

**NORTHERN NEW MEXICO COLLEGE**



**BOARD OF REGENTS  
SPECIAL MEETING**

**AUGUST 12, 2021**

# NORTHERN New Mexico College



## NOTICE

The Board of Regents of Northern New Mexico College will hold a special meeting on **Thursday, August 12, 2021 at 10:30AM Via Zoom.**

Join Zoom Meeting

<https://nmmc.zoom.us/j/99990185766>

Meeting ID: 999 9018 5766

One tap mobile

+12532158782,,99990185766# US (Tacoma)

+13462487799,,99990185766# US (Houston)

Dial by your location

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

Meeting ID: 999 9018 5766

Find your local number: <https://nmmc.zoom.us/u/abduKogYdc>

## FINAL AGENDA

- I. **CALL TO ORDER**
- II. **APPROVAL OF AGENDA**
- III. **PRESENTATION OF AUDIT BY EXTERNAL FINANCIAL AUDITORS – Action Required**
- IV. **COLLABORATIVE FOR HIGHER EDUCATION SHARED SERVICES (CHES) MOU CONSIDERATION – Action Required**
- V. **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.***

# Northern New Mexico College

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COLLEGE BOARD OF REGENTS  
PRESENTATION

AUGUST 12, 2021



**CRI** CARR  
RIGGS &  
INGRAM  
CPAs and Advisors

# Agenda

- Audit Timeline
- Auditors' Reports
- Financial Statement Highlights
- Other Matters
- New and Upcoming Standards
- Value-Added Suggestions

# Timeline of the Audit

<b>Date of Engagement Letter</b>	<b>June 16, 2020</b>
<b>Planning</b>	<b>July 2020</b>
<b>Fieldwork</b>	<b>February 2021 – April 2021</b>
<b>Delivered Financial Statement Findings</b>	<b>May 13, 2021</b>
<b>Delivered Financial Statement Draft</b>	<b>May 20, 2021</b>
<b>Exit Conference Presentation</b>	<b>May 20, 2021</b>
<b>Independent Auditors' Report</b>	<b>June 1, 2021</b>

# Auditors' Reports

## Independent Auditors' Reports

Opinion on the Financial Statements:

- **Modified Opinion –**
  - Basis for Qualified Opinion: An opinion could not be rendered for capital assets due to there not being sufficient appropriate audit evidence.
  - Except for the effects of the matter described in the Basis for Qualified Opinion, the financial statements are presented fairly in accordance with accounting principles generally accepted in the United States of America.

## Other Auditors' Report

GAGAS Reports on *Internal Control Over Financial Reporting* and on *Compliance and Other Matters*

### **College**

- 2020-001
- 2020-002
- 2020-003
- 2020-004
- 2020-005
- 2020-007
- 2020-008
- 2020-009
- 2020-010
- 2020-011

### **College Foundation**

- 2020-012
- 2020-013
- 2020-014
- 2020-015
- 2020-016
- 2020-017

### **Eagle Corporation**

- 2020-018
- 2020-019

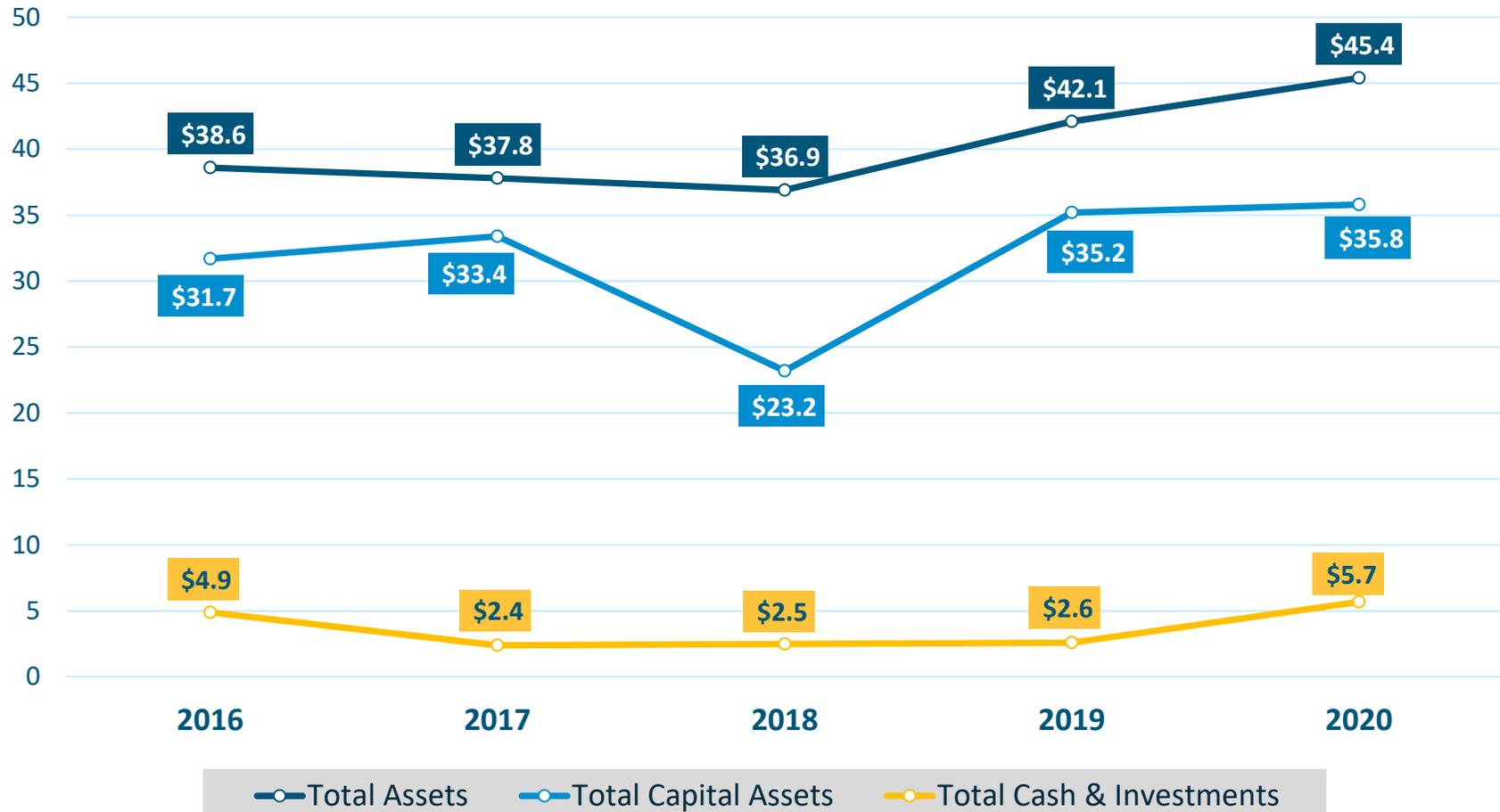
Uniform Guidance Report on *Major Program and on Internal Control over Compliance*  
 Qualified Opinion • 2020-006

# Statement of Net Position

- **Assets**
  - 5 Year Trend – Assets balances have remained fairly consistent over the last 5 years.
- **Liabilities**
  - 5 Year Trend – The actuarial valuation related to pension during fiscal year 2020 was approximately \$13 million less than in the prior fiscal year.
- **Net Position**
  - 5 Year Trend – The increase in net position is primarily due to the shift in pension liability during fiscal year 2020.

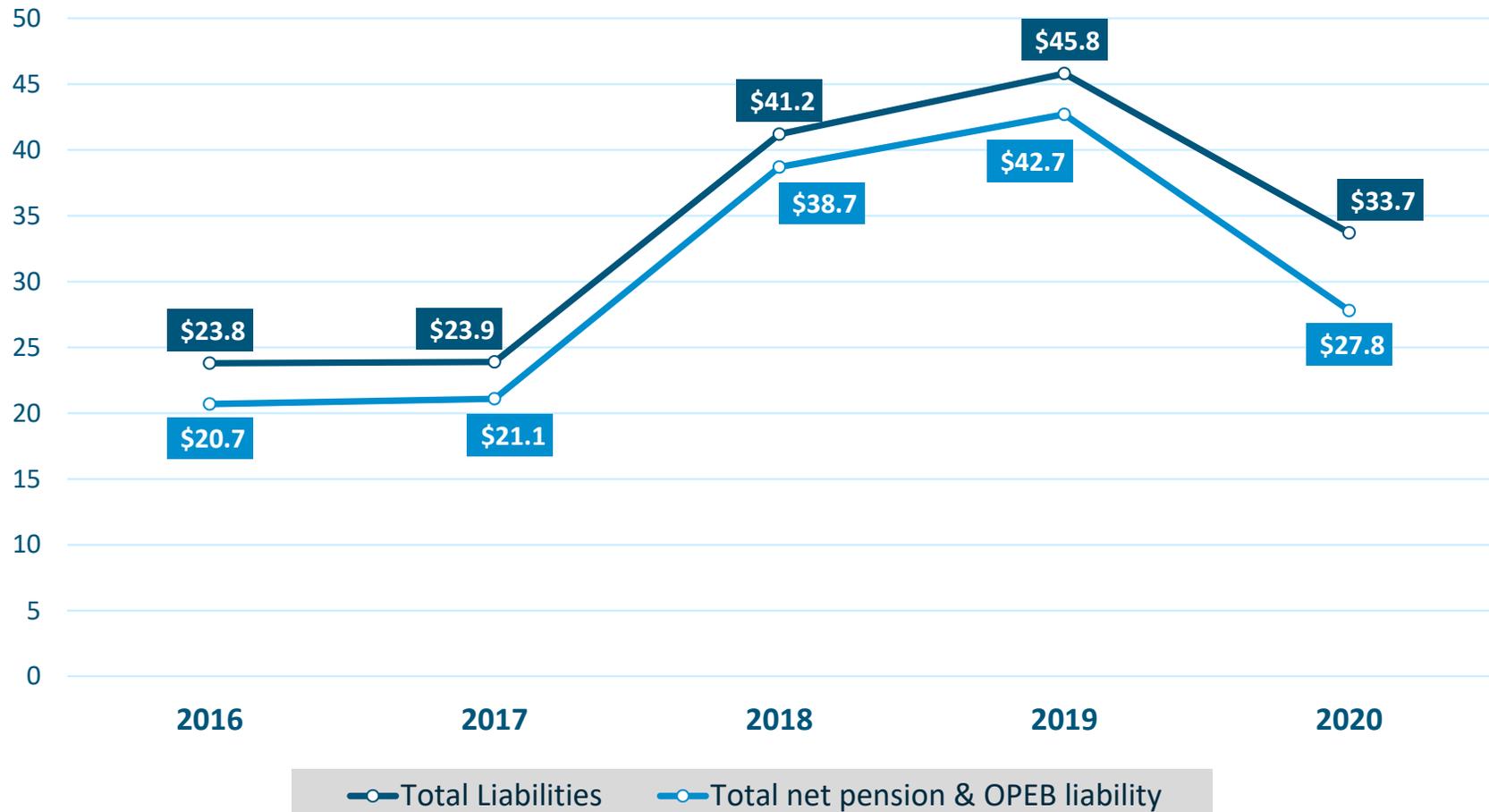
# Statement of Net Position

## Total Assets (in Millions)



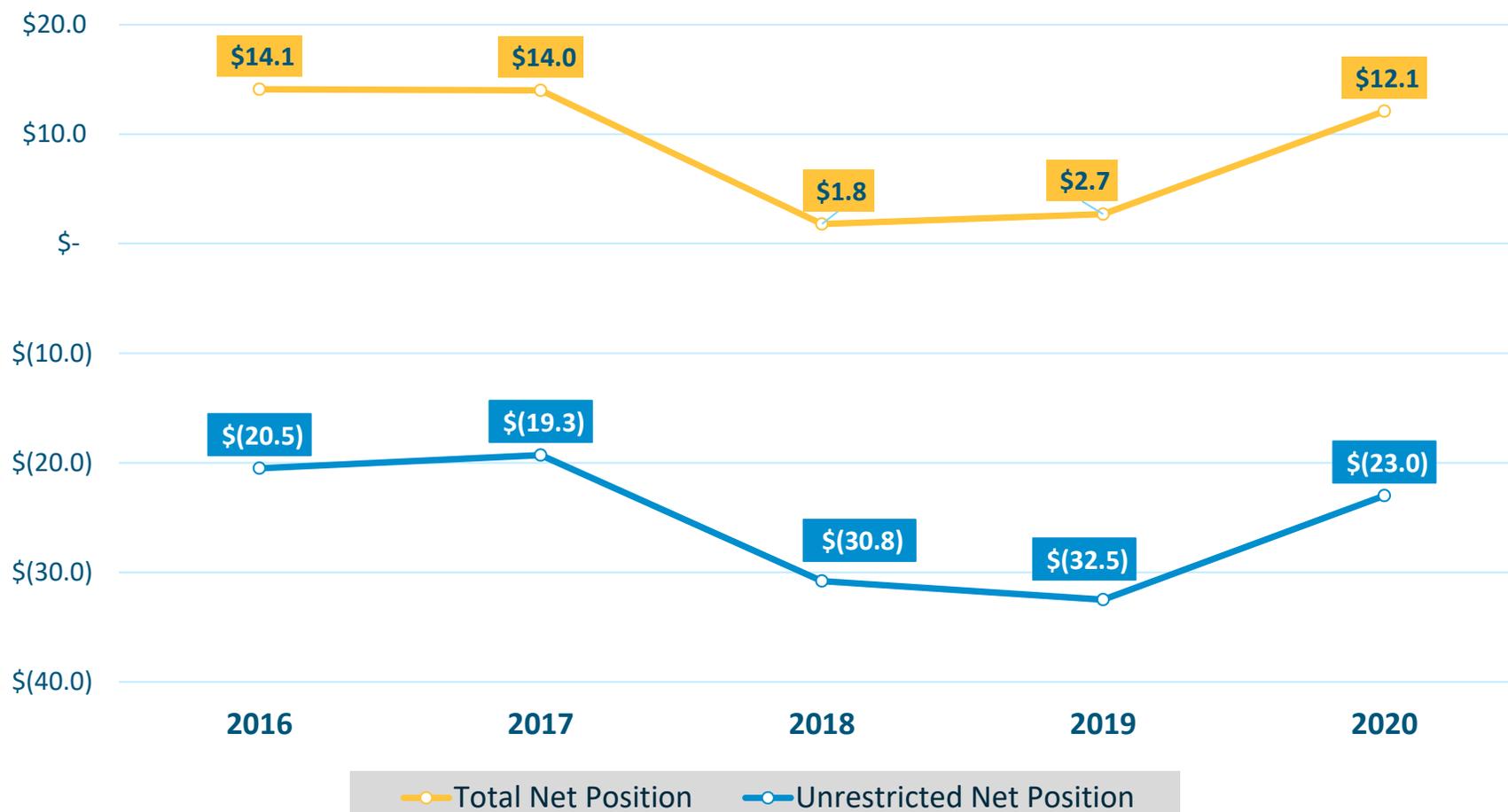
# Statement of Net Position

## Total Liabilities (in Millions)



# Statement of Net Position

Total Net Position (in Millions)

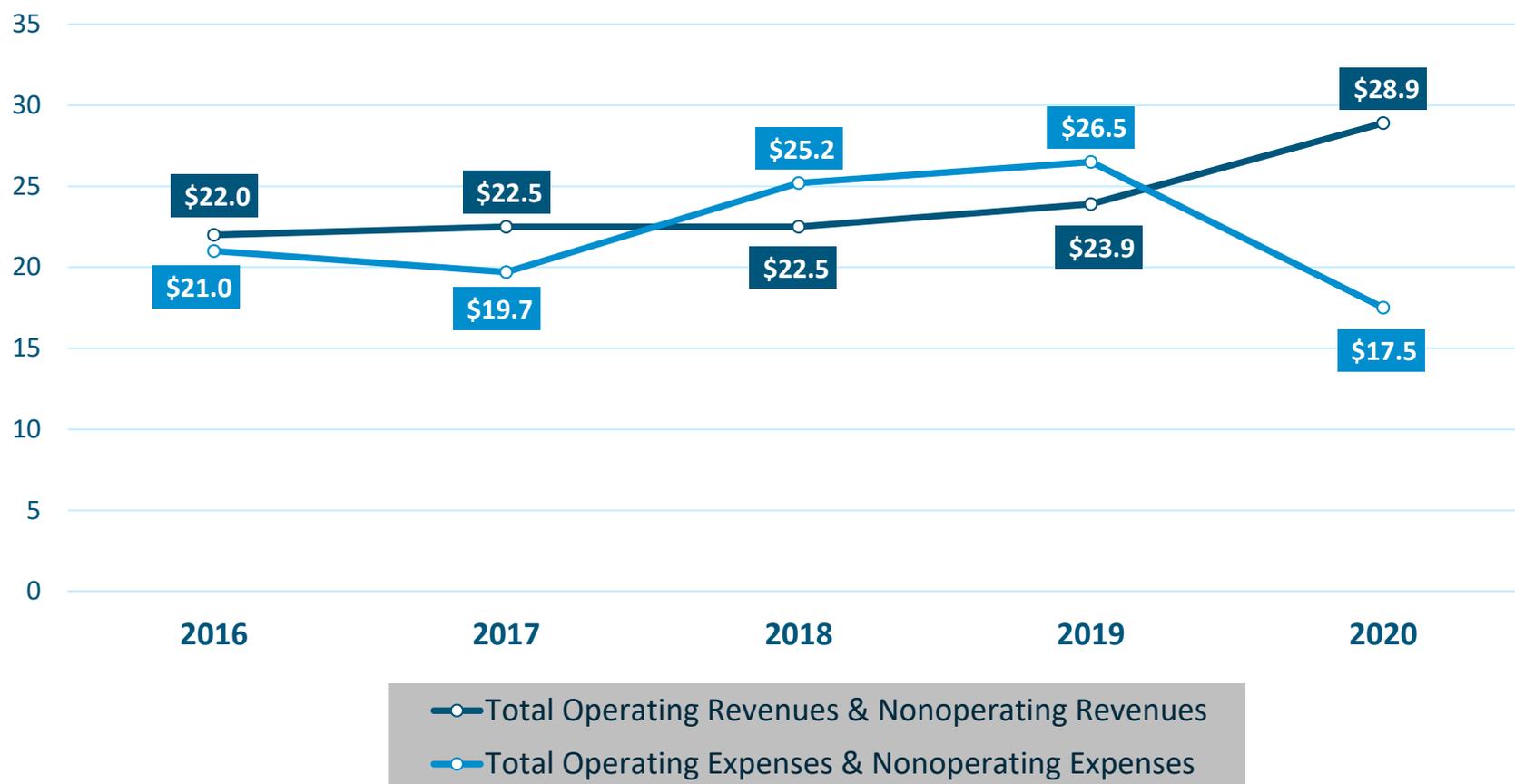


# Stmt of Rev, Exp and Changes in Net Position

- Revenues
  - In the previous 4 fiscal years, operating and nonoperating revenues remained fairly consistent. During fiscal year 2020, the College received approximately \$2.3 million in mill levy revenue and approximately \$1.0 million related to the Anna Age Eight Institute (AAEI) program.
- Expenses
  - The significant decrease in operating expenses during fiscal year 2020 was primarily related to the pension actuarial adjustment (\$8.9 million).

# Stmt of Rev, Exp and Changes in Net Position

Total Operating Revenues, Operating Expenses, and Nonoperating Revenues/(Expenses) (in Millions)



# Auditor Responsibility

- **Our Responsibility under U.S. and *Government Auditing Standards***
  - Form and express an opinion about whether the financial statements prepared by management are fairly presented in conformity with U.S. GAAP.
  - Obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement.
  - Consideration of internal controls for the purpose of determining and designing our audit procedures.
  - Communicate significant matters related to the financial statement audit.

# Management's Responsibility

- Management, with oversight from those charged with governance, is responsible for:
  - Establishing and maintaining internal controls, including monitoring ongoing activities
  - The selection and application of accounting principles
  - The fair presentation in the financial statements of financial position and results of operations in conformity with the applicable framework.
- Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.
- Members of the Board of Regents participated in the exit conference and were sent the communications required by audit standards.

# Findings

- 2020-001 – Capital Assets – Material Weakness
- 2020-002 – Bank Reconciliations – Material Weakness
- 2020-003 – Financial Policies and Procedures – Material Weakness
- 2020-004 – Trial Balance Maintenance and Account Reconciliation – Material Weakness
- 2020-005 – Information Technology (IT) – Significant Deficiency
- 2020-006 – Special Tests and Provisions – Enrollment Reporting – Material Weakness and Material Noncompliance (located in the Uniform Guidance Report)

# Findings

- 2020-007 – Late Audit Report – Other Noncompliance
- 2020-008 – Compliance Violation – Anti-Donation Clause of the NM Constitution – Other Noncompliance
- 2020-009 – Travel and Per Diem – Other Noncompliance
- 2020-010 – Anna Age Eight Institute Program – Other Noncompliance
- 2020-011 – Deficiencies in Internal Control over Preparation of Schedule of Expenditure of Federal Awards – Other Noncompliance

# New Standard Implementation

- **GASB issued Statement No. 95**
  - In June 2020, GASB issued this statement to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later were postponed. The effective dates for all statements further mentioned take into account the immediate implementation of GASB Statement No. 95.

# Upcoming Standards

- **GASB Statement No. 87**, is effective for period beginning after June 15, 2021 and will apply to the College's 2022 fiscal year.
  - Under this statement, a lessee is required to recognize lease liability and an intangible right-to-use lease asset.

# Upcoming Standards

- **GASB Statement No. 96**, is effective for fiscal years starting after June 15, 2022 and will apply to the College's 2023 fiscal year.
  - The requirements will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

# Value-Added Suggestions

- Information Technology Services
  - CRI has the ability within our Florida IT group to assess and test the IT Environment and Cybersecurity to help the College adapt to the changing IT landscape.
- Training Lease Implementation
  - CRI is available to provide the College with training on the requirements of the lease implementation standard.

# Concluding Comments

- The VP of Finance and Administration, Comptroller, Accountant III and all the College team members were very helpful and great to work with.
- Thank you for the opportunity to serve the Northern New Mexico College.
- We value our relationship and hope to continue to build on it.

# THANK YOU!

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# New CHESS ERP/SIS Solution Cost Allocations

CHESS College Board Meetings

August 12, 2021

# Workday Partnership Concessions

Workday's partnership with CHES resulted in \$9.15 million savings within over first 10 years:

- \$6.8 million alone in subscription licenses that include Wave 1 and Wave 2 institutions
- No subscription licenses in year one for the Student domain
- Reduction of subscription license escalators from 4% to 2% in years 6 – 10
- Doubled the on-demand training user library access at no additional cost



# Allocation Basis – Wave 1 and Waves 1 & 2

- HCM/Payroll/Finance Subscription and Implementation services - allocated by college employee FTE %

	Wave 1	
Allocation % for Subscription/Implementation	Employee FTE	Student FTE
CNM	64%	71%
CCC	9%	11%
NNMC	9%	5%
SFCC	18%	13%
	100%	100%

- Student Subscription and Implementation services - allocated by college credit student FTE %

(AY 2019-2020 IPEDS)

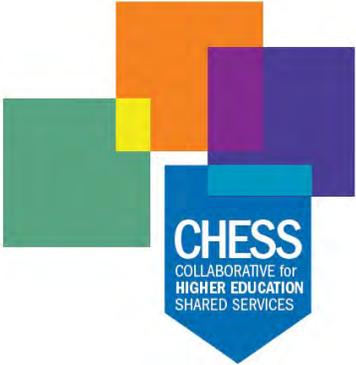
- Project Leadership costs shared equally for each college

	WAVE 1 and 2	
Allocation % for Subscription/Implementenation	Employee FTE	Student FTE
CNM	46%	53%
CCC	7%	8%
NNMC	6%	4%
SFCC	13%	9%
SJC	21%	21%
Mesalands (potential)	2%	2%
LCC (potential)	5%	3%
	100%	100%



# Wave 1 Blended Percent Share – Year 1

<b>Blended % of Total Workday Wave 1 Year 1 Costs</b>	
Central New Mexico Community College	60%
Clovis Community College	12%
Northern New Mexico College	9%
Santa Fe Community College	16%
San Juan College	3%



# Project Variables and Sample 5-Year Total Costs

## Project Variables:

- Wave 1 implementation pace year-over-year
  - Workday time and materials service delivery
- Growth of institutions' students and employees/faculty counts over 10 years
- Cost savings of legacy systems' decommissioning over time
- Final Wave 2 institutional participants
- Final Wave 2 implementation costs

### Sample 5-year Contributions with Wave 2 Colleges

	<b>TOTAL</b>
<b>Central New Mexico Community College</b>	
Subscription	5,600,507
Professional Services-Program Leadership	852,503
Professional Services-Implementation/Training	8,956,978
Total	15,409,988
<b>Clovis Community College</b>	
Subscription	838,730
Professional Services-Program Leadership	852,503
Professional Services-Implementation/Training	1,435,230
Total	3,126,463
<b>Northern New Mexico College</b>	
Subscription	632,193
Professional Services-Program Leadership	852,503
Professional Services-Implementation/Training	911,467
Total	2,396,163
<b>Santa Fe Community College</b>	
Subscription	1,359,594
Professional Services-Program Leadership	852,503
Professional Services-Implementation/Training	1,983,582
Total	4,195,679
<b>San Juan College</b>	
Subscription	1,999,350
Professional Services-Program Leadership	852,503
Professional Services-Implementation/Training	3,834,737
Total	6,686,590
<b>Mesalands College (potential)</b>	
Subscription	190,414
Professional Services-Program Leadership	600,000
Professional Services-Implementation/Training	340,882
Total	1,131,296
<b>Luna Community College (potential)</b>	
Subscription	401,816
Professional Services-Program Leadership	600,000
Professional Services-Implementation/Training	624,382
Total	1,626,198

# Sample Cash Flow of Waves 1 and 2 – by College Page 28 of 41

## Sample Cash Flow with Wave 2 Colleges

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Central New Mexico Community College</b>					
Subscription	961,209	1,159,801	1,159,801	1,159,801	1,159,893
Professional Services-Program Leadership	71,169	141,719	175,254	371,794	92,567
Professional Services-Implementation/Training	940,043	1,756,005	1,760,041	3,598,976	901,915
<b>Total</b>	<b>1,972,421</b>	<b>3,057,525</b>	<b>3,095,096</b>	<b>5,130,571</b>	<b>2,154,375</b>
<b>Clovis Community College</b>					
Subscription	135,170	175,886	175,886	175,886	175,900
Professional Services-Program Leadership	71,169	141,719	175,254	371,794	92,567
Professional Services-Implementation/Training	169,028	255,450	300,229	564,190	146,335
<b>Total</b>	<b>375,367</b>	<b>573,055</b>	<b>651,369</b>	<b>1,111,870</b>	<b>414,802</b>
<b>Northern New Mexico College</b>					
Subscription	135,170	124,253	124,253	124,253	124,265
Professional Services-Program Leadership	71,169	141,719	175,254	371,794	92,567
Professional Services-Implementation/Training	169,028	244,825	166,128	260,711	70,777
<b>Total</b>	<b>375,367</b>	<b>510,796</b>	<b>465,634</b>	<b>756,757</b>	<b>287,608</b>
<b>Santa Fe Community College</b>					
Subscription	270,340	272,307	272,307	272,307	272,333
Professional Services-Program Leadership	71,169	141,719	175,254	371,794	92,567
Professional Services-Implementation/Training	295,194	487,151	364,369	665,349	171,521
<b>Total</b>	<b>636,703</b>	<b>901,177</b>	<b>811,930</b>	<b>1,309,450</b>	<b>536,421</b>
<b>San Juan College</b>					
Subscription	-	499,827.05	499,827.09	499,827.09	499,869.09
Professional Services-Program Leadership	71,169	141,719	175,254	371,794	92,567
Professional Services-Implementation/Training	-	-	1,193,064	1,320,837	1,320,837
<b>Total</b>	<b>71,169</b>	<b>641,546</b>	<b>1,868,145</b>	<b>2,192,458</b>	<b>1,913,273</b>
<b>Mesalands College (potential)</b>					
Subscription	-	47,603	47,603	47,603	47,607
Professional Services-Program Leadership	-	-	200,000	200,000	200,000
Professional Services-Implementation/Training	-	-	110,983	114,950	114,950
<b>Total</b>	<b>-</b>	<b>47,603</b>	<b>358,586</b>	<b>362,552</b>	<b>362,556</b>
<b>Luna Community College (potential)</b>					
Subscription	-	100,452	100,452	100,452	100,462
Professional Services-Program Leadership	-	-	200,000	200,000	200,000
Professional Services-Implementation/Training	-	-	295,954	164,214	164,214
<b>Total</b>	<b>-</b>	<b>100,452</b>	<b>596,406</b>	<b>464,666</b>	<b>464,676</b>

Collaborative for Higher Education Shared Services  
Agreement No. 2021-\_\_\_\_  
Cost Sharing Agreement for Enterprise Resource Planning & Student Information System

**THIS Cost Sharing Agreement** (“Agreement”) is made by and among the Collaborative for Higher Education Shared Services, 6401 Richards Ave., Santa Fe, NM 87508, hereinafter referred to as “CHESS”, Clovis Community College, 417 Schepps Blvd. Clovis, New Mexico 88101, hereinafter referred to as “CCC”, Central New Mexico Community College, 525 Buena Vista SE, Albuquerque, NM 87106, hereinafter referred to as “CNM”, Northern New Mexico College, 921 N Paseo de Onate, Espanola, NM 87532, hereinafter referred to as “NNMC”, San Juan College, 4601 College Blvd., Farmington, NM 87402, hereinafter referred to as “SJC”, and Santa Fe Community College, 6401 Richards Ave., Santa Fe NM 87508, hereinafter referred to as “SFCC” and collectively referred to as the “Parties”. Any college or university that becomes a party to this Agreement after the date hereof will be deemed one of the “Parties” on the date of such party’s agreement to be bound by the terms hereof. CCC, CNM, NNMC and SFCC are collectively referred to in this Agreement as the “Wave 1 Institutions.”

**WHEREAS**, CHESS is a New Mexico nonprofit corporation providing services to educational institutions;

**WHEREAS**, all other Parties are educational institutions as defined under New Mexico statutes and are or will become members of CHESS (such institutions are sometimes referred to herein, individually, as an “Institution” or, collectively, as the “Institutions” as the context requires);

**WHEREAS**, CHESS will enter into a Master Subscription Agreement, No. 00245408.0, dated effective on or about the date of this Agreement (together with all addenda, exhibits, statements of work and order forms attached thereto from time to time and documents incorporated into any of the foregoing via embedded URL links, as any of them may be amended from time to time, the “MSA”), with Workday, Inc. (hereinafter referred to as “Workday”), pursuant to which Workday will provide access to cloud-based, comprehensive enterprise resource planning and student information systems (collectively, the “Systems”);

**WHEREAS**, the Institutions and their respective employees and students will become users of the Systems upon their implementation by CHESS and Workday;

**WHEREAS**, the Parties have agreed to a shared cost model to pay the fees charged by Workday for implementation and ongoing use of the Systems on the terms and conditions set forth in this Agreement;

**WHEREAS**, the Parties have agreed to cooperate to ensure the successful implementation and use of the Systems; and

**WHEREAS**, the Parties acknowledge that other colleges and universities may become members of CHESS at a future date and that such colleges and universities will be responsible for their portion of the fees for use of the Systems.

**NOW, THEREFORE, THE FOLLOWING TERMS AND CONDITIONS ARE MUTUALLY AGREED BETWEEN THE PARTIES:**

**ARTICLE 1.  
INTENT**

The Parties' intent with this Agreement is to set forth a process and framework for the payment of the fees to be charged by Workday to CHESS for implementation and use of the Systems as described in Article 3 below.

The Parties understand their need to retain operational independence; however, the intent is to align certain systems and operational processes to realize economies of scale and improved service delivery and to insure that each Institution pays its share of the fees and other charges billed by Workday to CHESS for use of the Systems.

The terms "Institution" and "Institutions" will include any college or university who becomes a member of CHESS after the date of this Agreement and agrees to be bound by the terms of this Agreement as provided below.

**ARTICLE 2.  
TERM**

This Agreement will begin on the date last executed by the Parties and will continue until terminated by the written agreement of the Parties hereto at the time of such termination. This Agreement may be terminated as to any Institution upon the withdrawal or removal of such Institution as a member of CHESS in accordance with the CHESS Bylaws.

**ARTICLE 3.  
FEES, INVOICING AND PAYMENT**

(A) Fees and Other Charges. Each Institution will pay to CHESS the fees and other charges described on Exhibit A attached hereto and incorporated herein. The fees and other charges set forth on Exhibit A have been allocated to each member Institution as of the initial date of this MOU, and will be allocated to each Institution that becomes a member of CHESS in the future, based on the number of users of each component of the Systems. The allocations set forth on Exhibit A will be reviewed and updated on an annual basis and as new Institutions become users of the Systems. The Workday fees and charges include the following:

- (1) Subscription Fees. Subscription fees are the fees charged by Workday for use of the Systems.
- (2) Training Fees. Training fees include the fees charged by Workday for initial training in the use of the Systems. If an Institution requires additional training beyond the initial training, such Institution will submit a request to CHESS and CHESS will coordinate with Workday for delivery of the additional training. Workday will charge its regular list price for such additional training. The Institution will pay to CHESS the cost of such additional training promptly upon invoicing by CHESS.
- (3) Termination Fees. Termination fees are fees that may be incurred in the event of a termination of the MSA by CHESS or withdrawal of an Institution as a member of CHESS resulting in cessation by such Institution of use of the Systems. Payment of these fees is described in Article 6 - Appropriations; Termination below.

- (B) Invoicing and Payment. CHESS will invoice each Institution per the schedule described below, with payment due to CHESS within 30 days. For the fiscal year beginning July 1, 2021, because CHESS will not incur Workday fees and other charges until after the beginning of such fiscal year, CHESS expects to mail invoices for the first payment period to the member Institutions immediately upon execution of this MOU. The Parties hereby agree to make payments in accordance with NMSA 1978, § 13-1-158. Invoicing and payments will be submitted to the Institutions per purchase order instructions. As used in this Agreement, the term “fiscal year” is each twelve (12) month period beginning July 1 and ending June 30 during the term of this Agreement.
- (1) Subscription Fees. CHESS will invoice the Institutions on or about June 15 of each fiscal year for the use of the system in the following fiscal year, with payment due to CHESS within 30 days.
  - (2) Training Fees. CHESS will invoice the Institutions on or about June 15 of each fiscal year for the initial training provided by Workday for the following fiscal year, with payment due to CHESS within 30 days.
  - (3) Professional Services. CHESS will invoice the Institutions quarterly on or about June 15, September 15, December 15 and March 15 for implementation services expected to be rendered in the upcoming quarter. Payments will be due to CHESS within 30 days. Workday will invoice CHESS for Professional Services on a time and materials basis, and annually by July 31<sup>st</sup>, CHESS will reconcile Institution payments to actual costs. Adjustments to reflect actual costs will be made on the September 15 invoice to the Institutions.
  - (4) Institutions will be invoiced the amount represented by the percentage of cost allocation in Exhibit A.
  - (5) Annually, CHESS, in coordination with Workday, will obtain Institution employee and student count data and will update the allocation percentages accordingly.

#### **ARTICLE 4. COOPERATION**

Each of the Institutions agrees to (A) cooperate in good faith in the initial implementation of the Systems and future upgrades and modifications; (B) provide initial and ongoing training of its employees, students and other users in the use of the Systems; (C) comply with the data governance model adopted by CHESS for all data stored in and/or processed by the Systems; (D) maintain the security of the Systems and ensure that all of such Institution’s users of the Systems comply with all security protocols for use of the Systems; and (E) comply with the Workday requirements set forth in the MSA.

#### **ARTICLE 5. NEW MEMBERS**

Any college or university that desires to become a member of CHESS after the date of this Agreement must comply with the requirements of the CHESS Bylaws and any applicable rules and regulations adopted by the CHESS Board of Directors. Prior to gaining access to the Systems, any such college or university will be required to sign an addendum to this Agreement whereby such college or university

will agree to be bound by the terms of this Agreement. It is anticipated that SJC, Luna Community College, Mesalands Community College and potentially other Institutions (the “Wave 2 Institutions”) will, as a cohort, become users of the Systems at a later date. To achieve cost efficiencies, Institutions that join CHESS and become users of the Systems after the Wave 2 Institutions will be required to do so as cohorts and will be referred to as the “Wave 3 Institutions,” “Wave 4 Institutions” and so on.

**ARTICLE 6.  
APPROPRIATIONS; TERMINATION**

- (A) Withdrawal due to Non-Appropriation. In the event that, during the term of this Agreement, the governing body of any Institution anticipates not appropriating, or does not appropriate, sufficient funds to meet the obligations of such Institution for a succeeding fiscal year, (1) such Institution will provide written notice to CHESS of such non-appropriation no later than April 1 before the fiscal year for which funds will not be or were not appropriated; (2) effective July 1 of the fiscal year for which funds were not appropriated, such Institution will no longer be a member of CHESS and will no longer have access to the Systems unless such Institution has arranged for transition services with Workday; and (3) such Institution will pay all fees charged by Workday for use of the Systems during any post-termination transition period, plus the fees charged by Workday for any transition services required by such Institution. In such event, CHESS will notify the other member Institutions and will make such adjustments to the fees and other charges payable by each of the other member Institutions as are necessary to pay in full the fees and charges incurred by CHESS for the Systems for the applicable fiscal year.
- (B) Obligation to Seek Funding. (1) Each Institution agrees to include in its budget request appropriations sufficient to cover such Institution’s portion of its payment obligations hereunder; (2) each Institution agrees to use all reasonable and lawful means to secure these appropriations; and (3) each Institution agrees it will not use non-appropriations as a means of exiting its participation in CHESS in order to acquire functionally equivalent products or services from a party other than Workday. Pursuant to the foregoing, if an Institution does not obtain funding to continue its portion for which payment is due under this Agreement and has no other funding source lawfully available to it for such purpose, such Institution will immediately provide written notice to CHESS.
- (C) Other Termination. In the event that, during the term of this Agreement, the membership of an Institution in CHESS is terminated for any or no reason (other than non-appropriation as provided above), (1) effective on the effective date of termination of such Institution’s membership in CHESS, such Institution will no longer have access to the Systems unless such Institution has arranged for transition services with Workday; (2) such Institution will pay to CHESS all fees and other charges allocated to such Institution for the remainder of the term of the MSA, as then in effect; and (3) such Institution will pay all fees charged by Workday for use of the Systems during any post-termination transition period, plus the fees charged by Workday for any transition services required by such Institution.

**ARTICLE 7.  
AMENDMENT**

This Agreement may not be altered, changed or amended except by an instrument in writing executed by the Parties hereto.

**ARTICLE 8.  
MERGER**

This Agreement incorporates all the agreements, covenants and understandings between the Parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understanding, oral or otherwise, of the Parties will be valid or enforceable unless embodied in this Agreement.

**ARTICLE 9.  
EQUAL OPPORTUNITY COMPLIANCE**

The Parties agrees to abide by all federal and state laws and rules and regulation, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Parties assure that no person in the United States will, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits or, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If a Party is found not to be in compliance with these requirements during the life of this Agreement, that Party agrees to take appropriate steps to correct these deficiencies.

**ARTICLE 10.  
APPLICABLE LAW**

The laws of the State of New Mexico will govern this Agreement, without giving effect to its choice of law provisions. Venue will be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1. By execution of this Agreement, the Parties acknowledge and agree to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

**ARTICLE 11.  
INVALID TERM OR CONDITION**

If any term or condition of this Agreement is held invalid or unenforceable, the remainder of this Agreement will not be affected and will be valid and enforceable.

**ARTICLE 12.  
ENFORCEMENT OF AGREEMENT**

A Party's failure to require strict performance of any provision of this Agreement will not waive or diminish that Party's right thereafter to demand strict compliance with that or any other provision. No waiver by a Party of any of its rights under this Agreement will be effective unless express and in writing, and no effective waiver by a Party of any of its rights will be effective to waive any other rights.

**ARTICLE 13.  
NOTICES**

Any notice required to be given to any Party by this Agreement will be in writing and will be delivered in person, by courier service or by U.S. Mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To CCC:  
Clovis Community College  
ATTN: Dr. Charles Nwankwo, President  
417 Schepps Blvd.  
Clovis, NM 88101

To CNM:  
Central New Mexico Community College  
ATTN: Tracy Hartzler, President  
525 Buena Vista Drive SE  
Albuquerque, NM 887106

To NNMC:  
Northern New Mexico College  
ATTN: Dr. Richard Bailey, President  
921 N Paseo de Oate  
Española, NM 87532

To SJC:  
San Juan College  
ATTN: Dr. Toni Pendergrass, President  
4601 College Blvd.  
Farmington, NM 87402

To SFCC:  
Santa Fe Community College  
ATTN: Dr. Becky Rowley, President  
6401 Richards Ave.  
Santa Fe, NM 87508

Parties will forward a copy of required notices and remit all payments due hereunder and all notices to CHESS will be sent to:

Collaborative for Higher Education Shared Services  
c/o SFCC Office of the President  
ATTN: Katherine Ulibarri, Chief Executive Officer  
6401 Richards Ave  
Santa Fe, NM 87508

**ARTICLE 14.  
SUCCESSION**

This Agreement will extend to and be binding upon the successors and permitted assigns of the Parties.

**ARTICLE 15.  
HEADINGS**

Any and all headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement. Numbered or lettered provisions, sections and subsections contained herein, refer only to provisions, sections and subsections of this Agreement unless otherwise expressly stated.

**ARTICLE 16.  
ASSIGNMENT**

No Party may assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the other Parties.

**ARTICLE 17.  
INSURANCE**

The Parties, at their own expense, will provide and maintain, during the term of this Agreement, either insurance, with or without retention, or a self-insurance program, which will provide general liability coverage for liability (including, but not limited to, cybersecurity liability), property damage and bodily injury.

**ARTICLE 18.  
ARBITRATION**

Any controversy or claim arising between the Parties will be settled by arbitration pursuant to NMSA 1978, § 44-7A-1 *et seq.*

[Signatures follow.]

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date of the signature by the required approval authorities below.

**CLOVIS COMMUNITY COLLEGE**

By: \_\_\_\_\_  
Dr. Charles Nwankwo  
President

Date: \_\_\_\_\_

**CENTRAL NEW MEXICO COMMUNITY COLLEGE**

By: \_\_\_\_\_  
Tracy Hartzler  
President

Date: \_\_\_\_\_

**NORTHERN NEW MEXICO COLLEGE**

By: \_\_\_\_\_  
Dr. Richard Bailey  
President

Date: \_\_\_\_\_

**SANTA FE COMMUNITY COLLEGE**

By: \_\_\_\_\_  
Dr. Becky Rowley  
President

Date: \_\_\_\_\_

**SAN JUAN COLLEGE**

By: \_\_\_\_\_  
Dr. Toni Pendergrass  
President

Date: \_\_\_\_\_

**EXHIBIT A****FEES AND CHARGES PAYABLE BY EACH INSTITUTION**

The cost allocation methodologies are described in detail below. The following table reflects the share by percentage of allocated costs to be paid by Wave 1 Institutions prior to the start of Wave 2:

<b>CHES ERP-SIS Project</b>						
<b>Cost Allocation Percentages - Wave 1</b>						
	CCC	CNM	NNMC	SFCC	SJC	Total
Subscription Fees	10%	66%	8%	16%	0%	100%
Training Fees	25%	25%	25%	25%	0%	100%
Professional Services-Program Leadership	20%	20%	20%	20%	20%	100%
Professional Services-Implementation	10%	69%	6%	15%	0%	100%
% of Total	12%	60%	9%	16%	3%	100%

**Cost Allocation Method****Subscription Fees****Wave 1**

HCM/Payroll/Finance Subscription fees are allocated by respective Institution percentages of institutional employee full time equivalency (FTE), including full-time employees, part-time employees and student workers.

Student Subscription fees are allocated by credit student full time equivalency (FTE), based on IPEDS reporting.

<b>Cost Model</b>	<b>WAVE 1</b>	
	<b>Employee FTE</b>	<b>Student FTE</b>
<b>Allocation % for Subscription</b>		
CNM	64%	71%
CCC	9%	11%
NNMC	9%	5%
SFCC	18%	13%
	100%	100%

**Wave 2**

The anticipated Subscription fees for Wave 2 Institutions (up to the maximum user counts in the Workday Subscription Order Form) have been included in Workday's 10-year subscription. From inception of joining, Wave 2 Institutions will proportionately share Subscription costs with Wave 1 Institutions allocated by employee or student FTE, as described above and noted below.

For example:

<b>Cost Model</b>		
	WAVE 1 and 2	
<b>Allocation % for Subscription</b>	<b>Employee FTE</b>	<b>Student FTE</b>
CNM	46%	53%
CCC	7%	8%
NNMC	6%	4%
SFCC	13%	9%
SJC	21%	21%
Mesalands (potential)	2%	2%
LCC (potential)	5%	3%
	100%	100%

When the current 10-year Subscription user count is reached, the then-active Institutions will proportionally share the updated Subscription costs.

### **Training Fees**

#### Wave 1

Pre-paid training credits and annual subscription library costs are shared equally by Wave 1 Institutions.

#### Wave 2

Pre-paid training credits are shared equally among all Wave 2 Institutions. Annual Subscription library costs are shared equally by all active Institutions.

### **Professional Services**

Professional Services are divided into two categories: 1) Program Leadership including Workday roles such as Project Director, Engagement Manager, Delivery Assurance and Change Management Lead and 2) Professional Services-Implementation including all other Workday roles not defined in Program Leadership.

#### *Program Leadership*

#### Wave 1

Professional Services are allocated by equal share, including SJC, for Program Leadership:

<b>Allocation % Professional Services</b>	<b>Wave 1 - Leadership</b>
CNM	20%
CCC	20%
NNMC	20%
SFCC	20%
SJC	20%
	100%

## Wave 2

Professional Services are allocated by equal share for Program Leadership for all institutions EXCEPT for SJC, as these costs are covered in Wave 1. SJC will utilize Program Leadership services as part of the Wave 2 services.

<b>Allocation % for Professional Services</b>	<b>Wave 2 - Leadership</b>
Mesalands	50%
LCC	50%

*Implementation Services*

Professional Services are allocated by employee or student FTE % for Implementation Services

## Wave 1

<b>Cost Model</b>		
	WAVE 1	
<b>Allocation % for PS-Implementation</b>	<b>Employee FTE</b>	<b>Student FTE</b>
CNM	64%	71%
CCC	9%	11%
NNMC	9%	5%
SFCC	18%	13%
	100%	100%

## Wave 2

For example:

<b>Shared Cost Allocation Wave 2 Professional Services - Implementation</b>	
<b>San Juan College</b>	
Training	Included
Professional Services-Implementation	80%
<b>Mesalands College</b>	
Training	Included
Professional Services-Implementation	7%
<b>Luna Community College</b>	
Training	Included
Professional Services-Implementation	13%

Costs for subsequent Waves will be allocated as 1) proportional share of Subscription costs across all active Institutions, 2) equal share of annual Training Library Subscription across all active Institutions, 3) equal share of Professional Services – Leadership for Institutions in the defined cohort, and 4) proportional share of Professional Services – Implementation for Institutions in the defined cohort.

Office of the President

# NORTHERN New Mexico College



## RESOLUTION OF NORTHERN NEW MEXICO COLLEGE BOARD OF REGENTS

**WHEREAS**, the Collaborative for Higher Education Shared Services (“CHESS”), a New Mexico nonprofit corporation, was formed for the purpose of providing and maintaining enterprise resources planning systems (ERP) and student information systems (SIS) on behalf of member colleges; and

**WHEREAS**, the selection of a single-instance cloud based ERP and SIS allows member colleges to achieve efficiencies in maintaining these systems in a manner that solidifies each college’s unique culture and mission, and supports the separate and independent college governance structure; and

**WHEREAS**, CHESS includes member colleges: Central New Mexico Community College (“CNM”), Clovis Community College (“CCC”), Northern New Mexico College (“NNMC”), San Juan College (“SJC”), Santa Fe Community College (“SFCC”); and

**WHEREAS**, CHESS selected CNM’s Procurement Office to serve as the project’s procurement officer and to issue a request for proposal (RFP) for the member colleges to pursue the positive impact a “next generation” ERP and SIS to transform the student, employee and faculty experience; and

**WHEREAS**, CHESS contracted with CampusWorks to facilitate the RFP process, negotiate a final agreement and related documents for CHESS and the vendor; and

**WHEREAS**, CHESS sought a vendor partner who would understand and help realize the strategic imperative for the member colleges and the strategic opportunity this partnership provides the vendor; and

**WHEREAS**, the RFP sought to secure a single, shared ERP with a single, shared data repository to increase the member colleges’ ability dramatically improve the student experience and further student success; and

**WHEREAS**, the CNM Central Procurement Office, on behalf of CHESS, issued an RFP for ERP and SIS software and services, with the RFP advertised in the Albuquerque Journal and sent to all registered vendors for this commodity through CNM’s online procurement tool on December 18th 2020; and

**WHEREAS**, five (5) responsive bidder’s proposals were received for step one consideration (to meet the minimum qualifications) and scored by the evaluation team, and three (3) responsive bidders were shortlisted for step two (demonstrations) by the evaluation team; and

**WHEREAS**, the CHESS member colleges, with Campus Works, had hundreds of staff, faculty, and students participate in the evaluation and demonstration of the responsive bidders product and implementation processes; and

**WHEREAS**, the CHESS Board, comprised of each college’s president, voted unanimously on June 18, 2021 to select Workday to provide these ERP and SES services; and

**WHEREAS**, on August 6, 2021, the CHESS Board approved the Memorandum of Agreement, including Exhibit A featuring the allocation of institutional costs, and related documents between CHESS and Workday; now

**THEREFORE**, be it resolved that we hereby approve the Memorandum of Understanding between CHES and Workday for Northern New Mexico College's share of this project with Workday.

For:

Against:

Attested:

\_\_\_\_\_  
Signature  
Michael A. Martin

Date: \_\_\_\_\_

Affirmed:

\_\_\_\_\_  
Signature  
Porter Swentzell, PhD

Date: \_\_\_\_\_