Award Agreement Number: Not Applicable

Award Year: Fiscal year 2022

Title: Research and Development Cluster

Assistance Listing Number: 47.050, 47.076, 84.031, and 93.859

Pass-through Agency: Not Applicable, Direct Program

Pass-through Identification Number: Not Applicable, Direct Program

Condition: During our review of payroll related transactions, the following were noted.

- For six (6) of twenty-seven (27) payroll transactions tested, the supervisor did not sign the timesheet.

Management's Progress: The College made progress on their prior year corrective action plan; however, there were still issues noted in the current year related to timesheets.

Criteria: 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of grant agreements. 2 CFR 200.430(i)(1) requires that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must (i) be supported by a system of internal control, which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; and (ii) be incorporated into the official records of the non-federal entity.

Questioned Costs: Not applicable.

Effect: The College may unintentionally overpay or underpay employees during their fiscal year if timesheets aren't review and approved for accuracy.

Cause: The College could not locate payroll records due to transition within the payroll and HR departments. In addition, the unsigned timesheet was overlooked.

Auditors' Recommendation: We recommend the College enhance the design of its control activities and develop procedures to ensure that employee documentation is retained and updated within the employee file and the payroll system.

Management's Response: Management agrees with the finding. The College transitioned to a new payroll service that is administered through a shared service. With this, the College has reassessed its process and procedure. Additionally, the new time keeping software offers additional workflow and audit features to ensure time is routed and approved by the appropriate personnel.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III. FEDERAL AWARD FINDINGS (CONTINUED)

2023-003 (2022-013) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll – (Significant Deficiency) - Repeated & Modified (Continued)

Timeline and Estimated Completion Date: Fiscal Year 2024

Responsible Official: Vice President for Finance & Administration, Chief Financial Officer, and Director of Human Resources.

2023-004 – Special Tests and Provisions – Gramm-Leach-Bliley Act - Student Information Security – (Significant Deficiency and Other Noncompliance)

Federal Program Information

Funding Agency:	U.S. Department of Education
Federal Award Agreement Number:	Not Applicable
Award Year:	All
Title:	Student Financial Aid Cluster
Assistance Listing Number:	84.007, 84.033, 84.063 and 84.268
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

Condition: The College designated a qualified individual responsible for designing and instituting a written information security program. However, the college did not have a written information security program that addresses the remaining six (6) of seven (7) required minimum elements of this special provision by the designated implementation date of June 9, 2023.

Criteria: 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of grant agreements. This includes designing and instituting a written information security program that addresses the seven minimum elements required by 16 CFR 314.4.

Questioned Costs: Not applicable.

Effect: The College is not in compliance with the special provision, Gramm-Leach-Bliley Act– Student Information Security. Also, the College’s student financial aid information may be exposed to a higher risk of being compromised.

Cause: The College’s Chief Information Officer (CIO) is in the process of designing and writing the program but has not formally implemented the program by the designated date of June 9, 2023.

Auditors’ Recommendation: The College should work to finalize their information security program and implement it immediately.

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III. FEDERAL AWARD FINDINGS (CONTINUED)

2023-004 – Special Tests and Provisions – Gramm-Leach-Bliley Act - Student Information Security – (Significant Deficiency and Other Noncompliance) (Continued)

Management's Response: Management agrees with the finding and notes that the Chief Information Officer is finalizing the Colleges written program. The College has also implemented such measures as data encryption, access control, security awareness training and managed detection and response services.

Timeline and Estimated Completion Date: Fiscal Year 2024

Responsible Official: Chief Information Officer, Chief Financial Officer, and Financial Aid Officer

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION IV. NEW MEXICO STATE AUDIT RULE SECTION 12-6-5 NMSA 1978 FINDINGS

2023-005 (2022-014) – Late Audit Report — (Other Noncompliance) - Repeated & Modified

Condition: The College did not submit its audited financial statements by the statutorily required deadline of November 1, 2023.

Management's Progress: The College did not implement their prior corrective action plan. As a result, the current year corrective action plan has been revised.

Criteria: 2.2.2.9(A)(1)(c) NMAC establishes a due date of November 1 for submission of this audit report to the Office of the State Auditor.

Effect: The College is not in compliance with the Report Due Dates prescribed in the New Mexico Administrative Code.

Cause: The College implemented an accounting system that required more time to implement than anticipated. This also caused interruptions to the College's account reconciliation and year-end closing process.

Auditors' Recommendation: We recommend the College create a time schedule to prepare reconciliations and other audit deliverables in a timely manner in order to submit deliverables to the auditors by the agreed upon date and ensure a timely audit process and submission.

Management's Response: Management agrees with the finding and will implement timely reconciliation procedures. Additionally, the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.

Timeline to Correct: Fiscal year 2024

Responsible Party: Vice President of Finance & Administration and Chief Financial Officer

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION V. COMPONENT UNIT FINDINGS

Northern New Mexico College Foundation

2023-006 (2022-022) – Late Audit Report — (Other Noncompliance) - Repeated & Modified

Condition: The Foundation did not submit its audited financial statements by the statutorily required deadline of November 1, 2023.

Management's Progress: The Foundation did not implement their prior corrective action plan. As a result, the current year corrective action plan has been revised.

Criteria: 2.2.2.9(A)(1)(c) NMAC establishes a due date of November 1 for submission of this audit report to the Office of the State Auditor.

Effect: The Foundation is not in compliance with the Report Due Dates prescribed in the New Mexico Administrative Code.

Cause: College personnel implemented an accounting system that required more time to implement than anticipated. This also caused interruptions to the College's and the Foundation's account reconciliation and year-end closing process.

Auditors' Recommendation: We recommend the Foundation create a time schedule to prepare reconciliations and other audit deliverables in a timely manner in order to submit deliverables to the auditors by the agreed upon date and ensure a timely audit process and submission.

Management's Response: Management agrees with the finding and will implement timely reconciliation procedures. Additionally, the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.

Timeline to Correct: Fiscal year 2024

Responsible Party: Vice President of Finance & Administration and Chief Financial Officer

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION VI. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

<u>Prior Year Audit Findings</u>	<u>Status</u>
<i>Financial Statement Findings</i>	
• 2022-001 (2021-001) – Capital Assets	Resolved
• 2022-002 (2021-002) – Financial Policies and Procedures	Resolved
• 2022-003 (2021-003) – Trial Balance Maintenance and Account Reconciliation	Repeated & Modified
• 2022-004 – Inadequate Controls over Athletics	Resolved
• 2022-005 (2021-010) – Pledged Collateral Requirements and Bank Reconciliations	Resolved
• 2022-006 (2021-004) – Information Technology (IT)	Resolved
<i>Federal Award Findings</i>	
• 2022-007 (2021-005) – Special Tests and Provisions – Enrollment Reporting	Resolved
• 2022-008 – Special Tests and Provisions – Return of Title IV Funds	Resolved
• 2022-009 (2021-008) – Special Reporting – Quarterly Reporting	Resolved
• 2022-010 – Equipment and Real Property Management	Resolved
• 2022-011 – Procurement – Small Purchases	Resolved
• 2022-012 – Activities Allowed or Unallowed, Allowable Costs/ Cost Principles, and Period of Performance – Payroll	Repeated & Modified
• 2022-013 – Activities Allowed or Unallowed, Allowable Costs/ Cost Principles, and Period of Performance – Payroll	Repeated & Modified
<i>Section 12-6-5 NMSA 1978</i>	
• 2022-014 (2021-009) – Late Audit Report	Repeated & Modified
• 2022-015 (2021-011) – RHCA Overpayment Employee/Employer Contributions and Documentation and Not Reporting 100% of Salaries	Resolved
• 2022-016 – Procurement Card Transactions	Resolved
• 2022-017 – Travel and Per Diem	Resolved
<i>Component Unit Findings – Foundation</i>	
• 2022-018 (2021-012) – Bank Reconciliations – Timeliness and Accuracy	Resolved
• 2022-019 (2021-013) – Account Reconciliation and Analysis	Resolved
• 2022-020 (2021-014) – Endowment Listing	Resolved
• 2022-021 – Lack of Internal Controls over Expenditures	Resolved
• 2022-022 (2021-015) – Late Audit Report	Repeated & Modified
• 2022-023 – 990 Tax Returns Not Filed	Resolved
<i>Component Unit Findings – Corporation</i>	
• 2022-024 (2021-016) – Account Reconciliation and Analysis	Resolved
• 2022-025 (2021-017) – Late Audit Report	Resolved

Chief Financial Officer

NORTHERN New Mexico College



CORRECTIVE ACTION PLAN

June 30, 2023

Northern New Mexico College respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

TKM, LLC
6747 Academy Rd NE STE A
Albuquerque, NM 87109

Audit period: Year ended June 30, 2023.

The findings from the June 30, 2023 schedule of findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001 (2022-003) – Trial Balance Maintenance and Account Reconciliation – Material Weakness - Repeated & Modified

Condition: The College did not have adequate internal control procedures in place to ensure timely account reconciliation and year-end financial accounting and reporting for a timely audit submission. The following items were not reconciled until several months after year-end:

- Accounts receivables
- Capital Assets
- Accounts Payable
- Unearned Revenue
- Leases
- Subscriptions

Management's Progress: The College made progress on their prior year corrective action plan; however, there were still issues noted in the current year, which caused a late audit submission and finding to be modified.

Criteria: Per the 2013 COSO Framework, management is responsible for establishing and maintaining internal controls to ensure accurate and complete financial reporting. Monthly maintenance of the trial balance and preparation of annual financial statements and related note disclosures in accordance with generally accepted accounting principles (GAAP) helps ensure that timely, accurate and useful information is available to management and those charged with governance to make informed decisions as well as to the auditors to ensure a timely audit process.

Cause: Internal controls were not in place to ensure that monthly and annual general ledger account reconciliations were completed and reviewed for all significant accounts in a timely manner.

Effect: The trial balance was not fully reconciled and ready for audit, which ultimately lead to a late audit report. Improper or lack of internal controls over financial accounting and reporting increases the risk of material misstatements in the College's financial statements. In addition, the College increases its risk of not complying with federal and state requirements.

Auditors' Recommendation: We recommend that the College develop and implement policies and procedures regarding its accounting and information systems including the College's various accounting cycles and month-end and year-end closing procedures.

Management's Response: Management agrees with the finding and has made significant progress in establishing timely reconciliation procedures under the newly implemented Enterprise Resource System (ERP). Additionally, the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.

Timeline to Correct: Fiscal year 2024

Responsible Party: Denise Montoya, Vice President for Finance & Administration, Theresa Storey, Chief Financial Officer, and Vince Lithgow, Lead Accountant

FINDINGS – FEDERAL AWARDS

2023-002 (2022-012) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll – Material Weakness and Material Noncompliance- Repeated & Modified

Federal Program Information

Funding Agency:	Department of Defense, National Science, Foundation, Department of Education, Department of Health and Human Services – National Institute of Health
Federal Award Agreement Number:	Not Applicable
Award Year:	Fiscal year 2022
Title:	Research and Development Cluster
Assistance Listing Number:	12.598, 47.050, 47.076, 84.031, and 93.859
Pass-through Agency:	Not Applicable, <i>Direct Program</i>
Pass-through Identification Number:	Not Applicable, Direct Program

Condition - For six (2) of twenty-seven (27) salaried employees tested, there was no time and effort documentation provided for the period under review.

Criteria - 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of grant agreements. 2 CFR 200.430(i)(1)(vii) requires that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed, which includes support for the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one federal award; a federal award and non-federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. In addition, 2 CFR 200.430(i)(1)(viii) indicates that budget estimates alone do not qualify as support for charges to federal awards, but may be used for interim accounting purposes, provided that (B) significant changes in the corresponding work activity are identified and entered into the records in a timely manner. Short term fluctuations between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and (C) the non-federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

In addition, the College's grant fiscal management guide requires bi-annual reviews of time and effort certifications and related reports pertaining to split allocations of personnel charges, including the allocation of fringe benefits, will be conducted and maintained for all federal awards by the Compliance Officer.

Questioned Costs - Not applicable.

Effect - The College could over allocate payroll costs to a particular grant in which the employee did not participate.

Cause - The College could not locate the time and effort certifications for the employees selected due to transitions within the payroll and the grant monitoring functions.

Auditors' Recommendation - We recommend the College follow their policies and procedures related to time and effort certifications.

Views of Responsible Officials and Planned Corrective Action - Management agrees with the finding and has reestablished the Grant Manager position. In addition, the College through the Grant Manager has increase communication regarding compliance and will complete reviews more frequently than the requirement. The College believes that this will reduce the possibility of missed certifications due to turnover.

Timeline and Estimated Completion Date - Fiscal Year 2024

Responsible Official - Denise Montoya, Vice President for Finance & Administration, Theresa Storey, Chief Financial Officer, Nick Eckert, Grant Manager, and Stephanie Lovato, Accountant

2023-003 (2022-013) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll – Significant Deficiency - Repeated & Modified

Federal Program Information

Funding Agency: Department of Defense, National Science, Foundation, Department of Education, Department of Health and Human Services – National Institute of Health

Federal Award Agreement Number: Not Applicable

Award Year: Fiscal year 2022

Title: Research and Development Cluster

Assistance Listing Number: 12.598, 47.050, 47.076, 84.031, and 93.859

Pass-through Agency: Not Applicable, Direct Program

Pass-through Identification Number: Not Applicable, Direct Program

Condition - During our review of payroll related transactions, the following were noted.

- For 6 of 27 payroll transactions tested, the supervisor did not sign the timesheet.

Management's Progress: The College made progress on their prior year corrective action plan; however, there were still issues noted in the current year related to timesheets.

Criteria - 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of grant agreements. 2 CFR 200.430(i)(1) requires that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must (i) be supported by a system of internal control, which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; and (ii) be incorporated into the official records of the non-federal entity.

Questioned Costs - Not applicable.

Effect - The College may unintentionally overpay or underpay employees during their fiscal year.

Cause - The College could not locate payroll records due to transition within the payroll and HR departments. In addition, the unsigned timesheet was overlooked.

Auditors' Recommendation - We recommend the College enhance the design of its control activities and develop procedures to ensure that employee documentation is retained and updated within the employee file and the payroll system.

Views of Responsible Officials and Planned Corrective Action - Management agrees with the finding. The College transitioned to a new payroll service that is administered through a shared service. With this, the College has reassessed its process and procedure. Additionally, the new time keeping software offers additional workflow and audit features to ensure time is routed and approved by the appropriate personnel.

Timeline and Estimated Completion Date - Fiscal Year 2024

Responsible Official - Denise Montoya, Vice President for Finance & Administration, Theresa Storey, Chief Financial Officer, and Karen Baker-Jepson, Director of Human Resources

2023-004 – Special Tests and Provisions – Gramm-Leach-Bliley Act - Student Information Security – Significant Deficiency

Federal Program Information

Funding Agency:	U.S. Department of Education
Federal Award Agreement Number:	Not Applicable
Award Year:	All
Title:	Student Financial Aid Cluster
Assistance Listing Number:	84.007, 84.033, 84.063 and 84.268
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

Condition - The College designated a qualified individual responsible for designing and instituting a written information security program. However, the college did not have a written information security program that addresses the remaining six (6) of seven (7) required minimum elements of this special provision by the designated implementation date of June 9, 2023.

Criteria - 2 CFR 200.303(a) requires non-Federal entities to establish and maintain effective internal controls over compliance with Federal statutes, regulations, and the terms and conditions of grant agreements. This includes designing and instituting a written information security program that addresses the seven minimum elements required by 16 CFR 314.4.

Questioned Costs - Not applicable.

Effect - The College is not in compliance with the special provision, Gramm-Leach-Bliley Act–Student Information Security. Also, the College’s student financial aid information may be exposed to a higher risk of being compromised.

Cause - The College's Chief Information Officer (CIO) is in the process of designing and writing the program but has not formally implemented the program by the designated date of June 9, 2023

Auditors' Recommendation - The College should work to finalize their information security program and implement it immediately.

Views of Responsible Officials and Planned Corrective Action - Management agrees with the finding and notes that the Chief Information Officer is finalizing the Colleges written program. The College has also implemented such measures as data encryption, access control, security awareness training and managed detection and response services.

Timeline and Estimated Completion Date - Fiscal Year 2024

Responsible Official - Scott Stokes, Chief Information Officer, Theresa Storey, Chief Financial Officer, and Stephanie Segura, Financial Aid Officer

FINDINGS – NMSA 1978

2023-005 (2022-014) – Late Audit Report – Other Noncompliance - Repeated & Modified

Condition: The College did not submit its audited financial statements by the statutorily required deadline of November 1, 2023.

Management's Progress: The College did not implement their prior corrective action plan. As a result, the current year corrective action plan has been revised.

Criteria: 2.2.2.9(A)(1)(c) NMAC establishes a due date of November 1 for submission of this audit report to the Office of the State Auditor.

Effect: The College is not in compliance with the Report Due Dates prescribed in the New Mexico Administrative Code.

Cause: The College implemented an accounting system that required more time to implement than anticipated. This also caused interruptions to the College's account reconciliation and year-end closing process.

Auditors' Recommendation: We recommend the College create a time schedule to prepare reconciliations and other audit deliverables in a timely manner in order to submit deliverables to the auditors by the agreed upon date and ensure a timely audit process and submission.

Management's Response: Management agrees with the finding and will implement timely reconciliation procedures. Additionally, the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.

Timeline to Correct: Fiscal year 2024

Responsible Party: Vice President of Finance & Administration and Chief Financial Officer

NORTHERN NEW MEXICO COLLEGE FOUNDATION

2023-006 (2022-022) – Late Audit Report — Other Noncompliance - Repeated & Modified

Condition: The Foundation did not submit its audited financial statements by the statutorily required deadline of November 1, 2023.

Management’s Progress: The Foundation did not implement their prior corrective action plan. As a result, the current year corrective action plan has been revised.

Criteria: 2.2.2.9(A)(1)(c) NMAC establishes a due date of November 1 for submission of this audit report to the Office of the State Auditor.

Effect: The Foundation is not in compliance with the Report Due Dates prescribed in the New Mexico Administrative Code.

Cause: College personnel implemented an accounting system that required more time to implement than anticipated. This also caused interruptions to the College’s and the Foundation’s account reconciliation and year-end closing process.

Auditors’ Recommendation: We recommend the Foundation create a time schedule to prepare reconciliations and other audit deliverables in a timely manner in order to submit deliverables to the auditors by the agreed upon date and ensure a timely audit process and submission.

Management’s Response: Management agrees with the finding and will implement timely reconciliation procedures. Additionally, the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.

Timeline to Correct: Fiscal year 2024

Responsible Party: Denise Montoya, Vice President of Finance & Administration and Theresa Storey, Chief Financial Officer

If there are questions regarding this plan, please contact Theresa Storey, Chief Financial Officer, at 505-927-0161.

Sincerely,



Theresa Storey
Chief Financial Officer Northern New
Mexico College

**STATE OF NEW MEXICO
NORTHERN NEW MEXICO COLLEGE
EXIT CONFERENCE
FOR THE YEAR ENDED JUNE 30, 2023**

An exit conference was held on March 25, 2024, to discuss the results of the audit.

Representing the Northern New Mexico College:

Michael A. Martin, Board of Regents, President
Hector Balderas, JD, CFE - President
Dr. Denise Montoya, Chief of Staff / Vice President of Finance and Administration
Dr. Larry Guerrero Interim Provost / Vice President of Student Affairs
Theresa Storey, Chief Financial Officer / Compliance Officer
Clarence (Vince) Lithgow, CGFM - Accountant IV
Scott Stokes, Chief Information Officer
Nick Eckert, Grants Manager & Special Projects
Matthew Baca, General Counsel
Karen Baker-Jepsen, Human Resources Director

Representing the Northern New Mexico College Foundation:

Alfredo Herrera, Board President

Representing the Independent Auditors:

Daniel O. Trujillo, CPA, CGFM, CFE, CGMA – Audit Partner
Mark Santiago, CPA - Audit Manager
Jose “Joe” J. Ortiz, CPA – Audit Manager

Preparation of Financial Statements

The audited financial statements of the Northern New Mexico College were prepared by the independent certified public accountants performing the audit. Management is responsible for ensuring the books and records adequately support the preparation of the financial statements in accordance with generally accepted accounting principles and that the information is current and in balance. Management has reviewed and approved the financial statements as presented.

Office of the President

NORTHERN New Mexico College



MEMORANDUM

To: Board of Regents,
Northern New Mexico College

From: Hector Balderas, JD, CFE
President

Date: May 23, 2024

Re: Board of Regents Meeting Minutes

Issue

Northern New Mexico College (NNMC) provides, on a monthly basis, Board of Regents Minutes from the previous month for approval.

Recommendation

Staff recommends that the Board of Regents approve the attached Board of Regents Minutes for April 26, 2024 as submitted or if applicable, as amended.

NORTHERN New Mexico College



NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MINUTES
APRIL 26, 2024

A Regular Meeting of the Board of Regents of northern New Mexico College was held on Friday, April 26, 2024, Via Zoom and In Person in the Board Room of Northern New Mexico College, Espanola. Regents Present in person and Viz Zoom: Michael A. Martin, Porter Swentzell, Casandra Batista Daus, Ruben Archuleta and Erica Velarde.

Northern New Mexico College Staff Present: President Hector Balderas, JD, CFE, Larry Guerrero, EdD, Interim Provost & Vice President for Academic Affairs, Theresa Storey, Chief Financial Officer/Compliance Officer, Denise Montoya, Chief of Staff and Vice President for Finance, Matthew Baca, General Counsel, Juan Gallegos, IT, Sally Martinez, Executive Assistant to the Provost & Vice President for Academic Affairs, Assistant, Sandy Krolick, Creative Director, Communications & Marketing, Milam Shaw, Communications Coordinator, Kristy Alton, Title V Project Director, Arin McKenna, Staff Writer, Communications & Marketing, Scott Stokes, Director, IT, Patrice Trujillo, Health and Safety Manager, Karen Baker Jepsen, Director, Human Resources, Dezbaa, Director of Tribal Relations, Valentina Livingston, Veterans Resource Center Coordinator, and Amy Peña, Executive Office Director.

Faculty Present: Rhiannon West

Others Present: John Ussery, Jake Arnold, Tim Crone,

I. CALL TO ORDER

Board President Martin called the meeting to order at 9:05AM

II. APPROVAL OF AGENDA

Board President Martin entertained a motion to approve the agenda as presented.

Regent Velarde moved to approve the agenda. Second – Regent Swentzell. A roll call vote was taken. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daus – yes. Motion passed unanimously.

III. PUBLIC INPUT

Concerned citizen has a couple of concerns of things that are going on at Northern. There is someone that likes to retaliate on employees, students. You are hired by the people to represent the people and there is a lot of retaliation going on there. The President, security department, likes to do things with students and do things like that. He would like to speak about concerns. He is a big activist throughout the nation. He would like to bring things to light and present things going on at Northern. Maybe sometime next week he can stop by and schedule an appointment and get these concerns out. Regent Velarde stated the first part of his statement was inaudible and asked for his name. The caller stated his name is Steven. Board President Martin stated he would be happy to meet with Steven.

IV. COMMENTS FROM THE BOARD

A. Board of Regents Subcommittee Reports

1. Housing Committee

Regent Archuleta stated nothing to add. The President and Regent Archuleta have met and have a plan and will report back to the Board of Regents.

2. Audit, Finance, Facilities Committee

Regent Velarde stated had a great meeting yesterday and will be going over the budget later in the meeting.

3. Academic and Student Affairs Committee

Regent Swentzell stated the committee met and there are a couple of action items to discuss to address later.

4. HERC Annual Meeting update

Board President Martin stated they had a meeting update and the transcript was shared with the Board of Regents. They had a good discussion with the Director of the LFC, Mr. Mr. Salee and they have come up with a trust fund to supplement our unfunded mandates. Board President Martin would like to have a deep dive because they are pushing us to never increase tuition again and he does not know if that is a sustainable model. He would like to have a deep dive before the end of the summer. When Regent Swentzell, Regent Velarde and Board President Martin came on the Board, the college hadn't raised tuition in four or five years and we got to the position where we had to raise tuition 5%. We don't want to find ourselves in that position again. Board President Martin asked Ms. Storey if we could do that. Ms. Storey stated that is possible.

The other update from HERC is we have a new President from HERC, the student regent from NMSU. They would like to have an executive director position on board or at least the process started by July 1st. Board President Martin asked to be part of the committee but has not heard back yet but will keep the Board updated.

5. AGB Conference Report

Board President Martin stated two of our Regents attended the AGB Conference in March and he asked to hear from Regent Velarde and Regent Batista Daus.

Regent Velarde stated it was an awesome opportunity. She attended a session that was super interesting with the President of the Foundation for Princeton. That was interesting and another interesting to find out on some of these private institutions their board members have to donate or raise \$50,000 each to be on the board and that goes directly to the Foundation. That would be really hard for our institution but it was a great opportunity to connect with UNM, the President and Robert was also there. She has some notes and will send them out to everyone. They had a great time, they did a little site seeing when they were off their day and it was a great opportunity, Casandra got to meet up with the Student Regents. They all created connections and got on a group chat.

Regent Batista Daus stated he focused on student mental health and how to support students. She found a lot of interesting information on mental health and will send to the Board of Regents. It is One of the biggest issues was there was a month to two months wait list. It is fascinating how advanced Northern is compared to other colleges when it comes to mental health. One of the biggest issues she saw with other colleges is there is a month to two months waiting notice. She reached out to our counselor to find out how long our waiting time is and he said they try to get back to students within a day. A lot of colleges have a limit on sessions and here we have no limit on sessions, students can go as much as they need help. It was really nice and she was able to create an amazing support system of other regents of other states. Some regents are elected for one term or limited on power or the student senate President. Regent Velarde stated at some institutions student regents are not voting members.

Regent Velarde stated a journalist from the NY Time was the last speaker and wrote an article regarding if higher ed was worth it anymore. He was talking about how we have students graduating with \$100,000 in debt and going into social work and only making \$30,000-\$40,000 a year and asked if it is either worth it. Regent Velarde stated she encouraged him to look at New Mexico and the Opportunity Scholarship and we are realizing educating our people in general and it is more beneficial than anything else. He said he is going to look at it and it is an interesting model. She got to share this as well. She was speaking with a lot of colleagues at other institutions and she urged them to look it up and look at how our governor and legislators worked together to prioritize higher education.

Board President Martin asked if there were any questions from the Board.

V. APPROVAL OF MINUTES

Board President Martin entertained a motion to approve the minutes of March 22, 2024.

Regent Batista moved to approve the minutes of March 22, 2024. Second – Regent Velarde. A roll call vote was taken. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daus – yes. Motion passed unanimously.

VI. PRESIDENT'S REPORT AND ANNOUNCEMENTS

A. Celebrate Northern

President Balderas stated we have much to celebrate:

The Nick Salazar Center for the Arts presented “An Evening with Jimmy Santiago Baca.” It was a packed house. Having one of New Mexico’s most prestigious poets on campus provides a great opportunity for our students and community. It was a resurgence of the Center for the Art and President Balderas is excited.

We also hosted the “Eyes of Freedom Memorial Exhibit.” Northern was proud provide a venue for this exhibit and to honor and express our gratitude to the men and women who have bravely served and sacrificed for our country. Our Veteran Resource Center also hosted a gathering for student veterans and their families this month.

President Balderas commended Associate Professor Dr. Rhiannon West on being awarded sabbatical leave for Academic Year 2024-2025. Dr. West has two goals: to use the experience to generate a study abroad program at Northern and develop international collaborations with leading researchers in her field of expertise. She plans to leverage the sabbatical to create a culture of global citizenship and to elevate educational and STEM prospects for students at Northern. It is well deserved and we think it could create dual citizenship opportunities as well.

Dr. George Ackerman, a Lecturer of Criminal Justice in AHS, has just published his new book, “In Memory of My Mother Sharon: A Son’s Journey from Parkinson’s Disease Caregiver to Advocate.” The book is both a tribute to Dr. Ackerman’s mother and a way to raise awareness about Parkinson’s disease and support those dealing with it.

Dr. David Torres presented at the Higher Learning Commission (HLC) Conference in Chicago. He was part of a panel sharing information on our Student Success Academy.

Staff Writer/Reporter Arin McKenna has won four awards in the New Mexico Press Women’s Communication Contest. Her story on Regent Velarde and her daughter Devina Gonzales’ educational journeys was one of her first-place entries, along with her management of Anne Hillerman’s Facebook page. Both those submissions are now in national competition. Her story about TJ Stukes’ participation in “Squid Game: The Challenge” and a video she produced for Anne Hillerman received second place awards. Arin is always quiet, busy and doesn’t like to be the center but let’s make her the center attention.

President Balderas wants to congratulate Jade Madrid and Felicia Rodriguez, who were both awarded Danny Nichols and Dennis Huddleston Memorial Scholarships, sponsored by Newport News Nuclear BWXT (N3B). Jade is pursuing her bachelor's degree in biology and Felicia is working on her associate degree in applied radiology/radiation protection.

There has been a lot of activity on and off campus in the past month.

We hosted a STEM Career and Exploration Event for prospective students, parents and guardians. Our STEM faculty, students and alumni were on hand to answer questions about our STEM offerings, research and internship opportunities and career prospects as our visitors toured our classrooms and labs.

Yesterday our students and faculty shared their research activities at the 19th Annual Student Research Symposium. This is a wonderful way to highlight Northern's great undergraduate research opportunities.

Our Technical Trades program partnered with Los Alamos County to sponsor a workshop titled "Sustainable Education for Advanced Building Energy Conservation Code Training for Professionals" in Los Alamos on Wednesday. The training was funded by the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy.

We had two shows at our CFA Gallery. One show featured beautiful paintings by Dr. Ashis Nandy, Chair and Associate Professor of Engineering & Technology. Students in our Continuing Ed Woodworking and Weaving classes exhibited their work in the 2024 Heritage Arts Show.

The CFA also hosted a Women's History Month event at which three outstanding Northern women were honored. Patrice "Joleen" Trujillo, Natalia Tealer and Sandra Rodriguez received Certificates of Appreciation for their outstanding dedication to the college. Northern Alumna Liana Sanchez, CEO of Avanyu LLC, was the Keynote Speaker for the event. The day closed with a showing of "Chisholm '72 - Unbought & Unbossed."

Our High School Equivalency Program took a mini road trip to Las Cruces to explore the NMSU campus and visit their College of Agricultural, Consumer & Environmental Sciences, with a stop at White Sands National Park. We also want to congratulate five HEP students who graduated from that program this month.

Title V and the Counseling & Student Support Center hosted a financial literacy event and Career Services offered students a LinkedIn Workshop to help them set up their profiles and get free headshots. President Balderas spoke with some of the attendees at the event. Until we can address and teach behaviors. They should pay themselves first financially and emotionally. This is a phenomenal topic we will continue to discuss this in the future.

And just a reminder that the Student Senate and Student Life are hosting the second annual Leadership Award Ceremony 6 – 8 pm tonight in the CFA.

B. CUP/NMICC Report

President Balderas stated we are honored because we are able to sit and collaborate with all the leaders. One of the things that continues to perplex presidents and their organizations and you see that when the President of UNM was targeted by the Secretary of Higher Education in a critical way putting forth the debate out in the public in front of parents and consumers that the State of New Mexico at this point is taking the position that they are investing a lot in the Opportunity Scholarship, in the I&G funding formulas but they do not want institutions to raise tuition. The challenge in that is that the institutions feel like there are a lot of internal costs. You just have to go to the grocery store to see the cost of eggs, gasoline and so proportionally institutions have a lot of tension in holding the line and spending with inflation and other challenging expenses are on the rise. We were just talking yesterday, we hosed the LFC and President Balderas remembers when he started his career, we could build a facility or a house for about \$90.00 a square foot and he asked wow, expenses must be at \$400.00 per square foot, she laughed at me and said UNM is now budgeting a \$1,500 per square foot build in the next three to five years. If we hit that level, keeping our doors open will not be sustainable if we have to remodel, do flooring, at those kinds of expenses. President Balderas does not have any solutions but the opinion piece of the Secretary of Higher Education was very critical because she almost implied that to parents and students the institutions should not be raising tuition. President Balderas is worried that it is pitting the Higher Ed Institution against the Department of Higher Ed and we are all feeling the pinch in terms of the funding crisis. He shares this because we are positively, we are really not only trying to hold the line but he would like to give our union faculty officials a lot of credit. We are in union negotiations discussion expenses and wages and both sides are showing tremendous leadership, tremendous calm. When President Balderas sees an op ed break out with the biggest university president and the Secretary of Higher Education frustrated and parents are confused because they are ultimately the ones that are consuming and paying for higher education, he wants to commend our campus leaders because we are trying to find solutions but that tension as was mentioned earlier, we don't want to raise tuition but our solution is we need more financial sustainable planning so we can continue to work together. This was the primary topic of the CUP and NMICC. President Balderas will keep everyone posted. They will be working many hours in the summer interim to figure out how to best make college more affordable but at the same time as was said not, we don't want to cut faculty or staff but we have many deferred maintenance projects and to think about \$400 a square foot is no longer the norm, it is now \$800.00 to \$1,500 a square foot.

Board President Martin asked if there was discussion with the LFC regarding next year's budget as far as revenues. President Balderas stated they requested priorities earlier. That dialogue was very positive. We will probably be delivering those priorities early fall. His sense is they are going to start pulling back on investment in higher education but putting those funds in trust accounts. They want to do sustainable revenue so they can better plan the increases in salaries and construction. There are probably some of us that believe they should do that but not at the expense of critical investments we need right now. This will be an ongoing debate.

Board President Martin asked how they addressed building renewal and replacement for all the institutions as far as how much money. The discussion at the HERC meeting was they had set aside \$26M for all the institutions and Regent Garcia stated they needed. \$80M to get us back where we were at. He said it is upwards of \$500M for all the universities to get their buildings where they want them to be. Is there any discussion about how, where we are going to get a pool of money to start doing that. President Balderas stated the sad reality is that the current model really pits all the actors against each other and we are scrambling to secure resources at the expense of another institutions. He is advocating a different

kind of funding formula for institutions so that UNM who has more ability to tax bond. Really our facilities should be in a different funding formula pool. We think the legislature will be changing the way they budget and issue these funding formulas. They are now starting to ask some tough questions regarding the return on investment. Hopefully Northern will benefit by being compared by a better peer set. There are very well aware that we struggle to higher contractors differently than UNM because UNM has all the plumbers and electricians. Hopefully, we can get that competition more advanced.

Regent Velarde asked if there is a new CUP President. President Balderas stated we have not had change in that leadership. Regent Velarde asked if that is going to hurt the leverage CUP is going to have or are there discussions. President Balderas stated not extensive but it is in discussion. President Balderas stated in a year and a half he wants from the new kid to now the top three in seniority. It is the UNM and Western, they are the most experienced, they come to President Balderas. We are not getting into the political aggressive debates and kudos to us is we have a reputation of having our head down and we are really focused on not the statewide priorities. President Balderas stated he told them he is not interested in the leadership role but he would love to assist but he would love to focus on the work here.

Regent Swentzell stated HED is celebrating the increase in student enrollment and the numbers for Northern are really good. We should be looking at what funding purposes, what institutions are making that difference and moving forward increasing students and economic impact and making that difference. President Balderas stated Northern was called out positively by the Higher Education Secretary at one of the recent fiscal meetings as having amazing enrollment growth. It caught their attention. Institutions like NMUS are seeking us out to partner in grants. President Balderas was reached out by AFT National to partner in a workforce development regional, regional center in healthcare trades, CTE. We are leveraging a lot of what we have. He comes from that background in politics and it is great to see we are not looked at a divisive. We are financially very stable and on message for advocating. He takes those anecdotes when the VP of Research at NMSU is calling to collaborate, it is fantastic. AFT told some of the national trades organizations, that fuel all the staffing for healthcare centers, they are preparing for the next COVID. They are highlighting Northern and said AFT is not in if Northern is not in. That was the direct message on capitol hill. A lot of things to be optimistic on.

C. NNMCF Foundation

President Balderas stated he can't thank Judith enough. WE continue to collaborate, we almost do it in this modern reality. She is semi-retired and we will not let her fully retire. She is now living in Las Cruces and he is pleased to tell the Board we have \$75,00 which is over our \$60,000 goal and we have raised \$257,808 and we are really focused on trying to have more foundation activity events. In the summer, President Balderas is hoping to have a plan for this Board to go to the next level. President Balderas and Judith have also been working with a consultant where we are prioritizing our top three asks which is really a way to say what are our best stories. Next year we hope to have the introduction of a real collegiate capital campaign where everyone can get behind and say we know what Northern's three priorities are. It is early, we have a lot of work to do but are hoping to have a capital campaign.

D. Introduction of Staff and Faculty

President Balderas introduced the following:

Melissa Blair

Technical Trades Student Advisor

Melissa Blair is our new Technical Trades Student Advisor. Melisa spent the last 10 years at Los Alamos Public Schools in a wide variety of positions, from substitute teacher to behavioral specialist. She received her bachelor's degree at Oklahoma State University in 2005 with a major in animal science and agricultural economics.

Jaycee Duran

Receptionist – Admissions

Jaycee Duran, the new Receptionist for the Admissions Department, is from the Pueblo of Pojoaque. Jaycee's prior experience in this field includes several receptionist and administrative assistant positions.

Christian Gomez

Testing Examiner/Academic Advisor

Christian Gomez joins Northern New Mexico College as a Test Coordinator/Advisor in the Advisement Center. Christian is a native of Los Angeles. He captained the East Los Angeles College Soccer team before transferring to UC Santa Cruz, where he earned his degree in Politics. After graduating, he moved to Washington DC and launched the Smart Cities Caucus on Capitol Hill. Christian has an extensive history of supporting youth and community development with projects such as the Watsonville Film Festival.

E. College Updates

President Balderas stated we did host a banquet to honor the men's and women's athletes. Board President Martin attended the first event in Espanola. This event was in Albuquerque and they enjoyed the City of Albuquerque a little bit. The focal point was to thank the parents and it was a little easier to have it in Albuquerque. Regent Archuleta attended that as well. That was a great time that we had.

President Balderas stated regarding funding that was given five years ago. He would like to commend Denise, Theresa, Nick and Shawn and we got the capital project approved for \$2.2M. Many people at Northern go above and beyond their day job and asked to do other tasks. A lot of times we are being responsive and he sees people rising to that call. This is one small example of if that team hadn't jumped on it last minute. We are hoping this will be a symbolic project for faculty and staff. We would like to beautify from the Theatre all the way down and everyone that works in that corridor can give input and we would like to have a design where students could have an outdoor classroom. This is coming and now the hard work begins. There is a spirit on our campus of employees we don't always get to thank.

Regent Velarde thanked the college for the Jimi Santiago Baca event. We have an amazing poet, Adan Baca. Everyone enjoyed the night and her son and cousin got exposed to something that they never had been exposed to. Her son knows a lot about the Northern New Mexico History but his cousin doesn't. Being able to see the beautiful talent in our valley. Thank you to Denise to her welcome and opening. Regent Velarde was totally fan girling and she is a vatos locos forever. President Balderas stated our Regent is not only a fan and she texted the President that she saw the announcement somewhere else that they were having a panel on Blood in Blood Out and she wasn't aware we were already working to get him here. We just couldn't find the right date. President Balderas teased her back, que vatos locos forever, of course

he knows Blood in Blood Out and they started quoting quotes from the film. Regent Velarde stated she saw the announcement he was coming here and it was awesome.

Board President Martin asked if there were comments from the Board.

VII. FACULTY SENATE PRESIDENT REPORT

Faculty Senate President Braley stated the senate meetings this month was mostly administrative and wrapping up the semester. The next meeting will be a wrap up. They did express a strong interest in the provost search process.

Board President Martin asked the status of the Provost Search.

President Balderas stated he is getting a lot of input right now. President Balderas met not only with the Faculty Senate and the Presidents Advisory Committee and a President Balderas held a listening session about an hour and a half last week. We are just getting input right now. President Balderas stated he committed to a national search they are debating the pros and cons of a search firm versus doing it in house. He encouraged faculty and discussed the accreditation timing. They are positive we are sharing equally our concerns. We don't have a timeframe yet but President Balderas is hoping to make a decision soon.

Board President Martin asked if there were any questions from the Board of Regents.

VIII. STUDENT SENATE PRESIDENT REPORT

President Gurule stated:

1. Leadership Awards Ceremony this evening and everyone is invited at 6:00PM in the Center for the Arts to honor students, faculty and staff.
2. Graduate Celebration – barbecue for all graduates and everyone is invited to attend.
3. Student Senate – applicants have been received and they also have senate members who have served who will also run for office. They will see that election coming out next week as soon as applications are finalized.
4. Jemez Electric – Student Senate helped them review their scholarship applicants and gave them a score card to score each applicant. They will also partner with Student Senate next year. Regent Archuleta thanked the Student Senate for all their help with this. He is hearing a lot of positive comments.
5. Coach Sam – they hosted Coach Sam at the last meeting and opened up a strong bridge of communication with Student Senate and Athletics. She will also speak with her players to see if they would like to serve on Student Senate.

Board President Martin asked if there were questions for President Gurule. Regent Archuleta stated he would like to thank the Student Senate for working on the Jemez Scholarships and thanked them for doing this for our students.

IX. STAFF REPORTS

A. Provost & Vice President for Academic Affairs

1. Honorary Degree Recipient

Provost & Vice President for Academic Affairs Guerrero presented and recommended the Honorary Degree Recipient for approval by the Board of Regents (attached).

Board President Martin entertained a motion to approve the Honorary Degree Recipient.

Regent Velarde moved to approve the Honorary Degree for Mrs. Rebecca Trujillo. Second – Regent Batista Daux. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daux – yes. Motion passed unanimously.

2. Tenure Appointment

Provost & Vice President for Academic Affairs Guerrero presented and recommended tenure for Dr. Scott Braley (attached).

Board President Martin asked if Dr. Braley if he'd like to say anything before the Board of Regents vote.

Dr. Braley stated he is on the NRC Grant; he teaches an Associate Level and has partnered with Colorado State a research program that will involve a student a semester in (inaudible) and that is going to be completely novel for the college to have a research element to our program. He is pleased and proud to be nominated at this point.

Board President Martin entertained a motion to approve Tenure Appointment for Dr. Scott Braley.

Regent Swentzell moved to approve tenure appointment for Dr. Scott Braley. Second Regent Velarde. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daux – yes. Motion passed unanimously.

B. Vice President for Finance & Administration

1. FY2025 Proposed Operating Budget

Dr. Denise Montoya stated Theresa Storey will go through the details. Ms. Storey stated the FY25 Operating Budget will be put before the Board of Regents. It has been reviewed thoroughly and this budget is what it is and there could be some technical corrections before going to Higher Ed on May 1. Ms. Storey stated she would like to recognize Ms. Abeyta and Stephanie Lovato who worked hard on this budget.

Ms. Storey introduced Ms. Abeyta for presentation. Ms. Storey and Ms. Abeyta presented the budget to the Board of Regents (attached).

Board President Martin asked if the student financial went up because of the opportunity scholarship. Was it shifted from one area to another? Ms. Storey stated there is a slight shift because we had lottery and now have opportunity. Why you see the shift is because of some unknowns, direct loans, in the estimated actuals is what we actually see. To Board President Martin's point, you will see a small shift because of the opportunity scholarship.

Board President Martin thanked Ms. Abeyta for her work on the budget and asked if there were questions from the Board.

Regent Velarde stated she had questions that were answered yesterday.

Regent Swentzell asked regarding the 39 vacant positions and the budgeting philosophy regarding those vacant positions. He was asking the President if there was a range or what and being able to be competitive. If we are offering a position to a candidate that is strong, do we have it built into the budget to offer them a competitive offer and if you are budgeting in preparation for those positions. Ms. Storey stated typically there is a, she is not a really scenario where everyone meets the same standard or question. Typically, within the departmental budgets, we take a look at the vacant positions to see if there is a position to combine or eliminate some and shifting of the budget. As you know the impact is not a one-time impact it carries forward. Regent Swentzell asked if this budget was prepared for those vacant situations. You need to be prepared to fill the position and the funding to higher the candidate. Ms. Storey stated that is fair and the budgeted positions are budgeted at the full level knowing they can come in at any time in the year. We take a look at where we are in the year and if there is availability. The answer off the top is kind of no and kind of yes. Regent Swentzell thanked Ms. Storey.

Board President Martin entertained a motion to approve the budget as presented.

Regent Velarde moved to approve the Budget. Second – Regent Archuleta. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daus – yes. Motion passed unanimously.

X. EXECUTIVE SESSION

Board President Martin entertained a motion to close the meeting and go into Executive Session to conduct President Balderas evaluation pursuant to the limited personnel exception of the Open Meetings Act.

Regent Swentzell moved to enter into executive session to discuss only those matters on the agenda. Second Regent Batista Daux. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daux – yes. Motion passed unanimously.

The Board of Regents entered into Executive Session at 9:16AM

Board President Martin entertained a motion to return from Executive Session and stated only those items listed on the agenda were discussed.

Regent Velarde moved to return from Executive Session. Second – Regent Swentzell. A roll call vote was taken. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daux – yes. Motion passed unanimously.

Regent Swentzell moved to exit Executive Session and affirmed that only those items on the agenda were discussed. Second Regent Batista Daux. A roll call vote was taken. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daux – yes. Motion passed unanimously.

The Board returned from Executive Session at 10:59AM.

XI. POSSIBLE ACTION ON EXECUTIVE SESSION

Board President Martin stated the Board of Regents realized after going through the evaluation the Board realized they needed additional information from President Balderas and there will be no action on this item at this time. They will rediscuss this item at a later date.

XII. ADJOURNMENT

Board President Martin entertained a motion to adjourn.

Regent Velarde moved to adjourn. Second – Regent Batista Daux. A roll call vote was taken. Board President Martin – yes, Regent Velarde – yes, Regent Swentzell – yes, Regent Archuleta – yes, Regent Batista Daux – yes. Motion passed unanimously.

The Board of Regents adjourned at 11:00AM.

Approved:

Michael A. Martin
Board President

Erica Velarde
Vice President

NORTHERN New Mexico College



MEMORANDUM

TO: Board of Regents
Northern New Mexico College

FROM: Karen Baker-Jepsen, Human Resources Director

THRU: Hector Balderas, President
Denise Montoya, Chief of Staff/Vice President for Finance and Administration

DATE: May 23, 2024

RE: The Northern Federation of Education Employees, AFT-NM, ALF-CIO Faculty Bargaining Unit Collective Bargaining Agreement – Approval Request

Background:

Northern New Mexico College (the College) management and The Northern Federation of Education Employees, AFT-NM, ALF-CIO Faculty Bargaining Unit leadership teams negotiated a full contract update in the Spring of 2024. We would like to thank the following management leadership team: Hector Balderas, Dr. Denise Montoya, Dr. Larry Guerrero, Karen Baker-Jepsen, Matt Baca, and the Northern Federation of Education Employees, AFT-NM, ALF-CIO Faculty Bargaining Unit leadership team: Scott Braley, Ana Vasilic; Marcos Balido; Tim Crone, and Rhiannon West.

Overview:

The following is a summary of the changes agreed upon through negotiations to the Collective Bargaining Agreement (CBA).

PAYROLL

ARTICLE 7: FEDERATION RIGHTS

- Changed timeframe when the request for union dues to be withdrawn from the biweekly paycheck must be made to align with Workday processes- from the 30th or the 15th of the month to 10 days prior to the regularly scheduled pay date.

ARTICLE 34: SALARY PROCEDURE

- Additional language was added to address when a payday falls on a weekend or a holiday. If an employee receives a paper check, they will be paid on the following workday.

COMPENSATION

ARTICLE 36: COMPENSATION

- Full-time (FT) Faculty will receive a 10% increase on overload courses taught and the proration rates for classes from 1-3 students will now be paid at 40% of the full rate, rather than the 10%, 20%, or 30% paid currently.
- FT Faculty will receive a 3% salary raise.

NORTHERN New Mexico College



ARTICLE 17: ACADEMIC CALENDAR AND WORK YEAR

- President's Day was added as a paid holiday.

ARTICLE 20: FACULTY RIGHTS TO TENURE AND PROMOTION

- Added the third faculty rank of Full Professor. Requirements and procedures for promotion to Full Professor are outlined to include faculty must hold a master's degree to be hired on the tenure track. No additional remuneration when moving from Associate Professor to Full Professor is provided at present.
- On or before May 1, 2025, the Office of the Provost and a representative of the bargaining unit will complete a faculty salary study. Data gathered in this study will be shared with NFEA. Results of the study will be presented to the Faculty Senate at its May 2, 2025, meeting. The results of any such studies shall not be binding upon the College but shall only be used as consideration for the development of a salary scale for Full Professor.

CONVOCATION WEEK

ARTICLE 18: WORKLOAD

- Clarified Faculty obligations during Convocation Week and established partnership with the Faculty Senate and Administration to develop Faculty content for Fall and Spring Convocation weeks.
- Moved required Assessment Day to Convocation week.

EVALUATIONS AND REVIEWS

ARTICLE 19: FACULTY EVALUATION

- The evaluation conference with the direct supervisor as part of the retention review process was moved from late March to late April.
- A discretionary review in response to performance or conduct related issues consists of an updated portfolio submission, a conference with the Chair/direct supervisor, and the potential of a growth plan. The faculty will now have one working month to submit an updated portfolio following the review.
- Class observations as part of the faculty evaluation process will no longer be unannounced. Class observations will be held at a mutually agreed upon time.

TENURE

ARTICLE 20: FACULTY RIGHTS TO TENURE AND PROMOTION

- The portfolio requirement, previously required for every type of evaluation, was removed for tenured faculty.
- The tenure-clock was introduced including the conditions in which it is used. The tenure-clock-pause and circumstances that allow for the pause are defined. The tenure clock is cumulative. The process to request a pause or extension is outlined and must be approved by the Provost. If the Provost denies the tenure-clock pause, the faculty member may appeal to the President.
- Faculty previously tenured at NNMC may be rehired at their previous rank.

WORKLOAD

ARTICLE 18: WORKLOAD

NORTHERN New Mexico College



- Clarified requirements for keeping and publishing office hours.

LEAVES

ARTICLE 23: GENERAL LEAVES

- Sick leave now may be used for any portion of the first year following the birth or adoption of a child.
- All bargaining unit members who have been employed at the College at least one semester is now eligible for parental leave up to one (1) semester. Parental leave shall run concurrently with leave under the FMLA. The bargaining unit members and the department Chair will discuss how best to meet the needs of the department and the family member. They shall work to minimize the impact of leave on students and any other beneficiaries of the academic program.

OUTSIDE EMPLOYMENT

ARTICLE 29: OUTSIDE EMPLOYMENT

- Faculty who cannot attend mandatory events, such as meetings, professional development needed, or others due to pre-approved outside employment must request personal leave (or unpaid leave when all personal leave has been used). Pre-approved outside employment is now clarified as subordinate to college obligations.

CAMPUS SAFETY

ARTICLE 30: HEALTH AND SAFETY

- Additions to campus safety include the requirement to report any perceived safety or health violation, all violations are to be investigated in a timely manner. If an employee believes that they are being required to work under unhealthy or unsafe conditions, they may request in writing a temporary reassignment (e.g., change of office, or modifications to tasks). If an unsafe or unhealthy condition is found during such an investigation, the temporary reassignment will continue until a remedy is implemented.
- The College agrees to organize and maintain a safety committee that advises on health and safety issues affecting employees, to include as a member a designee of the bargaining unit. The committee will advise the College on policies and procedures, review health and safety concerns and suggestions, and provide recommendations regarding obtaining, purchasing, operating, or storing hazardous materials or equipment, and the procurement and use of appropriate personal protective equipment.

Recommendation:

The union membership ratified its revised content on May 6, 2024. We recommend that the Board of Regents review and approve the revised CBA attached. Thank you for your consideration.

AGREEMENT BETWEEN

THE NORTHERN NEW MEXICO COLLEGE

BOARD OF REGENTS

AND

THE NORTHERN FEDERATION OF EDUCATIONAL EMPLOYEES,

AFT-NM, AFL-CIO

FACULTY BARGAINING UNIT

EFFECTIVE THROUGH JUNE 30, 2027

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Article 1. INTRODUCTION

This agreement is entered into by the Northern New Mexico College, hereinafter referred to as the College and the AFT-New Mexico Northern Federation of Educational Employees #4935, hereinafter referred to as the Federation. It is the purpose of this Agreement to promote harmonious relationships between the Federation and the College, to establish a peaceful procedure for the resolution of differences and to establish rates of pay, hours of work, and other terms and conditions of employment.

Article 2. RECOGNITION

2.1 The College recognizes the Federation as the exclusive representative for all full-time tenured faculty and full-time tenure-track faculty.

2.2 The exclusive representative right does not apply to supervisors, managers, provost, deans, and chairpersons, as well as directors and coordinators who are supervisors.

Article 3. DEFINITIONS

3.1 Unless otherwise specifically defined elsewhere in this Agreement, the following definitions shall be applicable throughout the Agreement.

3.2 "NNMC" shall mean Northern New Mexico College.

3.3 "Bargaining Unit" shall mean all full-time tenured and full-time tenure-track faculty members at NNMC with less than a majority of supervisor time who are not the provost, deans, chairpersons, directors who are supervisors, and coordinators who are supervisors.

3.4 "College" shall mean Northern New Mexico College or NNMC.

3.5 "Federation" shall mean the AFT-New Mexico Northern Federation of Educational Employees #4935.

3.6 "Board" shall mean the Northern New Mexico College Board of Regents.

3.7 "Faculty" shall mean all Bargaining Unit faculty members unless explicitly stated otherwise.

3.8 "President" shall mean the chief executive officer of Northern New Mexico College.

3.9 "Chair" shall mean the Department Chair for each academic unit with a designated Chair, and the Dean of the College for those academic units with a designated Dean.

3.10 The use of one gender term shall be interpreted as including all genders.

3.11 "Day" shall mean one working day (Monday through Friday) when the College is open.

3.12 "Administration or Administrator" shall mean any administrator who is not part of the bargaining unit and is a management or supervisory employee, i.e., Dean, Vice President for Academic Affairs/Provost, President, or their designee.

3.13 "Deadline" shall mean any deadline in the agreement that falls on a non-working day shall be moved to the next working day.

3.14 "Contact hour" shall mean a measure that represents an hour of scheduled instruction given to students. A semester contact hour is granted for satisfactory completion of one 50-minute session of classroom instruction per week for a semester of not less than fifteen weeks, or the equivalent for courses held over different term lengths (e.g. 8-week terms).

3.15 "Credit hour" shall mean a measure that represents a session of instruction. A credit hour could be of three types: T (theory) that consists of 50-minutes of instruction (or one contact hour); S (studio) that consists of 100-minutes of instruction (or two contact hours); and L (lab) that consists of 150-minutes of instruction (or three contact hours).

Article 4. NONDISCRIMINATION AND ANTI-HARASSMENT

4.1 The parties are committed to a work environment free from discrimination and harassment. Neither party will discriminate against an employee on the basis of age, gender, race, national origin, religion, physical or mental disability, marital status, sexual orientation, veteran status, or any other state or federal protected class. Any employee who believes he/she has been discriminated against or harassed should immediately report such to Human Resources or the Provost.

4.2 The parties agree to comply with Board Policy concerning Equal Employment Opportunity and Non-Discrimination. A copy of the current policy will be attached hereto as Appendix B.

Article 5. AGREEMENT CONTROL

5.1 This Agreement has been executed and will be implemented in accordance with the Constitution and laws of the United States of America and the State of New Mexico.

5.2 If any College policy, regulation, handbook, or directive conflicts with any provision of this Agreement, the Agreement provision will control.

5.3 This Agreement may only be modified or waived through a written agreement between the College and the Federation.

5.4 The College will not implement any change that specifically conflicts with, and will abide by, the terms of this Agreement and applicable College policies, rules, handbooks and regulations. The Federation and the faculty will abide by the conditions of this Agreement and applicable College policies, rules and regulations.

5.5 Unless otherwise specifically stated herein, the provisions of this Agreement shall be applied equally to all members of the bargaining unit.

5.6 Any proposed addition, deletion, or change to any provision of the NNMC Faculty Handbook that involves terms and conditions of employment of faculty bargaining unit members may be negotiated by the College and the Federation into this Agreement.

Article 6. MANAGEMENT RIGHTS

The supervision of all faculty members, the management of all campuses, instructional programs, and College facilities is the responsibility and obligation of the Board of Regents and the College Administration. Management retains all rights not specifically limited by this Agreement.

Article 7. FEDERATION RIGHTS

The Federation, as the exclusive representative for all members of the Bargaining Unit, has the rights listed below:

7.1 Use of Bulletin Board Space. The Federation shall be permitted to use bulletin board space on faculty bulletin boards in academic buildings on College campuses to post Federation announcements and information. No material that is libelous, of a partisan political nature, or which is of a personally derogatory nature shall be posted by the Federation. The College may remove any material that violates this provision and shall provide written notification to the President of the Federation of such removal.

7.2 Use of College Property. The Federation shall be allowed to schedule and conduct meetings at College campuses by reserving space for such meetings in accordance with policy or approved procedures established by the College as long as doing so does not interfere with instruction or administrative activities.

7.3 Use of College Mail and Email. The Federation shall have the right to use campus mail and electronic communication such as email for Federation business and to communicate with the members of the Bargaining Unit.

7.4 The College shall provide payroll deduction of Federation membership dues for employees who authorize in writing the deductions in an amount specified by the Federation. Requests for such deductions shall be honored by the College provided the deduction request is submitted to the College's payroll office on a properly executed authorization form, of which a copy is attached to this Agreement (Appendix A). The authorizations may be submitted to the payroll office at any time and the deductions will commence in a timely manner. Normally, in order for the deduction to be reflected in the biweekly paycheck, the authorization must be submitted to the payroll office 10 days prior to the regularly scheduled pay date. The College agrees to transmit the amount collected to the Treasurer of the Federation in a timely manner, normally within fourteen (14) workdays. Dues deductions may be discontinued or revoked by the faculty member by filing such notice with the College payroll office. The College will discontinue the dues upon receipt of the copy in the same manner as the initial authorization. Dues deductions shall continue without further authorization for the term of this Agreement unless the authorization is revoked by the faculty member as provided herein. The Federation shall notify the payroll office and the faculty member of any change in the amount to be deducted which shall be implemented in the same manner as authorizations. The Federation and its membership and members of the bargaining unit agree to hold the College safe and harmless against any legal action concerning compliance with this provision.

Article 8. EMPLOYEE INVESTIGATIONS

8.1 The College has the right to investigate all allegations of faculty misconduct.

8.2 A faculty member may be placed on administrative leave with pay during an investigation involving the faculty member.

8.3 When necessary, during an investigation, the college may enter a faculty member's office. The affected faculty member and his/her Federation representative shall be given reasonable notice prior to entering the faculty member's office. The faculty member and/or Federation representative may observe, but not interfere with, the college's entry of the office to conduct an investigation. For purposes of this paragraph, reasonable notice shall be at least 24 hours' notice in writing, prior to entry of the office.

8.3.1 Under exigent circumstances such as, but not limited to, an emergency affecting safety and security or allegations of criminal activity, the college may enter a faculty members office to conduct an initial investigation and/or to secure property, data, documentation or other items stored within the office. Within one work day of an entry under paragraph 8.3.1, the college shall notify the affected faculty member and his/her Federation representative.

8.4 When the faculty member is under investigation, the faculty member may be represented by a Federation representative in any meetings with the College.

8.5 During investigation, no documentation or information related to the matter under investigation will be placed in the faculty member's personnel file or released publicly unless required by law. If the investigation does not result in disciplinary action, no documentation will be placed in the faculty member's personnel file.

8.6 Any actions, other than dismissal, taken by the Administration as a result of such an investigation may be grieved under Article 11 (GRIEVANCE PROCEDURE) if the action is alleged to constitute a violation of this Agreement. Dismissal may be grieved according to Article 13 (TERMINATION: DISMISSAL FOR CAUSE).

8.7 The parties acknowledge the need for expeditious investigations and agree to cooperate in achieving that goal.

Article 9. ACADEMIC FREEDOM

The personal life of a faculty member is not a proper concern of the College, provided that it does not adversely affect or interfere with the faculty member's effectiveness in fulfilling his or her professional obligations.

The College is committed to the promotion of responsible academic freedom for its faculty and students. The major premise of academic freedom is that open inquiry and expression by faculty and students is essential to the College's mission. Academic freedom shall be understood to include but not be limited to the following:

9.1 Academic freedom means that both faculty members and students can engage in intellectual debate without fear of censorship or retaliation.

9.2 Academic freedom establishes a faculty member's right to remain true to his or her pedagogical philosophy and intellectual commitments. It preserves the intellectual integrity of our educational system and thus serves the public good.

9.3 Academic freedom in teaching means that both faculty members and students can make comparisons and contrasts between subjects taught in a course and any field of human knowledge or period of history.

9.4 Academic freedom gives both students and faculty the right to express their views — in speech, writing, and through electronic communication, both on and off campus — without fear of sanction, unless the manner of expression substantially impairs the rights of others or, in the case of faculty members, those views demonstrate that they are professionally ignorant, incompetent, or dishonest with regard to their discipline or fields of expertise.

9.5 Academic freedom gives both students and faculty the right to study and do research on the topics they choose and to draw what conclusions they find consistent with their research, though it does not prevent others from judging whether their work is valuable and their conclusions sound. To protect academic freedom, universities should oppose efforts by corporate or government sponsors to block dissemination of any research findings.

9.6 Academic freedom means that the political, religious, or philosophical beliefs of politicians, administrators, and members of the public cannot be imposed on students or faculty.

9.7 Academic freedom gives faculty members and students the right to seek redress or request a hearing if they believe their rights have been violated.

9.8 Academic freedom protects faculty members and students from reprisals for disagreeing with administrative policies or proposals.

9.9 Academic freedom gives faculty members and students the right to challenge one another's views, but not to penalize them for holding them.

9.10 Academic freedom protects a faculty member's authority to assign grades to students, so long as the grades are not capricious or unjustly punitive. More broadly, academic freedom encompasses both the individual and institutional right to maintain academic standards.

9.11 Academic freedom gives faculty members substantial latitude in deciding how to teach the courses for which they are responsible.

9.12 Academic freedom guarantees that serious charges against a faculty member will be heard before a committee of his or her peers. It provides faculty members the right to due process, including the assumption that the burden of proof lies with those who brought the charges, that faculty have the right to present counter-evidence and confront their accusers, and be assisted by an attorney in serious cases if they choose.

9.13 Academic freedom includes the assessment of student academic performance, including the assignment of particular grades and the following principles in assigning grades: (1) the individual faculty member has the responsibility for the assignment of grades; (2) students should be free from prejudicial or capricious grading; and (3) if the instructor does not initiate a change of grade, no grade may be assigned or changed without following the Grade Appeal Process of NNMC. The review of a student complaint over a grade should follow the current procedure established by the Scholastic Standards Committee.

9.14 Academic freedom does not mean a faculty member can harass, threaten, intimidate, ridicule, or impose his or her views on students, college faculty members, staff members, college administrators, and other members of the college community.

9.15 Student academic freedom does not deny faculty members the right to require students to master course material and the fundamentals of the disciplines that faculty teach.

9.16 Neither academic freedom nor tenure protects an incompetent faculty member from losing his or her job. Academic freedom thus does not grant an unqualified guarantee of lifetime employment.

9.17 Academic freedom does not protect faculty members from colleague or student challenges to or disagreement with their educational philosophy and practices.

9.18 Academic freedom does not protect faculty members from non-college penalties if they break the law.

9.19 Academic freedom does not give students or faculty the right to ignore college regulations, though it does give faculty and students the right to criticize regulations they believe are unfair.

9.20 Academic freedom does not protect students or faculty from disciplinary action, but it does require that they receive fair treatment and due process.

9.21 Academic freedom does not protect faculty members from sanctions for professional misconduct, though sanctions require clear proof established through due process.

9.23 Neither academic freedom nor tenure protects a faculty member who repeatedly skips class or refuses to teach the classes or subject matter assigned.

9.24 Academic freedom does not allow a faculty member to prevent a talk or a performance.

9.25 Academic freedom does not protect a faculty member from investigations into allegations of scientific misconduct or violations of sound college policies, nor from appropriate penalties should such charges be sustained in a hearing of record before an elected faculty body.

9.26 Control of presentation includes selection of subject matter including online resources (e.g. publisher's website content) to be covered and of textbooks and other materials to be used. Because these choices are reflected in various administrative concerns, decisions as to topic coverage and selection of texts and materials are subject to the approval of the faculty member's immediate supervisor. Mindful of the importance of academic freedom, the immediate supervisor shall not disapprove a faculty member's decision in these areas arbitrarily or without justifiable cause. In the event faculty members believe disapproval of their texts or materials by their supervisor is unjust, they may appeal to the next higher administrative level as explained in the grievance procedure.

Article 10. PROGRESSIVE DISCIPLINE

10.1 The Federation and the College agree that the general purpose of discipline is to correct unsatisfactory performance and/or misconduct. Any discipline requires good and just cause. Progressive discipline may be utilized when management determines that the merits of a particular case warrant such an approach. Progressive discipline will not be utilized when management determines that an employee's action(s) are so egregious that such an approach is inappropriate.

10.2 Progressive discipline starts with the least severe discipline and progresses to more severe discipline depending on the circumstances. Examples of the least severe discipline consist of verbal and written warnings. More severe disciplines consist of written reprimands, suspensions and terminations.

10.3 Faculty member shall be entitled to Federation representation at any meeting called to deliver a verbal warning, a written warning, administer a letter of reprimand or more severe disciplinary action or any meeting which may result in discipline.

10.4 Faculty member may be discharged in accordance with Article 13 (TERMINATION: DISMISSAL FOR CAUSE).

10.5 Discipline is designed to give a faculty member an opportunity to correct employment behavior and performance. Every reasonable effort will be made to ensure acceptable work performance by employees. When problems with employee behavior that affects the workplace or performance arise, a supervisor will seek to correct the problem with the least amount of disruption to the work environment. Serious infractions may result in immediate suspension from work with or without pay.

a. Verbal warning

An employee is issued a verbal warning for minor infractions or to correct minor faults in an employee's job performance. Verbal warnings are issued during a private conference between the supervisor and the employee where the supervisor explains the problem and recommends a process the employee must accomplish to return to satisfactory status. The employee is informed that the conference is being conducted for the purpose of issuing a verbal warning.

b. Letter of reprimand

Should contain the following information: a description of the specific problem or offense, the most recent incident and when it occurred, previous unsatisfactory behavior or performance related to the reprimand, and a statement that further unsatisfactory behavior or performance may result in further disciplinary action. The written reprimand is issued and discussed with the employee in private conference with the supervisor and must have been discussed with the employee previously. A copy of the written reprimand will be given to the employee and a copy placed in the employee's official personnel file. The written reprimand will also specify a review period, if appropriate, in which the employee's behavior or performance will be reviewed. The length of the review period will be no longer than one year.

c. Discipline resulting in dismissal must follow Article 13 (TERMINATION: DISMISSAL FOR CAUSE).

10.6 Unapproved absences may result in disciplinary action.

10.7 Grievances of disciplinary actions are governed by Article 11 (GRIEVANCE PROCEDURE).

Article 11. GRIEVANCE PROCEDURE

11.1 Purpose

The purpose of this grievance procedure shall be defined as a claim that a provision or provisions of this agreement have been violated. The Federation and the College agree that this is the only grievance procedure available to faculty members of the bargaining unit.

11.2 Definitions

- a. A “grievance” shall be defined as a dispute pertaining to a claim that alleges a violation of this Agreement.
- b. A “grievant” shall be any faculty member, group of faculty members, or the Federation.
- c. “Days” shall mean workdays and shall not include holidays or recesses observed by the College.

11.3 Procedures

- a. Grievance proceedings shall be kept informal and confidential at all levels of this procedure. Breach of confidentiality may result in disciplinary action.
- b. The number of days indicated at each level of this procedure shall be considered a maximum, and every effort shall be made to expedite the process.
- c. If the College fails to comply with the time limit requirements as set forth under any of the procedure levels, the grievance shall be considered automatically appealed to the next level of the procedure.
- d. If the grievant fails to comply with the grievant’s time limit requirements as set forth under any of the procedure levels, the grievance shall be considered null and void.
- e. The time limits set forth herein may be extended provided the extension has been mutually agreed upon in writing by the parties.
- f. A grievance shall not be considered unless the grievant files the grievance no later than ten (10) days after the grievant knew or reasonably should have known of the action that precipitated the grievance.
- g. No reprisal or retaliation by any party to the grievance shall be taken against any party as a result of participation in the proceeding of a grievance.
- h. A grievant and the party charged may be accompanied and represented at any hearing or meeting conducted under this procedure.
- i. A faculty member, acting individually, may present a grievance without the intervention of the Federation provided the grievance has been processed in accordance with this procedure. At any hearing of a grievance brought individually by a faculty member, the Federation as a party to this Agreement, will be afforded the opportunity to be present and present its views. Any adjustment made shall be consistent with the provisions of this Agreement.
- j. If a grievance affects a group of two or more faculty members of the bargaining unit or involves a decision or action by the College that has a system-wide impact, the Federation may submit the grievance on behalf of the affected faculty members at Level Two of this procedure. The parties may submit this grievance at Level One if all of the members of the bargaining unit affected by the grievance have the same supervisor.
- k. The parties shall cooperate in any investigation that may be necessary in order to expedite the process.
- l. All documents related to a grievance shall be maintained in a separate grievance file and shall not be kept in the personnel file of any of the grievance participants.
- m. All grievances and grievance responses shall be filed and processed on grievance forms mutually agreed upon by the parties and contained in an Appendix of this Agreement.

- n. Unless otherwise agreed to by the parties, the processing of grievances shall be conducted during non-instruction time.
- o. All decisions shall be submitted in writing at each step of the grievance procedure and the decision shall be submitted to both the grievant and the Federation.

11.4 Level One

- a. A grievant shall first submit the grievance in writing to the grievant's immediate supervisor, either directly or through the grievant's Federation representative, with the objective of resolving the issue informally.
- b. If the grievance is not resolved with the immediate supervisor, or the immediate supervisor has not responded within ten (10) workdays of the grievance filing, a grievance may be filed at Level Two.
- c. If the immediate supervisor has no authority to resolve the grievance, the grievance may be submitted by the grievant directly to Level Two. Management may defer the grievance back to Level One if the supervisor at that level has the authority to address the grievance, so long as such deferral takes place within ten (10) days of receipt of the grievance.
- d. If the grievant is not satisfied with the immediate supervisor's disposition, the grievant may appeal the grievance to Level Two (the Dean) no later than ten (10) days following the receipt of the immediate supervisor's decision.

11.5 Level Two

- a. No later than ten (10) days following receipt of the written grievance, the Dean shall schedule a meeting in an attempt to resolve the grievance. Each party shall be entitled to bring documents and/or witnesses to the meeting in order to present evidence on their behalf. Each party shall have the right to question witnesses brought by the other party.
- b. No later than ten (10) days following the conclusion of the meeting, the Dean shall submit the written response to the grievant and the Federation.

11.6 Level Three

- a. If the grievance is not settled at Level Two and the grievant(s) or the Federation (with concurrence of the grievant) wish to appeal the grievance to Level Three (Provost), it shall be appealed, in writing, to the Provost within ten (10) workdays after receipt of the decision at Level Two.
- b. No later than ten (10) days following the conclusion of the meeting, the Provost shall submit the written response to the grievant and the Federation.

11.7 Level Four

- a. If the grievance is not settled at Level Three and the grievant(s) or the Federation (with concurrence of the grievant) wish to appeal the grievance to Level Four (President or designee), it shall be appealed, in writing, to the President within ten (10) workdays after receipt of the decision at Level Three.
- b. Within ten (10) workdays the President, or the designated representative, provided said person has not been previously involved in Levels One, Two or Three, shall discuss the grievance with the grievant(s) and Federation representatives, if so desired, at a time mutually agreeable to the parties. If no settlement is reached, the President, or the designated representative, shall give a written answer within ten (10) workdays following such meeting.

11.8 Arbitration

- a. If both the grievant and the Federation are not satisfied with the President's written disposition, the Federation may appeal the grievance to arbitration by submitting a written request for arbitration to the President no later than ten (10) days following the receipt of the President's or designee's written decision.
- b. The arbitrator will be selected from a list of five (5) arbitrators requested from the Federal Mediation and Conciliation Service (FMCS) or American Arbitration Association (AAA). The arbitrator shall be chosen through the process of alternatively striking arbitrators until one (1) remains. The order for striking shall be determined by the parties by the flip of a coin. This process shall be conducted no later than ten (10) days following receipt by the parties of the list of arbitrators from FMCS or AAA.
- c. The arbitrator shall conduct a hearing as soon as possible. The arbitrator may establish the rules of procedure and, at the arbitrator's discretion, may require the parties or witnesses to testify under oath.
- d. The arbitrator's decision shall be submitted in writing within thirty (30) days after the closing of the hearing and shall include the decision, rationale, and, if appropriate, relief. The arbitrator shall have no authority to add to or subtract from or extend or detract from the rights of employees covered by this Agreement.
- e. The arbitrator's decision shall be final and binding on the parties.
- f. The arbitrator's fees and costs shall be shared equally by the parties. All other expenses shall be assumed by the party incurring the cost.

Article 12. PERSONNEL FILES

12.1 The College shall maintain one (and only one) official personnel file for each member of the faculty.

12.2 The file will be located in the Office of Human Resources.

12.3 A faculty member will be permitted to review the material contained in his or her file. At the time the file is reviewed, the faculty member shall sign and date a form maintained in the personnel file.

12.4 The College will provide a faculty member with a copy of any document placed in his or her file, unless an original or copy was sent directly to the faculty member. The faculty member may submit a written response to any document placed in the faculty member's personnel file. This response shall also be placed in the faculty member's file.

12.5 A faculty member may be accompanied by an Association representative while reviewing his or her file. In addition, a faculty member may allow a Federation representative to view his or her file provided that the faculty member makes such authorization in writing. The Human Resources Director or his or her designee must be present during any review of personnel files.

12.6 A faculty member may request a copy of his or her personnel file at any time. The copy will be made available to the faculty member within three (3) working days at the current cost per copy.

12.7 Faculty members may also place in their file materials relevant to their academic qualifications, teaching, research, scholarship, and service.

12.8 If a member of the Bargaining Unit considers material in his or her file to be obsolete, because of its age or a significant change in circumstances, he or she may request to the Provost in writing that the material be removed. The Provost shall consider whether the material is still relevant. Material more than ten (10) years old shall be presumed to be obsolete unless the Provost explains to the faculty member why it is still relevant. However, "core documents" such as contracts, legal settlements, and notices of disciplinary action, shall remain in a faculty member's personnel file irrespective of age.

12.9 All material placed in a faculty member's file is subject to the grievance procedure if the placement is alleged to violate this Agreement.

Article 13. TERMINATION: DISMISSAL FOR CAUSE

13.1 The Provost shall inform the faculty member whose tenure or appointment is intended to be terminated, in writing, of the reason(s) for the suggested termination (Notice of Charge). For the period that the faculty member is on contract during the dismissal process, the President may place the faculty member on leave with pay. In cases of possible termination as a result of the Post-Tenure Review Process the faculty member moves immediately to section 13.6 of this article for an appeal process.

13.2 Upon serving the Notice of Charge, the Provost shall notify the Chair of the Tenure and Promotion Committee, who will assign at least three (3) but no more than five (5) members of the Committee to conduct the hearing and follow the pre-termination hearing process outlined below. The Provost and the faculty member may challenge any assigned member of the Dismissal Hearing Council on the basis of a conflict-of-interest, such as a current relationship, which might lead to the appearance of bias on the part of the Dismissal Hearing Council member. The Chair(s) of the Tenure and Promotion Committee shall evaluate the possible conflict of interest, decide whether the Dismissal Hearing Council member shall serve or be replaced, and so notify the parties within three (3) working days of receipt of the objection.

13.3 The faculty member against whom the Notice of Charge is directed shall submit a written response to the charges within ten (10) working days after receiving the Notice of Charge and shall state in the response whether the Faculty member will be represented by a union representative, attorney or other advisor at the hearing. If the faculty member does not submit a written response to the charge, the Dismissal Hearing Council shall consider if the stated grounds constitute adequate cause directly and substantially related to the fitness or competence of the faculty member and it may conclude without further inquiry that dismissal would be proper. At its discretion, however, the Dismissal Hearing Council may investigate the charges and request that the Provost provide additional evidence. Within ten (10) working days following the faculty member's failure to respond, the Dismissal Hearing Council shall forward its recommendation, with the reasons stated, to the Provost for further action.

13.4 If the faculty member submits a written response to the charges, the hearing procedures set forth shall be followed. In the proceedings, the College will be referred to as the "Complainant" and the faculty member will be referred to as the "Respondent". The Administration has the burden of demonstrating adequacy of cause based on the evidence in the record under a preponderance of the evidence standard. The hearing procedures are listed below.

- a. After receiving the faculty member's written response the Chair(s) of the Tenure and Promotion Committee shall schedule a hearing to occur as soon as practicable, but not more than (20) working days after receiving the written response. The notice of the hearing shall be served in adequate time for the parties to provide all information required by subparagraph (d) below.
- b. The Faculty member may request either a private or a public hearing.
- c. Neither the Rules of Evidence nor the Rules of Civil Procedures shall apply to the hearing.
- d. At least ten (10) working days before the hearing, each party shall provide the Dismissal Hearing Council and the other party with the information listed below.
 1. List of intended witnesses, or a statement that no witness will be called. No witnesses other than those on the list may testify without the consent of the Dismissal Hearing Council.

2. Any statement of an absent witness. If such a statement is submitted, the other party may submit a further statement by that witness at least five (5) working days before the hearing, if obtained. If the absent witness does not cooperate in the submission of a further statement, the other party may request that the absent witness's statement not be accepted by the Dismissal Hearing Council. This paragraph does not preclude a witness from testifying regarding witness statements gathered during the investigative process.
 3. Copies of documents the party plans to introduce into evidence. No other documents may be introduced without the consent of the Dismissal Hearing Council and without a demonstration of good cause that the evidence was new or could not be obtained with due diligence before the deadline.
- e. The order of the hearing shall be as described below.
1. Opening Statements
 2. Complainant's presentation of case
 3. Respondent's presentation of case.
 4. Rebuttal by complainant, if any.
 5. Rebuttal by respondent, if any.
 6. Closing arguments by complainant with the option to reserve time for rebuttal arguments.
 7. Closing arguments by respondent.
 8. Rebuttal argument only if time reserved.
- f. The Dismissal Hearing Council may exclude unfair, irrelevant, or duplicative evidence but will not be bound by judicial rules of evidence. The Dismissal Hearing Council may reasonably and evenly set time limitations on the hearing and each component of the hearing.
- g. Parties shall have the right, within reasonable limits, to question all witnesses. Statements of absent witnesses shall be allowed only if provided in advance (as by being available for questioning and for an additional written statement if desired by the opposing party).
- h. All parties shall have the right to be present at the hearing and to be accompanied, advised and/or represented by an attorney, other representative or, in the case of the faculty member, a union representative.
- i. Witnesses shall be present only to testify.
- j. A verbatim record of the proceedings shall be made; an audio or video recording shall suffice and a written transcript is not required. A copy of all exhibits introduced during the hearing shall be preserved for review.
- k. After the conclusion of the hearing, the Dismissal Hearing Council shall recess for closed deliberations. All decisions of the Dismissal Hearing Council shall be by majority vote, the

Chair voting in case of a tie. The Dismissal Hearing Council shall issue a written recommendation of its findings to the President within three (3) working days of the conclusion of the hearing.

13.5 Role of the President. The President of the College will consider the findings and recommendation of the Dismissal Hearing Council and may review the record and exhibits of the hearing. The President shall inform the faculty member of the intended action by the College. If the President decides upon dismissal of a non-tenured faculty member, a Notice of Dismissal will be issued to the faculty member and employment will be terminated effective with the Notice of Dismissal. Within five (5) days of the Notice of Dismissal, the faculty member may request a list of reasons for dismissal. If the President decides upon dismissal of a tenured faculty member, a Notice of Dismissal will be issued to the faculty member containing the reasons for dismissal and employment. Unless appealed, termination will be effective ten (10) working days from the date of the Notice of Dismissal.

13.6 Appeal to the Board of Regents for tenured faculty members. The tenured faculty member may appeal his employment termination to the Board of Regents by submitting a written request within five (5) working days of the President's decision. Such appeal shall be decided by the Board based on its review of the record and exhibits of the hearing and the President's reasons listed in the Notice of Dismissal. No additional testimony, exhibits or presentation will be received by the Board. The Board shall meet within twenty (20) calendar days to consider the appeal. Within fifteen (15) calendar days of the Board's review of the appeal, the Board shall notify the faculty member and the Provost, in writing, of its decision with respect to the appeal; and its decision shall be final and binding on the parties.

13.7 Any bargaining unit member may grieve the dismissal in accordance with Article 11 (GRIEVANCE PROCEDURE).

Article 14. SENIORITY

14.1 Seniority shall be defined as the total length of time of continuous full-time employment in a tenure-track position at the College.

14.2 Seniority credit shall commence with the full-time faculty member's most recent date of full-time employment as described in paragraph 14.1. above.

14.3 Time spent on paid leave shall be counted for seniority purposes.

14.4 Time spent on approved unpaid leave shall not constitute a break in continuous service but shall not be counted for seniority purposes.

14.5 The College will maintain a seniority list of all faculty members in the bargaining unit ranked in order of seniority within each contractual academic discipline.

14.6 Upon request, the College will provide the Association with a copy of the faculty seniority list.

14.7 Seniority shall be forfeited in circumstances, including, but not limited to resignation, termination, or retirement.

14.8 Seniority is not lost in the situations below:

- a. A faculty member is part of a reduction in force and is subsequently rehired. In such a situation, the individual retains the seniority he or she had when terminated.
- b. A faculty member moves into an administrative position and back to a faculty position. In such a situation, the individual accrues seniority as if he or she stayed in a faculty position.

Article 15. REDUCTION IN FORCE

15.1 The College shall have the right to reduce its employment and, if necessary, discharge or terminate employees as a result of a reduction in force (RIF).

15.2 When the College anticipates a RIF that will result in the discharge or termination of faculty members in the bargaining unit, the College will notify the Federation in writing of the anticipated RIF at least twenty (20) workdays prior to the implementation of the RIF. The notice shall include the affected program(s), faculty member(s), the expected date of the RIF, and a brief description of the circumstances necessitating the RIF.

15.3 Prior to the implementation of the RIF, the Federation may submit recommendations regarding downsizing or formally discontinuing a program or department of instruction and will be sent to the Vice President of Academic Affairs for consideration. The Faculty Senate will be notified of this recommendation as well. Every faculty member shall be associated with one academic program at NNMC and this will be documented with Human Resources.

15.4 The Federation may request in writing to meet with the College President and/or designee to discuss possible alternatives to the RIF, provided such request is made no later than five (5) workdays after the receipt by the Federation of the College's notice of intent to RIF.

15.5 The College will consider ways of avoiding the need for a RIF through the use of both voluntary and involuntary transfers.

15.6 The determination as to which faculty member is to be laid off shall be based on factors including, but not limited to, the following: education (advanced education and training related to the field); relevant employment experience; full certification or licensure; evaluations; additional certification, outside activities related to the field or program being affected; and, program needs or requirements.

15.7 The College will attempt to place the affected faculty member in a vacant full time position for which they qualify. If an affected faculty member does not accept an offered position, they shall have no recall rights under this article.

15.8 Whether the Federation exercises its option to meet with the College in accordance with 15.3 above or not, the Federation may submit recommendations or alternatives to the RIF.

15.9 A faculty member laid off as a result of a RIF shall have recall rights for a period of no longer than one academic year from the effective date of the RIF. The factors used for determining the order of recall shall include, but not be limited to, those enumerated in 15.5. above. A faculty member notified of recall shall have fifteen (15) calendar days to accept the position. A faculty member who refuses an offered position shall have no further rights to employment. Failure to respond within the time frame shall be considered a refusal of employment.

15.10 Upon lay-off, a faculty member may continue to participate in health insurance benefits by contributing the full premium in accordance with the provisions of COBRA.

15.11 Upon request, a laid-off faculty member shall be placed on the College's approved substitute and adjunct faculty lists.

15.12 The Provost may identify programs for review. Program Review should include information on costs, enrollment, student-faculty ratios, societal need, program quality and other criteria appropriate to the particular situation.

Article 16. FACULTY RESPONSIBILITIES AND DUTIES

16.1 Professional Ethics

Faculty members shall demonstrate respect for the students, college faculty members, staff members, college administrators, and other members of the college community in their role as intellectual guides, foster honest academic conduct, and promote an atmosphere that is conducive to learning and the acquisition of scholarly standards. They shall strive to help each student realize his or her potential as a worthy and effective member of society.

16.2 Collegial Respect

Faculty members will demonstrate respect for their colleagues, uphold academic ethics, collaborate, and model the culture of the academy. In fostering an environment of collegial respect, faculty will observe basic etiquette, honor each other's intellectual domain and individual strengths while collectively working towards meeting the needs of students in fulfillment of NNMC's mission.

16.3 Faculty Duties

Each faculty member shall be responsible for the following:

- a. Become familiar with College policies and procedures
- b. Be able to explain to students the course content and requirements and distribute a course syllabus during the first day of scheduled class
- c. Meet every assigned class at its designated time except for illness, emergency situations, and approved absences
- d. Attendance will be taken for the first two weeks of an 8-week course and the first four weeks of a 16-week course. Student Services will use the provided attendance data to reconcile enterprise resource planning software (e.g. Banner) and the Learning Management System enrollment.
- e. Assume responsibility for the security of College facilities and equipment
- f. Maintain a classroom that is conducive to learning and indicate a sincere interest in students' education
- g. Arrange for equipment, supplies, and materials necessary for instruction
- h. Advise students concerning academic achievement, absences, and tardiness that might jeopardize satisfactory progress
- i. Emphasize to all classes the importance of prompt, regular and continuous class attendance
- j. Maintain accurate scholastic records of students enrolled in each class, and submit course enrollment correction forms to the registrar by due date, and grade reports to the Registrar's Office by due date
- k. Refer students who need special consideration to the appropriate student services
- l. Report all irregularities, questions, or problems concerning instruction to the department supervisor
- m. Keep credentials and certifications (as required) current and on file in the Human Resource Office

- n. Conduct assigned classes in accordance with the stated philosophy and objectives of the College and in accordance with the approved master course syllabus
- o. Participate in all activities directed by the supervisor related to student learning outcomes assessment and accreditation processes when they are required by the program of study
- p. Participate in all activities directed by the supervisor related to student advisement, student recruitment, and student retention
- q. Initiate purchase requisitions as appropriate
- r. Recommend course textbook and submit to the department
- s. Recommend the selection of library books, reference materials, and periodicals for the Library
- t. Perform registration duties
- u. Attend and support activities of the College such as scheduled and special faculty and department meetings and assigned committee meetings

Article 17. ACADEMIC CALENDAR AND WORK YEAR

17.1 The work year is normally defined by the academic calendar. The academic calendar is approved by the Administration and the Board of Regents after consultation with the Federation.

17.2 The academic calendar for Fall shall begin with the convocation week and shall end with the date that final grades are due for the Spring semester. Faculty are required to attend Spring Graduation ceremonies. Faculty will attend Fall and Spring Convocation and participate in meetings/events that apply to them or are mandated by the College. Faculty Senate will work with Administration to develop Faculty content for Fall and Spring Convocation week.

17.3 The following holidays will be observed during the term of this Agreement:

- a. Labor Day
- b. Fall Break as defined in the Academic Calendar
- c. Veteran's Day
- d. Thanksgiving, the Wednesday prior, and the Friday following
- e. All days when the college is closed for Winter Break
- f. Martin Luther King's Birthday
- g. President's Day
- h. Good Friday
- i. Spring Break as defined in the Academic Calendar.

Article 18. WORKLOAD

Faculty workloads shall be distributed among all faculty members. The preparation of teaching schedules shall be the responsibility of the Dean and the Department Chairperson. The Dean and the Chairpersons will consider recommendations from faculty members. The College shall continue to notify the faculty member of his/her tentative teaching schedule. Changes in a faculty member's teaching schedule may be made as the need arises and faculty shall be notified of said changes. The final determination of teaching schedules shall be made exclusively by the College. Monitoring of workloads is the responsibility of the supervisor and is intended to ensure that responsibilities are equally distributed. With approval of the Provost, the Dean/Chair may grant release time for special assignments or responsibilities (see 18.1)

Normal working hours are between 8:00 a.m. and 5:00 p.m., Monday through Friday, unless the faculty member teaches evening or weekend classes, in which case the hours must be kept as appropriate for that faculty member's normal teaching schedule. Any proposed deviation from these requirements must be justified in writing and approved by both the Chair and the Dean.

The College does not attempt to enforce an eight-hour working day for faculty. However, faculty members are employed on a full-time basis and are required to be available when they are under contract during normal working hours including periods when classes are not in session and the college is open.

Faculty members are required to attend Department meetings, Faculty Convocation morning, and new Student Orientation during the Fall and Spring convocation week and the Spring Graduation ceremonies. The convocation week schedule shall be collaboratively developed between the Faculty Senate and the Administration. Faculty members are required to attend one "Assessment Day" per academic year, and it shall be scheduled during Convocation week.

The workload distribution will be determined in coordination with the supervisor based on the following four criteria:

- Teaching effectiveness. The teaching of students is central to the mission of NNMC. Given the mission of the College, candidates must demonstrate excellence in teaching, including assessment of student learning. Classes are to be met as scheduled including final exam week.
- Advising. Faculty must be committed to the academic well-being of students. Effective advising helps create an environment that fosters student learning and student retention.
- Service to the College community. Faculty members are expected to provide service to the College, its students, programs, and professional disciplines, as collegial and constructive members of the College and the broader community.
- Scholarship, mastery of discipline, professional development, and research. All faculty should be positively engaged in their disciplines and should be recognized for their expertise.

18.1 Academic Year Teaching Load

The normal teaching load for full-time faculty is twelve (12) credit hours per semester. All courses taught by faculty, including capstone courses and independent study courses, will be counted toward the teaching load and may result in an overload as set forth below.

Release time of up to 12 credit hours may be granted by the Chair/Dean with approval of the Provost for program/departmental initiatives that include program development, grants writing and/or grants management, student advisement, accreditation, recruitment, or other activities. This applies also to the case when a class that is part of the workload is canceled.

When a faculty member is teaching two or more scheduled classes at the same time, only one of the classes will be counted in the workload computation. Workload for courses that are co-taught will be calculated equally by dividing the normal workload of the particular course by the number of faculty members teaching it or in a pro-rated way if the workload is not equally distributed among the faculty members. In special situations, such as co-op courses, lab courses, field experiences, capstones, independent studies, and practicums, the workload credit hours shall be computed by the Chairperson or Dean with the Provost's approval.

Full-time faculty members shall be present for all professional duties and obligations, including but not limited to classes, departmental meetings, accreditation work, and faculty meetings called by the Dean/Provost or President. Full-time faculty shall be available for a minimum of five (5) hours per week for office hours. Office hours shall be posted online, in the course learning management system and, in the case of a physical space on campus, on their office door. Full time faculty hired to work remotely shall schedule a minimum of five (5) hours per week through real time interaction software such as Zoom or Slack.

18.2 Teaching Overload

When a faculty member teaches in excess of twelve (12) credit hours during a semester, the department Chair or Dean may approve the overload. No faculty shall be required to teach an overload. To determine if an overload exists, all courses taught by the faculty member will be considered and the twelve (12) credits of the normal teaching load will be determined by the courses with the highest enrollment. The courses that will be paid as overload will be those courses with the lowest enrollment. The compensation for an overload is addressed in Article 36 (COMPENSATION).

18.3 Student Advising

Each faculty member shall serve as an advisor to students. Advisors shall assist students in course selection, scheduling, and in meeting requirements for certificate or degree programs. When necessary, students shall be referred to the appropriate support services for assistance. Full-time faculty shall conduct advisement every semester.

18.4 Class Cancellations

In order to meet accreditation standards, faculty members shall not cancel scheduled classes in any circumstances without prior written supervisor approval. For absences that are approved in advance by the program or department chair, instructors should find an acceptable substitute for their classes or obtain the chair's approval for an alternate means of making up the student contact hours. For unanticipated absences such as illness or family emergency, instructors must notify the program or department chair or academic dean as soon as possible so that arrangements can be made regarding classes and other scheduled activities. Instructors should find an acceptable substitute for their classes or obtain the chair's approval for an alternate means of making up the student contact hours. Failure to notify the program or department chair of a missed class meeting or excessive absences from class obligations may result in disciplinary action.

18.5 Course delivery/schedule changes

Faculty members shall not change the delivery method of instruction or the approved schedule of classes and assigned classroom under any circumstances without prior written supervisor approval and without advance notification to the office of the registrar.

18.6 Academic year contract

Faculty members are engaged and paid on the basis of an academic year contract, including days when the College is open, and classes are not in session. Supervisors may require attendance any day during the term of the contract.

18.7 Contract length

All contracts shall be issued for one academic year (9 months) or pro-rated based on the employee's start date. For additional service outside the 9-month contract, the College will issue supplemental contracts. For compensation refer to Article 36 (COMPENSATION).

Article 19. FACULTY EVALUATION

19.1 Evaluation of all faculty members will be consistent with NNMC's Mission, Vision, Strategic Goals, and Core Values. The following guidelines have been developed to provide faculty with a clear and common format for all elements of the Faculty Evaluation. The parties are expected to follow the provisions herein. The accumulated annual evaluations, class observations, and other supporting documentation will be used to develop the tenure packet. Faculty will be evaluated by their Chair or, in cases with no chair, direct supervisor.

19.2 Annual Review of Tenure-Track Faculty: All tenure-track faculty shall follow the below evaluation schedule. The accumulated annual evaluation portfolios, notes on class observations, and supporting documentation will be used to develop the tenure application packet.

- a. First Year Evaluation: During the first month of the appointment at Northern New Mexico College, tenure-track faculty member will have a Pre-evaluation meeting with the Chair/direct supervisor to set expectations and goals for the upcoming academic year. The agreed upon goals shall be recorded as Pre-evaluation in a Faculty Evaluation Form. During the first academic year, the faculty will arrange to have at least one class observation by the Chair/direct supervisor and at least one class observation by a peer from the same or, if not possible, similar academic discipline.

At the end of the first academic year at NNMC (around mid-April) the faculty will submit a Portfolio to their Chair/direct supervisor. The Chair/direct supervisor will schedule an Evaluation Conference defined below. At the end of the first-year evaluation, the faculty member will set the goals and expectations for the following academic year and will discuss these goals and expectations with the Chair/direct supervisor. The agreed upon goals shall be recorded as Pre-evaluation in a Faculty Evaluation Form.

- b. Retention Review: During each subsequent cycle of contract renewal tenure-track faculty members will be subjected to a retention review. The retention review will include an updated portfolio submission for the academic year, at least one class observation by the direct supervisor, and an evaluation conference with the direct supervisor toward the end of the academic year (around late April). At the end of the evaluation, the faculty member will set the goals and expectations for the following academic year and will discuss these goals and expectations with the direct supervisor. The agreed upon goals shall be recorded as Pre-evaluation in a Faculty Evaluation Form.

19.3 Annual Review of Tenured Faculty: All tenured faculty members of the Bargaining Unit will participate in an annual post-tenure review toward the end of the academic year (around late April). The evaluation will include at least one class observation by the direct supervisor and an evaluation conference based upon Article 21, Post-Tenure Review. During the conference, the faculty member will set the goals and expectations for the following academic year and discuss them with the direct supervisor.

19.4 Discretionary Review: A Chair/direct supervisor may initiate a discretionary review of any faculty member in a respective department in response to performance or conduct issues related to the evaluation criteria. Discretionary reviews may be conducted at any time deemed appropriate by the Chair/direct supervisor. These reviews shall consist of an updated portfolio submission, a conference with the Chair/direct supervisor, and possibly a growth plan. The faculty shall be provided one working month to submit an updated portfolio.

19.5 Portfolio

The portfolio is a collection of representative materials compiled by the faculty member. The portfolio documents faculty accomplishments, articulates goals for growth and development, initiates critical self-evaluation, and provides both structure and content for the evaluation conference with the Chair/direct supervisor. The portfolio consists of the following documents which will be held in an e-file and submitted to the Chair/direct supervisor:

- A written summary of activities and accomplishments relating to teaching effectiveness, scholarly activity, department and College service, community service, and advisement during the review period.
- Table of Contents including the four performance categories: 1. Teaching, 2. Scholarly Activity, 3. Service (Departmental, College, and Community service), and 4. Student Advisement.
- Supporting documentation to show that the goals and expectations listed are met.
- A current curriculum vitae (CV).
- Syllabi, corresponding assessment instruments used for all courses completed or in progress, and student course evaluations for courses completed and made available to the faculty member.
- Optional: Any additional materials that might contribute to the evaluation may be included at the faculty member's discretion.

Direct supervisors may require the submission of additional portfolio materials at their discretion. These may include, but are not limited to:

- A statement of teaching philosophy
- Examples of student work

19.6 Class Observations: Observations of classroom teaching by the direct supervisor (and peer faculty member(s) in case of 1st year review) should occur at least once a year. Written structured feedback will be shared with the faculty member for growth and improvement and will accompany the portfolio as evidence for faculty assessment.

- a. Face-to-Face Class Observation: Class observations will be conducted by Chair/direct supervisors and peer evaluators. During the 1st year evaluation another faculty member within the same department (or, in cases of small departments where there are no peer members, then a faculty member from a similar discipline) will also conduct a class observation. Class observations will be held at a mutually agreed upon time. Faculty members are encouraged to provide multiple dates for consideration by their Chair/direct supervisors in which the instruction would be conducive to an evaluation.
- b. Online Class Observation: The Chair/direct supervisor and any peer evaluator(s) will request to be added to the online course anytime during the semester. For synchronous online classes, evaluators will attend/observe a class taught by the faculty member under review and take notes on the class observation form. For asynchronous online classes, the evaluators will review faculty's online course shell available to students following quality standards in place as a guideline.

19.7 Evaluation Conference

The evaluation conference is a time for the faculty member to discuss work, accomplishments, goals, and plans for the next year with the Chair/direct supervisor. Faculty and Chair/direct supervisor will discuss

each item of the portfolio and any class observations. Together they will agree on a plan for achieving the professional goals described in the portfolio. At the end of the conference the Chair/direct supervisor will complete the evaluation report. The evaluation conference should be scheduled by the faculty and Chair/direct supervisor and the Evaluation Report completed by April 30.

19.8 Evaluation Report

The evaluation report represents the final assessment of the faculty member for the academic year. It is a form completed by the Chair/direct supervisor at the end of the evaluation conference. It includes a rating of the faculty member's performance (5-Outstanding, 4-Exceeds Expectations, 3-Meets Expectations, 2-Below Expectations, 1-Unsatisfactory), and an executive summary which describes the evaluation and justifies the rating. This evaluation report is submitted to the Human Resource Department. A copy of the evaluation report, the portfolio, and class observation notes will be returned to the faculty member so that the original document may be included in their dossier. A sample of the Faculty Evaluation and Class Observation forms that will be used as guidelines will be provided to faculty at the beginning of the academic year.

Article 20. FACULTY RIGHTS TO TENURE

Each faculty member brings their own unique strengths to our college within their particular area of expertise. Faculty who are judged excellent in our college should thus fill a crucial need and provide a unique talent, skill set or knowledge set from which they draw to contribute to our curriculum, academic programs, research, and service. In judging excellence, we also value innovation and creativity in the performance areas, which can be demonstrated in many ways including, but not be limited to, applying new teaching methods to the classroom, laboratory, or field; developing new research approaches; integrating one's own teaching, research and service into community service, or academic service learning; promoting diversity and/or integrating interdisciplinary elements into courses and curriculum.

Tenure serves to ensure faculty and institutional stability, secure justice for its individual members, ensure the welfare of students, protect academic freedom and promote the interests of the public. Faculty members achieve tenure at the College by consistently fulfilling faculty duties and actively participating in the development and shared governance of the College.

This article takes into consideration the 1940 Statement of Principles on Academic Freedom and Tenure of the American Association of University Professors. (<http://www.aaup.org/aaup>)

20.1 Faculty Ranks

NNMC has three faculty ranks: Assistant Professor, Associate Professor, and Full Professor. The promotion to Full Professor will follow the requirements and procedures outlined in this Article.

20.2 General Guidelines

Tenure-track: Appointment to the tenure -track is made at the time of the initial appointment to the rank of Assistant Professor unless a different rank is determined by the Provost at the time of initial offer of employment. The rank determined by the Provost cannot exceed the rank held at NNMC or a previous academic institution. Faculty on the tenure-track must be classified as full-time, which is denoted by service on a 100% workload basis for a fiscal or an academic year contract.

a. Faculty who have previously taught the equivalent of 5 years of full-time courses in the last 7 years at Northern, may apply to be converted to the tenure-track, if they meet the conditions of the CBA. They may choose to start their tenure-clock as a new hire, or they may apply their previous years. In either case, they must follow all the tenure application procedures and provide a tenure portfolio as all other tenure-track faculty.

b. Annual Review of Faculty: This review is intended to facilitate non-tenured faculty toward tenure and tenured faculty toward promotion. See Article 19 (FACULTY EVALUATION).

c. Classification of Rank: Academic rank refers to tenure-track or non-tenure-track faculty whereas administrative titles carry no rights of tenure. However, an administrator drawn from a tenured faculty rank shall retain their tenure.

d. Evaluation of Candidates for Promotion and Tenure: For promotion and tenure, candidates will be evaluated by the committee for evidence of excellence in their performance of assigned duties that include teaching, advising, institutional and community service, and mastery of discipline and scholarship.

e. Purpose of Tenure: Tenure ensures the academic freedom that is essential to an atmosphere of intellectual pursuit and the attainment of excellence in the college. In addition, tenure reflects and

recognizes a faculty member's potential long-term value to the institution, as evidenced by professional performance. Tenure will be granted to faculty members whose character and achievements in serving the College's mission warrant the institution's reciprocal long-term commitment.

f. Meaning of tenure: Upon being awarded tenure, the faculty member attains the status of presumed continued employment as a member of the faculty, except for reasons of just cause or where conditions exist beyond the College's control.

g. Date of Eligibility for Tenure: Tenure is granted for achievement in academic and professional pursuits, not for years of service. Faculty members will be considered for tenure in their fifth year, but no later than their seventh year on tenure-track, unless a tenure-clock-pause is requested and approved (see 20.5). If tenure is not granted, the faculty member shall be offered a one-year terminal contract. Time spent in the capacity as an adjunct faculty cannot be counted as time toward tenure.

h. Faculty Previously Tenured: Faculty members hired into a tenure-track position, who have already earned tenure from a former institution, may be appointed with tenure at NNMC upon recommendation from the department following the procedures described in this article, after a probationary period of at least one year. Faculty previously tenured at NNMC may be rehired at their previous rank.

Faculty who were hired into a tenure-track position at a previous college or university may be credited with the years of experience at that institution towards tenure.

Applications for tenure transfer and promotion to a rank of Associate Professor shall be submitted to the Tenure Committee by the second week of January and must include the following documents:

- Letter of application for tenure at NNMC
- Official documentation confirming tenure status at previous institution
- Summary of accomplishments at NNMC in the four areas of evaluation (teaching, advising, service, and scholarship)
- Current CV
- Letter of recommendation from Chair or Dean
- Letters of recommendation from two tenured NNMC faculty (within one's department, if possible)
- Letters of recommendation from students, external references, faculty or staff (optional)

The Tenure Committee will forward its evaluation of the tenure transfer application to the Provost by the third week of February and will report to the faculty applying for tenure transfer the results of the evaluation. If the Tenure Committee does not recommend tenure transfer, the committee will include in its report an explanation for this decision.

By the last day of March, the Office of the Provost will inform the faculty member of the recommendation (positive or negative) in writing. Transfer of tenure and the granting of rank of Associate Professor is subject to action and approval by the NNMC Board of Regents.

20.3 Academic Division Criteria for Tenure and Promotion

Faculty seeking promotion and tenure in academic departments must hold a master's or a terminal degree or terminal degree equivalent in their area of expertise to be determined by the Office of the Provost in consultation with the department or college according to accreditation criteria. A list of approved terminal degrees or terminal degree equivalents must be kept by the Provost's office.

20.3.1 Application for Tenure and Promotion from Assistant to Associate Professor

Faculty seeking tenure and promotion to Associate Professor rank will submit their dossier according to the section “Timeline for Advancement to Tenure” in this article.

The dossier must include a candidate profile with the following documents:

- Letter of application to Tenure and Promotion Council
- Summary of Tenure Packet
- All annual evaluations for the years in the tenure-track line
- Letter from the Human Resources Department confirming eligibility
- Current Curriculum Vitae
- Letters of recommendation (These letters should be from Department Chairperson/Supervisor, and/or Dean; Committee Chairs; and Colleagues. Letters from students or from external references may also be included).

In addition to the candidate profile, the dossier should address the following four criteria:

i) Teaching effectiveness

ii) Advising

iii) College, public and community service

iv) Scholarship, mastery of discipline, professional development, and research

The specific weights for each of the criteria are determined by each Academic College and specific Academic Department (when it applies).

i) Teaching effectiveness.

The teaching of students is central to the mission of NNMC. Given the mission of the College, candidates must demonstrate excellence in teaching, including assessment of student learning outcomes.

To demonstrate excellence in teaching, faculty must include the following documents in the Teaching Effectiveness Section. Each Academic College and specific Academic Department (when it applies) may have additional requirements:

- Recent course syllabi
- Student evaluations
- Teaching observation by departmental colleagues
- Letters of recommendation from colleagues
- Student learning outcomes and assessment data and analysis
- Statement of teaching philosophy
- Evidence of curriculum development

Good teaching, defined as much more than classroom activities, may be documented in a variety of ways. The following list is illustrative rather than exhaustive.

- Meeting all class sessions
- Integration of college-wide outcomes and accrediting agency (when applicable) outcomes in course syllabi, instructional design and student assessment

- Integration of technology in instructional design and delivery. Learning Management System (e.g. Blackboard) integration into the course for student learning enhancement.
- Developing online courses
- Continue course alignment, exploring new adaptive technologies into course content, board discussions, hybrid classes, etc.
- New curriculum development
- Integration of industrial credentials/standards into courses and curriculum
- Inviting speakers to classroom or general audience talks
- Mentoring undergraduate student research
- Developing intervention efforts for low performing students using tools such as Early Alert tickets
- Peer reviews based on clarity of course goals, organization, use of technology and knowledge of field
- Documents attesting to improvement in teaching
- Documentation of honors and awards given for teaching
- Implementation of innovative teaching techniques
- Participation in educational activities of professional associations
- Attendance or leadership of meetings related to your professional expertise
- Lecturing or making presentations to student groups, colleagues, or the college community
- Letters of recommendation from other professional sources
- Participation in service-learning activities

ii) Student Advising

Faculty must be committed to the academic well-being of students. Effective advising helps create an environment that fosters student learning and student retention. The formal and informal advising and mentoring of students is an indispensable component of the broader education at the College.

To demonstrate excellence in student advising, faculty must provide the following documents:

- Number of students advised
- Advisement logs or narratives

Faculty may include documents to demonstrate their efforts as pertaining to the following list, which is illustrative rather than exhaustive:

- Meeting with all assigned advisees
- Performing degree audits
- Contacting unregistered advisees
- Documenting the meeting with advisees
- Advising students that are not candidate's advisees in the absence of the primary advisor
- Mentoring or tutoring students
- Assisting students in selection of courses and career options
- Implementing special review sessions for students
- Keeping an "open door" policy toward students
- Advising all majors of your department
- Advising evening students

iii) College, Public, and College Community Service

Faculty service is essential to the College's success in serving the institution and the community. It is the responsibility of individual faculty members to perform a broad array of services that are vital to

supporting and sustaining the quality and effectiveness of the College. Faculty members are expected to provide service to the College, its students, programs, and professional disciplines, as collegial and constructive members of the College and the broader community. Examples include service in faculty governance, union governance, college committees, professional organizations, governmental entities, and community non-profit agencies. Each Academic College and specific Academic Department (when it applies) may have additional or specific requirements. The following lists are illustrative rather than exhaustive:

College Service

College service means committee work at the departmental and college level. Faculty must present letters from committee chairs verifying attendance and participation on committees.

- Academic program development
- Program coordination or assistance
- Assistance with development of accreditation documents and new programs
- Student organization advising
- Attendance of departmental meetings
- Participation in departmental sponsored activities
- Arranging professional opportunities for students
- Working on activities related to departmental grants
- Participation in institutional governance including Faculty Senate, and institutional committees
- College service at the state or regional level
- Representing the college at public events
- Participation in student recruitment efforts

Community and Public Service

- Serving on boards or advisory councils at the local, state, national and international levels
- Lectures or presentations to local groups in the community
- Work done with community leaders to develop solutions to community problems
- Work done with the local community as a volunteer
- Participation in activities that increase the desire of non-college students to attend college
- Participating in student recruitment efforts

iv) Scholarship, Mastery of Discipline, Professional Development, and Research

Faculty with assignments in research will be evaluated by the standards appropriate to the field. All faculty should be positively engaged in their disciplines and should be recognized for their expertise. Each Academic College and specific Academic Department (when it applies) may have additional or specific requirements. The following are examples of professional development and scholarship. The list is illustrative but not exhaustive:

- Presentations at conferences, professional agencies or institutions
- Edited books
- Peer-reviewed journal articles
- Reviewed articles or other publications
- Participation in symposiums
- Creative work presented
- Grants awarded

- Regional or national honors
- Professional consulting
- Research
- Patents or product development
- Publications
- Service as an officer of a state, regional or national association
- Service on editorial boards
- Service on a professional task force
- Participation in curriculum development in candidate's discipline at the state or regional level
- Writing grant proposals
- Grant proposals reviewed
- Contributions to improve teaching technology
- Demonstrated growth in subject matter
- Demonstrable command of subject matter
- Contributions to curriculum development
- Demonstrable quality improvement in teaching strategies incorporating new technologies (where applicable) and new approaches to learning

When Academic Colleges and Academic Departments have specific requirements for the four criteria (including a different weighting system for each factor), those requirements will be published on the NNMC website (faculty resources section) and the Tenure and Promotion Council will use them during the applicant's dossier evaluation.

20.3.2 Promotion from Associate to Full Professor

A full professor is a faculty member whose excellent teaching commands the respect of other faculty and students, who has accumulated a record of excellent achievements in teaching and/or scholarship, sustained contributions to the college, and increasing service to professional organizations and/or the community. The rank of professor assumes depth, maturity, and leadership in teaching/scholarly activity/service to the department, college and community.

Applications for promotion to the rank of Full Professor are initiated by the faculty member seeking advancement in rank. The eligible faculty member should prepare a Promotion Application Dossier, including Candidate's Profile with the following documents:

- Letter of application to Tenure and Promotion Council. In case of reapplication for promotion, the letter must address any comments/concerns reported by the Tenure and Promotion Council in the denial letter/correspondence.
- Summary of The Dossier
- All annual evaluations for the years in the Associate Professor rank at NNMC
- Letter from the Human Resources Department confirming eligibility
- Current Curriculum Vitae
- Letter of recommendation and support from the Department Chair/Supervisor. In case of documented conflict of interest, letters of recommendation can be provided by other faculty members from the department and/or the Dean or the Provost.

In addition to the four criteria:

- i) Teaching effectiveness,

ii) Advising,

iii) College, public, and community service,

iv) Scholarship, mastery of discipline, professional development, and research (for example, publications in a Professional or Peer Reviewed Journal or the equivalent as appropriate to the academic field).

the Dossier should include the fifth category:

v) Leadership.

Examples of Leadership include, but are not limited to:

- Leadership role in the community or with external agencies. For example, a faculty member could serve as a liaison with external agencies (LANL, SFCC, UNM-LA, Pueblos, City of Espanola, local businesses) or serve on an Advisory Board.
- Serving as a chair of a Faculty Senate Committee or an Institutional Committee.
- Serving as a Principal Investigator of a grant.
- Serving as a chair/director/supervisor of an academic department/program or service at NNMC or external programs contributing to the Mission of the NNMC.
- Serving as an officer of the Faculty Senate.
- Leading program/curriculum development, assessment activities, or co-curricular activities.

20.4 Tenure and Promotion Council

All applications for tenure and promotions shall be evaluated by the Tenure and Promotion Council. During the fall of the academic year, a five-member Tenure and Promotion Council will be elected from the Tenured Faculty of the Academic Division of the College. All tenured faculty are eligible to serve on the Council. However, full professors and senior associate professors should comprise the majority of the Council. The Council member will serve a three-year term and there shall be no more than one representative from a department. If an insufficient number of faculty express interest in serving on the Council, exceptions may be made to the limit of one representative from a department and/or the three-year term limitation. Exceptions must be approved by a majority vote of the members of the Tenure Committee. With the approval of the Provost and in consultation with the appropriate Dean, the Tenure and Promotion Council may include non-voting members who are external tenured faculty members with another institution as consultants in the area of expertise of the applicant.

If a Tenure and Promotion Council member is aware of a conflict of interest, he or she has an obligation to recuse his or herself from the review of a particular applicant. The Tenure Committee can also request that a Tenure and Promotion Council member recuse themselves by a majority vote. In addition, a faculty member can only vote on the Tenure and Promotion Council if he or she has not voted on the candidate at the departmental level.

It is understood, for a variety of reasons, there might exist a conflict of interest between tenure/promotion applicant and a member of Tenure and Promotion Council. In this case, the tenure/promotion applicant can petition to remove a maximum of one Tenure and Promotion Council member from the review of the applicant's tenure portfolio and on subsequent recommendations of tenure/promotion vote. In this case, the Tenure Committee will appoint a temporary replacement member by a majority vote prior to taking a majority vote to determine if the petition should be granted.

For tenure and promotion to Associate Professor applications, if a complaint has been filed with Human Resources alleging a conflict between a tenure candidate and another tenured faculty member in the department, the tenure candidate can petition for the exclusion of the tenured faculty member from the departmental review. Human Resources shall provide any such documentation and associated substantiations or responses to the Chair of the department. The Chair shall make the final decision regarding the petition for exclusion and forward the petition, all documentation, and decision to the Chair(s) of the Tenure Committee. A petition for exclusion from departmental review is limited to one (1) faculty member.

20.5 Timeline for Advancement to Tenure and Promotion

20.5.1 Timeline for Advancement to Tenure and Promotion from Assistant to Associate Professor

a. Eligible faculty members in their 5th year but no later than 7th year on the tenure-track must meet college-wide criteria and additional specific criteria published by their departments. These deadlines can only be modified via the "Pause-Clock" section below. Department Chairs will provide a current copy of the criteria for promotion and tenure to each tenured and tenure-track faculty member in their department, to the Tenure Committee, and to the Office of the Provost. To apply for promotion and/or tenure, the eligible faculty member (hereafter candidate) will provide a dossier to the department chair by the last week in September. The candidate will prepare a dossier (no more than one three-inch-thick, three-ring binder plus any supporting materials) showing fulfillment of the tenure requirements. If no chair is present, the dean will designate a tenured faculty member (preferably within the department) to initiate the departmental review. The dean can also serve as the convener. We henceforth denote the chair or designee as the convener.

b. Tenure-Clock-Pause: The advancement to tenure timeline can be paused for no more than a total of two years, one semester at a time, in the following circumstances: 1) up to one year per birth or adoption of a child and/or 2) to provide extended care for an "immediate family member", as defined in Article 23, General Leaves. The tenure-clock-pause is designed to provide a respite for faculty experiencing family changes, such as the birth or adoption of a child or the caring of an aging parent and/or extreme personal or family medical events, as defined by the Family Medical Leave Act (FMLA), such as physical or mental health issues and those that result from domestic violence. Under no circumstances is the tenure pause to be used because the faculty failed to plan and prepare for their tenure evaluation.

i. A written request to pause the tenure timeline must be made to the Department Chair, Tenure Committee Chair(s), Human Resources, and the Office of the Provost no later than the third week of the semester, or earlier if possible, except for emergencies, as outlined below. The request shall include whether the faculty is requesting one semester or two of tenure-clock-pause. Supporting documentation should be provided to Human Resources (HR). If the faculty member takes one semester and decides that he or she needs another, he or she must make another request.

ii. In the case of a medical or family emergency, the faculty shall alert their Department Chair, the Tenure Committee Chair(s), Human Resources, and the Provost at their earliest convenience that they need to make an emergency request to pause the tenure clock. Supportive documentation must be provided to Human Resources.

iii. If the faculty member has used his or her allotted two years of tenure-clock-pause, an additional extension, if it falls within these circumstances, may be requested and granted with the approval of the Provost.

- iv. Tenure clock adjustments are cumulative. Delaying the tenure clock for one semester or for one year will have the same effect, as tenure decisions are made once a year. If faculty pause for one semester in one year, and for one semester in another year, they will extend their clock by one year, even if those semesters are in different academic years. If they pause for two semesters, they will pause their clock for one year. In any case, each pause must be requested as outlined above.
- v. Whether or not the faculty member takes leave during their pause shall not influence the evaluations of a tenure application made by the Department, Tenure and Promotion Council, or Provost. The tenure packet produced will be evaluated in the same way an application with no pause is evaluated. Any associated leaves will follow Article 23, General Leave.
- vi. The reviews of all tenure-clock-pauses, emergency tenure-clock-pauses and extensions following the allotted two years of tenure-clock-pause should follow the timeline outlined in viii, ix, and x.
- vii. Human Resources shall review all documentation provided by the faculty member requesting a pause and provide a memo within one working week to the Tenure Committee Chair(s), and the Provost stating whether the documentation provided meets FMLA qualified events, such as physical or mental health issues of the individual, or immediate family, and those that result from domestic violence. In the case of an extension beyond the two years, Human Resources will confirm the amount of time taken for the tenure-clock-pause.
- viii. The Tenure Committee Chair(s) shall have two weeks to forward their recommendation to the Provost once they receive the Human Resources memo. The Provost will review all tenure-clock-pause requests, make the final decision, and inform the faculty member within two weeks after receiving the recommendation from the Tenure Committee Chair(s). Requests made when faculty are not on contract will be reviewed when they return.
- ix. If the Provost denies the tenure-clock pause after Human Resources states the faculty member is eligible and after a positive recommendation from the Tenure Committee Chair(s), that faculty member may appeal to the President the decision within 10 working days from the date of notification in writing that the Provost denied the tenure clock pause.
- c. The convener and tenured faculty within the department will have until the end of the third week in October to evaluate the dossier. The evaluation will include a record of all votes (for, against, abstention and absent) in the departmental review of the candidate. The convener also records the justification for the final departmental decision referencing the strengths and weaknesses of the candidate.
- d. The convener sends a letter to the candidate and Tenure and Promotion Council, summarizing the departmental review by the fourth week in October. The candidate's dossier is also given to the Tenure and Promotion Council. The convener on behalf of the department will provide a completed rubric or evaluation tool which summarizes the evaluation of the candidate by the department.
- e. By the first week of the spring semester, the Tenure and Promotion Council sends its recommendations to the Dean and Provost, along with the recommendation of the department. Tenure candidates must receive at least one positive recommendation from either the department or the Tenure and Promotion Council in order for the candidate's tenure application to be considered for tenure review by the Provost. Candidates who do not receive a positive recommendation from either the department or the Tenure and Promotion Council will not be recommended for tenure.

f. By the last day of February, the Office of the Provost informs the faculty member of the recommendation (positive or negative) in writing.

20.5.2 Timeline for Promotion from Associate to Full Professor

a. Eligibility Criteria

To be eligible for promotion to full professor, a candidate should have a minimum of ten (10) years of experience in higher education and have served a minimum of four (4) years in the rank of Associate Professor at NNMC.

Time spent on Sabbatical Leave shall count towards the ten (10) years of experience above. However, Sabbaticals cannot be counted towards the four years a candidate must serve as a tenured Associate Professor at NNMC.

Leave of absences cannot be counted for any of the required years of service. However, the candidate can apply for an exception if he or she demonstrates significant academic work during the absence. For example, a candidate may be denied a sabbatical because of financial constraints at the college at the time of the sabbatical application. If the candidate took a leave of absence and accomplished significant work during the absence, the leave of absence could be counted toward the ten (10) years of service in higher education. The Tenure Council will determine if significant academic work was accomplished during the leave of absence. Leave of absences cannot, under any circumstances, be counted toward the four years a candidate must serve as a tenured Associate Professor at NNMC.

b. Timeline for Application and Evaluation:

To apply for promotion to the rank of Full Professor, the eligible faculty member (hereafter candidate) will submit a dossier/portfolio to the Chair(s) of the Tenure Committee by the fourth week of October.

The candidate's dossier is then given to the Tenure and Promotion Council for review and appraisal. By the first week of the spring semester, the Tenure and Promotion Council sends its recommendations to the Provost, along with detailed arguments supporting their appraisal.

By the last day of February, the Office of the Provost informs the faculty member of the recommendation (positive or negative) in writing.

20.6. Actions of the Board of Regents

Tenure and promotion are awarded only by positive action of the Board of Regents upon recommendation by the President. Such action must be taken no later than April 30th of the academic year in which the candidate applied for tenure and/or promotion. Following the Board of Regents' action, the Provost provides official notification to the candidates and their supervisors, Chairperson, Dean, and to the chair of the Tenure and Promotion Council. Assistant Professors who are granted tenure will be promoted to the rank of Associate Professors beginning the following academic year. Associate professors who are granted promotion will be promoted to the rank of Full Professor the following academic year.

20.7 Denial of Tenure and Promotion

If tenure is not awarded, the faculty member may be offered a one-year terminal contract. If the promotion to the rank of Full Professor is denied, the faculty may reapply for promotion up to a total of

three (3) times with a minimum of one (1) full academic year between two applications. If the promotion to the rank of Full Professor is denied, the faculty may reapply for promotion up to a total of three (3) times with a minimum of one (1) full academic year between two applications.

20.8 Denial of recommendation of tenure/promotion by the Provost following positive recommendation by Tenure and Promotions Council.

If in the course of tenure application, both the department and Tenure and Promotions Council make a positive recommendation to the Provost, and the faculty member is denied a recommendation of tenure by the Provost or President, that faculty member may appeal to the Board of Regents the decision within 10 working days from the date of notification in writing that the Provost or President has denied a recommendation of tenure. The faculty member has the right to file a grievance regarding procedural violations related to the Tenure process.

If in the course of application for promotion to the rank of Full Professor, the Tenure and Promotion Council makes a positive recommendation to the Provost, and the faculty member is denied a recommendation by the Provost, that faculty member may appeal to the President the decision within 10 working days from the date of notification in writing that the Provost has denied a recommendation of tenure. The faculty member has the right to file a grievance regarding procedural violations related to the Tenure process.

20.9 Privileges of Tenured Faculty

a. The appointment of a tenured faculty member shall run until the member's separation from employment with the College, subject to the following limitations: Any dismissal or non-renewal of the contract of a tenured member of the faculty shall follow the procedure discussed in Article 13 (TERMINATION: DISMISSAL FOR CAUSE) or Article 15 (REDUCTION IN FORCE).

b. Sabbatical leave may be granted to tenured faculty members in accordance with Article 25 (Sabbatical Leave).

c. Tenured faculty members appointed to administrative positions will retain tenure status as faculty. If a tenured faculty member serving in an administrative position returns to a faculty position for which they are qualified, that tenured faculty member returns to the position with tenure. In this case, the faculty member's salary will be determined either by their last salary as faculty member before the appointment to the administrative position or the salary in the faculty salary matrix, whichever is higher. The years served in the administrative roles of President, Provost, or Dean positions will count towards the years of service for the salary matrix when they resume their faculty position.

Article 21. POST TENURE REVIEW

21.1 Purpose of Post-tenure Review

The intent and purpose of post-tenure review is to promote continued professional development, to provide the necessary means for enhancing future achievement, and to recognize excellent performance among tenured faculty. A post-tenure review policy is required for the institution to comply with policy as set forth by New Mexico state statute.

21.2. Policy

Post-tenure review is a cooperative effort in planning, goal setting, reporting, enhancing, and championing the role of faculty at the institution. It is undertaken with recognition and preservation of principles of academic freedom. It is conducted at the Academic College level for the purposes of 1) recognizing faculty performance; 2) enhancing each individual's future achievement; 3) communicating to the faculty member specific areas in need of improvement (if any) related to performance in scholarship, teaching, advising, and service.

21.3 Process:

Post-Tenure Review. Post-tenure review constitutes the evaluation of the faculty member's fulfillment of goals and progress toward both short and long-range goals in teaching, advising, scholarly activity, and service. These shall be formally reviewed according to departmental standards and procedures, and, when necessary, modified during subsequent post-tenure reviews. In addition, the review should identify resources available for faculty to continue to fulfill departmental standards. The supervisor's report of the results of the post-tenure review shall be forwarded to the faculty member, the Dean, and the Provost.

21.4 Performance Ratings

At the conclusion of each annual evaluation, the supervisor shall assess the faculty member's performance using the College's faculty evaluation form with the following ratings.

- Outstanding
- Exceeds Expectations
- Meets Expectations
- Below Expectations
- Unsatisfactory

In the event that the tenured faculty member is being reviewed by a non-tenured supervisor, the faculty member may request that a tenured supervisor be present at or participate in his or her review.

- Outstanding, Exceeds or Meets Expectations Ratings. Supervisors and Deans may determine appropriate means to recognize Exceeds or Meets Expectations performances, and to reward Outstanding performances.
- Below Expectations and Unsatisfactory Ratings in Any Area of the Faculty Annual Evaluation. A Below Expectations or Unsatisfactory rating at any point in the annual evaluation shall be used by the supervisor to indicate a deficiency or deficiencies in the faculty member's performance. The supervisor shall report any unsatisfactory rating to both the faculty member and the Dean. This report should include:
 - a. The deficiency or deficiencies
 - b. The necessary actions for the faculty member to undertake
 - c. A list of available resources to assist in the remediation
 - d. A reasonable timeframe for completing the actions

According to Chapter 21, Article 1, Section 21- 7.1-Post Tenure Review Process of the New Mexico Code E: “In the event a faculty member receives an unfavorable evaluation in the area of the faculty member’s teaching, the post-tenure review process shall include: A two-year probation and reevaluation period; and loss of tenure if, during the subsequent probation and reevaluation period, the faculty member fails to demonstrate improvement in the area of teaching.”

To be in alignment with this statute, the following remediation and probation process will be followed for post-tenure review. If a faculty member receives an unsatisfactory rating in any of the categories of the annual faculty evaluation, a two-year probation and reevaluation period will be enforced. If the faculty member fails to demonstrate improvement, a loss of tenure may occur.

21.5 Report

The supervisor shall forward the initial report indicating unsatisfactory performance to the faculty member, the Dean, and the Provost. A subsequent report shall be sent to the same parties at the end of the designated timeframe confirming whether or not the deficiency has been corrected.

21.6 Responsibilities

Supervisors shall use all available departmental, college, and institutional resources to assist the tenured faculty member in remedying the deficiency or deficiencies. Supervisors should be flexible in assessing progress if the tenured faculty member demonstrates good faith efforts. The faculty member is responsible for remedying the deficiency or deficiencies. Failure to remediate within the two-year probationary period will result in institutional action. This action may include loss of tenure and termination from the institution.

21.7 Appeals

The tenured faculty member and the supervisor shall informally attempt to resolve any disagreements regarding performance ratings. If a mutual resolution is not reached with the supervisor, the faculty member may appeal within 10 working days, in writing, to the Dean, or alternatively to the Provost when the Dean is the immediate supervisor.

Article 22. COMMITTEES

22.1 The College President or designee shall determine which institutional (non-Faculty Senate) committees will be established and the responsibilities of those committees.

22.2 When the College deems it appropriate for the Federation to be represented on a College committee, the Federation shall be represented. The number of Federation representatives shall be subject to the mutual agreement of the parties. Upon agreement the Federation President shall be given ten (10) days' notice to appoint representatives.

22.3 The Federation and the College agree that faculty committees may continue to operate according to policy.

Article 23. GENERAL LEAVES

23.1 Paid Leave. Members of the Bargaining Unit shall be entitled to the following paid leave:

a. Sick Leave/Personal Leave

1. Bargaining unit faculty shall be credited with sixteen (16) days of sick leave (computed at 7 hours per day) at the beginning of the academic year, of which three (3) days shall be considered personal leave days. Faculty commencing employment after the beginning of the academic year will be granted pro-rated sick leave.
2. Sick leave may be taken for either personal illness or illness of dependents.
3. Sick leave shall be accumulated up to a maximum of 200 days (1400 hours).
4. Faculty members shall be responsible for immediately reporting an absence to the appropriate Chair, and if unavailable, the appropriate Dean.
5. A faculty member shall be responsible for promptly completing and signing the faculty leave request and returning the request form to the appropriate Chair and if unavailable then to the appropriate Dean. A faculty member will be required to provide a physician's statement for absences of three consecutive days charged to sick leave. If a faculty member demonstrates a pattern of abuse of sick leave, the supervisor in consultation with the Human Resources Office, may require a physician's statement of absence from the faculty member for each absence.

"Family" in this article is defined as spouse, domestic partner, parent, stepparent, child, stepchild, brother, sister, father- or mother-in-law, brother- or sister-in-law, aunt, uncle, niece, nephew, grandparents, or any other person residing in the same household of the faculty member.

Sick leave may be used for the following:

- Hours not worked when an employee, who has been on sick leave, returns to work on a part-time basis while recovering from the illness or injury
- Transporting an immediate family member for medical services
- Caring for an immediate family member, defined as spouse, parent, child, brother, sister or any other person residing in the same household of the employee who becomes ill or injured and requires personal assistance from the employee.
- Doctor's appointments and other pre-scheduled health-related absences. An employee requesting sick leave for a pre-scheduled appointment must request the leave at least twenty-four (24) hours in advance unless an emergency situation exists.
- Any portion of the first year following the birth or adoption of a child

Each employee shall be credited with three (3) paid personal leave days at the beginning of each academic year. Personal leave is subtracted from the faculty member's sick leave. Personal leave cannot be accumulated but remains in the sick leave balance if not utilized by the end of the fiscal year. The use of personal leave must be pre-approved by the supervisor. If classes must be cancelled for the use of personal leave, the faculty member will make alternative arrangements for the students. An employee shall not be required to state the reason for the personal leave.

b. Family and Medical Leave Act (FMLA)

The FMLA's purpose is to ensure that workers can meet their family obligations without fear of losing their jobs or being otherwise adversely affected by taking time off. FMLA affords workers the right to take up to 12 weeks off from work to care for themselves or family members during a covered medical event or for certain other family reasons. The faculty member can opt to use their sick leave to continue to receive pay during the leave. The faculty member must contact the Human Resources Department for eligibility requirements.

c. Bereavement Leave

Upon notification to the Chair, a faculty member may be granted up to three (3) days of leave with pay for a death in the faculty member's family. For purposes of bereavement leave, "family" is defined as spouse, domestic partner, parent, stepparent, child, stepchild, brother, sister, father- or-mother-in-law, brother- or sister-in-law, aunt, uncle, niece, nephew, grandparents, or any other person residing in the same household of the faculty member. Upon approval of the Chair/Dean, additional circumstances may be considered for bereavement leave, and additional days of leave may be granted and charged to sick leave.

d. Military Leave

Emergency military leave, temporary military leave, and indefinite military leave shall be granted to faculty members in accordance with state and federal law.

e. Voting Leave.

Unit employees, who are New Mexico registered voters, are granted, at their request, time off that does not require the cancellation of classes (2 hours'-maximum) from College duties to vote in government elections.

f. Jury Duty and Required Court Attendance

A faculty member summoned for jury duty or for duty as a witness (other than as plaintiff or defendant) is granted time off with pay. A copy of the summons must be sent to the Human Resources Department. A faculty member is required to return to his or her work location while temporarily excused from attendance in court, unless it is not practical because of the short time between court sessions or between the time court is recessed and the end of the scheduled work day.

g. Domestic Abuse Leave

The College provides domestic abuse leave to any employee who is a victim of domestic abuse in accordance with the New Mexico Promoting Financial Independence for Victims of Domestic Abuse Act, NMSA 1978, § 50-4A-1 thru 4A-8. Domestic abuse leave means intermittent paid or unpaid leave time for up to fourteen (14) days in any calendar year, taken for up to eight hours in one day. Leave time may be used to obtain an order of protection or other judicial relief from domestic abuse or to meet with law enforcement officials, to consult with attorneys or district attorney's victim advocates or to attend court proceedings related to the domestic abuse of the employee, a minor child of the employee, or a person for whom the employee is a legal guardian. When domestic abuse leave is taken in an emergency, the employee or the employee's designee must give notice to the employee's supervisor or the College's Human Resources Department within twenty-four hours of commencing the domestic abuse leave. An employee may use paid leave time or unpaid leave time, consistent with College policies.

h. Governmental Entity

A full-time faculty member who has been duly appointed or elected as a member of a legally constituted State or Federal Board or County, Municipal or Public Utility Commission, shall be entitled to leave with pay when requested to be absent from his employment in order to attend meetings or transact business of

said Board or Commission. Such leave does not apply to publicly balloted and elected offices (for example, City Council, County Commission, School District Board of Education, etc.). Any payment provided to the faculty member, other than food and travel expenses, shall either be refused or turned in to the College as reimbursement for the leave with pay.

A faculty member shall not participate in a Board or Commission if such participation will create a conflict of interest for the faculty member or the College or otherwise violates applicable conflict of interest laws. Absence from duty must be approved by the College President or his/her designee and it must not hamper the performance of his/her duties with the College. Such leave shall normally not exceed (2) days per month unless previously approved by the Board.

i. Paid Parental Leave

All bargaining unit members who have been employed at the College at least one semester are eligible for parental leave up to one (1) semester. Parental leave shall run concurrently with leave under the FMLA.

If both parents are bargaining unit members, each is eligible for parental leave. If both bargaining unit members are in the same department, the bargaining unit members and the department Chair will discuss how best to meet the needs of the department and the family including whether each bargaining unit member shall take the leave concurrently or consecutively, with the bargaining unit members taking the leave consecutively being the preference. If only one bargaining unit member takes parental leave, that bargaining unit member will receive full pay during the leave. If both bargaining unit members wish to take parental leave concurrently, they will each be paid at half of their salary.

The bargaining unit member should discuss the need for parental leave with the department Chair well in advance of the leave and reasonably in advance for any alternative teaching and other academic arrangements to be made. The bargaining unit member and the department Chair will work together to develop a plan for parental leave that meets the needs of the bargaining unit member and the needs of the College. They shall work to minimize the impact of leave on students and any other beneficiaries of the academic program.

23.2. Leaves Without Pay

Members of the Bargaining Unit may be entitled to the following unpaid leaves:

a. Academic Leave- An extended leave of absence without pay may be granted to an employee for a period not to exceed one (1) year for the purpose of teaching at another educational institution. Upon request, this leave may be extended for a period of not to exceed one (1) additional year.

b. Extended Personal Leave/Leave Without Pay- An employee may be granted an extended leave without pay for extended periods for illness or injury, personal reasons, school attendance, sickness in a family, or other purposes of a personal nature at the discretion of the Provost. A faculty member shall submit a written request for the leave without pay at least two (2) weeks in advance, if possible. Otherwise notice must be given as soon as reasonably practicable. Approval may be granted for a limited duration and based on operational needs. While a leave without pay is not recommended, or granted without expectation of reinstatement, reinstatement is not guaranteed. While on an approved leave without pay, the faculty member shall be responsible for the employee and employer cost of medical benefits. A leave without pay shall not exceed one (1) academic year. Time spent on leave without pay in excess of one semester shall not count toward eligibility for tenure or promotion.

Article 24. SICK LEAVE BANK

24.1 Purpose

To provide a process whereby participating full-time faculty members of Northern New Mexico College may request additional sick leave due to a catastrophic situation involving their own medical condition, as defined in this Article.

24.2 Eligibility

Only faculty who donate to the Sick Leave Bank are eligible to become members of the Sick Leave Bank, and only members may request leave from the Sick Leave Bank. Full-time faculty: must have a minimum of eighty (80) hours of accumulated sick leave and have been employed for one academic year.

24.3 Administrative Procedure

Northern New Mexico College has a standing committee to review applications for the use of sick leave from the Sick Leave Bank and to make a determination to either approve or disapprove a request. This standing committee is comprised of the Human Resources Office, the Provost, the College Dean where the faculty member who is requesting leave is employed, and a member of the Personnel Committee (if available). If the request for additional sick leave is approved, the Sick Leave Bank Committee shall notify the employee of the decision in writing. If the request for additional sick leave is disapproved, the Committee shall notify the employee in writing of the reason(s) for the disapproval. The decision of the Committee is final.

24.4 Procedure

- a. Participation in the Sick Leave Bank is strictly voluntary.
- b. By default, all eligible full-time faculty members will donate hours to contribute to the Sick Leave Bank. If a faculty member does not want to participate and/or donate to the Sick Bank, they must sign a waiver at the same time that their annual contract is signed. A faculty member who decides not to join the Sick Leave Bank must wait until the next academic year cycle to join the Bank if they decide to participate.
- c. In order to become members of the Sick Leave Bank, during the first year of membership faculty members must donate four days (twenty-eight (28) hours) of their accumulated sick leave, based on a seven-hour day. In subsequent years, faculty will donate fourteen (14) hours based on a seven-hour day.
- d. The Sick Leave Bank Committee may request additional voluntary donations if the Sick Leave Bank is low or out of contributions.
- e. Donated sick leave will not be returned to the employee. If not utilized, the donated sick leave shall be retained in the Sick Leave Bank.

24.5 Application for Sick Leave Bank from the Sick Leave Bank

- a. Application for sick leave from the Sick Leave Bank shall not be approved until the Faculty member has exhausted all their accumulated sick leave.
- b. Employees who apply for sick leave from the Sick Leave Bank must complete the Request for Use of Faculty Sick Leave Bank Form. It must accompany the Medical Certification Form properly completed by the healthcare provider. The maximum sick leave that an employee may request from the Sick Leave Bank at any one time is forty (40) days (280 hours) based on a seven-hour day.
- c. Appropriate documentation and required forms will be forwarded to the Sick Leave Bank Committee for consideration.

- d. If approved, the Dean shall notify the employee in writing and indicate the total amount of sick leave hours which were approved.
- e. The Dean shall then notify the Payroll Manager in order that the employee's payroll records can be adjusted with the additional sick leave.
- f. If the application is not approved, the Dean will notify the faculty member in writing specifying the reason(s) for the non-approval. The decision of the committee is final.
- g. The Sick Leave Bank will operate on a first-come, first-served basis. If the Bank exhausts the donated hours, future requests for the academic year will be denied if there are no further donations.

Definition of Catastrophic Situation

A severe illness or injury requiring prolonged hospitalization or recovery and incapacitating the person from working, creating a financial hardship. Such injury or illness often makes exceptional demands on patients, caregivers, families, and healthcare resources. In general, an illness or injury that results in a medical condition that a health care provider has certified is likely to result in a loss of 30 or more workdays.

Article 25. SABBATICAL LEAVE

Sabbatical leave is a privilege which may be granted to encourage professional growth and increase competence among faculty members by promoting significant research, creative work, or some other educational program or training that is judged to be of significant value to NNMC. Sabbatical leave may be granted to tenured faculty members after six years of full-time continuous employment. The recipient is obliged to return to the College for one academic year of service.

1. Request for Sabbatical Leave

Written application for sabbatical leave shall be made by the faculty member to the appropriate Dean or Chair and the Personnel Committee Chair by October 1st of the academic year prior to the academic year when the Sabbatical will take place (this includes sabbaticals occurring in the Fall or Spring terms). The Dean or Chair will forward his or her recommendation to the Faculty Senate Personnel Committee no later than the October 31st following the date of application.

The faculty member shall present, as part of the application, evidence to support the program of activities which is planned for the sabbatical period. The program of activities should give reasonable promise of accomplishing the major purpose of the leave as stated above. Sabbatical leave may be granted for further education.

2. Processing of Application

The Faculty Personnel Committee shall forward its recommendation to the Provost along with the Department Chairperson's or Dean's statement by December 1st as to how the teaching obligations for the department will be met in the event the proposal is approved. The Provost shall then evaluate the proposal both on its merits and on its effect on the operation of the College and shall send all recommendations and his/her own recommendation to the President no later than December 15th of the academic year prior to the academic year when the sabbatical will occur.

The President, upon review of documents submitted, shall approve or deny no later than February 28th of the academic year prior to the academic year when the sabbatical will occur.

The faculty member shall be notified of the approval or disapproval no later than March 10th of the academic year prior to the academic year when the sabbatical will occur.

3. Conditions

Sabbatical leave shall be approved by the President only with the clear understanding that the faculty member will, at the completion of the sabbatical, return to NNMC for not less than one full academic year following the expiration of such leave. If the faculty member does not return following a sabbatical, total restitution (salary, fringe benefits, and all other college incurred expenses) shall be required.

4. Compensation

A full-time faculty member who complies with all provisions of the policy and is granted sabbatical leave for two semesters consecutively shall receive one-half of his/her regular salary. The salary for one semester of sabbatical leave shall be at the full regular salary.

5. Benefits

A full-time faculty member who is granted sabbatical leave shall not accrue sick leave, personal leave, or other leave available to full-time faculty while he/she is on such leave. Sabbatical leave is counted toward

retirement and longevity pay increases. While a faculty member is on sabbatical leave, NNMC shall continue to pay its share towards retirement, all group insurances, and social security benefits.

6. Guidelines for Awarding Sabbatical Leaves

To avoid adverse effects on the educational objectives of the individual departments and NNMC, sabbatical leave shall be governed by:

- The relative merits for desiring leave
- The direct benefit to the department and to NNMC
- The reasonable distribution of potential recipients
- The number of sabbatical requests that will be approved shall be determined by the Provost based on budget availability. The Provost will announce budget availability no later than August 31st of the academic year when the request will occur.
- The number of previous leaves granted to the applicant
- Availability of funds to support sabbatical leave

7. Sabbatical Contract

Any faculty member taking a sabbatical leave shall be issued a contract stating the compensation to be received by him/her while on sabbatical leave. In addition, this contract shall specify the faculty member's obligations to the College in regard to the sabbatical.

8. Report on Activities

Within thirty (30) days upon returning from sabbatical leave, the employee shall submit to the appropriate Dean or Chairperson, a comprehensive report on the results of the period of leave, an appraisal of the professional value of the experience gained while on leave, and the manner in which the experience or knowledge gained may be used for the benefit of students and NNMC.

9. Status

An employee on sabbatical leave shall be returned to the assignment held at the time the sabbatical leave was granted.

10. Accident or Illness

If a sabbatical program is interrupted because of serious illness or accident, the employee shall be allowed to take sick leave based in accordance with Articles 23 (GENERAL LEAVES) and 24 (SICK LEAVE BANK) addressing leaves. The employee on sabbatical leave shall notify the Provost as soon as practical if the need for sick leave arises.

Article 26. INTELLECTUAL PROPERTY

The College regards copyrightable material such as but not limited to a book, manual, musical or dramatic composition, architectural design, painting, sculpture, video, or other comparable work developed by an employee as the property of the employee (author). Development or redesign of a course pursuant to a grant awarded to the College shall be the property of the bargaining unit employee who developed or redesigned the course, however, the College will be granted educational use of the material for the duration of the grant.

Article 27. VACANCIES AND JOB PLACEMENT

27.1 All instruction division openings shall be posted and disseminated in a manner that will make them available to the faculty. The Federation and the College may agree upon additional appropriate methods of notification as deemed appropriate.

27.2 The parties acknowledge that the College has been and continues to be an Equal Opportunity Employer.

27.3 The College and the Federation are committed to maintain a highly qualified faculty devoted to student success and mission of the College. Pursuant to this goal, instruction division openings will be filled with the best-suited applicant who may be from within the bargaining unit.

27.4 When the College determines to make changes in existing job descriptions within the bargaining unit, the Federation may review those changes.

Article 28. SUMMER EMPLOYMENT

28.1 Full-time faculty members shall be given the first opportunity to sign up for a section during the summer session.

28.2 Full-time faculty members selected for summer employment will be paid in accordance with Article 36 (COMPENSATION).

Article 29. OUTSIDE EMPLOYMENT

29.1 The primary responsibility of faculty members is to render to the College, their most effective commitment to teaching, scholarship, and service. At the same time, consulting and other outside activities of a professional nature are encouraged by the college where such activities give the faculty member experience and knowledge valuable to professional growth and development. These activities may help the faculty member make worthy contributions to knowledge, or contribute to instructional programs, or otherwise make a positive contribution to the College, community, or profession (discipline).

29.2 No outside service or enterprise, professional or other, should be undertaken that interferes with the faculty member's primary responsibility to the College. While a faculty member is allowed to engage in outside professional activities, this must be clearly subordinate to their teaching, advising, scholarly activities, and College service responsibilities.

29.3 Parties agree that the following considerations should be made regarding outside activities. Such planning is in the best interest of the faculty member, the Academic Unit, and the College. The College and the Federation agree that a full-time faculty member's position with the College shall be his primary source of employment. The categories for the various degrees of involvement in outside activities are listed below.

- a. The faculty member does not have to inform their supervisor or dean nor obtain approval. This category would consist of activities such as attending professional meetings, writing books, giving occasional speeches and lectures, refereeing manuscripts, and outside activities that are personal.
- b. The faculty member would be required to inform their supervisor or dean in writing but would not be required to obtain approval. This category would consist of activities such as occasional outside consulting activities, holding office in scholarly or professional organizations, assuming editorial duties for a journal.
- c. The faculty member would be required to inform their dean in writing and shall obtain prior approval from the Provost if the activities would have potential to conflict with job assignments. This category would consist of activities such as consulting more than one day per month, teaching for another institution, working a second job, or operating a personal business. This approval will be documented with the Human Resources department.
- d. Pre-approved outside employment will be subordinate to changes when mandatory events are called, such as meetings, professional development needed, or others. Faculty who cannot attend the event must request personal leave (or unpaid leave when all personal leave has been used). Sick leave shall not be used under these circumstances.

29.4 Faculty members involved in outside employment activity must complete an outside employment disclosure form at the time of outside employment. If an activity presents a potential conflict of interest, it will be handled according to the Code of Conduct policy.

Article 30. FACILITIES, EQUIPMENT, AND SUPPORT

30.1 Subject to available funding, the College will provide classroom space, office space, library access, internet connection, access to the learning management system (LMS) when appropriate, equipment, and materials to aid in the faculty member's performance.

30.2 The distribution of Student Fees revenue shall be considered a proper subject for dialogue between the parties.

Article 31. TRANSFERS

The parties agree that the primary consideration for transfers of programs, personnel or facilities and equipment shall be what is in the best interests of the College as it relates to the provision of services to the community. The parties shall endeavor to establish positive dialogue as a means of reducing conflict over transfers. Prior to the time of involuntary transfers, the affected faculty members will be involved in such dialogue.

Article 32. SUSPENDED PROGRAMS

32.1 The College shall determine whether or not to continue, discontinue, or re-institute programs.

32.2 The Federation may make recommendations to the College on the continuance, discontinuance, or reinstatement of programs. The College will consider the Federation recommendations.

Article 33. HEALTH AND SAFETY

The College and Faculty will exercise their respective responsibilities under occupational safety and health standards, to create a safe and healthful environment in accordance with applicable state and federal law.

Whenever an employee observes a condition which they feel represents a violation of safety or health rules and regulations or which is an unreasonable hazard to persons or property, the employee shall report such observation to the appropriate administrator, which will be promptly investigated.

Whenever a faculty unit employee believes in good faith that they are being required to work under unhealthy or unsafe conditions, they shall notify the appropriate administrator. The appropriate administrator shall investigate as soon as possible the alleged unhealthy or unsafe conditions and shall immediately communicate with the employee, in writing, the results of such an investigation and, if deemed necessary, the steps that shall be taken to correct the condition.

An employee may request in writing a temporary reassignment (e.g. change of office, or modifications to tasks) when they believe in good faith that their present assignment presents a clear danger to their health and safety. The appropriate administrator shall promptly respond to such a request in writing. Such a request shall not be unreasonably denied during the preliminary aspect of any investigation. If such an unsafe or unhealthy condition is found during such an investigation, the temporary reassignment shall continue until a remedy is implemented.

All work-related injuries and illnesses shall be reported immediately to the appropriate administrator.

The College will organize and maintain a safety committee that advises on health and safety issues affecting employees covered by this Agreement and shall include as a member of that committee a designee of the bargaining unit. The committee will advise the College on policies and procedures, review health and safety concerns and suggestions, and provide recommendations regarding obtaining, purchasing, operating, or storing hazardous materials or equipment, and the procurement and use of appropriate personal protective equipment.

Article 34. SALARY PROCEDURE

34.1 Faculty Members shall be paid their annual salaries in twenty-six (26) installments occurring bi-weekly. If a payday falls on a weekend or a holiday, any employee who receives a paper check will be paid the following workday.

34.2 Faculty Members who do not teach during the summer may also choose to either be paid in a lump sum at the end of the contract year (May) or be paid bi-weekly during the summer break. Those requesting a lump sum must notify the payroll office in writing at least thirty (30) days prior to the expiration of the academic year.

34.3 Faculty Members who received per diem when an overnight stay is not required will be taxed on the per diem per IRS Regulations.

Article 35. FRINGE BENEFITS

The Federation recognizes that some fringe benefits and conditions on benefits are set and regulated by the State and/or Federal Government.

35.1 Shared Cost Benefits

The College will provide employees coverage under the group plan from the New Mexico Public Schools Insurance Authority (NMPSIA). The College reserves the right to select benefits vendors through an appropriate procurement process, applying appropriate fiscal and quality of service analysis.

Eligible employees and eligible family members are defined by NMPSIA and may participate in the following plans offered by NMPSIA. Each fiscal year, NMPSIA may offer an open/switch enrollment period. Payment for these benefits shall be based on rates established by NMPSIA for participating members. The Employer shall contribute the amount required for such payments. Eligibility, effective dates, and change of status rules are defined by NMPSIA. The following benefits are subject to change by NMPSIA.

a. Group Insurance (Medical, Prescription Drugs and Vision)

The costs are shared between College and eligible employees distributed as follows:

Annual Salary	NNMC Share	Employee Share
\$1.00 - \$49,999.99	80% of premium	20% of premium
\$50,000.00 - \$59,999.99	70% of premium	30% of premium
\$60,000 and over	60% of premium	40% of premium

b. Educational Retirement/Alternative Retirement

The Educational Retirement Board (ERB) is the statutory entity responsible for administering the New Mexico Educational Retirement Act (ERA). NM Educational retirement is a shared rate set by New Mexico Statute. An Alternative Retirement Plan (ARP) is available to new faculty who meet eligibility requirements. Membership is a condition of employment, commencing with the first day of employment.

c. New Mexico Retiree Health Care

NM Retiree Health Care is a shared rate set by NM Statute.

35.2 Other benefits paid by NNMC

a. Basic Term Life Insurance (employee coverage) \$50,000

b. Employee Assistance Program

c. State Unemployment Insurance

d. Worker's Compensation

e. Educational opportunities

Employee Tuition Waivers up to 9 credit hours per Fall/Spring semester and up to 4 credit hours per summer term (paid by NNMC/fees paid by employee).

f. Dependent Tuition

Waivers up to 18 credit hours per semester (tuition paid by NNMC/fees paid by employees dependent). This program applies to NNMC offered courses only. Eligible dependents including a legal spouse, domestic partner (affidavit of Domestic Partnership must be filed with Human Resources), and any naturally, legally adopted, or stepchildren who, as of the original application deadline, are unmarried and have not reached age of twenty-five (25). When an employee is no longer married or a domestic partnership is terminated, the ex-spouse or domestic partner is not eligible for tuition benefits under this program, effective with the academic semester following the date of the divorce or termination of the domestic partnership.

The amount of the tuition benefit will be reduced by the amount of tuition waived by any other tuition waiver or tuition scholarship. The amount of an individual's dependent education tuition benefit, plus the amount of any need-based financial aid grants, will not exceed the cost of attendance, as defined by the Financial Aid Office.

Under IRS regulation, the value of tuition benefits may be considered taxable income to the employee. The value of benefit, if applicable, will be included as compensation on the employee's W-2 form filed with the IRS and subject to withholding.

Employees may be granted up to four hours of time off with pay per week to attend one (1) course each semester at the discretion of the employee's supervisor. The employee participating shall forfeit breaks on class days. Supervisors are encouraged to grant permission for such time off, if possible based on workload or other legitimate business reasons. If time off is not feasible, supervisors are encouraged to arrange for an Alternative Work Schedule in order for an employee to attend a class during the day, if possible based on workload or other legitimate business reasons. Employees working less than 40 hours per week are not eligible for time off.

Course fees assessed for participation in instructional academic credit courses are not covered. The mandatory student fee portion of tuition and fees is not covered for eligible dependents. Non-resident tuition in excess of New Mexico resident tuition is not covered. Tuition or fees for Continuing Education courses are not covered.

35.3 Employee Paid Benefits

Flexible Spending Accounts – allows the employee to pay for eligible medical and/or dependent care expenses on a pre-tax basis.

a. Life Insurance – Additional Employee Term Life (Supplemental) Life, and Dependent Life (spouse, domestic partner, and children) coverage are provided. Contact the Human Resources Department for details.

b. Supplemental Retirement Plans

All members of the Bargaining Unit shall be eligible to participate in a supplemental retirement plan (403(b) and 457(b) accounts). Contribution limits are established each calendar year by the Internal Revenue Service.

c. Other Supplemental Plans

Voluntary Supplemental Accident, Cancer and other products offered by various carriers. For a complete list of other supplemental insurances and carriers, please contact the Human Resources Department.

Article 36. COMPENSATION

36.1 Faculty salary increases will be negotiated by the College and the Federation consistent with an effort to reduce salary compression between the ranks, recognize differences in market conditions between disciplines, recognize years of service to the College, recognize years in rank, and address, as appropriate, any other conditions specific to individual circumstances. The shared goal of the College and the Federation is to reach and maintain parity in average salaries with our comparison institutions.

36.2 The College proposes the Salary Matrix below. The table below provides the minimum salaries and are based on terminal degree holders and 9-month contracts. The matrix also reflects the different fields, rank, years of service in the specific rank. Any credentials below the terminal degree shall not be compensated at the terminal degree level. The Salary Matrix for faculty below the terminal degree shall be calculated by multiplying the corresponding cell in the matrix by a 0.85 factor.

Academic Field	Tenure-Track		Tenured		
	0 to 5 years	> 5 years	0 to 5 years	> 5 years	> 10 years
Biology	\$59,540	\$62,709	\$68,254	\$72,155	\$76,264
Business Administration	\$76,018	\$81,901	\$90,855	\$96,049	\$101,519
Chemistry	\$60,282	\$63,356	\$70,249	\$73,833	\$77,598
Criminal Justice	\$58,696	\$61,630	\$68,673	\$72,107	\$75,712
Education	\$63,508	\$66,748	\$74,010	\$77,785	\$81,752
Electrical Engineering	\$92,031	\$93,918	\$99,421	\$105,104	\$111,090
Environmental Science	\$62,872	\$66,825	\$73,299	\$77,489	\$81,903
FDMA	\$62,204	\$63,809	\$67,861	\$71,740	\$75,826
Information Technology	\$74,420	\$79,392	\$88,347	\$93,398	\$98,717
Language & Letters	\$56,388	\$61,575	\$69,054	\$73,002	\$77,159
Mathematics	\$62,601	\$65,537	\$70,961	\$75,017	\$79,288
Mechanical Engineering	\$76,410	\$83,184	\$93,061	\$98,381	\$103,983
Nuclear/Radiation	\$81,158	\$85,298	\$94,460	\$99,279	\$104,343
Nursing	\$78,123	\$82,109	\$84,917	\$89,248	\$93,801
Office Administration	\$55,677	\$58,516	\$72,671	\$76,378	\$80,272
Physics	\$60,414	\$65,127	\$72,280	\$76,412	\$80,763
Psychology	\$60,879	\$64,193	\$69,935	\$73,933	\$78,144
Sociology	\$64,199	\$65,839	\$70,006	\$74,008	\$78,223

For Fiscal Year 2025, bargaining unit employees will receive a 3% increase to the base rate of pay and the matrix above reflects this change.

There is presently no additional remuneration when moving from Associate Professor to Full Professor. With regards to the Full Professorship, on or before May 1, 2025, the Office of the Provost and a representative of the bargaining unit shall complete a faculty salary study of peer institutions of similar size, disciplines, Carnegie classification, enrollment and budget, and shall consider the market cost of living. Data gathered in this study will be shared with NFE. Results of the study will be presented to the Faculty Senate at its May 2, 2025, meeting. The results of any such studies shall not be binding upon the College but shall only be used as consideration for the development of a salary scale for Full Professor rank, and any future salary increase associated with a promotion to the rank of Full Professor shall also be contingent on sufficient appropriations or other revenues to actually fund Full Professor positions. Full Professor compensation will also be considered in conjunction with the College's other financial priorities such as

staff and adjunct faculty compensation.

Nursing faculty will be provided an additional stipend pending continued funding from the State of New Mexico Nursing RPSP as follows:

- a) If a full-time nursing faculty member employed as of the first week of the academic year, remains employed until the end of the fall semester they will be provided a \$3500 stipend on the second paycheck in January.
- b) If a full-time nursing faculty member employed as of the first week of the academic year, remains employed until the end of the spring semester, they will be provided with a \$3500 stipend on the first paycheck in June.

36.3 Compensation for faculty teaching overload and summer session will be based on the following matrix showing rates per credit hour. Any credentials in between the master's degree and the doctorate degree will not be compensated at the doctorate level. A Special Program is defined as a discipline where the market value according to the salary study demands higher compensation. This includes courses in the following programs: Electrical Engineering, Information Technology, Mechanical Engineering, Business Administration, Nursing, and Nuclear Radiation.

	Bachelor	Master	PhD
Theory	\$760	\$814	\$868
Non-special (Studio/Lab)	\$1137	\$1220	\$1301
Special (Studio/Lab)	\$2100	\$2251	\$2402

36.4 Under normal circumstances, faculty overloads will be limited to eight (8) credit hours per academic year, not including summer session teaching.

36.5 For online overload courses (OL, OLP, BOL only) with enrollments between ten (10) and twenty (20) students, the above overload matrix will be used. When the course has less than ten (10) students or more than twenty (20) students, a proportionate rate will be used. For courses with less than 5 students, 40% of the matrix rate will be applied, for courses between five (5) and nine (9) students, the matrix value above will be multiplied by the factor equivalent to the value of the division of the number of enrolled students divided by 10. For courses with more than twenty (20) students, the matrix above will be multiplied by the factor equivalent to the excess of students beyond twenty (20), i.e., the enrolled number of students minus twenty (20), divided by twenty (20).

The number of enrolled students that will be used for the calculation is the one on the second Monday of classes. For eight-week courses or summer terms, the number of enrolled students that will be used for the calculation is the one on the first Thursday of classes. Faculty shall only teach these modalities if they have completed the online credentialing process approved by the Office of Distance Education. For the extraordinary case when a contract, appropriation, or grant supports the offering of a course, the Provost may waive the pro-rated payment for courses with less than 10 students. In such a case, the faculty will be paid according to the overload matrix above.

Number of students	Proration factor for low enrollment
1-4	40%
5	50%
6	60%
7	70%
8	80%

9	90%
10	100%

36.6 Overload online courses will be eligible for an additional stipend:

- a. For fully online asynchronous courses (OLP and OL only), faculty shall only teach these modalities if they have completed the learning management system training or online teaching experience is demonstrated and approved by the Chair/Dean and the Provost. The stipend rate shall be paid at \$150 per credit hour.
- b. For blended courses (BOL), faculty shall only teach this modality if they have completed the learning management system training or online teaching experience is demonstrated and approved by the Chair/Dean and the Provost. The stipend rate shall be paid at \$75 per credit hour.

36.7 For traditional face-to-face overload courses at or above the minimum enrollment required, the overload matrices above shall be used. For courses with less than 5 students, 40% of the matrix rate will be applied, for courses between five (5) and nine (9) students, the matrix value above will be multiplied by the factor equivalent to the value of the division of the number of enrolled students divided by 10.

Courses taught outside of a Faculty's home department will be paid at the adjunct rate.

36.8 Faculty members on a 9-month contract who receive contracts for additional months of service related to their primary duties will be paid pro-rated (1/9) of their base salary, for each additional month of service (no more than 3 additional months).

36.9 Faculty non-teaching overloads will be compensated based on the contract requirements approved by the Chair, Dean, and Provost.

36.10 Salaries funded by Federal Grants and Federal Contracts are regulated by the Code of Federal Regulations.

36.11 Faculty who secure grants that award indirect costs will be provided a yearly retention bonus of 5% of the indirect cost of the grant amount for the duration of the grant unless prohibited by the granting agency or other federal and state regulations.

36.12 In future salary negotiations, the College and members from the collective bargaining unit commit to exploring equitable distributions of salary increases which may remedy inequitable distributions and/or salary structures implemented in previous years.

Article 37. NO STRIKE OR LOCKOUTS

In Accordance with New Mexico Public Employee Labor Relations Board Statute 10-7E-21, the Federation and its members shall not engage in a strike and the College shall not engage in a lockout. The Federation and its members shall not cause, instigate, encourage or support a public employee strike. The Federation and its members shall not cause, instigate or engage in a public employee lockout.

Article 38. NEGOTIATING PROCEDURES

38.1 Negotiations for a successor agreement may be initiated when either party submits a notice to the opposite party requesting the commencement of negotiations. The party receiving the request for bargaining shall meet with the party initiating the request to determine a mutually agreed upon time and place to begin negotiations within ten (10) work days of receiving notice. The notice of request to commence negotiations shall be sent no earlier than November 1st of the academic year of the entire Agreement's termination date. In the event that the State of New Mexico authorizes a salary increase, then Article 35 (FRINGE BENEFITS), and Article 18 (WORKLOAD) shall be renegotiated. However, with the written agreement of both the Administration and Federation, any article can be re-opened at any time during the academic year.

38.2 If the parties have not reached agreement on a successor agreement before this Agreement terminates, the agreement shall remain in full force and effect until a successor agreement is negotiated and ratified.

38.3 Negotiations shall be conducted in closed session as specified in the New Mexico Public Employee Bargaining Act (PEBA).

38.4 Additional negotiations ground rules may be negotiated by the parties.

38.5 During negotiations, the parties shall meet at mutually acceptable times and places for negotiations.

38.6 Recesses, caucuses or study sessions may be called by either team at any time.

38.7 All proposals shall be submitted both in writing and electronically in an editable document. All proposals shall include original contract language and in-line edited language from the current proposal and counter proposals.

38.8 In the event the parties fail to reach agreement prior to the expiration date of this Agreement, they may seek mediation assistance from the Federal Mediation and Conciliation Service (FMCS).

38.9 Budget information shall be shared by the College.

Article 39. AGREEMENT COPIES

39.1 The parties shall print their own copies of this Agreement.

39.2 This agreement shall be posted on the College's website.

Article 40. COMPLETE AGREEMENT

The parties agree that this is the complete and only agreement between the parties. Each party has negotiated on all issues identified for negotiations and such negotiations have lead to this Agreement and no additional negotiations will be conducted on any item, whether contained herein or not, except by mutual agreement and this agreement replaces any and all previous agreements between the parties.

Article 41. SEVERABILITY

If any provision of this Agreement is determined by final order of an administrative agency or court with jurisdiction over the parties to be contrary to law, the affected provisions shall be rendered null and void. All other provisions not affected by the illegal provision shall remain in full force and effect. The provision determined to be contrary to law shall be renegotiated by the parties provided either party submits a request to reopen negotiations no later than thirty (30) days after the parties knew or reasonably should have known that the provision was contrary to law.

Article 42. AGREEMENT DURATION

42.1 Except for Article 36 (COMPENSATION), all articles in this Agreement shall become effective upon signature of the authorized representatives of the parties, after ratification by the Federation membership and subsequent approval by the College Board of Regents, and shall remain in effect through June 30, 2027, subject to applicable state laws.

42.2 Every three years the entire Agreement shall be open for renegotiation. Every year Article 36 (COMPENSATION) may be opened for negotiations by either party. In the event that the State of New Mexico authorizes a salary increase, then Article 35 (FRINGE BENEFITS) and Article 18 (WORKLOAD) shall be negotiated.

42.3 Article 36 (COMPENSATION) shall be in effect until June 30, 2025.

42.4 Negotiations for Article 36 (COMPENSATION), for the Academic Years 2025-2026 and 2026-2027 shall follow the procedures in Article 38 (NEGOTIATION PROCEDURES)

Article 43. SIGNATURES

This Agreement was ratified by the Federation on May 6, 2024, and approved by the College Board of Regents on May 23, 2024.

In witness thereof, the parties hereto affix the signatures of their respective Officers and representatives.

NORTHERN FEDERATION OF
EDUCATIONAL EMPLOYEES

NORTHERN NEW MEXICO COLLEGE

By: Tim Crose

By: _____

NFEE President

NNMC Board of Regents President

Appendix A



MEMBER'S ANNUAL INCOME	Over \$26,000	\$26,000 - \$15,157	\$15,157 - \$9,203	\$9,203 or less
DUES PER PAY PERIOD				

AFT NM LOCAL UNION NAME _____ LOCAL NUMBER _____

LAST NAME _____ FIRST NAME _____ EMAIL _____

JOB TITLE _____ WORK LOCATION _____ DATE OF BIRTH _____

SOCIAL SECURITY NUMBER _____ HOME/CELL PHONE _____ WORK PHONE _____

HOME ADDRESS _____ CITY _____ STATE _____ ZIP _____

I understand that my dues will include the many services and benefits of local, state and national AFT bodies. Union dues may not be deductible for federal income tax purposes; however, under limited circumstances dues may qualify as a business expense.

AUTHORIZATION FOR MEMBERSHIP DUES WITHHOLDING

I hereby authorize payroll deduction from my salary for the payment of dues as set by the local union. This authorization will remain in effect until I revoke it in writing, unless specified otherwise on the local contract.

SIGNATURE _____ DATE _____



AUTHORIZATION FOR STATE COPE

I hereby authorize the Union to forward \$1 per month of my current dues payment to the AFT New Mexico Committee on Political Education. I understand that I may opt out of this authorization at any time by notifying the Union in writing and that this assessment will revert to the organizing assessment fund. I understand that this authorization does not increase my dues.

SUPPORT THE LOCAL UNION'S COMMITTEE OF POLITICAL EDUCATION

I hereby authorize the _____ (your employer) to deduct from my salary the sum of _____ \$5 _____ \$10 _____ \$20 (other amount) per pay period and forward the amount to the _____ (your local union) Committee on Political Education (COPE). This authorization is signed freely and voluntarily and not out of any fear of reprisal and I will not be favored or disadvantaged because I exercise this right. I understand this money will be used by the AFT/COPE (AFL-CIO) to make political contributions. This voluntary authorization may be revoked in writing at any time by notifying the _____ (your local union) in writing of the desire to do so.

Contributions/gifts to AFT/COPE (AFL-CIO) are not deductible as charitable contributions for federal income tax purpose.

SIGNATURE _____ DATE _____

ACTIVATE \$5,000 OF GROUP LIFE INSURANCE AT NO COST TO YOU

YES! I elect \$5,000 of Group Term Life Insurance which is available to me at no cost for one full year as a new AFT member. I want to be covered under the group plan for the benefits which I am or may become eligible for, as requested below. The AFT provides this insurance for one year as a benefit of AFT membership. After one year, I will be invited to continue the insurance.

My beneficiary is to be (please print) _____ Relationship _____

My gender is _____ male _____ female _____ I am actively at work (Retirees not eligible)



I hereby certify that all statements and answers in this form are full, complete, and true to the best of my knowledge and belief. I understand that to be eligible for coverage I must be a new AFT member, and not currently insured under the Group Term Life Insurance plan for AFT members. I understand that my coverage will become effective on the first day of the month following the date this application is signed. The premiums for this insurance are being paid by AFT only for one year from the effective date. Any person who knowingly and with intent to defraud any insurance company or other person files an AFT application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act which may be a crime and may be subject such person to criminal and civil penalties. For questions, phone toll-free (888) 423-8700 or visit www.aftbenefits.org.

SIGNATURE _____ DATE _____

EQUAL EMPLOYMENT OPPORTUNITY AND NON- DISCRIMINATION POLICY

1. EQUAL EMPLOYMENT OPPORTUNITY AND NON-DISCRIMINATION POLICY

Northern New Mexico College is committed to providing a working and learning environment that provides equal opportunity to all current and prospective employees. Current and prospective employees will be considered for employment, promotions, assignment of duties, training, compensation and benefits, discipline and discharge, and other job opportunities on the basis of merit, and as otherwise required by law.

In accordance with federal and state law, it is the policy of the College to prohibit unlawful discrimination and harassment against employees or applicants for employment on the basis of race, color, religion, national origin or ancestry, sex, age, physical or mental disability or handicap, serious medical condition, spousal affiliation, sexual orientation, gender identity, veteran status, or any other basis prohibited by applicable law, including Title VII of the Civil Rights Act of 1964, 42 U.S.C. §2000e and the New Mexico Human Rights Act, 1978 NMSA §§ 28-1-1 through 28-1- 15.

Any applicant or employee who feels that he or she has been discriminated against or harassed should report the incident to Human Resources, a supervisor, or security.

1.1 AMERICANS WITH DISABILITIES ACT (ADA) AND REASONABLE ACCOMMODATIONS

To ensure equal employment opportunities to qualified individuals with a disability, the College will make reasonable accommodations for the known disability of an otherwise qualified individual, unless undue hardship on the operation of the business would result. Employees who may require a reasonable accommodation should contact Human Resources. It is the policy of the College to prohibit unlawful discrimination and to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12010, et seq.

1.2 RELIGIOUS AND TRIBAL FEAST DAY REASONABLE ACCOMMODATIONS

Excused absences for observance of religious holidays, including recognized New Mexico Tribal or Pueblo feast days, are permitted for employees. Requests to be away from work to participate in such observances should be submitted at least two weeks prior to the proposed absence. Planned absences for such requests may be taken as either paid vacation leave, if applicable, leave without pay, or with equivalent time worked at a time and manner agreed upon by the employee and the responsible Supervisor, Director, or Vice President. Responsible Supervisors, Directors, or Vice Presidents may make reasonable accommodations for an employee's time away from work for this purpose to the extent practical in the consideration of education, operational, and critical needs of the College.

No employee shall discriminate against any employee or other individual because of individual's religious belief or practice or any absence thereof. A refusal to accommodate is justified only when undue hardship to the College would result from each alternative of reasonable accommodation.

1.3 PREGNANCY DISCRIMINATION ACT

Pregnant employees are protected from discrimination based on current pregnancy, past pregnancy, and potential pregnancy. Northern New Mexico College provides women affected by pregnancy, childbirth, or related medical conditions with the same benefits of employment (such as light duty, alternative assignments, disability leave, unpaid leave, and medical clearance procedures) as other applicants or employees who are similar in their ability or inability to work. The American Disabilities Act (ADA) also covers pregnant employees who are regarded as having disabilities.

1.4 NURSING MOTHERS

Northern New Mexico College recognizes the health, family, and societal benefits of breastfeeding children. It supports all students and employees who choose to continue breastfeeding their children after they return to school or work, whether they be birth mothers, non-birth mothers, or transgender parents. The decision to continue to breastfeed when returning to school or work often depends upon the availability of a suitable place to pump or nurse and the time to do it. For these reasons, and in order to comply with federal and state law (FLSA), 29 USC § 207(r) (1)-(4) and (NMSA 1978, § 28- 20-2), the College provides lactation rooms and reasonable break periods for breastfeeding. For employees, these break periods are considered paid time.

The Second New Mexico Statute, NMSA 1978, § 28-20-1 ("Right to breastfeed"), provides that "A mother may breastfeed her child in any location, public or private, where the mother is otherwise authorized to be present."

1.5 HARASSMENT AND COMPLAINT PROCEDURE

Sexual and other unlawful harassment is a violation of Title VII and Title IX of the Civil Rights Act of 1964, as well as many state laws. Harassment based on a characteristic protected by law, such as race, color, ancestry, national origin, gender, sex, sexual orientation, gender identity, marital status, religion, age, disability, veteran status, or other characteristic protected by state or federal law, is prohibited.

It is the College's policy to provide a work environment free of sexual and other harassment. To that end, harassment of Northern New Mexico College employees by management, supervisors, coworkers, or nonemployees who are in the workplace is prohibited. The College will take all steps necessary to prevent and eliminate unlawful harassment.

"Unlawful harassment" is conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment; has the purpose or effect of substantially and unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities because of the individual's membership in a protected class.

Unlawful harassment includes, but is not limited to, slurs; jokes; pranks; innuendo; comments; written or graphic material; stereotyping; or other threatening, hostile, or intimidating acts based

on race, color, ancestry, national origin, gender, sex, sexual orientation, marital status, religion, age, disability, veteran status, or other characteristic protected by state or federal law.

“Sexual harassment” is generally defined under both state and federal law as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual’s employment or as a basis for employment decisions; or such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive work environment. Other sexually oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating, or humiliating to workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct that, if unwelcome, may constitute sexual harassment depending on the totality of the circumstances, including the severity of the conduct and its persistence and pervasiveness:

- Unwanted sexual advances, whether they involve physical touching or not;
- Sexual, jokes, written or oral references to sexual conduct, gossip regarding one’s sex life, comments about an individual’s body, comments about an individual’s sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, or cartoons;
- Unwelcome physical contact, leering, whistling, brushing up against the body, sexual gestures, or suggestive or insulting comments;
- Inquiries into one’s sexual experiences; and
- Discussion of one’s sexual activities.

Quid pro quo sexual harassment occurs when a job benefit is directly tied to an employee submitting to unwelcome sexual advances. For example, a supervisor promises an employee a raise if she will go out on a date with him, or tells an employee she will be fired if she doesn't sleep with him.

Only individuals with supervisory authority over a worker can engage in quid pro quo harassment, since it requires the harasser to have the authority to grant or withhold job benefits.

The Title IX Coordinator has been designated responsibility for coordinating Northern New Mexico College’s efforts to comply with and carry out its responsibilities under applicable laws prohibiting discrimination and harassment, including of Title IX of the Educational Amendments of 1972 and Title VII of the Civil Rights Act of 1964. The Director of Human Resources has been designated responsibility for coordinating Northern New Mexico College’s efforts to comply with and carry out its responsibilities under applicable laws prohibiting discrimination and harassment associated with Title VII of the Civil Rights Act of 1964.

A Title VII complaint shall be filed in with the Human Resources Office and will follow the procedures and timelines of either the New Mexico Human Rights Commission or the federal Equal Employment Opportunities Commission, as applicable.

A Title IX complaint shall be filed in accordance with Title IX Grievance Policy 1320 which can be obtained from the Northern New Mexico College website or directly from its Title IX Coordinator.

1.6 REPORTING MISCONDUCT COVERED BY THIS POLICY

Northern New Mexico College employees and individuals associated with the College, acting in good faith, should report any observed misconduct, whether suspected or apparent. Misconduct is any activity performed by a Northern New Mexico College employee that violates state and/or federal laws or regulations, local ordinances, or College policies. Employees are to maintain the highest standards of personal and professional ethics as they conduct business on behalf of the College.

Northern New Mexico College is committed to conducting an initial review and continuing with a thorough investigation into allegations of misconduct where warranted, while protecting the rights of all involved. Misconduct should be reported as soon as reasonably possible, preferably within thirty (30) days from the time the employee becomes aware of the observed, suspected, or apparent misconduct. Report the conduct to your supervisor. If, however, there is reason to believe the supervisor may be involved in the misconduct, report the conduct to the department responsible for dealing with the conduct in question. Such offices could include the Office of Human Resources, the Office of Title IX Coordinator, etc.

1.7 RETALIATION NOT TOLERATED

Retaliation is not tolerated by Northern New Mexico College and will be promptly investigated. Retaliation is any adverse action taken against an employee because that employee reported suspected misconduct. Any employee who interferes with, tries to interfere with, or retaliates against the rights of another employee for reporting suspected misconduct or cooperating in an investigation is subject to disciplinary action up to and including termination of employment Northern New Mexico College is committed to protecting employees who report suspected misconduct in accordance with the Whistleblower Protection Act (Whistleblower Protection Act - § 10-16C-1. - N.M. Stat. Ann. § 10- 16C-1 et seq. (2012)). Where possible, confidentiality will be maintained, however, identity may have to be disclosed to conduct a thorough investigation, to comply with the law, and to provide accused individuals their legal rights of defense.

It is important to protect individuals from false, unsubstantiated, or inaccurate accusations. An employee who knowingly provides false information or knowingly makes a false report of suspected misconduct or a subsequent false report of retaliation, or who knowingly provides false answers or information in response to an ongoing investigation will be subject to disciplinary action, up to and including termination of employment.

*Chief Financial Officer***NORTHERN New Mexico College****MEMORANDUM**

TO: Board of Regents
Northern New Mexico College

FROM: Theresa Storey, Chief Financial Officer

THRU: Hector Balderas, President
Denise Montoya, PhD, Chief of Staff/Vice President for Finance and Administration

DATE: May 23, 2024

RE: Fiscal Watch Report

Issue:

On a quarterly basis, Northern New Mexico College (NNMC) provides an institutional report for the Board of Regents (BOR) for review and approval.

Overview:

Quarterly, the NNMC Chief Financial Officer and the Business Office staff prepare a Fiscal Watch Report for review and discussion at the Audit, Finance, and Facilities Committee (AF&F) meeting. The financial report provides an overview of the institution's financial condition for all unrestricted and restricted funds and grants throughout the College.

The Fiscal Watch Reports are presented in the format prescribed by the New Mexico Higher Education Department (NMHED). Additional information is included to provide a budget status update for the Institution. In addition, the BOR also is provided information for the following financial areas summarized in the monthly institution-wide Fiscal Watch Report:

Unrestricted Funds
Auxiliary Programs
Institutional Grants
Student Aid
Plant Funds
Capital Outlay Projects

Recommendation:

Staff recommends that the BOR approves the Fiscal Watch Report for the period ending March 31, 2024.

Northern New Mexico College

Statement of Net Position

(Unaudited and Unadjusted)

March 31, 2024

Assets	
Current Assets:	
Cash and Cash Equivalents	6,984,570
Short-Term Investments	-
AR - Student	1,099,447
AR - Other than student	5,404,700
Inventories	18,907
Prepaid Expenses	27,960
Loans Receivable, net	801,851
Total Current Assets	14,337,435
Non-Current Assets	
Restricted Cash and Cash Equivalents	-
Restricted Short Term Investments	-
Investments Held by Others	-
Other Long-Term Investments	-
Prepaid Expenses	-
Capital Assets, net	36,645,605
Total Non-Current Assets	36,645,605
Total Assets	50,983,040
Deferred Outflows of Resources	
Pension & OPEB Related (6/30/23 balances)	8,806,927
Total Deferred Outflows of Resources	8,806,927
Liabilities	
Current Liabilities	
Accounts Payable	189,620
Other Accrued Liabilities	1,097,190
Deferred Income	2,841,053
LT Liabilities - Current Portion	-
Total Current Liabilities	4,127,864
Non-Current Liabilities	
Accrued Interest Payable	-
Accrued Benefit Reserves	-
Other LT Liabilities	97,208
Net Pension Liability	23,727,330
Net OPEB Liability	4,498,696
Total Non-Current Liabilities	28,323,234
Total Liabilities	32,451,098
Deferred Inflows of Resources	
Pension, OPEB and Leases Related (6/30/23 balances)	19,754,648
Total Deferred Inflows of Resources	19,754,648
Net Position	
Invested in Capital Assets, net of Related Debt	36,645,605
Restricted for:	
Nonexpendable:	
Endowments	-
Expendable:	
General Activities	-
Federal Student Loans	-
Term Endowments	-
Capital Projects	-
Debt Service	-
Related Entity Activities	(580,793)
Unrestricted	
Unrestricted without NFP	5,786,461
Net Fiduciary Position	-
Total Unrestricted (includes 6/30/23 NFP)	5,786,461
Total Net Position	41,851,273

Northern New Mexico College
Summary of Operating and Plant Funds
(Unadjusted and Unaudited)
Fiscal Year 2024

Operating Funds	FY 2024 Original Budget	FY 2024 Adjusted Budget	FY 2024 Actuals as of March 31, 2024	Percentage Earned/Spent
REVENUES				
Tuition & Misc Fees	\$ 4,548,299	\$ 4,535,299	\$ 4,321,462	95.3%
Federal Appropriations		-	-	-
State Appropriations	16,035,865	16,035,865	12,293,697	76.7%
Local Appropriations	2,420,583	2,420,583	2,108,166	87.1%
Gifts, Grants & Contracts	8,628,189	14,395,797	9,357,355	65.0%
Endowment/Land & Perm Inc	305,502	443,601	263,226	59.3%
Sales & Services	569,007	305,502	304,066	99.5%
Other	15,629	152,414	172,941	113.5%
Total Revenue	32,523,074	38,289,061	28,820,913	75.3%
BEGINNING BALANCE	11,084,131	11,084,131	14,670,627	132.36%
TOTAL AVAILABLE	43,607,205	49,373,192	43,491,540	88.1%
EXPENDITURES				
Instruction & General	24,946,012	30,771,228	18,110,350	58.9%
Student Social & Cultural	111,538	111,538	56,384	50.6%
Research	55,138	565,933	387,776	68.5%
Public Service	898,818	1,057,774	618,741	58.5%
Internal Services	1,505,829	793,814	408,029	51.4%
Student Aid	4,850,935	4,891,839	6,912,048	141.3%
Auxiliary Enterprises	436,698	436,698	298,658	68.4%
Intercollegiate Athletics	668,695	672,695	645,234	95.9%
Independent Operations (NMDA)	-	-	-	-
Total Expenditures	33,473,663	39,301,519	27,437,220	69.8%
NET TRANSFERS OUT / (IN)	243,645	243,645	283,457	116.3%
TOTAL EXPENDITURES & TRANSFERS	33,717,308	39,545,164	27,720,677	70.1%
ENDING FUND BALANCE	\$ 9,889,897	\$ 9,828,028	\$ 15,770,863	

Plant Funds	FY 2024 Original Budget	FY 2024 Adjusted Budget	FY 2024 Actuals as of March 31, 2024	Percentage Earned/Spent
REVENUES AND TRANSFERS				
Required Student Fees				
Bond Proceeds				
Gifts, Grants and Contracts				
Interest Income				
State Appropriation	\$ 11,555,070	\$ 11,555,070	\$ 2,318,015	20.1%
Debt Service Transfers				
Other				
Total Revenues and Transfers	11,555,070	11,555,070	2,318,015	20.1%
BEGINNING BALANCE	-	-	-	
TOTAL AVAILABLE	11,555,070	11,555,070	2,318,015	20.1%
EXPENDITURES				
Capital Projects	10,950,000	10,950,000	2,335,697	21.3%
Building Renewal	605,070	605,070	450,809	74.5%
Internal Service Renewal/Replacement				
Auxiliary Renewal/Replacement				
Debt Retirement				
Total Expenditures	11,555,070	11,555,070	2,786,507	24.1%
NET TRANSFERS OUT / (IN)	(243,645)	(243,645)	(283,457)	116.3%
TOTAL EXPENDITURES & TRANSFERS	11,311,425	11,311,425	2,503,049	22.1%
ENDING FUND BALANCE	\$ 243,645	\$ 243,645	(185,034)	-75.9%

Northern New Mexico College
Summary of Operating and Plant Funds (Branch)
(Unadjusted and Unaudited)
Fiscal Year 2024

Operating Funds	FY 2024 Original Budget	FY 2024 Adjusted Budget	FY 2024 Actuals as of March 31, 2024	Percentage Earned/Spent
REVENUES				
Tuition & Misc Fees	\$ 21,905	\$ 21,905	93,354	426.2%
Local Appropriations	2,420,583	2,420,583	2,108,166	87.1%
Gifts, Grants & Contracts	80,000	289,970	303,174	104.6%
Other	-	-	-	
Total Revenue	2,522,488	2,732,458	2,504,694	91.7%
EXPENDITURES				
Instruction & General	2,081,103	2,364,440	1,354,774	57.3%
Student Social & Cultural	-	-	-	
Research	-	-	-	
Public Service	-	-	-	
Internal Services	142,103	142,103	172,599	121.5%
Student Aid	-	-	-	
Auxiliary Enterprises	-	-	-	
Intercollegiate Athletics	-	-	-	
Independent Operations (NMDA)	-	-	-	
Total Expenditures	2,223,206	2,506,543	1,527,373	60.9%
NET TRANSFERS OUT / (IN)	162,505	181,526	181,526	100.0%
TOTAL EXPENDITURES & TRANSFERS	2,385,711	2,688,069	1,708,899	63.6%
ENDING FUND BALANCE	\$ 136,777	\$ 44,389	\$ 795,795	

Plant Funds	FY 2024 Original Budget	FY 2024 Adjusted Budget	FY 2024 Actuals as of March 31, 2024	Percentage Earned/Spent
REVENUES AND TRANSFERS				
Required Student Fees				
Bond Proceeds				
Gifts, Grants and Contracts				
Interest Income				
State Appropriation	\$ 100,000	\$ 100,000	-	0.0%
Debt Service Transfers				
Other				
Total Revenues and Transfers	100,000	100,000	-	0.0%
EXPENDITURES				
Capital Projects	100,000	100,000	-	0.0%
Building Renewal	162,505	162,505	93,839	57.7%
Internal Service Renewal/Replacement				
Auxiliary Renewal/Replacement				
Debt Retirement				
Total Expenditures	262,505	262,505	93,839	35.7%
NET TRANSFERS OUT / (IN)	(162,505)	(181,526)	(181,526)	100.0%
TOTAL EXPENDITURES & TRANSFERS	100,000	80,979	(87,687)	-108.3%
ENDING FUND BALANCE	\$ -	\$ 19,021	\$ 87,687	461.0%

Northern New Mexico College
Comparison of Operating and Plant Funds
(Unadjusted and Unaudited)
Fiscal Year's 2024 and 2023

Operating Funds	FY 2024 Actuals as of March 31, 2024	FY 2023 Actuals as of March 31, 2023	Percentage Increase (Decrease)
REVENUES			
Tuition & Misc Fees	\$ 4,321,462	\$ 4,063,784	6.3%
Federal Appropriations	-	-	
State Appropriations	12,293,697	11,075,909	11.0%
Local Appropriations	2,108,166	2,257,674	-6.6%
Gifts, Grants & Contracts	9,357,355	8,452,977	10.7%
Endowment/Land & Perm Inc	263,226	518,558	-49.2%
Sales & Services	304,066	230,250	32.1%
Other	172,941	299,694	-42.3%
Total Revenue	28,820,913	26,898,846	7.1%
BEGINNING BALANCE	14,670,627	9,775,037	50.1%
TOTAL AVAILABLE	43,491,540	36,673,883	18.6%
EXPENDITURES			
Instruction & General	18,110,350	16,495,782	9.8%
Student Social & Cultural	56,384	64,754	-12.9%
Research	387,776	139,629	177.7%
Public Service	618,741	273,670	126.1%
Internal Services	408,029	1,006,010	-59.4%
Student Aid	6,912,048	6,012,041	15.0%
Auxiliary Enterprises	298,658	266,161	12.2%
Intercollegiate Athletics	645,234	434,919	48.4%
Independent Operations (NMDA)	-	-	
Total Expenditures	27,437,220	24,692,966	11.1%
NET TRANSFERS OUT / (IN)	283,457	142,377	99.1%
TOTAL EXPENDITURES & TRANSFERS	27,720,677	24,835,343	11.6%
ENDING FUND BALANCE	\$ 15,770,863	\$ 11,838,540	33.2%

Plant Funds	FY 2024 Actuals as of March 31, 2024	FY 2023 Actuals as of March 31, 2023	Percentage Increase (Decrease)
REVENUES AND TRANSFERS			
Required Student Fees	\$ -	\$ -	0.0%
Bond Proceeds	-	-	0.0%
Gifts, Grants and Contracts	-	-	0.0%
Interest Income	-	-	0.0%
State Appropriation	2,318,015	83,302	2682.7%
Debt Service Transfers	-	-	0.0%
Other	-	-	0.0%
Total Revenues and Transfers	2,318,015	83,302	2682.7%
BEGINNING BALANCE	-	-	
TOTAL AVAILABLE	2,318,015	83,302	2682.7%
EXPENDITURES			
Capital Projects	2,335,697	83,833	2686.1%
Building Renewal	450,809	51,748	771.2%
Internal Service Renewal/Replacement	-	-	0.0%
Auxiliary Renewal/Replacement	-	-	0.0%
Debt Retirement	-	-	0.0%
Total Expenditures	2,786,507	135,581	1955.2%
NET TRANSFERS OUT / (IN)	(283,457)	(142,377)	99.1%
TOTAL EXPENDITURES AND TRANSFERS	2,503,049	(6,796)	-36931.2%
ENDING FUND BALANCE	\$ (185,034)	\$ 90,098	-305.4%

Some revenues are reported on a seasonal basis or by semester and therefore may affect the Increase/(Decrease) to Fund Balance

Northern New Mexico College

Statement of Cash Flows

(Unaudited and Unadjusted)

March 31, 2024

Cash Flows from Operating Activities	
Receipts from student tuition and fees	\$ 4,321,462
Receipts from grants and contracts	9,357,355
Other receipts	-
Payments to or on behalf of employees	(14,314,027)
Payment to suppliers for goods and services	(14,376,836)
Receipts from Sales and Services	304,066
Payments for scholarships	(3,761,120)
Other Operating Revenue	172,941
Net cash (used) by operating activities	<u>(18,296,158)</u>
Cash Flows from Non-Capital Financing Activities	
State Appropriations	14,611,712
Mill Levy Distributions	2,108,166
Gifts for other than Capital Purposes	-
Private Gifts for Endowment	-
Other Non-operating Expense	-
Net Cash provided (used) for non-capital financing activities	<u>16,719,878</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Capital Debt	-
Capital Gifts, Grants and contracts	-
Purchase/Construction/Renovation of Capital Assets	(2,786,507)
Principal Received/Paid on Capital Debt and Leases	-
Interest and Fees Paid on Capital Debt and Leases	-
Building Fees Received from Students	-
Net Cash provided (used) for capital financing activities	<u>(2,786,507)</u>
Cash Flows from Investing Activities	
Investment Earnings	263,226
Net Cash provided by Investing Activities	<u>263,226</u>
Increase (Decrease) in Cash and Cash Equivalents	(4,099,561)
Cash and Cash Equivalents- beginning of year	11,084,131
Cash and Cash Equivalents- end of reporting period	<u>\$ 6,984,570</u>