

NEW MEXICO  
HIGHER EDUCATION  
DEPARTMENT



*Fostering Student Success from Cradle to Career*

FISCAL YEAR 2025 FINAL BUDGET ADJUSTMENT REQUEST  
&  
FISCAL YEAR 2026 OPERATING BUDGET  
INSTRUCTION GUIDE  
FOR  
HIGHER EDUCATION INSTITUTIONS

## INSTRUCTIONS FOR FY25 FINAL BARS AND FY26 OPERATING BUDGETS

Below are the guidelines for submitting a Final FY25 Budget Adjustment Request (BAR) and Proposed FY26 Operating Budget (OpBud) to the New Mexico Higher Education Department.

### **Financial Reporting Manual:**

Institutional Operating Budget, as well as BAR(s), must follow the “Financial Reporting for Public Institutions in New Mexico, December 18, 1997”.

Note: Per the Manual (page 22), Operating Budgets must include the following three columns:

- Original approved FY25 budget, also referred to as “current year’s operating budget”.
- Final approved FY25 budget, also referred to as “estimate of actuals”. This column must agree with the final FY24 BAR(s) (submitted separately)
- Proposed FY26 Operating Budget, also referred to as “Budget Request”.

All three columns contain two sub-columns, one titled “unrestricted” and one titled “restricted”.

### **BUDGET ADJUSTMENT REQUEST (BAR)**

#### **Final FY25 Budget Adjustment Request (BAR):**

To expedite the budget approval process, the department encourages institutions to submit the Final restricted and unrestricted BAR as soon as possible. Institutions shall submit a restricted and unrestricted BAR to the department for approval. The first column on the Budget Adjustment Request form is the “Current Approved Budget” column which is for unrestricted funds and should reflect the last column of the most recently submitted FY25 mid-year BAR.

The final BAR should also have beginning fund balances that can be verified against the FY24 audited ending fund balances reported in the budget comparison schedule. If the beginning fund balances cannot be verified against audited financials, a report from the institution's financial system must be submitted to validate the audited ending balances as of June 30<sup>th</sup>, 2024.

Institutions must also ensure that the compensation increase in House Bill 2 during the 2025 legislative session, along with the non-recurring appropriations distributed by the department as flow-thru funding are included in a final BAR. The amounts on the final BAR should match the General Fund Summary program line-item detail. Please note that this is only required if the program was not already incorporated in the original FY25 budget submission.

Institutions must also describe each additional allocation and respective dollar amount on the Explanation for Budget Adjustment (page 4) of your unrestricted BAR for all non-recurring line items appropriated in FY25. This is also the case for all flow-thru distributions to HED that institutions may need to add, increasing the amount listed in your original budget under State Government Appropriations on Exhibit 2. The description detail must match the funds appropriated in addition to the regular Section 4 recurring allocations.

For restricted BARs, if there was not a mid-year BAR submission, then the current approved column would be the last column of the FY26 Budget Request. An example of “Exhibit 1- Summary” is included in this packet. We highly encourage institutions to submit mid-year BAR to recognize any changes in budgets that have taken place by mid-year, rather than waiting until the final BAR is due, utilizing the BAR template located on the NMHED website.

**2025 Legislative Session Considerations for Final BAR:**

If an increase to the final FY25 budget is due to any new legislation passed during the 2025 Legislative Session for use in FY25, **and you intend to use the appropriation before June 30, 2025**, please cite the chaptered bill reference and description on the General Fund Appropriation Schedule.

Please note: All HEI's must have sufficient budget authority per audit rule 2.2.2.12-E(2) NMAC. Exceeding budget authority will result in audit findings.

**OPERATING BUDGET (OpBud)****Fiscal Year 2026 (FY26) Operating Budgets****1) Budget Approval Form**

Total proposed FY26 expenditures, per Exhibit 1, must agree with the amounts on the Budget Approval Form (i.e. total Current Unrestricted Funds, total Current Restricted Funds, and total Plant Funds expenditures). Please confirm that all individual exhibits tie to amounts listed in Exhibit 1.

By rule, all Plant Fund budgets must be reported as unrestricted.

Please submit this form as a stand-alone PDF document. *Original "wet" signatures are not required.*

**2) General Fund Appropriation Schedule**

Please list all General Fund appropriations included in House Bill 2 (HB2) to your institution on this template. These are each separate line-item appropriations under HB2 Section 4, and any other applicable sections. All General Fund Appropriation sources should be tied to HED's FY26 General Fund Summary. If there are instances where multiple line items are combined into one reporting line item within an exhibit, add a "–a" to clearly show the items combined. Also, populate the exhibit column where the appropriation is budgeted.

- Part A = Include all Section 4 Recurring line-item allocations + Section 8 Compensation. Include any RPSP's rolled up into I&G within this template.  
For multi-year appropriations, such as those appropriated in Section 9., budget the entire amount of the appropriation in FY26. Any remaining funding will be considered as "carry-over" funding into the next fiscal year.  
**Reminder:** *All research, public service, athletics, and other non-I&G programs that receive a General Fund appropriation must be included in the Exhibit "a" detail pages within the primary exhibit. These should include all program revenues, the beginning fund balance, all expenditures, all transfers in or out, and the ending balance.*
- Part B = General Fund Appropriations Thru NMHED (Flow-Thru) – Include BR&R and ER&R allocations here.
- Part C = Include any other General Fund (HB2) Recurring & Non-recurring funding appropriated directly to the Institution. (*Workforce GRO funds should be included in this section.*) Please refer to Laws of 2024 HB2 Appropriation verbiage.

**3) Signed Template for Tuition, Required Fees, and Room & Board Rates:**

To provide relevant information to NMHED and other stakeholders, the template (provided) for tuition and required fees should be completed and signed by your institution's Chief Financial Officer. Exhibit D at the back of the budget document also needs to be included (not signed) since it may include additional

information. A new box has been added and will need to be checked if your institution has a flat rate of tuition for full-time students that covers 12-18 hours or 15-18 credit hours.

**a. Note** – *The annual national WICHE & SHEEO surveys require breakouts between resident and non-resident tuition. If you do not already have tuition and fees separated in Exhibit 3 by residency, please update your documents to include the breakout by term and residency status with subtotals.*

**b. Note** – *For the tuition surveys please note the following:*

- *If there are differences in tuition and fees for lower division and upper division students, please provide lower division tuition and fees.*
- *Full-time undergraduate tuition and fee rates should be based on 15 credit hours per semester or equivalent.*
- *Full-time graduate tuition and fee rates should be based on 12 credit hours per semester or equivalent.*

#### **4) Tuition Waiver Schedule:**

To provide relevant information to NMHED and other stakeholders, the template (provided) for tuition waivers should be completed and signed by your institution's Chief Financial Officer.

**a. Note** – Annual SHEEO survey also requires tuition waiver information. If you do not already have tuition waiver amounts reported in Exhibit 3 as part of your overall tuition and fees revenue, please consider updating your templates to include in your Report of Actuals.

**b. Optional for FY26 Operating Budget submission**

**c. Required for FY25 Report of Actuals Submission**

#### **5) 3% Scholarship / Bridge Scholarship**

Please complete the template provided. The transfer amount should include actual anticipated funding that will be transferred to cover the 3% scholarship issuances for the fiscal year. Student headcount refers only to residential students eligible to receive this funding. Dual Credit, non-credit, and non-resident students should not be included in this student calculation.

#### **6) Budgeting of Building Renewal & Replacement:**

Please complete the template provided. Institutions must budget both the annual recurring transfer as well as the FY26 nonrecurring amounts as separate amounts to aid in tracking within your budget documents. HB2 Section 5 includes an appropriation of forty million (\$40,000) to HED for distribution to the higher education institutions of New Mexico for building renewal and replacement and facility demolition for expenditure in FY26. A report on building renewal and replacement transfers must be submitted to the higher education department before funding is released. In the event of a transfer of building renewal and replacement funding to cover institutional salaries or any other ineligible purpose as defined in the New Mexico higher education department space policy, funding shall not be released to the higher education institution. The appropriation includes up to ten million (\$10,000,000) may be used for facility demolition for demolition.

The non-recurring funding for FY26 will be distributed from the department's Capital Projects Division. The guidance, distribution methodology, and any required forms will be sent out by the Capital Projects Division.

#### **7) Budgeting of Equipment:**

Please complete the template provided. Institutions must budget any annual recurring transfer as well as the FY26 non-recurring ER&R allocation amounts as separate amounts to aid in tracking within your

budget documents. HB2 Section 5 includes an appropriation of three million (\$3,000,000) to HED for distribution to the higher education institutions of New Mexico for equipment renewal and replacement. A report on equipment renewal and replacement transfers must be submitted to the higher education department before funding is released. In the event of a transfer of equipment renewal and replacement funding to cover institutional salaries, funding shall not be released to the higher education institution.

The non-recurring funding for FY26 will be distributed from the department's Capital Projects Division. The guidance, distribution methodology, and any required forms will be sent out by the Capital Projects Division.

#### **8) Budgeting of Sources and Uses of Indirect Cost Revenue:**

Please complete the template provided, if applicable. The Department requires a breakout of indirect cost revenue to assist in providing relevant information to the department and other stakeholders. This information is used for SHEEO and other national reports as well.

#### **9) Compensation Table, Compensation, and ERB:**

Please complete the template provided.

HB2 Section 8.A.4 appropriates forty-four million nine hundred eighty thousand six hundred (\$44,980,600) in funding to support an across-the-board salary increase of 4% for non-student faculty and staff of two-year and four-year public post-secondary educational institutions.

HB2 Section 8.A.5 appropriates two million one hundred seventy-six thousand seven hundred (\$2,176,700) in funding to support an across-the-board salary increase of 4% for non-student faculty and staff of the New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired and New Mexico School for the Deaf.

HB2 Section 8.D appropriates three million eight hundred fifty-seven thousand two hundred (\$3,857,200) in funding to support the general fund share of medical insurance premiums paid by employers on behalf of state employees, two-year and four-year public postsecondary educational institutions, the New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired and New Mexico School for the Deaf.

The LFC calculation in this year's legislation enacted increases to utilize the net total state-funded salaries reported in the FY24 Report of Actuals for higher education. As such, the General Fund Appropriations Act provided a specific dollar amount, and the department calculated distributions for Section 8.A.7 4 and Section 8.A.8 5 appropriations above. These are listed within separate columns on the FY26 General Fund Summary.

The department also calculated a distribution for Section 8.D medical insurance premiums. The total amount of funding made available to institutions was determined by the New Mexico Department of Finance and Administration and is listed within its own column in the FY26 General Fund Summary.

Note: Minor rounding within the formulas is a factor in some of the minor deviations.

#### **10) COVID-19 Federal Funds:**

Please complete the template provided. This template captures a summary of federal funds received and utilized for COVID-19-related expenditures. All unencumbered expenditures need to be noted in this template.

## INSTRUCTIONS FOR FY25 FINAL BARS AND FY26 OPERATING BUDGETS

The annual national WICHE & SHEEO surveys require breakouts of federal relief funding, and this form assists with identifying funding. This information is also used in the review of Final BARs, proposed operating budget, and Report of Actuals.

Please note: if unsure about funding source, please contact HED for clarification.

### **Non-budgetary Exhibits:**

Non-budgetary exhibits, consisting of loan funds, endowment funds, quasi-endowment funds, capital appropriations, and agency fund groups, should ***not*** be shown in the budget document.

Exhibit 1A - Detail of Transfers must include an explanation of transfers to/from Current Unrestricted Funds into the appropriate non-budgetary exhibit. Further detail on budgeting within these exhibits can be found on page 24 of the Financial Reporting for Public Institutions in New Mexico Manual, December 18, 1997.

### **Submission Requirements:**

The deadline for submission of both BARs and draft OpBuds is **Thursday, May 1, 2025**. Per NMAC 5.3.4.12 section C (1) BARs and OpBuds must be approved by the institution's governing board before they are submitted by HED to the Department of Finance and Administration (DFA) for approval.

Per NMAC 5.3.4.13 section C, draft OpBuds must be submitted to the department for review. BARs and OpBuds will be reviewed by department staff with follow-up to the appropriate institution officials for clarification, correction of errors, and consistency in budgetary format.

### **Submission Checklist:**

Please utilize the checklist as a final review tool and submit the completed checklist along with all other required documents.

### **Operating Budget Content/Format:**

Please email the PDF or Excel template budget document submission in this order:

- Checklist
- Completed budget templates.
- All applicable Current Fund exhibits (1 – 22)
  - Details should accompany each exhibit in proper order. Ex: 10 Summary, then 10a for each reporting unit.
  - Exhibits 15 through 22 should have a summary page and then detail pages for each reporting unit --- to include all Revenue Sources, Beginning Balances, Total Revenues, Expenditures, Transfers, and Ending Balances.
- All applicable Plant Fund exhibits (I – III)
- All informational exhibits (a – e). Please include subtotals for each grouping.
- Please include FTE data throughout.

The following files are provided annually to aid institutions in their preparation of annual budget documents. These files are also posted on the New Mexico Higher Education Department website under Resources for Schools> Institutional Finance> Operating Budgets-BARs-Actuals section. The direct link is also provided below:

<https://hed.nm.gov/resources-for-schools/institutional-finance/operating-budgets-and-bars>

## INSTRUCTIONS FOR FY25 FINAL BARS AND FY26 OPERATING BUDGETS

- FY26 General Fund Summary
- FY26 I&G-IntSvc-RPSP Comp Calc for FY25 = 3% Distribution
- FY26 I&G-IntSvc-RPSP Comp Calc for FY25 = 1% Distribution (Increased Health Costs)
- FY26 BR&R Distributions (HB2, Section 5 Non-Recurring)
- FY26 ER&R Distributions – TBD (HB2, Section 5 Non-Recurring)

### **General Appropriation Act (HB2) Distributions:**

1. All line-item appropriations directly to HEIs in HB2 under Section 4J will be part of your monthly 1/12<sup>th</sup> allocation from DFA, no action is necessary on the part of the institution.
2. All line-item appropriations to HED as flow-thru to HEIs in HB2 under Section 4, Section 5, and Section 9 will be distributed according to the methodology determined by the department and made available once the mechanism for allocation is determined (MOU, Grant Agreement, Contract Amendment, Distribution Table, etc.) and the budget is in place.
3. All line-item appropriations to HED to HEIs under Section 8 (Comp) will be distributed as soon as the funding is transferred from DFA to HED. No action is necessary on the part of the institution.
4. All HB2 Section 5 allocations appropriated directly to your institution will be distributed by DFA. This funding will require the submission of a DFA allotment form to DFA to receive the funds. DFA will provide guidance on this process at a later date.
5. All HB2 non-recurring appropriations along with the distribution methodology have been provided on Exhibit A of these instructions for your use in determining correct exhibits for budgeting.

### **New Mexico Higher Education Department Contacts:**

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# INSTRUCTIONS FOR FY25 FINAL BARS AND FY26 OPERATING BUDGETS

CHAPTER 160, LAWS 2025 (HB2) NON-RECURRING ITEMS BY SECTION (\$ in thousands)					
Section	Unit	Short Title	Amount	Distribution Type for Budgeting	Fund Source
<b>TOTAL</b>			<b>231,924.0</b>		
<b>Section 5</b>					
5(65)	DoIT	Cybersecurity for public and higher education (CHEx)	20,000.0	TBD	General Fund
5(66)	DoIT	Cybersecurity for public and higher education Reauthorization		Reauthorization to FY26	
5(272)	HED	Adult Education Programs	10,000.0	TBD	Other State Funds
5(273)	HED	Behavior Health Career Development, and Internships	1,000.0	TBD	General Fund
5(274)	HED	Scholarships, Financial Aid Behavioral Health	3,000.0	TBD	General Fund
5(275)	HED	Building renewal and Replacement and facility demolition	40,000.0	NMHED Distribution via Reimbursement	General Fund
5(277)	HED	Equipment Renewal and Replacement	3,000.0	NMHED Distribution via Reimbursement	General Fund
5(278)	HED	Health professional loan repayment program	20,000.0	TBD	General Fund
5(279)	HED	High School Equivalency Tests	1,250.0	TBD	General Fund
5(280)	HED	NM Community Colleges and Universities for program development & equipment to support non credit workforce programs	2,700.0	TBD	General Fund
5(281)	HED	College of osteopathic medicine outreach program	3,000.0	TBD	General Fund
5(282)	HED	Teacher Loan Repayment Fund	5,000.0	TBD	General Fund
5(283)	HED	Technology enhancement fund	10,000.0	NMHED Distribution via MOU	General Fund
5(284)	HED	Study, Support, Transition and Admin	750.0	Distribution to Luna	General Fund
5(285)	HED	Tribal dual credit programs	200.0	TBD	General Fund
5(286)	HED	Veterinarian Loan repayment	1,550.0	TBD	General Fund
5(287)	HED	Expansion of workforce training pilot program	2,000.0	TBD	General Fund
5(288)	UNM	Bioscience	1,000.0	DFA Allotment Form	General Fund
5(289)	UNM	Health science center Native American Health	2,500.0	DFA Allotment Form	General Fund
5(290)	UNM	College of Population Health	2,500.0	DFA Allotment Form	General Fund
5(291)	UNM	Educator Training Hepatitis Community Health	1,000.0	DFA Allotment Form	General Fund
5(292)	UNM	Gallup - Pilot Law Enforcement Academy	400.0	DFA Allotment Form	General Fund
5(293)	UNM	Health Sciences Center Learning and Working Environment	200.0	DFA Allotment Form	General Fund
5(294)	UNM	Legal Education Financial Aid	150.0	DFA Allotment Form	General Fund
5(295)	UNM	HSC Mental Health Substance Misuse & Criminal Justice Technical Assistance	1,800.0	DFA Allotment Form	General Fund
5(296)	UNM	HSC & DOH Mobile Health Units	2,000.0	DFA Allotment Form	General Fund
5(297)	UNM	Native American Studies Endowments	2,000.0	DFA Allotment Form	General Fund
5(298)	UNM	Online Native Language Program	500.0	DFA Allotment Form	General Fund
5(299)	UNM	Psychedelic assisted therapy research Program	500.0	DFA Allotment Form	General Fund
5(300)	UNM	Quantum Institute	1,800.0	DFA Allotment Form	General Fund
5(301)	UNM	HSC Resident Pay	2,000.0	DFA Allotment Form	General Fund
5(302)	UNM	Taos Telescope and Observatory	1,000.0	DFA Allotment Form	General Fund
5(303)	NMSU	Dept of Agriculture Acequia and Community Ditch	1,200.0	DFA Allotment Form	General Fund
5(304)	NMSU	Dept of Agriculture Youth Leadership Programs	300.0	DFA Allotment Form	General Fund
5(305)	NMSU	Dept of Agriculture Approved Supplier Program	430.0	DFA Allotment Form	General Fund
5(306)	NMSU	Institute of Artificial Intelligence and Machine Learning	2,000.0	DFA Allotment Form	General Fund
5(307)	NMSU	Dept of Agriculture Animal Health Officials	100.0	DFA Allotment Form	General Fund
5(308)	NMSU	Dept of Agriculture Grants to assist meat producers	3,300.0	DFA Allotment Form	General Fund
5(309)	NMSU	Purchase Equipment Instrumentation, Laboratory Facility Improvements for water treatment	4,015.0	DFA Allotment Form	General Fund
5(310)	NMSU	Land Acquisition, planning, design and construction of NM Reforestation Center - Time extension to FY28		Reauthorization to FY26	
5(311)	NMSU	Department of agriculture Soil & Water Conservation Districts	9,000.0	DFA Allotment Form	General Fund
5(312)	NMSU	Innovation, Research, Monitoring Strategic Water Supply	4,000.0	DFA Allotment Form	General Fund
5(313)	NMSU	Athletics	1,500.0	DFA Allotment Form	General Fund
5(314)	NMSU	Range and Animal Sciences to Support Veterinary Scholarships	450.0	DFA Allotment Form	General Fund
5(315)	NMSU	Dept of Agriculture grants to local governments	5,000.0	DFA Allotment Form	General Fund
5(316)	NMHU	A doctorate Degree in Social Work	150.0	DFA Allotment Form	General Fund
5(317)	NMIMT	Bureau of Geology and Mineral Resources Aquifer monitoring	7,500.0	DFA Allotment Form	General Fund
5(318)	NMIMT	Enterprise Resource Management upgrade	3,500.0	DFA Allotment Form	General Fund
5(319)	NMIMT	Enhanced marketing and recruitment	2,000.0	DFA Allotment Form	General Fund
5(320)	NMIMT	Semiology equipment and monitoring network	1,500.0	DFA Allotment Form	General Fund
5(321)	NMIMT	Student and Community Wellness Planning	1,000.0	DFA Allotment Form	General Fund
5(322)	NMIMT	Implement the Water Data Act	2,000.0	DFA Allotment Form	General Fund
5(323)	NNMC	Security improvements, information system		Reauthorization to FY26	
5(324)	MCC	Nursing Program	450.0	Reauthorization to FY26	General Fund
5(325)	MCC	Equipment for Wind Technology and Commercial	300.0	Reauthorization to FY26	General Fund
5(326)	SJC	Purchase equipment for heavy equipment operator	430.0	Reauthorization to FY26	General Fund
<b>Section 7</b>					
7(44)	HED	Shared services enterprise resource planning	6,000.0	NMHED Distribution via Allotment	Inter Agency Transfers
<b>Section 9</b>					
9A(20)	HED	Student Retention Initiatives expensed in FY26	4,500.0	NMHED Distribution via MOU	Other State Funds
9B(20)	HED	Student Retention Initiatives expensed in FY27	6,500.0	NMHED Distribution via MOU	Other State Funds
9C(20)	HED	Student Retention Initiatives expensed in FY28	9,000.0	NMHED Distribution via MOU	Other State Funds
9A(32)	NMSU	College Assistance Migrant Program expensed in FY26	333.0	NMHED Distribution via MOU	Other State Funds
9B(32)	NMSU	College Assistance Migrant Program expensed in FY27	333.0	NMHED Distribution via MOU	Other State Funds
9C(32)	NMSU	College Assistance Migrant Program expensed in FY28	333.0	NMHED Distribution via MOU	Other State Funds
9A(33)	NMSU	Statewide online education program in partnership and coordination with other state education institutions	12,000.0	NMHED Distribution via MOU	Other State Funds