

NEW MEXICO
HIGHER EDUCATION
DEPARTMENT



Fostering Student Success from Cradle to Career

FY23

AGENCY BUDGET REQUEST

NOVEMBER 16, 2021

**PRESENTATION TO THE
LEGISLATIVE FINANCE COMMITTEE**

GOVERNOR

MICHELLE LUJAN GRISHAM

CABINET SECRETARY

STEPHANIE M. RODRIGUEZ



Photo courtesy of New Mexico Highlands University

AGENCY DIVISIONS

- Academic Affairs & Policy
- Adult Education
- Capital Outlay & Projects
- Institutional Finance
- Financial Aid
- GEAR UP New Mexico
- Indian Education
- Information Technology
- Planning & Research
- Private Post-Secondary Schools

OVERSIGHT OF STATE AND FEDERAL FUNDS

- In FY22, higher education received \$894.7 million General Fund Recurring, 12% of the overall state budget.
- \$150 to \$200 million per year of Capital Outlay
- \$105.5 million of Lottery Scholarship, Opportunity Scholarship, College Affordability Aid, and other state aid
- Approximately \$10 million in federal grants per year
- Oversight of well over \$1 billion in state funds with 50 FTE in FY22 and 54 FTE in the FY23 request

FY22 FTE COMPARE TO OTHER AGENCIES AND STATES

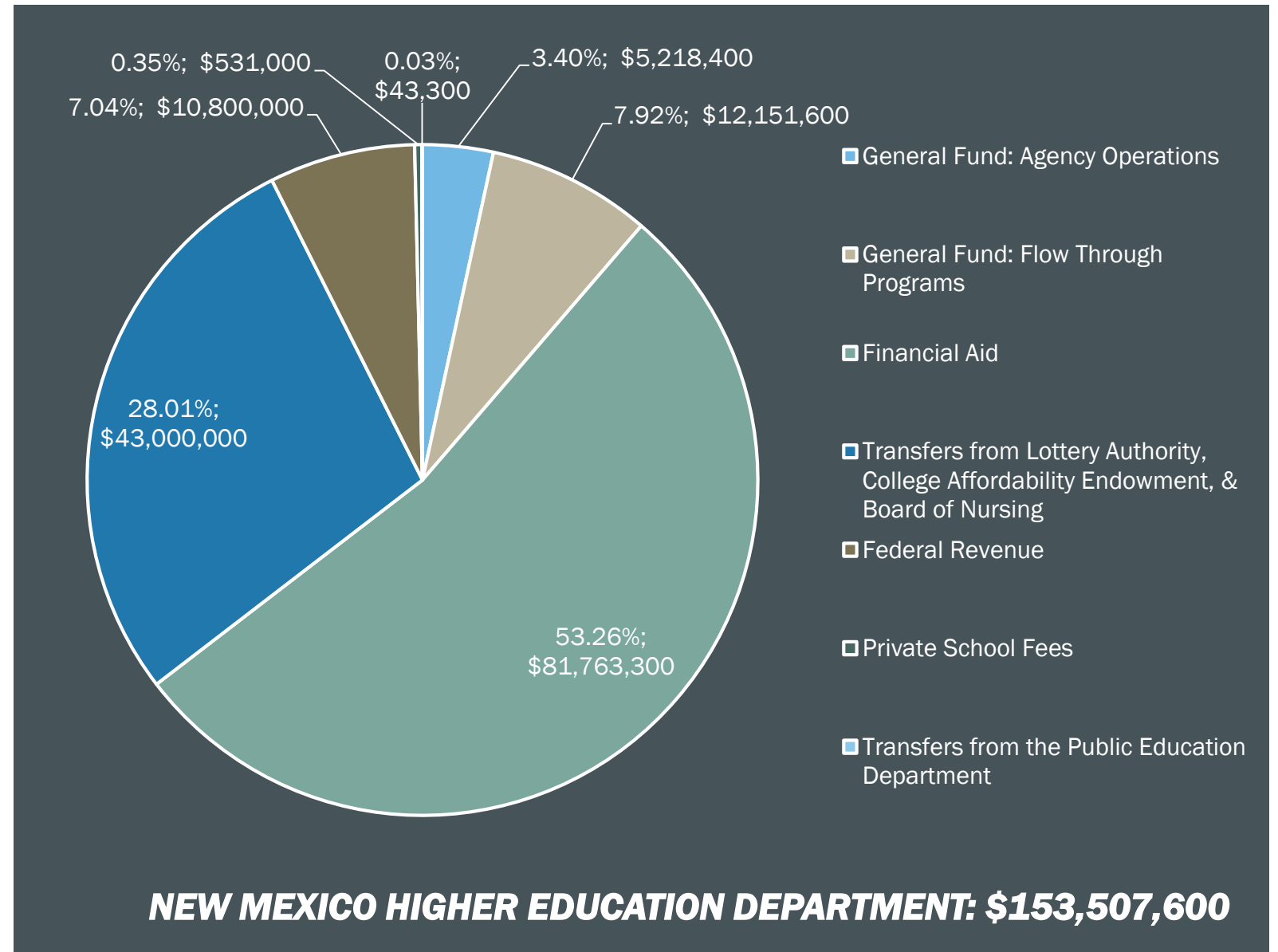
NEW MEXICO

- Early Childhood Education and Care Department
 - 277 FTE
- Public Education Department
 - 293 FTE
- Higher Education Department
 - 50 FTE
 - General Fund: 36.5 FTE
 - Federal Funds: 11
 - Private School Fees: 2.5
 - Current Vacancy Rate: 14% at 54 FTE

OTHER STATES

- New Mexico Higher Education Department General Fund FTE (FY22): **36.5**
- State-Funded Higher Education Agency FTE in Surrounding States
 - Texas: 267
 - Colorado: 84
 - Arizona: 35
- State-Funded Higher Education Agency FTE in Other States with a Similar Population Size to New Mexico
 - Arkansas: 44; Kansas: 60; Mississippi: 76; Nevada: 54; Oklahoma: 217; Utah: 33; and West Virginia: 61

FY23 AGENCY BUDGET OVERVIEW



GENERAL FUND APPROACH

The agency is dedicated to supporting students and higher education institutions to ensure New Mexicans have enhanced opportunities to recruit, retain, and yield a highly-skilled and well-informed workforce.

- Support access to college through scholarships
- Increase the budget for existing programs that support future educators and licensed teachers in New Mexico
- Re-establish the Nursing Program Development Fund and enhance research opportunities through the Higher Education Endowment Fund
- Adequately fund the state's Dual Credit Program
- Build family support systems through high school equivalency and adult literacy programs (2 FTE)
- Provide centralized wraparound and social services for students in higher education
- Implement the New Mexico Longitudinal Data System through C2 funding (2FTE)
- Adequately fund approved agency staff positions to build capacity and mitigate risks

FREE COLLEGE IN NEW MEXICO

- Develop a comprehensive free college package in New Mexico
 - Opportunity Scholarship: \$48 million impacting up to **25,000 to 35,000** students
 - Lottery Scholarship: \$25 million impacting approximately **14,000** students
- In FY21, 15,440 students benefitted from the Lottery Scholarship and approximately 6,000 from the Opportunity Scholarship.

Request: \$73 million



Photo courtesy of Western New Mexico University



"I'm a single mother, so it's hard. The hardest thing has also been balancing work and school, but I'm always trying to be an example for my kids, so that's the reason I'm back in school. The scholarship really helped me to be able to go back to school."

Isabel Saenz
Nursing
Western New Mexico University

"I wasn't going to receive lottery anymore, so it feels good to know that I have something to fall back on. It helps not to have to focus as much on work and focus more on school."

Raymond Van Dran
Criminal Justice & Police Academy Student
Western New Mexico University



FREE COLLEGE BENEFITS

- Median earnings for associate degree holders working fulltime are 24% higher, and for bachelor's degree holders are 61% higher than individuals with only a high school diploma.
- Unemployment rates are 2.8% for associate degree holders, 2.1% for bachelor's degree holders, and 4.1% for those with a high school diploma.

TEACHER LOAN REPAYMENT PROGRAM

- Up to \$6,000 per year toward outstanding student loan debt for licensed teachers in high-need areas across New Mexico with a minimum two year commitment

	FY21	FY22 <i>(Preliminary)</i>
Awardees	156 new, 184 renewals	444 new, 140 renewals
Expenditure	\$1,577,714 <i>Year 1 and 2 awards</i>	\$3,400,000 <i>Estimated</i>
Average Debt	\$42,450	\$48,785

FY22 Budget Adjustment Request: \$3.4 million

FY23 Request: \$5 million





TEACHER PREPARATION AFFORDABILITY SCHOLARSHIP

- Up to \$6,000 per year to cover educational expenses including tuition, fees, books, materials, and living expenses

FY21 PROGRAM DATA

2,169 scholarships awarded
(Fall 2020: 913; Spring 2021: 1,256)

Expenditure: \$4,904,237

FY23 Request: \$5 million

HIGHER EDUCATION FUNDS

HIGHER EDUCATION ENDOWMENT FUND

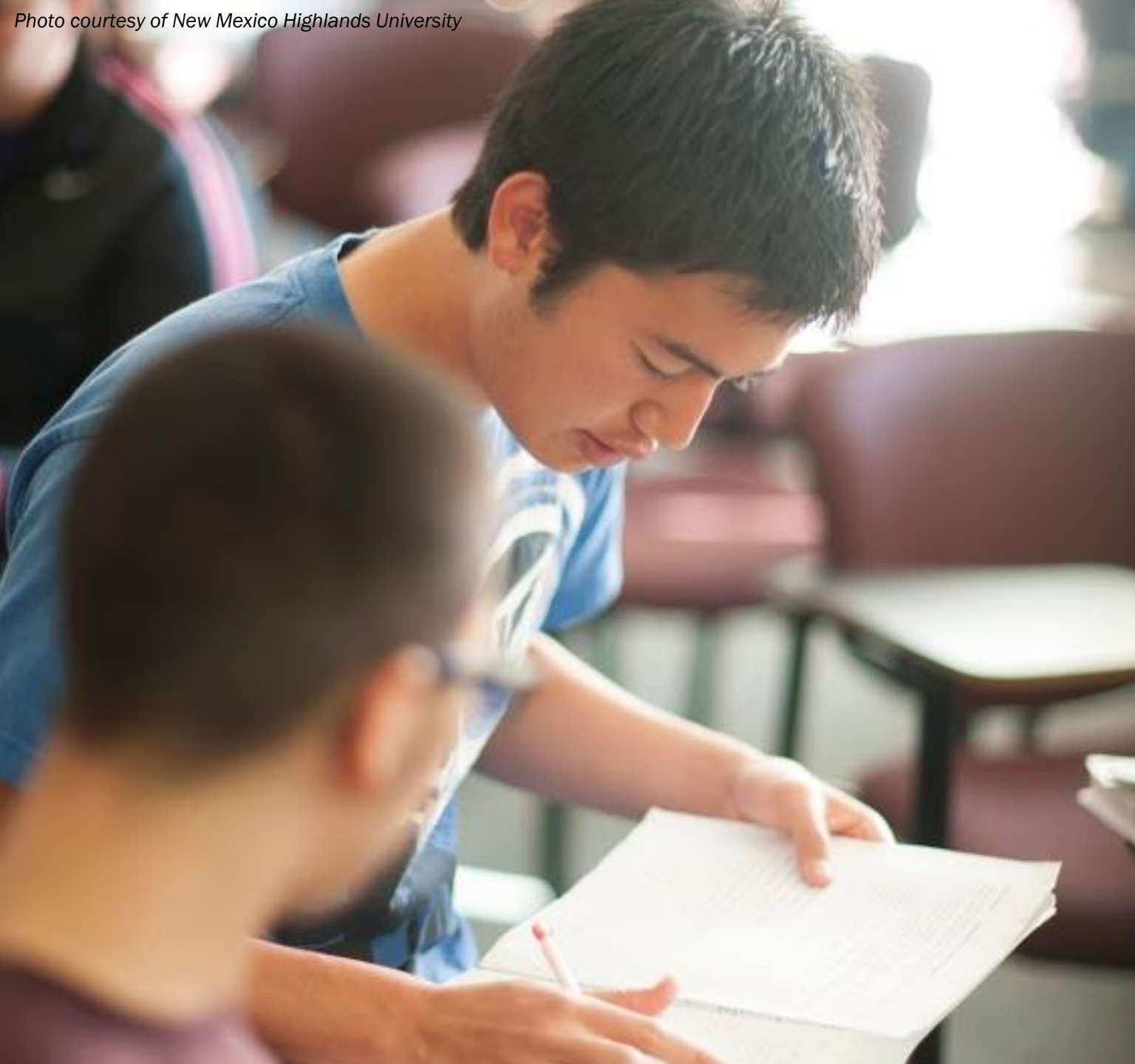
- Purpose: The Fund allows public colleges and universities to use state dollars for endowment purposes, including endowed chairs, graduate assistantships, faculty development, research and other programs that enhance the quality of higher education in New Mexico.
- Proposal must address top-level state initiatives which include STEM, health, education, water and agriculture, and workforce development.
- Past approvals include professorships in Neurological Oncology, Biomedical Research, and Special Education

Request: \$5 million

PROGRAM DEVELOPMENT ENHANCEMENT FUND (NURSING)

- Purpose: Re-establish higher education's "Nursing Program Development Fund" to award grants on a competitive basis for nursing programs to significantly expand pre-licensure nursing education slots.
- The Health Care Workforce in New Mexico Report prepared by the University of New Mexico indicates that at this moment New Mexico is 6,223 registered nurses short.
- Funds can be used to supplement faculty salaries for retention, expand clinical sites to rural communities, provide stipends for students practicing in rural settings, develop tutoring programs to ensure nursing students can pass the NCLEX exam, recruit students from local high schools and dual credit programs, and more.

Request: \$15 million



ADULT EDUCATION & LITERACY

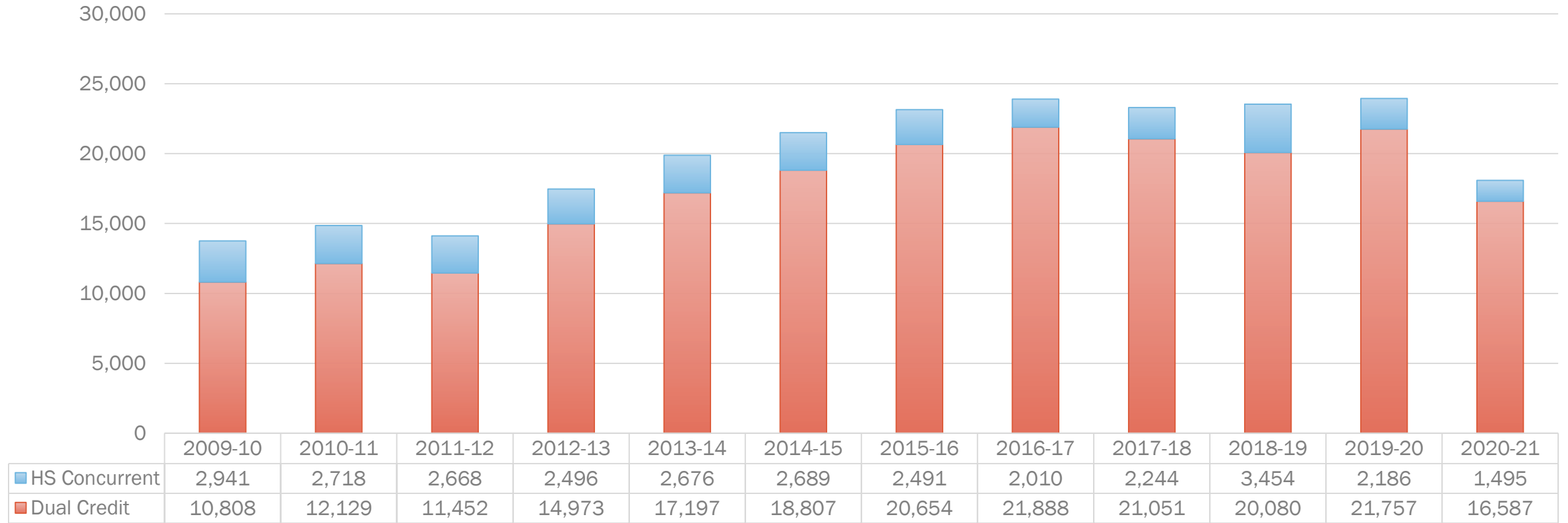
- The Adult Education Division's budget has decreased over time by \$2.5 million dollars; however, these programs are more important than ever.
- Adult education programs guide students into higher education, career training, and the workforce.
 - In 2020, total statewide adult education programs increased to 26 and we increased services to justice-involved New Mexicans and young adults.
 - Students who were unemployed when they entered adult education earned \$10,589,032 in wages in 2020 after they exited the program. Compared to the \$6.7 million state investment in adult education programs, this alone is a 157% return on investment.

2 FTE*

AE Request: \$9 million

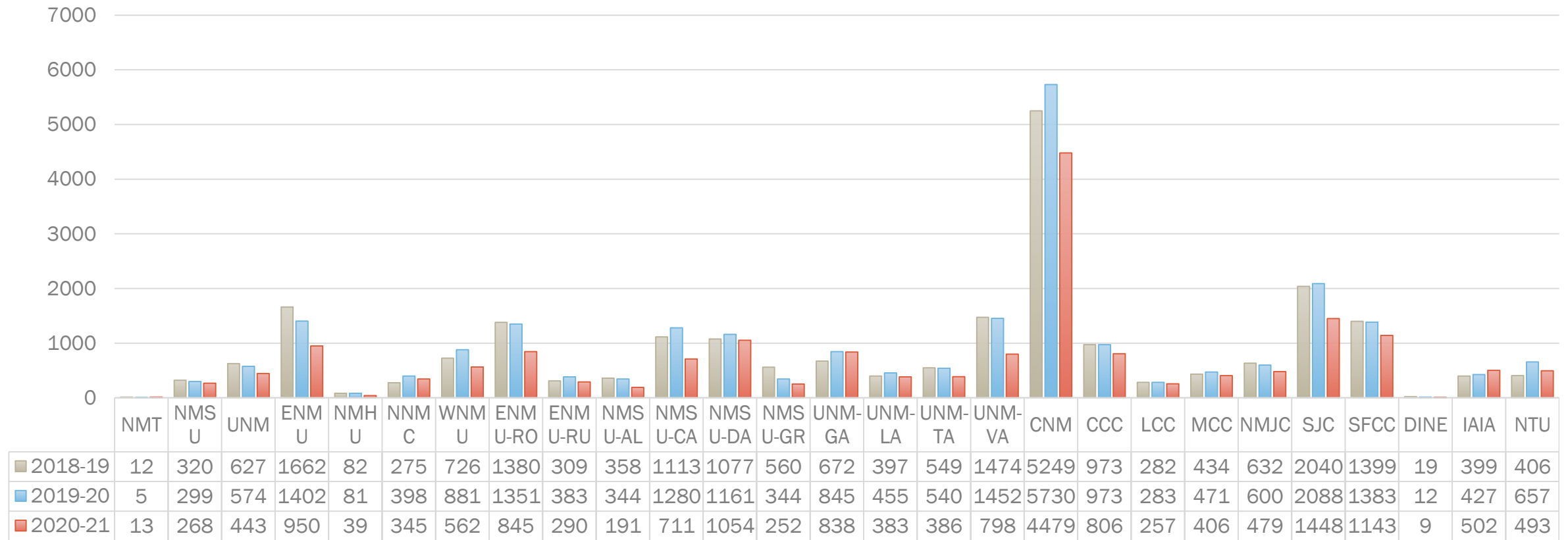
Literacy Request: \$750,000

**Part of the funds will be from federal dollars*



DUAL CREDIT ENROLLMENT TRENDS (2009-2010 TO 2020-2021)

Note: This past school year's enrollment numbers are similar to the enrollment during the 2013-14 school year. This can be attributed to the COVID-19 Pandemic since many of our Local Education Agencies (LEAs) and Higher Education Institutions (HEIs) transitioned to remote environments per state Public Health Orders (PHOs) and guidance from state cabinet agencies.



DUAL CREDIT ENROLLMENT: HIGHER EDUCATION INSTITUTION

Note: Higher Education Institution (HEI) participation in the Dual Credit Program has remained the same even in light of the COVID-19 Pandemic.

DUAL CREDIT FUNDING

PAST FUNDING

- **Higher Education Department**
 - FY20: \$779,000 in Instruction & General (I&G) funding and \$1.9 million in House Bill 2 (HB 2)
 - FY21: \$500,000 in I&G funding and \$1.9 after the Special Session
 - FY22: \$461,000 in I&G funding
- **Public Education Department**
 - FY20: \$1 million for instructional materials
 - FY21: \$1.5 million for instructional materials
 - FY22: Increase in instructional materials allocation in the State Equalization Guarantee (SEG) from \$30 million (FY21) to \$35 million (FY22)

CURRENT REQUEST

- Allocate **\$10 million** to the Higher Education Department to administer to colleges and universities to address the following:
 - Academic and Career Advisement
 - Tutoring for College Coursework
 - Instructor Compensation
 - Fee Coverage Outside of General Fees
 - Transportation
 - More Course Offerings for Schedule Flexibility

STUDENT SUPPORT SERVICES ADDRESSING COLLEGE HUNGER

- Governor Lujan Grisham's Food, Farm, and Hunger Initiative is a 12-agency collaboration to address hunger and access to healthy food for vulnerable New Mexicans, including college students.
- Currently, the agency is working on creating a "Hunger-Free Campus Designation" framework open to all colleges and universities.
- This funding will allow the agency to expand this work by establishing four to five healthy food grab-and-go programs at higher education institutions that need to build capacity.

Request: \$1 million



STUDENT SUPPORT SERVICES

ENROLLMENT & STUDENT SUCCESS

- This appropriation is targeted to fund wraparound services at higher education institutions, complete our work surrounding the trifecta, and work with colleges and universities in addressing enrollment.
- Funding support for enrollment initiatives and student success will allow for the expansion of academic and social services for New Mexico students.
 - Better alignment with workforce needs through industry collaboration and mentorship opportunities
 - Strengthening student pipelines in relation to high school graduates and transfers within higher education
 - Enhanced advising for academics, degree programs, and career services
- We can also harness marketing strategies that target enrollment growth in programs related to key industries identified by the New Mexico Economic Development Department's Strategic Plan (October 2021).

Request: \$10 million



Photo courtesy of Central New Mexico Community College

C2 REQUEST

LONGITUDINAL DATA SYSTEM

- This system will help educators and policymakers identify student challenges early on, make targeted interventions and investments, and determine what educational practices and programs drive student success from the early years into the workforce.
- Partnerships amongst key state agencies: Early Childhood Education & Care Department, Children's Cabinet, Public Education Department, Higher Education Department, and Department of Workforce Solutions

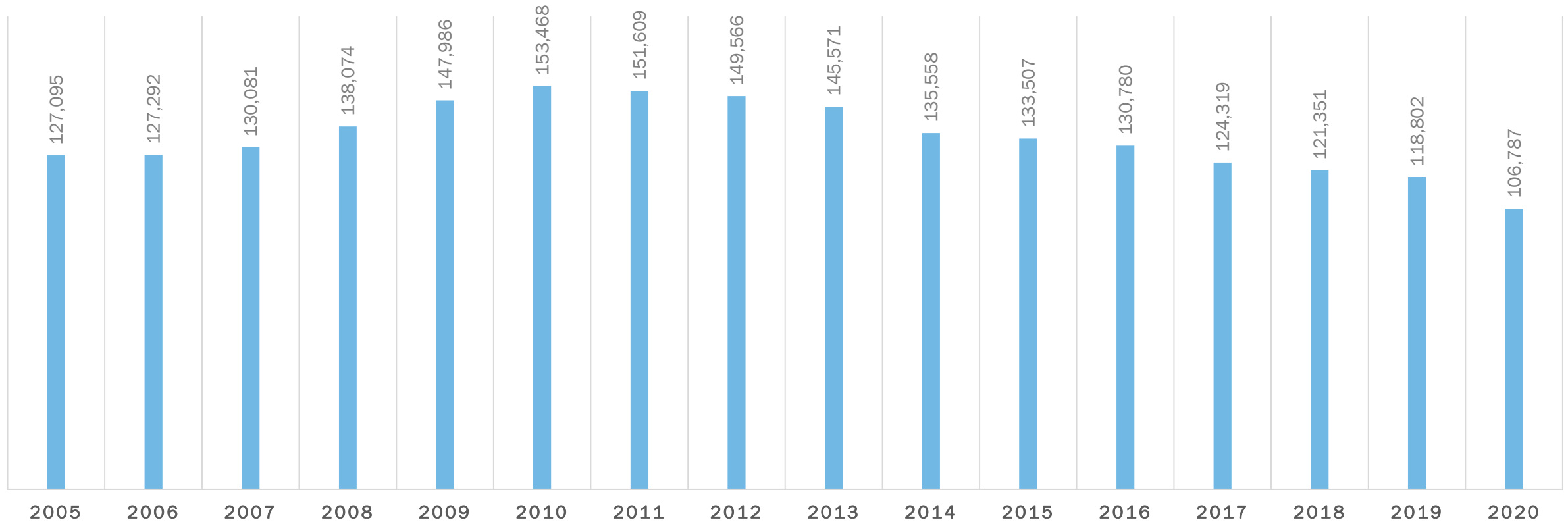
2 FTE

Request: \$6.5 million



STATEWIDE ACCOMPLISHMENTS FOR STUDENT SUCCESS AND HIGHER EDUCATION

- Partnered with the NM Human Services Department to ensure college students could apply for SNAP benefits
- Hosted virtual and in-person college fairs with state partners, and partnered with organizations on FAFSA events
- Re-established the federal GEAR UP Program and partnered with seven local education agencies in NM
- Announced that the Lottery Scholarship will cover 100% of tuition
- Partnered with the NM Department of Health to coordinate vaccine efforts at public colleges and universities across several regions in the state, and issued ongoing guidance surrounding the COVID-19 Pandemic
- Launched Ready NM in collaboration with the NM Department of Workforce Solutions and NM Workforce Connections
- Re-convened a task force dedicated to reviewing and scoring private school applications
- Announced all General Education (Gen Ed) courses will transfer to all public higher education institutions in NM
- Became the chair of the Dual Credit Council
- Collected a record number of applications for the Teacher Loan Repayment Program
- Launched a new and improved software system for higher education capital projects
- Convened a working group to review and develop adjustments to the higher education funding formula, commonly referred to as Instruction and General (I&G) funding, and the adult education funding formula
- Issued three Request for Applications (RFAs) for the Higher Education Endowment Fund (\$5 million), the Addressing College Hunger Initiative (\$100,000), and Ready NM Training Programs (\$1 million in federal dollars) and developing the last RFA for mental and behavioral health services for college students
- Administered surveys pertaining to the Dual Credit Program and advisement at higher education institutions.
- Issued memos pertaining to House Bill 2 language for enrollment and a updated degree inventory
- Developed rules for cannabis training and education in NM, which will be established January 1, 2022



TOTAL FALL ENROLLMENT HEADCOUNT

Note: Enrollment grew by over 19% statewide from Fall 2005 to Fall 2011. From 2011 onward, there has been a steady decline in headcount enrollment, dropping 21.6% through Fall 2019. The effect of the COVID-19 Pandemic has caused another enrollment decline in 2020 at approximately 10% statewide.

FUNDING FORMULA STRATEGIC ENROLLMENT MANAGEMENT PLAN

- This year, we made two adjustments to the higher education funding formula, commonly referred to as Instruction & General funding (I&G):
 - Student Credit Workload
 - Internal Institutional Improvement Measures
- Next year, we will addressing other topics including:
 - At-Risk Student Definition
 - Coding and Weighting
 - Collaboration & Transfer
 - Dual Credit
 - Research
 - Workforce



QUESTIONS

Stephanie M. Rodriguez, M.C.R.P.

Cabinet Secretary

Stephanie.M.Rodriguez@state.nm.us

Patricia Trujillo, Ph.D.

Deputy Secretary

Patricia.Trujillo@state.nm.us

@NMHigherEd



Photo courtesy of New Mexico State University