

**NEW MEXICO HIGHER EDUCATION  
COLLEGE AFFORDABILITY AND ACCESS**



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SEPTEMBER 25, 2015**

# SECTION 1



TUITION AND FEES:  
NEW MEXICO, THE WESTERN REGION,  
AND THE UNITED STATES.

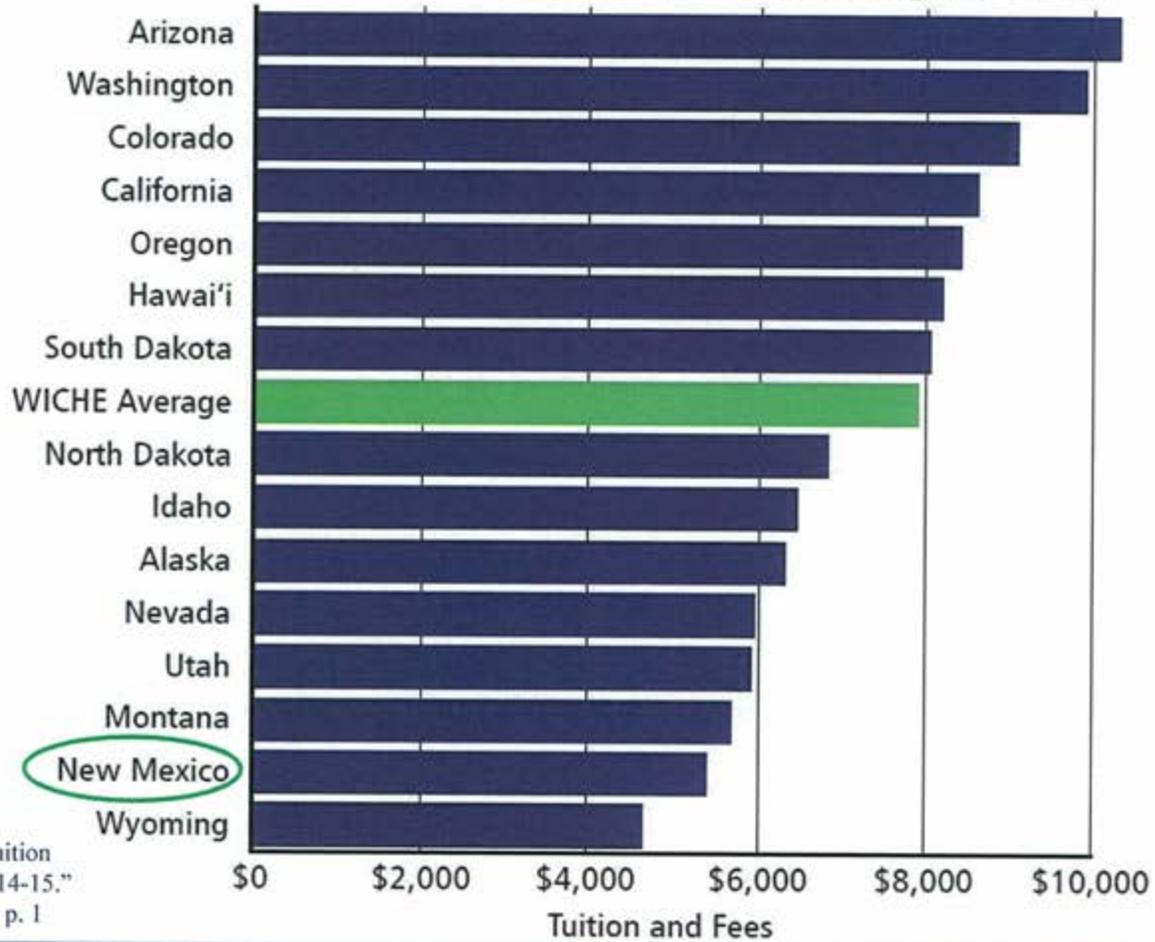


## THE COST OF HIGHER EDUCATION: NEW MEXICO'S COMPARATIVE AFFORDABILITY

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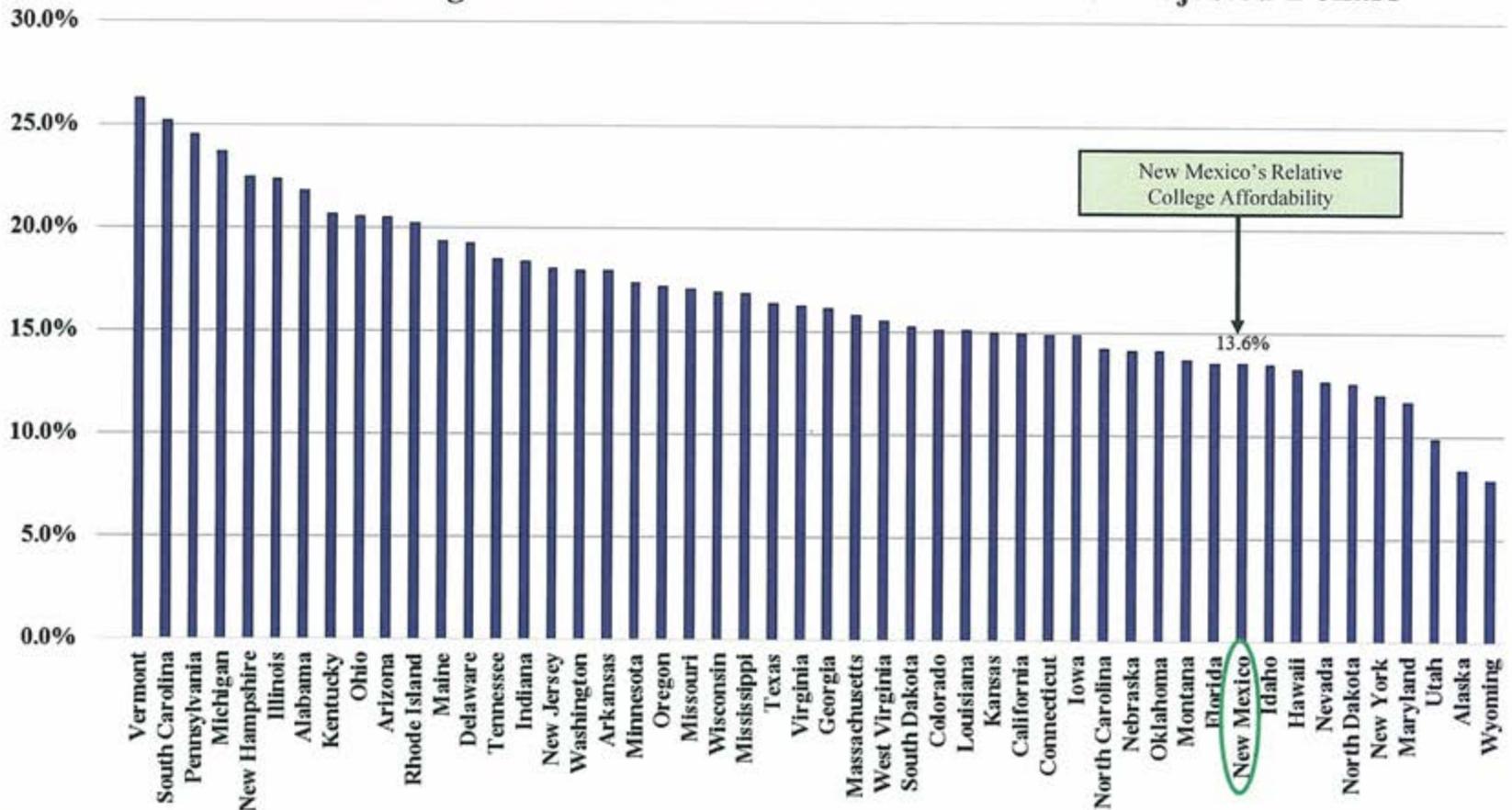
- According to recent data from the Western Interstate Commission on Higher Education (WICHE), New Mexico's average tuition and fees were among the lowest of the western states in academic year (AY) 2014-15.
- New Mexico's tuition and fees were comparatively low for the western region across both four-year and two-year higher education institutions in AY2014-15.
- This data suggests that higher education in New Mexico is relatively affordable when compared to the tuition and fee costs of other states.

## Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, State Averages and WICHE Average, 2014-15



WICHE. May 2015. "Tuition and Fees in the West 2014-15." *WICHE Policy Insights*, p. 1

## In-State Public Four-Year Institution Average Tuition & Fees (AY2013-14) as a Percentage of State Median Income - 2014 Inflation Adjusted Dollars

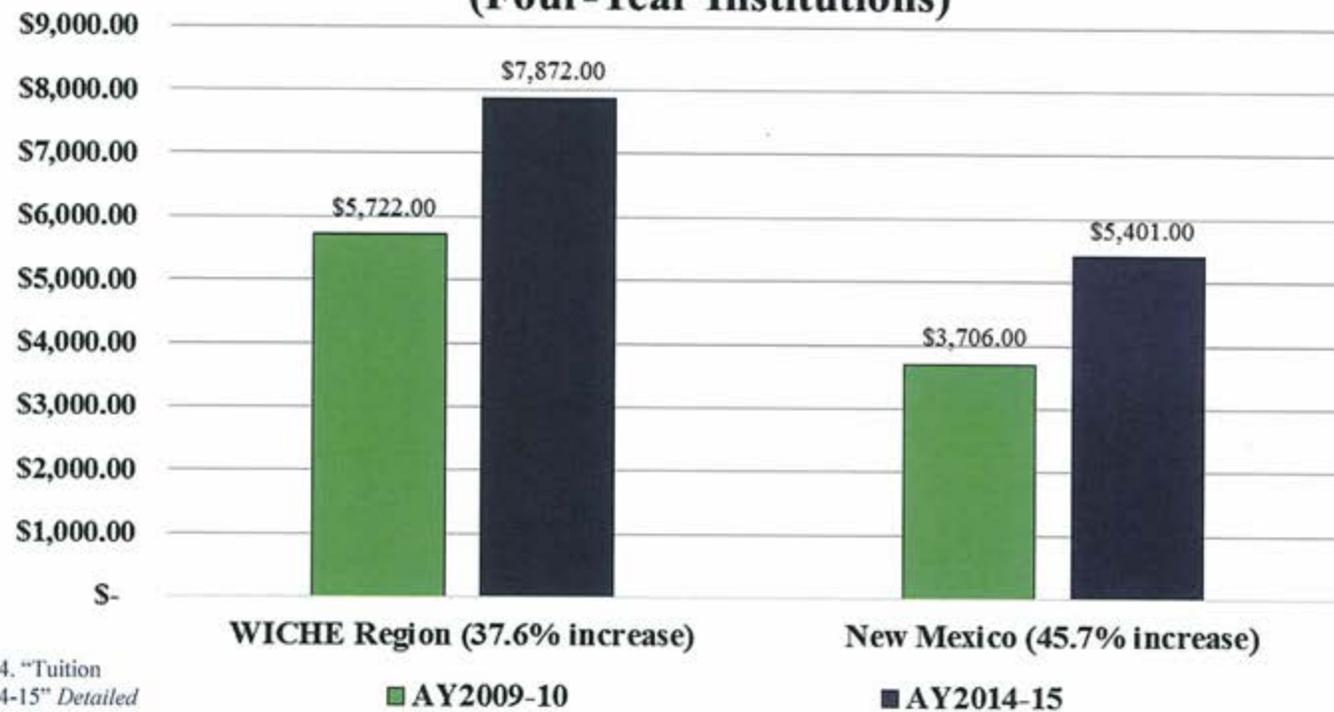


The College Board, Annual Survey of Colleges, Trends in College Pricing: Average Tuition and Fees (Table 5)  
U.S. Census. American Community Survey 2014 (1-year estimates) – Selected Economic Characteristics Table – Median Household Income



## FIVE YEAR CHANGE IN AVERAGE TUITION AND FEES: NEW MEXICO COMPARED TO WICHE REGION AVERAGE

### Average Undergraduate Resident Tuition and Fees (Four-Year Institutions)

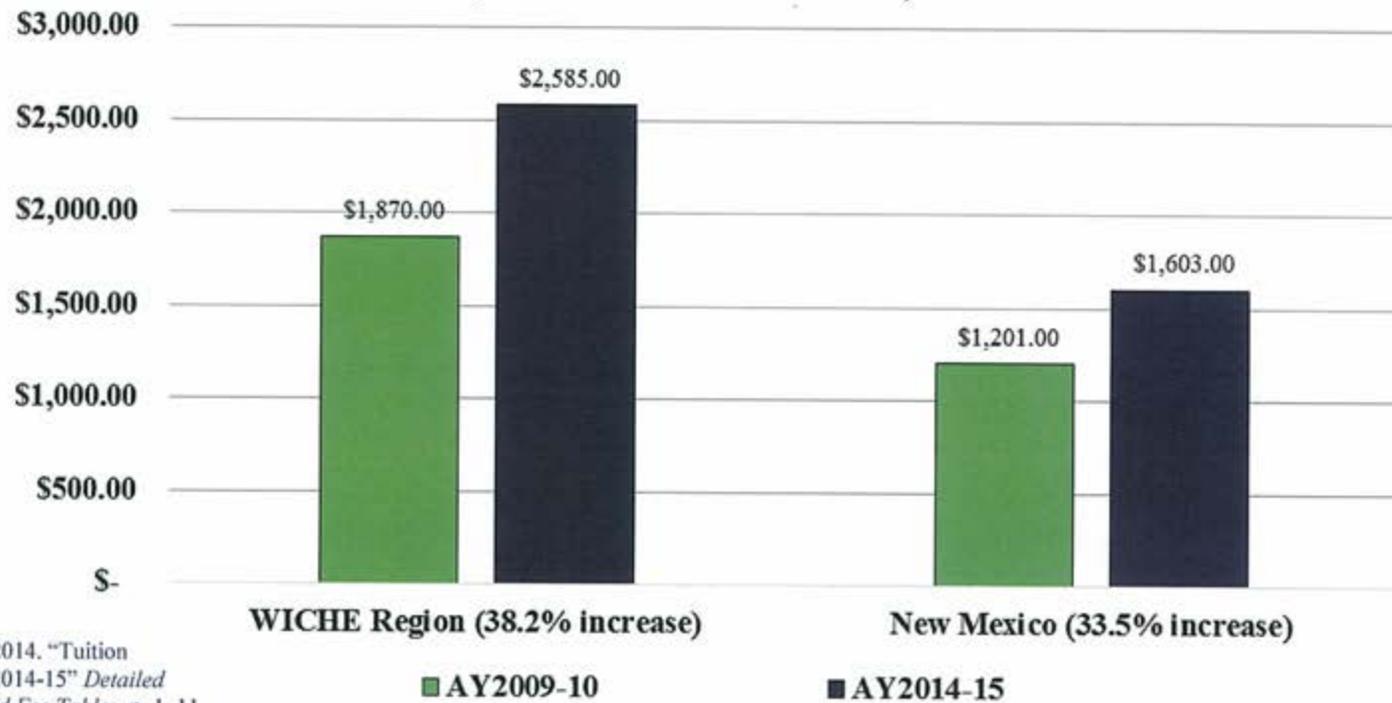


WICHE. 2014. "Tuition and Fees 2014-15" *Detailed Tuition and Fee Tables*. p. 1, 3



## FIVE YEAR CHANGE IN AVERAGE TUITION AND FEES NEW MEXICO COMPARED TO WICHE REGION AVERAGE

### Average Resident Tuition and Fees (Two-Year Institutions)



WICHE. 2014. "Tuition and Fees 2014-15" *Detailed Tuition and Fee Tables*. p. 1, 11



## NATIONAL TRENDS IN HIGHER EDUCATION COLLEGE COSTS AND FAMILY INCOMES

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- From academic year 2009-10 to 2014-15, in-state tuition and fees at public 4-year institutions increased an average of 17% nationwide. (The College Board, Annual Survey of Colleges).
- The most recent available U.S. Census data shows that over a similar timespan the national median household income declined by 4.6% after adjusting for inflation. (U.S. Census, Historical Household Income Tables – Table H.6, accessed September 2015).
- A growing gap between college costs and family incomes will limit the accessibility and affordability of higher education nationally and in New Mexico.

## SECTION 2



OTHER FACTORS IMPACTING  
COLLEGE AFFORDABILITY



## COLLEGE TUITION AND THE LEGISLATIVE LOTTERY SCHOLARSHIP

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- The New Mexico Legislative Lottery Scholarship currently covers 90% of each higher education sector's average tuition for Fall 2015 and Spring 2016.
- All other factors being equal (e.g. lottery proceeds, enrollment levels, and liquor excise taxes), tuition increases lower the percentage of tuition that the Lottery Scholarship is able to cover.



## TUITION AND TOTAL COST OF ATTENDANCE

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- New Mexico's six-year graduation rate for four-year higher education institutions is roughly 46%, which is below the national average of 69%. (David Longanecker. 2015. Presentation at Governor's Higher Education Summit. p.7)
- Students accumulate more tuition costs and debt when they take longer to graduate from college.
- New Mexico's students could end up with a high total cost of attendance despite relatively low tuition and fees.

## SECTION 3



TUITION IN THE CONTEXT OF  
NATIONAL TRENDS

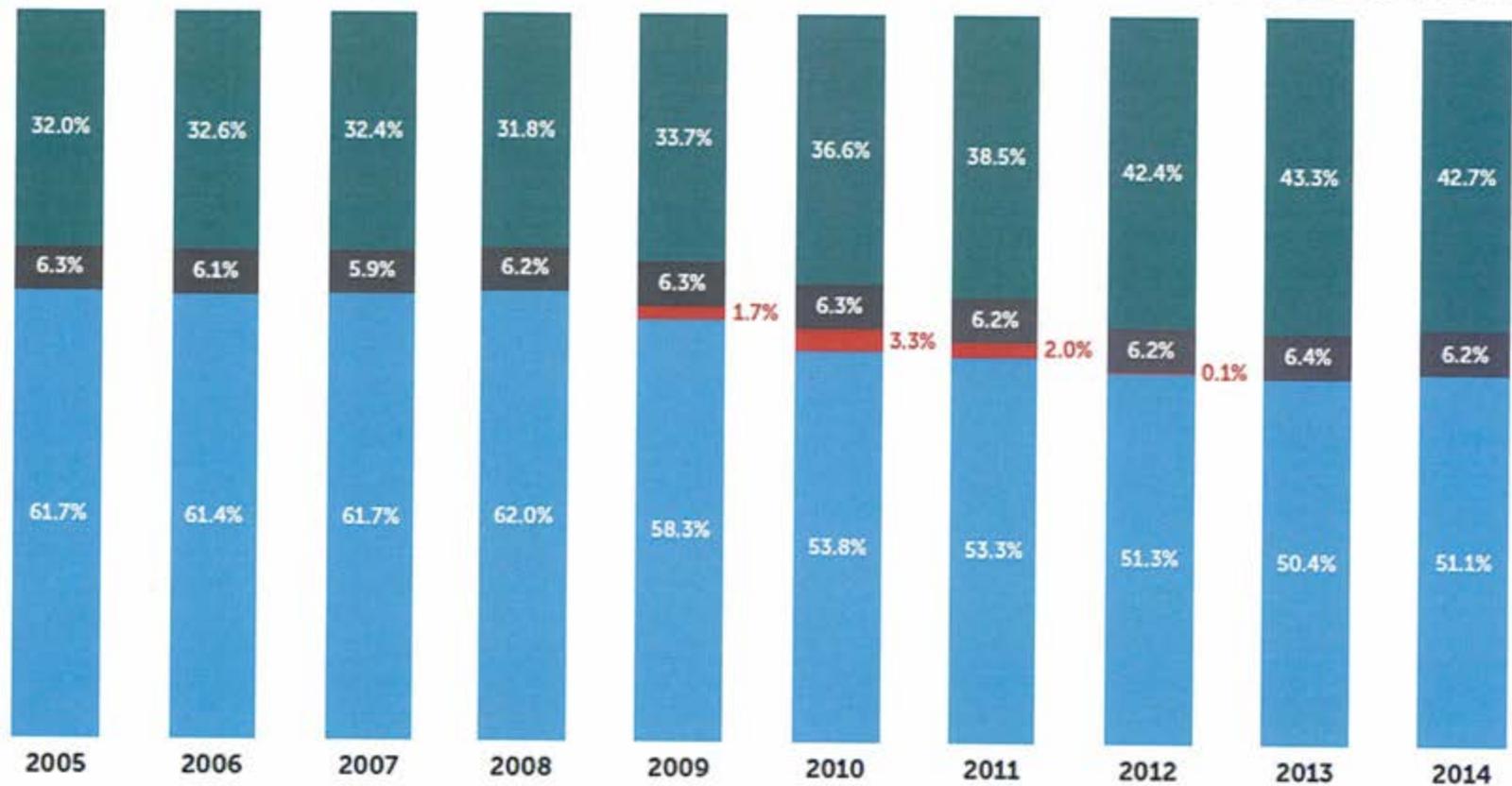


## TUITION IN A MACROECONOMIC CONTEXT

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- National data from the State Higher Education Executive Officers (SHEEO) Association, show that state appropriations and tuition have historically been the two primary revenue sources for U.S. public higher education.
- The national data indicate that state appropriations for public higher education declined from 2008 through 2014 due to the economic downturn. Consequently, public higher education revenues increasingly came from tuition. (SHEEO. 2015. "State Higher Education Finance Report: FY14." p.9).

## DISTRIBUTION OF PUBLIC HIGHER EDUCATION FUNDING SOURCES, FISCAL 2005-2014

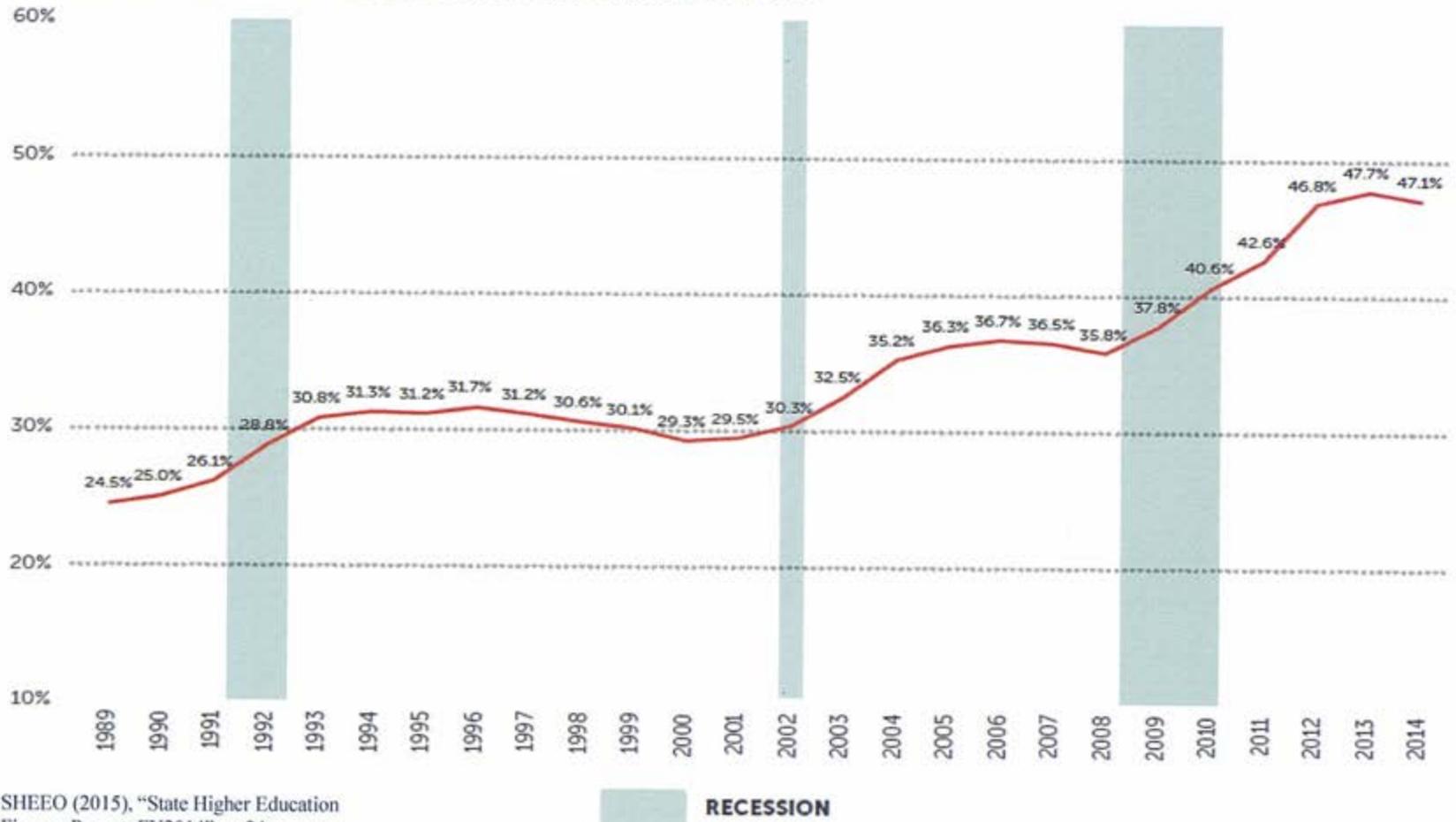


SHEEO (2015),  
 "State Higher  
 Education Finance  
 Report: FY2014", p.9

■ STATE SUPPORT   
 ■ ARRA   
 ■ LOCAL SUPPORT   
 ■ NET TUITION REVENUE

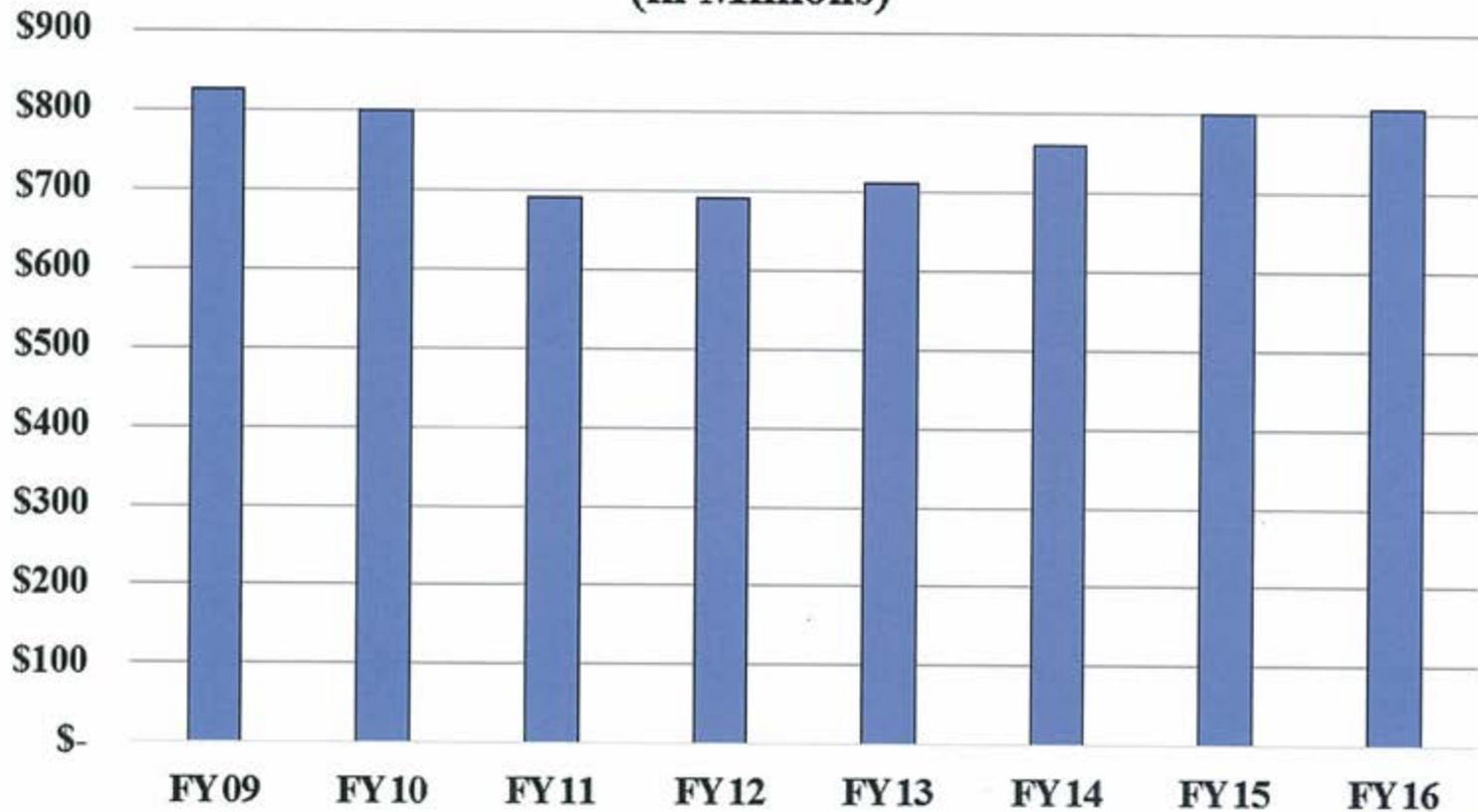
ARRA: American Recovery and Reinvestment Act

## NET TUITION AS A PERCENT OF PUBLIC HIGHER EDUCATION TOTAL EDUCATIONAL REVENUE, U.S., FISCAL 1989-2014



SHEEO (2015), "State Higher Education  
Finance Report: FY2014", p. 24

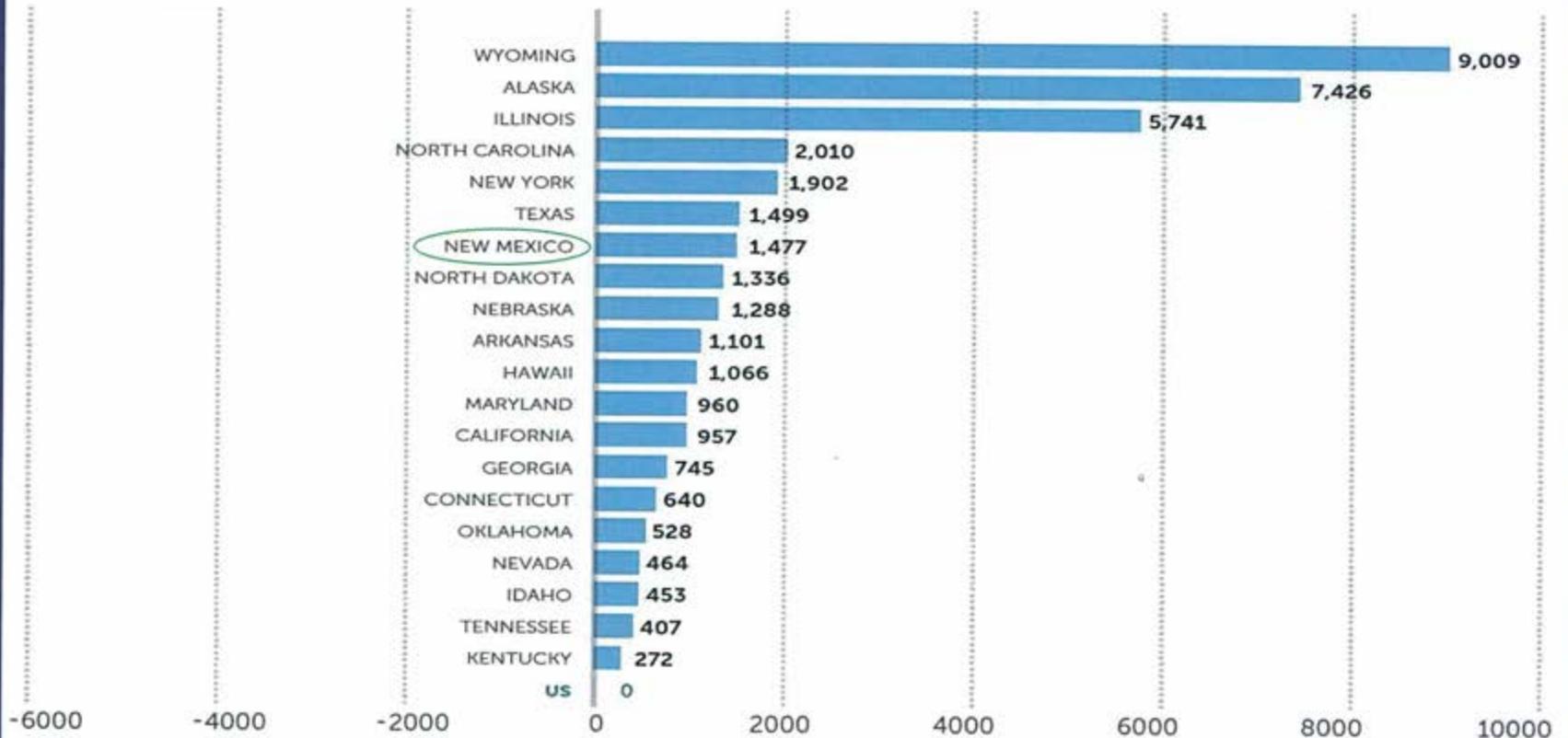
## Higher Education Institutions' General Fund Support (in Millions)



Legislative Finance Committee, "May 2015 Post-Session Review", p.13.

Source: 2015 GAA, LFC Budget Documents

## EDUCATIONAL APPROPRIATIONS PER FTE—STATE DIFFERENCES FROM U.S. AVERAGE, FISCAL 2014



SHEEO (2015), "State Higher Education Finance Report: FY14", p. 39

Note: Dollars adjusted by Cost of Living Adjustment and Enrollment Index. All other states were below U.S. average.

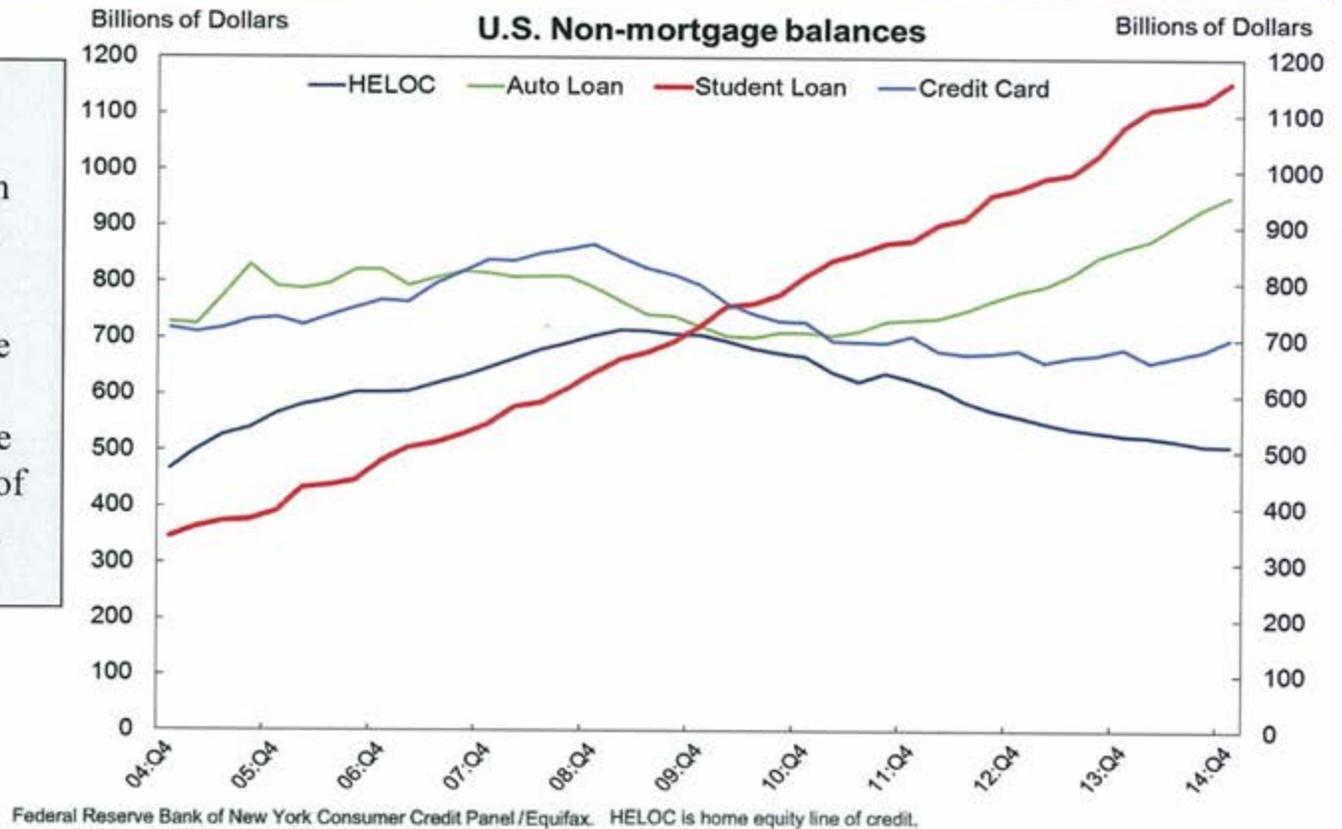


# NATIONAL STUDENT LOAN TREND

From 2005 through 2008, student loans were the lowest form of household debt in the United States.

After the onset of the Great Recession, student loans became the largest category of household debt from 2011 through 2014.

Brown, Haughwout, Scally, & van der Klaauw. 2015. "The Student Loan Landscape" *The Federal Reserve Bank of New York*.



# SECTION 4



# CONCLUSIONS



## CONCLUSIONS

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- Higher education in New Mexico is relatively more affordable compared to other states in terms of tuition and fees.
- As state appropriations to higher education decreased nationally since 2008, public higher education institutions have become increasingly reliant on tuition revenue. In New Mexico, state general fund support has nearly recovered to pre-recession levels.
- Tuition is only one factor that impacts college affordability, other factors include: median income, total cost of attendance, and lottery scholarships.
- Policymakers and educational leaders will need to collaborate in order to ensure that New Mexico higher education remains affordable if national trends continue to raise college costs.