

New Mexico Legislative Finance Committee
Program Evaluation No. 25-04

Use and Impact of Endowment
Appropriations for Higher
Education Nursing, Teacher
Education, and Social Work
Programs



July 24, 2025

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July 16, 2025

Stephanie Rodriguez, Cabinet Secretary
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Secretary Rodriguez:

The Legislative Finance Committee (LFC) is pleased to transmit the evaluation *Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs*. The program evaluation examined how the department and higher education institutions administered and used targeted legislative appropriations for increasing program capacity in nursing, teacher education, and social work programs. An exit conference was held with you, higher education department staff, and representatives of New Mexico's universities and community colleges on July 10, 2025, to discuss the report's contents.

The report will be presented to the LFC on July 24, 2025. LFC would like plans to address the recommendations within this report from the Higher Education Department, Council of University Presidents, and New Mexico Independent Community College Association within 30 days of the hearing.

I believe this report addresses issues the LFC asked us to review, and hope the department and the New Mexico higher education system will benefit from our efforts. We very much appreciate the cooperation and assistance we received from you, your staff, and New Mexico higher education institutions.

Sincerely,

A handwritten signature in black ink that reads "Charles Sallee".

Charles Sallee, Director

Cc: Representative Nathan Small, Chair, Legislative Finance Committee
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Dr. Vanessa Hawker, Director, New Mexico Independent Community College Association
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Summary

Colleges and the Higher Education Department struggled to fully deploy endowment funding to hire more faculty and expand programs.

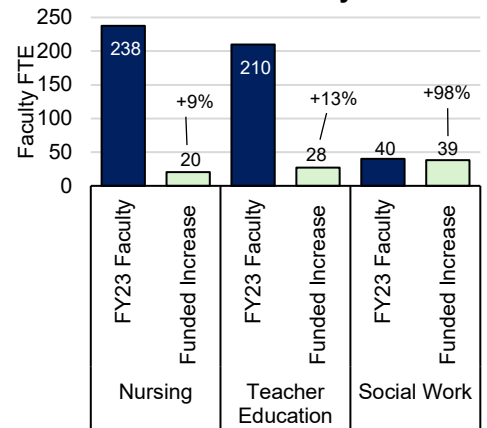
New Mexico colleges and universities are currently not graduating enough degree completers to meet the future job openings for nurses, teachers, and social workers in the state projected by the U.S. Bureau of Labor Statistics. Increasing the number of faculty in these programs is a strategy to expand enrollment capacity and boost degree production. Toward this end, the Legislature appropriated a total of \$170 million from FY23 through FY25 for colleges and universities to create endowments that could generate investment earnings to fund additional faculty (and some social work financial aid) and grow instructional programs. While various factors impact the state’s ability to recruit, train, and retain nurses, teachers, and social workers (such as licensing exams, labor market conditions, and national faculty shortages), these endowments present an opportunity to help build program capacity by funding additional faculty.

Endowment appropriations take longer to implement than direct appropriations. Higher education institutions note it takes a year to set up, generate investment earnings, and support newly recruited faculty. Although endowments cannot immediately boost capacity, the envisioned capacity growth from these endowment appropriations has not yet materialized three years after the first round of endowment funding was appropriated (July 2022). This ultimately means delayed benefits to New Mexico’s faculty, students, and labor market.

The \$170 million in endowment funding was sufficient to support about 87 additional faculty annually (depending on benefit costs at institutions), equating to a 9 percent increase in nursing faculty, a 13 percent increase in education faculty, and a 98 percent increase in social work faculty. The FY23 appropriations alone could have supported 73 faculty. However, as of late FY25, higher education institutions earned \$10.7 million in investment earnings from the endowment appropriations but only spent \$2.5 million to support 52 faculty. These 52 faculty taught 326 courses in FY25 reaching a combined 4,924 students. Colleges are generally increasing instructional budgets for nursing, teacher education, and social work programs, a promising signal for future growth. However, instructional programs have underspent their budgets in the past.

HED and colleges’ management of the \$170 million in endowment appropriations had unnecessary delays and implementation issues. HED allocated at least a third of the endowment funding to colleges and universities in an untimely manner (over halfway through the fiscal year) and had not allocated \$5 million in FY24 social work funding as of mid-2025. Colleges sometimes did not use endowment earnings for faculty salaries because of staff turnover, slow internal approval processes, and

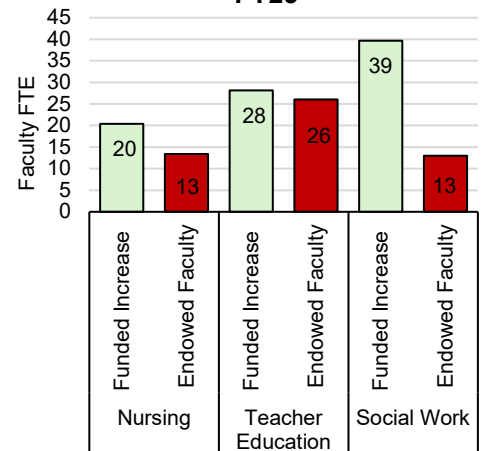
Chart 1. The \$170 Million in Endowment Appropriations Was Intended to Fund Increased Faculty FTE



Note: Assumes a 5 percent spending rate from endowments and average nursing, teacher education, and social work faculty salaries and a 27.8 percent benefits rate.

Source: LFC analysis of financial reports of actuals, program data, and endowment data.

Chart 2. The \$170 Million in Endowment Appropriations is Not Yet Supporting Possible Faculty Increases, FY25



Source: LFC analysis of reports of actuals, and endowment data.

recruitment and retention issues. Colleges also sometimes used endowment funds differently than budget language instructed or intended, such as spending from the endowment corpus or using investment earnings to support foundation operations over and above investment management costs.

Key Findings

- Because of underspending, colleges are not fully using state endowment funding to grow program capacity.
- Colleges and HED's management of endowment funds had delays and implementation issues, which postponed serving more students.

Key Recommendations

The Legislature should consider:

- Including budget language for any future endowment appropriations that prohibits the corpus or earnings from being used to fund general foundation operations above or beyond investment management costs.

The Higher Education Department should:

- Strengthen its internal appropriation tracking and distribution processes to ensure appropriations are distributed and expended in a timely manner.

The University of New Mexico should:

- Deploy investment earnings from its nursing endowment appropriations to fund endowed faculty salaries and increase the enrollment capacity of its main campus and Gallup branch campus nursing education programs;
- Complete all remaining approval processes for establishing its proposed Master of Social Work (MSW) program (currently receiving endowment funding) before the beginning of FY27; and
- Renegotiate the UNM Foundation's development funding allocation fee on funds received through state appropriations.

New Mexico State University should:

- Complete its internal cost-benefit assessment of whether to manage its endowments internally or through the NMSU Foundation; and
- Renegotiate the NMSU Foundation's administrative fees on funds received through direct state appropriations.

Background

New Mexico’s workforce of nurses, teachers, and social workers decreased during the Covid-19 pandemic but has since increased above FY19 pre-pandemic levels. New Mexico currently has around 22 thousand nurses, 23 thousand teachers, and 4,300 licensed social workers. Still, current degree production in nursing, teacher education, and social work is insufficient to meet the anticipated retirements and projected future workforce demand growth in these fields. The Legislature recently provided \$170 million in endowment funding since FY23 to support additional faculty positions in nursing, education, and social work programs to expand program capacity.

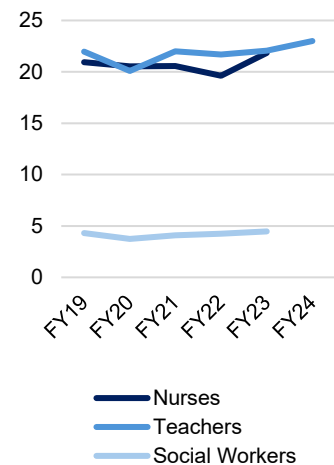
New Mexico has roughly 22 thousand nurses, 23 thousand teachers, and 4,300 licensed social workers.

New Mexico has around 22 thousand nurses working in the state, the vast majority of whom are standard registered nurses. Nurses are licensed at different levels based on their educational requirements and nursing scope of practice and responsibilities. Nursing licenses range from entry-level licensed practical nurses (LPNs) to standard registered nurses (RNs) to advanced practice registered nurses (APRNs). The educational requirements for different nursing licenses range from a 12-month certificate program for LPNs, a nursing undergraduate degree for RNs, to a nursing graduate degree for APRNs. According to U.S. Bureau of Labor Statistics data, 22 thousand nurses were employed in New Mexico in 2023 (latest data available). Eighty-three percent of those nurses working in New Mexico were registered nurses, while 8 percent were LPNs and 9 percent were APRNs.

New Mexico public schools employ around 23 thousand teachers. The majority of teachers with a level 1 (provisional) and level 2 (professional) license have a bachelor’s degree while most teachers with a level 3 (master) license have a master’s degree. Based on FY24 public education department data, 66 percent of New Mexico public school teachers earned their highest degree at a New Mexico state-funded university. Most New Mexico public school teachers received their highest degree from either the University of New Mexico (UNM), New Mexico State University (NMSU), Eastern New Mexico University (ENMU), New Mexico Highlands University (NMHU), or Western New Mexico University (WNMU). Of the teachers who received their highest degree from an out-of-state university, the largest number received their degrees from Texas, Arizona, or Colorado.

New Mexico has 5,400 actively licensed social workers and 80 percent (or 4,300 social workers) are located in the state, according to state Regulation and Licensing Department Board of Social Work Examiners data. The

Chart 3. Number of Nurses, Teachers, and Social Workers in New Mexico
(in thousands of workers)



Source: LFC analysis of BLS and PED data.

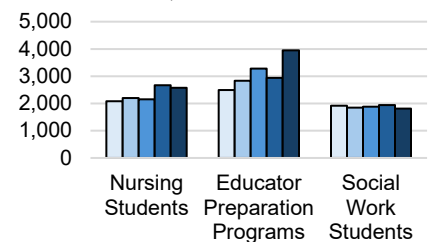
majority are located in Bernalillo County (32 percent), Doña Ana County (10 percent), and Santa Fe County (9 percent). These figures roughly mirror the state's population centers but indicate less access to services in New Mexico's vast rural areas. Almost all licensed social workers (89 percent) in the state have either a clinical license or a master's license in social work, which both require at least a master's degree in social work. Roughly 20 percent of New Mexico licensed social workers are located outside of the state. Data is unavailable regarding where licensed social workers in New Mexico earned their social work degrees.

From FY19 to FY23, college nursing and education programs experienced varied growth while social work programs remained relatively flat.

College enrollment in state nursing programs grew 24 percent from FY19 to FY23 (most current year of available data for all programs). Enrollment in state educator preparation programs (including traditional and alternative licensure preparation) grew 58 percent by 1,456 students according to federal U.S. Department of Education (USDE) data. The increased enrollment in state educator preparation programs coincides with recent teacher minimum salary increases passed by the Legislature over the same timeframe. Enrollment in social work programs remained relatively stable from FY19 through FY23, but enrollment was 5 percent (or 105 students) lower in FY23 than in FY19.

In FY23, New Mexico colleges and universities graduated 16 percent fewer degree completers statewide than in FY19. In contrast, nursing, educator, and social work programs either had growth or a smaller decrease in degree completers over the same timeframe. Although nursing program degree completions have rebounded from a low-point in FY21, degree completions in nursing programs in FY23 were 4 percent (or 48 degree completers) lower than in FY19. Degree completions from social work programs at state colleges and universities were 14 percent (48 degree completers) higher than FY19. The number of degree completers from educator preparation programs saw substantial growth of 68 percent (or 504 degree completers), which is similar to enrollment trends and likely attributable to growth in educator program enrollment and teacher minimum salaries.

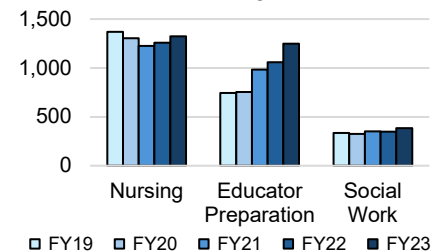
Chart 4. Statewide College Enrollment in Nursing, Educator Preparation, and Social Work, FY19 to FY23



Legend: □ FY19 ■ FY20 ■ FY21 ■ FY22 ■ FY23
 Note: Data only includes students in programs and may exclude pre-nursing or pre-education students.

Source: LFC analysis of state BON, USDE, and state higher education data.

Chart 5. Degree Completers from New Mexico State Funded Colleges by Field, FY19-FY23



Source: LFC analysis of federal USDE data..

New Mexico degree production currently falls short of projected future workforce needs for nurses, teachers, and social workers.

Each year, New Mexico should expect around 1,800 job openings for nursing, 1,600 job openings for teachers, and 432 job openings for social workers, according to U.S. Bureau of Labor Statistics projections for New Mexico from 2023-2032. Projecting these data over the next seven years, New Mexico would need to graduate and retain at least 12.7 thousand nurses, 11 thousand teachers, and 3,000 social workers to address anticipated job openings from 2025 through 2032. These projected job openings in all three sectors are anticipated to primarily come from workers retiring or changing careers (44 percent), workers transferring jobs within the same profession (39 percent), or the addition of new positions (16 percent). While some of these job openings will be addressed by workers who come from other states, part of the state higher education system’s mission is to prepare New Mexico’s future workforce.

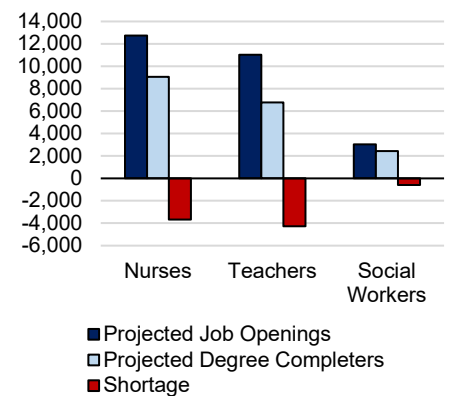
Over the past five years of available statewide data (FY19 through FY23), state colleges and universities graduated an average of 1,300 degree completers in nursing, 957 degree completers in teacher preparation, and 349 degree completers in social work. Projecting these degree completion averages over the next seven years, New Mexico could expect roughly 9,000 nursing degree completers, 6,800 teaching degree completers, and 2,400 social work degree completers. The projected degree completions fall short of the estimated job openings by at least 3,700 nurses, 4,300 teachers, and 580 social workers from 2025 through 2032.

These data also do not take into account other important factors impacting the state’s available workforce, such as the outmigration of college graduates from New Mexico, out-of-state online students completing New Mexico degrees, national faculty shortages, licensure passage rates, or connections between higher education and employers. Altogether these data indicate New Mexico will have significant future demand for nurses, teachers, and social workers, and the state’s higher education system will need to play a pivotal role in addressing these workforce needs.

The Legislature recently appropriated \$170 million for targeted endowments to expand nursing, education, and social work programs.

The number of students a college program can teach and graduate is constrained by the program’s number of faculty. The enrollment capacity of nursing, teacher education, and social work programs are particularly constrained by their number of faculty because these programs are required to provide practical field work experience, which sometimes has capped student-to-faculty ratios. This means New Mexico nursing, teacher

Chart 6. Projected Job Openings and Degree Completions in New Mexico, 2025-2032



Source: LFC analysis of U.S. BLS, USDE IPEDS, and USDE Higher Education Act Title II data.

Figure 1. Logic Model of the Higher Education Endowment Appropriations



Source: LFC

Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs

education, and social work programs generally need additional faculty to increase enrollment capacity and, in turn, graduates.

As a strategy to boost long-term enrollment capacity and graduates, the Legislature appropriated \$170 million (from FY23 through FY25) for colleges and universities to create endowments that could supplement nursing, education, and social work programs in perpetuity. Specifically, the \$170 million was appropriated to generate investment income to support additional nursing faculty (\$40 million), additional teacher education faculty (\$50 million), and additional faculty, financial aid, and paid clinical experience opportunities in social work (\$80 million).

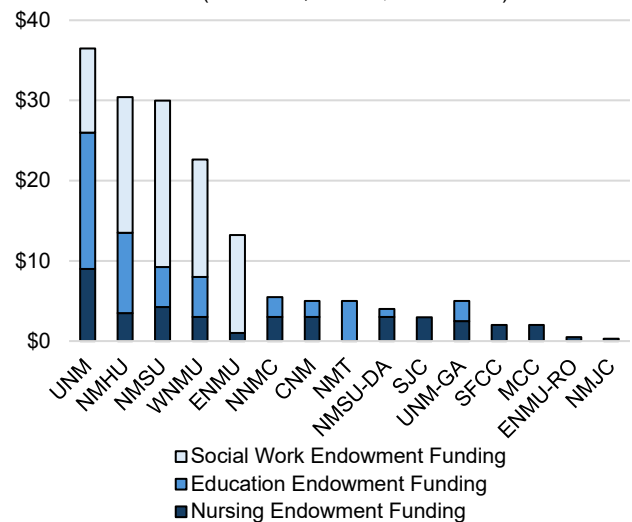
Table 1. State Funding for Higher Education Faculty Endowments, FY23-FY25 (in millions)

Year	Description	Amount
FY23	Teacher Faculty Endowments	\$50.0
	Social Work Faculty Endowments	\$50.0
	Nursing Faculty Endowments	\$30.0
FY24	Nursing Faculty Endowments	\$10.0
	Endowments for Social Work Financial Aid	\$20.0
FY25	Endowments for Social Work Faculty and Financial Aid	\$10.0
TOTAL		\$170.0

Source: LFC Files

From FY23 through FY25, HED distributed \$165 million in endowment funding to 28 instructional programs at 15 different colleges and universities through 43 separate allocations. HED allocated the FY23 endowment funds and the FY24 nursing endowment funds to state higher education institutions based on application processes requiring colleges to provide a plan for sustaining the endowment corpus, projected rates of return for endowment funds, and descriptions of the faculty positions that would be supported by the endowment funds. HED distributed the FY24 and FY25 social work endowment appropriations based on social work enrollment data rather than through a formal application process. As of May 2025, HED distributed 97 percent (or \$165 million) of the \$170 million in endowment funding, according to department voucher data. This report further discusses the \$5 million that HED had not distributed as of May 2025 to higher education institutions on page 13. Although 15 different universities, community colleges, and branch campuses received some of the endowment appropriations, the vast majority (80 percent) of the endowment appropriations went to five universities: the University of New Mexico (UNM), New Mexico Highlands University (NMHU), New Mexico State University (NMSU), Western New Mexico University (WNMU), and Eastern New Mexico University (ENMU).

Chart 7. Distribution of Endowment Funds FY23 through FY25 (in millions, total = \$165 million*)



Note: \$170 appropriated for endowments and other expenses but \$165 million distributed.

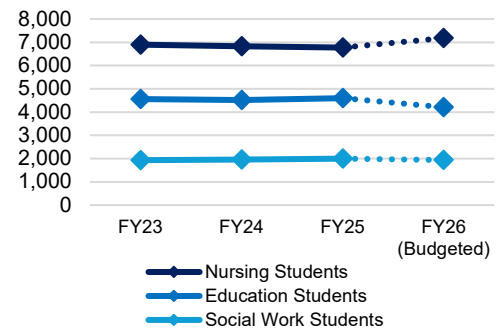
Source: LFC analysis of SHARE data.

Collectively, the programs receiving endowment appropriations had flat enrollment and decreasing degree completions since FY23.

Although endowments are long-term investments and cannot instantaneously boost program capacity, the instructional programs that received endowment appropriations have not yet boosted enrollment or degree completions for the state in recent years since FY23. The nursing, teacher education, and social work programs that received endowment appropriations altogether experienced a 0.1 percent decrease (or 15 students) in enrollment from 13,381 students in FY23 to 13,366 students in FY25. A 3 percent (or 65 student) increase in social work enrollment and a 1 percent (or 38 student) increase in teacher education enrollment were offset by a 1.7 percent (or 118 student) decrease in nursing enrollment. Enrollment trends varied across different higher education institutions and programs, but the overall trend resulted in relatively flat enrollment for the programs that received state endowment appropriations from FY23 to FY25.

According to survey data from the instructional programs that received endowments, degree completers from the nursing, teacher education, and social work programs that received endowments collectively decreased by around 5 percent (or 113 graduates) from FY23 to FY25. Degree completions at teacher education programs grew by 14 percent (or 102 graduates), likely as a result of prior enrollment increases and statutory teacher salary increases. However, nursing programs and social work programs experienced decreases of 11 percent (or 145 graduates) and 16 percent (or 70 graduates) respectively. While degree completions from FY23 through FY25 are not an indicator of the effectiveness of the endowment appropriations, it will be important to continue to monitor these trends going forward.

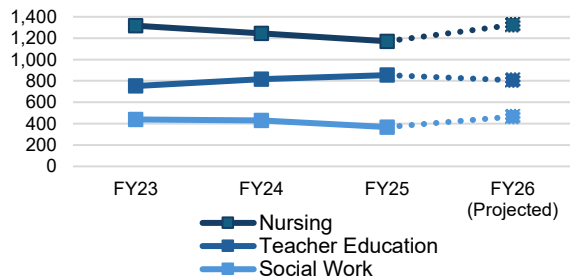
Chart 8. Total Enrollment in New Mexico that Received Endowment Appropriations, FY23-FY26



Note: These data include students who may have declared a major (e.g. pre-nursing) but may not yet be in the program. Not all public programs in the state received endowment appropriations.

Source: LFC analysis of survey data.

Chart 9. Degree Completions in New Mexico Programs that Received Endowment Appropriations, FY23-FY26



Note: WNMU only provided data for the fall semester of FY25 so the data were doubled to estimate a full academic year.

Source: LFC analysis of survey data.

Because of Underspending, Colleges are not Fully Using State Endowment Funding to Grow Program Capacity

The Legislature appropriated \$170 million in endowment appropriations from FY23 through FY25 to increase the number of faculty and boost capacity at nursing, teacher education, and social work programs. The envisioned capacity growth from these endowment appropriations has not yet materialized. Colleges and universities earned \$10.7 million in investment gains as of late FY25 but only spent \$2.5 million on faculty salaries.¹ Although the endowment funding could support about 87 additional faculty when fully implemented, colleges and universities only supported 52 faculty with endowment earnings in FY25. Colleges are generally increasing budgets for nursing, teacher education, and social work programs, which is a promising signal for future growth. However, instructional programs have underspent their budgets in the past.

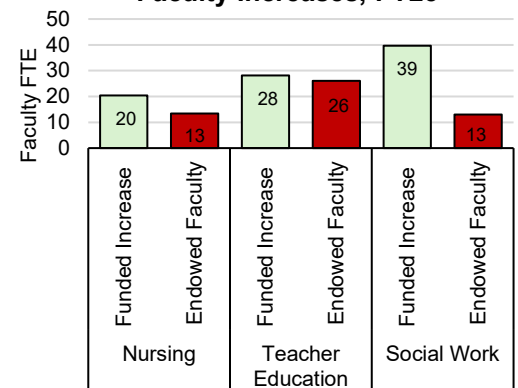
The \$170 million in endowment funding was sufficient for about 87 faculty positions but only supported 52 faculty in FY25.

The \$170 million in endowment appropriations would be expected to annually distribute at least \$8.5 million to instructional programs, assuming investment returns of at least 5 percent and spending at that level. The endowment appropriations were sufficient to fund about 87 additional faculty positions, which includes 20 additional nursing faculty (a 9 percent increase above FY23 capacity), 28 additional education faculty (a 13 percent increase), and 39 additional social work faculty (a 98 percent increase).² Instead, FY25, colleges and universities spent only \$2.5 million from endowment earnings to support 52 faculty, which includes 13 nursing faculty (a 6 percent increase above FY23 capacity), 26 education faculty (a 12 percent increase), and 13 social work faculty (a 32 percent increase). Although teacher education programs almost met the benchmark for endowed faculty FTE, these data generally indicate the endowment appropriations are not yet being fully leveraged to hire additional faculty and grow program capacity.

A 5 percent spending rate from an endowment fund would be a moderate benchmark.

A 5 percent spending rate benchmark for endowments would be in line with the national average. According to a 2024 national survey of college endowments by the National Association of College and University Business Officers, higher education endowments under \$50 million had a national average annual spending rate of 4.9 percent in FY24. Furthermore, a 5 percent spending rate would be below benchmarks set by the State Investment Council (SIC) for state investments. SIC has an annual investment return target of 7 percent and a constitutionally required annual spending rate of 6.25 percent for the state's land grant permanent fund. As of the third quarter of FY25, the land grant permanent fund achieved a one-year return of 6 percent, a five-year return of 10 percent, and a 10-year return of 7 percent.

Chart 10. The \$170 Million in Endowment Appropriations is Not Yet Supporting Possible Faculty Increases, FY25



Source: LFC analysis of reports of actuals, and endowment data.

¹ LFC staff conducted the data collection and analysis for this program evaluation before the end of FY25. Consequently, endowment data for FY25 in this report will reflect the first quarter through the third quarter of FY25 (July 1, 2024, through March 31, 2025). FY25 endowment data referenced in this report should be understood to reflect the first through the third quarter.

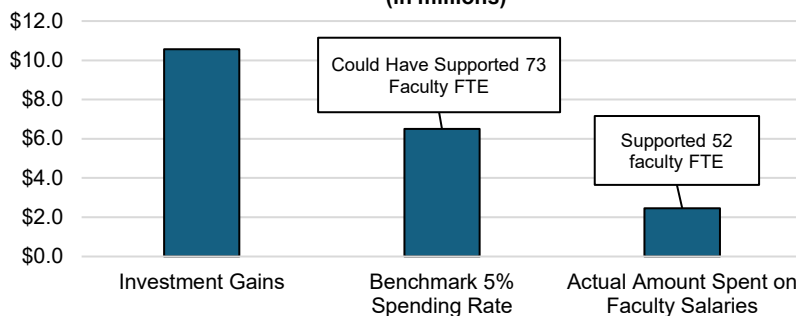
² These data include a 27.8 percent benefits rate based on an Education Retirement Board rate of 18.15 percent required by Section 22-11-21(A)(3) NMSA 1978, a retiree health rate of 2 percent required by Section 10-7C-15(A)(1)(d) NMSA 1978, and a 7.65 percent Federal Insurance Contributions Act payroll tax. Employee benefits can vary by institution and can impact the possible number of faculty that can be hired. This estimate does not take into account adjunct instructors without benefits or any additional tuition revenues from additional students.

Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs

Colleges and universities made \$10.7 million in investment gains this year from the FY23 endowment appropriations but only spent \$2.5 million on faculty salaries. Higher education institutions collectively earned \$10.7 million in investment gains (or 8 percent) on their FY23 endowment appropriations in FY25. These investment gains on the FY23 endowment appropriations could have funded a 5 percent spending rate (or \$6.5 million) which, in turn, could have supported roughly 73 faculty (or 15 percent increase) based on average nursing, education, and social work faculty salaries. Instead, colleges and universities only spent \$2.5 million from endowment earnings to support 52 faculty salaries, which equates to a 1.9 percent spending rate from the \$130 million in endowment funds appropriated in FY23. Specifically, higher education institutions used endowment earnings to support 13 nursing faculty, 26 teacher education faculty, and 13 social work faculty statewide. These 52 faculty supported by the endowments taught 326 courses in FY25 reaching a combined 4,924 students. The spending funded additional faculty positions and sometimes provided salary increases for existing faculty.

Colleges and universities used investment earnings from the FY23 endowment appropriations to support 52 faculty, but investment gains could have supported at least 73 faculty.

Chart 11. Investment Gains and Spending on Faculty in FY25 from the FY23 Endowment Appropriations (in millions)



The 52 faculty FTE supported by the endowment appropriations taught 326 courses in FY25 reaching a combined 4,924 students.

Notes: Colleges reported limited earnings and no spending on faculty salaries in FY25 from the FY24 and FY25 endowment appropriations. FY25 data available reflects the first through the third quarter of FY25.

Source: LFC analysis of college and university data.

A third of the endowments appropriated in FY23 (eight out of 24 endowments) did not have any spending on faculty salaries in FY25. The Legislature appropriated \$130 million for endowments in FY23, which HED distributed across colleges and universities through 24 separate allocations. Two years later, a third of those FY23 endowments reported no spending on endowed faculty salaries in FY25. This report delineates many of the details and reasons behind the lack of spending on faculty salaries beginning in the next chapter.

Some instructional programs are using FY23 endowment appropriations to support faculty salaries in FY25 as would be expected. Some instructional programs are using endowment earnings from their FY23 appropriations to support faculty salaries. The top five programs using their endowment appropriations to support teaching faculty

Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs

spent a total of \$1.6 million from investment earnings to support 21.5 faculty FTE in FY25 who taught 3,126 students that year.

Table 2. Top Five Programs Using Endowment Earnings to Support Faculty Teaching Students, FY25

Program	Endowment Appropriations	Spending on Faculty From Endowment Earnings	Spending Rate	Number of Faculty FTE Supported	# of Students Taught
UNM Teacher Education	\$19,500,000	\$583,977	3.0%	8.00	421
ENMU Social Work	\$9,000,000	\$332,866	3.7%	3.50	433
NMSU Social Work	\$16,500,000	\$325,137	2.0%	4.50	623
NMHU Social Work	\$8,000,000	\$246,323	3.1%	4.00	1,470
CNM Nursing	\$3,000,000	\$154,820	5.2%	1.50	179

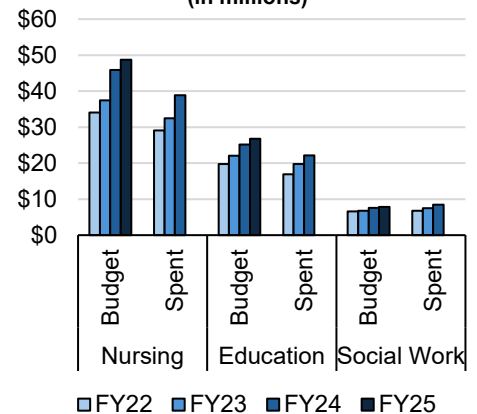
Source: LFC analysis of college and university data.

Colleges have not yet seen significant investment returns from the more recent \$35 million in endowment funds originally appropriated in FY24 and FY25 (part of the total \$170 million). In FY25, colleges and universities reported less than 1 percent in investment returns from the \$35 million in endowment funds appropriated in FY24 and FY25. This suggests the FY24 and FY25 endowment appropriations have only recently been invested and will require additional time before supporting faculty salaries. Colleges and universities did not spend any funds from the FY24 and FY25 endowment appropriations on faculty salaries in FY25. However, the colleges that received FY24 and FY25 social work endowment funding did report spending \$1.9 million of the funds on social work financial aid and field work experience opportunities in FY25.

Colleges are increasing budgets for nursing, education, and social work programs but have underspent past budgets.

The programs that received endowment appropriations together budgeted a 6 percent increase from FY24 to FY25, signaling an intent to increase program capacity. The 28 instructional programs that received endowment appropriations collectively increased their instructional spending budgets by 6 percent (or \$4.8 million) from FY24 to FY25. From FY24 to FY25, nursing programs budgeted a 6 percent (or \$2.9 million) increase in instructional spending, teacher education programs budgeted a 6 percent (or \$1.6 million) increase, and social work programs budgeted a 4 percent

Chart 12. Budgeted and Actual Instructional Spending of Programs that Received Endowment Appropriations (in millions)



Source: LFC analysis of reports of actuals and budgets.

(or \$305 thousand) increase.³ These data from FY24 and FY25 operating budgets provide evidence the programs that received endowment appropriations are dedicating resources to building capacity. For this program evaluation, LFC staff requested but did not receive state colleges and universities FY26 operating budgets because HED and the Department of Finance and Administration were still reviewing higher education institutions' FY26 operating budgets.

Roughly 64 percent of instructional programs (or 18 out of 28 programs) that received endowment appropriations underspent their budgets in FY24. The instructional programs that received endowments are increasing budgets to grow program capacity, but past spending patterns suggest this increased budget capacity may not materialize. In FY24, 18 out of the 28 instructional programs that received endowment appropriations underspent their instructional budgets by amounts ranging from a low of under \$3,000 (or 1 percent) at Eastern New Mexico University's nursing program to a high \$4.7 million (or 25 percent) at the University of New Mexico's nursing program.

Over the past three years, programs that received endowment appropriations have underspent their budgets by 11 percent (or \$7.8 million). The instructional programs that received endowment appropriations altogether budgeted an average of \$68.5 million from FY22 through FY24 (latest year of available financial actuals -- FY25 financial actuals are due to HED in September 2025). Over the same timeframe, these instructional programs spent an average of \$7.8 million under budget, which equates to 11 percent of budgeted amounts. On average, nursing programs altogether underspent their budgets by 14 percent (or \$5.6 million) while education programs underspent by 12 percent (or \$2.7 million) and social work programs overspent their budgets by 8 percent (or \$589 thousand).

**New Mexico Colleges
Underspent Total Revenue
for Instruction and General
(I&G) Purposes by \$364
Million in FY24**

State colleges and universities reported receiving \$1.6 billion in total I&G revenues in FY24, including revenue from state appropriations, tuition, and other revenue sources. That same year, colleges and universities only spent \$1.2 billion on I&G purposes but also transferred \$182 million out of I&G funds to other non-I&G purposes. In other words, colleges and universities spent \$364 million less on I&G purposes than they collected in I&G revenue in FY24. Higher education institutions also reported \$1.8 billion in total unrestricted fund balances that year. These data indicate a structural lack of capacity to leverage available resources. Colleges and universities should minimize underspent I&G resources and limit transfers out of I&G funds.

Source: LFC FY26 Budget Recommendation, Volume III, p.103,104,110.

Recommendations

Colleges and universities should:

- Fully leverage budgeted instructional funds on academic programs and limit transfers out of I&G funds.

HED and higher education institutions should:

- Enhance the quality control processes for how faculty FTE are reported in financial reports of actuals and operating budgets.

³ Faculty FTE data reported in operating budgets and state financial reports of actuals were less useful for gauging program capacity trends because some colleges are likely listing placeholder FTE data. For example, New Mexico Highlands University (NMHU) reported only 0.75 social work faculty FTE in its FY24 reports of actuals and FY25 operating budget despite having a \$2.4 million social work program. HED and higher education institutions should enhance the quality control processes for how faculty FTE are reported in financial reports of actuals and operating budgets.

Colleges and HED’s Management of Endowment Funds had Delays and Implementation Issues, Which Postponed Serving More Students

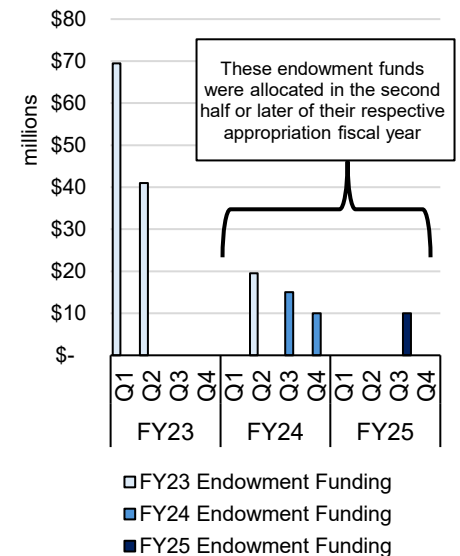
Some of the benefits from endowment appropriations to New Mexico’s faculty, students, and labor market have been postponed because of delays and implementation issues in how both HED and colleges rolled out and managed the endowment appropriations. HED allocated at least a third of the endowment appropriations to colleges and universities in an untimely manner and had not allocated \$5 million in FY24 social work funding as of May 2025. Colleges reported not spending endowment earnings because of turnover, internal program approval processes, and recruitment issues. Colleges also sometimes used endowment funds differently than budget language instructed or intended, such as spending from the endowment corpus or using investment earnings to support foundation operations above investment management costs.

HED distributed 33 percent of all endowment funds in an untimely manner and had not allocated \$5 million of FY24 funds for social work as of May 2025.

From FY23 through FY25, HED allocated \$165 million in endowment appropriations to 15 different colleges and universities through a combination of application processes or enrollment-based distributions. Roughly 80 percent of the endowment appropriations went to five universities. Although HED distributed the majority of the endowment funds in a timely manner, roughly a third of the endowment appropriation funding was allocated after the first half of the fiscal year. Additionally, HED had not distributed \$5 million from FY24 funding for social work as of May 2025, but now officials report the department will allocate the funds for clinical supervision opportunities for behavioral health clinicians.

HED distributed a third of funds late in the fiscal year, delaying investment of endowment appropriations and future impacts of appropriations. Of the \$165 million in endowment funds HED distributed in recent years, the department distributed 67 percent (or \$110.5 million) within the first half of FY23. However, HED distributed the remaining 33 percent (\$54.5 million) of endowment funds over a longer time period. For example, HED distributed \$19.5 million in FY23 social work endowment funding to UNM (\$10.5 million) and ENMU (\$9.5 million) in FY24. HED also distributed the FY24 and FY25 endowment appropriations to higher education institutions in the second half of those fiscal years. These data

Chart 13. Timing When HED Distributed Endowment Funding to Higher Education Institutions, FY23 through FY25

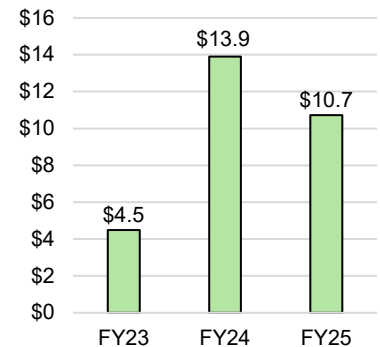


Source: LFC analysis of HED vouchers for funding allocations to HEIs.

indicate HED did not distribute one third of the endowment funds in a timely manner, which may have contributed to some delays at colleges and universities in the investment and use of the appropriated endowment funds. HED experienced turnover in its institutional finance division at the end of FY23, which may have contributed to some of the department’s administrative delays in distributing endowment appropriations. However, despite such delays, colleges and universities still earned investment returns from endowment appropriations in FY23, FY24, and FY25. HED should strengthen its internal appropriation tracking and distribution processes to ensure appropriations are distributed and expended in a timely manner.

As of May 2025, HED had not distributed \$5 million (or 25 percent) of social work endowment funding originally appropriated in FY24 but now plans to distribute the funds to behavioral healthcare organizations for clinical supervision services. Of the \$20 million appropriated for social work programs in FY24 (available to HED in July 2023), HED had not allocated \$5 million as of May 2025. After LFC staff inquiries regarding this funding, HED reported it would distribute the funding to community-based behavioral health organizations for the supervision of behavioral health clinicians. Although the funding will not establish endowments, the FY25 social work appropriation language does list clinical supervision services for licensed social workers postgraduation as an allowable use of the funding. HED says it plans to partner with Falling Colors (a private software and analytics company) to issue the request for applications (RFA), issue contracts to selected vendors, conduct financial management and oversight of the funds, and maintain data collection and reporting for the department. HED reports Falling Colors will assess a 6.6 percent (or \$330 thousand) fee for administering and overseeing the distribution of the \$5 million to behavioral healthcare organizations. HED should ensure the clinical supervision services it funds from the FY24 social work appropriations is for licensed social workers as required by the appropriation language.

Chart 14. Investment Gains from Endowment Appropriations, FY23-FY25 (in millions)



Source: LFC analysis of endowment data.

At some colleges, investment earnings have not been expended on faculty salaries and instead accumulated in accounts.

LFC staff found instances where the earnings from endowment appropriations (including appropriations from FY23) remained unexpended. Colleges reported not spending endowment earnings for reasons ranging from staff turnover, lengthy internal program approval processes, and recruitment and retention issues. However, these delays did not prevent endowment earnings from covering investment management fees or supporting general foundation operations.

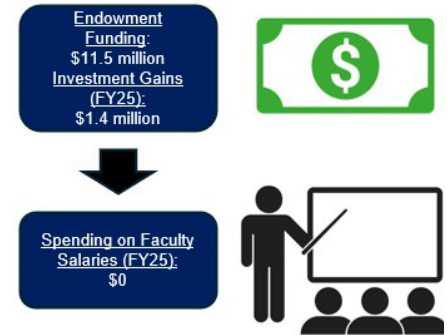
UNM did not deploy investment earnings from \$9 million in FY23 endowment appropriations or \$2.5 million in FY24 endowment appropriations for nursing programs, reportedly because of staff

Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs

turnover and recruitment issues. UNM received \$11.5 million in nursing endowment funds from the state in FY23 through FY24. Of this \$11.5 million, the UNM main campus college of nursing was allocated \$9 million (\$6.5 million in FY23 and \$2.5 million in FY24) and the UNM Gallup branch campus was allocated \$2.5 million. Data showed these funds yielded an investment return of \$939 thousand in FY24 and \$1.4 million in FY25. UNM explained in a May 2025 letter that the endowment investment earnings for nursing programs “remain unspent as of this letter due to changes in college leadership and significant faculty turnover.” UNM Main campus reported having three deans of nursing within two fiscal years. UNM’s Gallup branch did not expend any endowment investment earnings because of challenges with hiring faculty. The UNM Main campus College of Nursing plans to use future endowment distributions to establish a nursing honors program (enrolling 21 nursing honors students) in FY26. Although no distributions from the endowments were spent on nursing programming, some of the nursing endowment investment earnings were spent on investment management fees. Specifically, UNM spent \$185.7 thousand on investment management fees in FY24 and \$212.8 thousand on investment management fees in FY25 from investment returns from the appropriations. UNM reported \$1.4 million in investment gains from the nursing endowments in FY25. UNM should deploy investment earnings from its nursing endowment appropriations to fund endowed faculty salaries and increase the enrollment capacity of its main campus and Gallup branch campus nursing education programs.

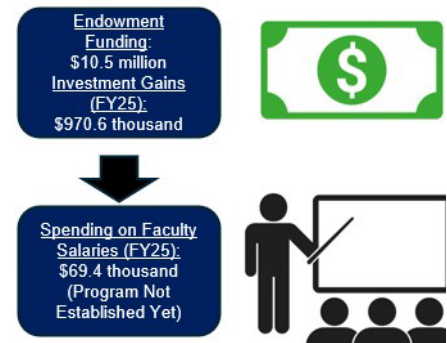
After applying for social work endowment funding in FY23, UNM received \$10.5 million but does not anticipate completing all social work program approval steps until at least FY27. UNM applied for FY23 social work endowment funds in January 2023 and later received \$10.5 million of these endowment funds in mid-FY24 (December 2023). UNM currently does not offer any social work degrees or enroll social work students. UNM is in the process of establishing a master of social work (MSW) program, but the program is still undergoing internal review and approval. The program will also need to be accredited by the Council on Social Work Education. Additionally, state laws and regulations will require the UNM MSW program to also receive state approvals from a council of graduate deans, a higher education advisory committee, the HED cabinet secretary, and the state Board of Finance (Sections 21-1-24 and 21-1-26 NMSA 1978; Sections 5.5.2.1 and 5.5.6 NMAC). The \$10.5 million social work endowment is currently partially supporting UNM’s social work interim MSW director (\$106 thousand salary according to UNM’s Salary Book) who is responsible for establishing the MSW program. UNM’s original application for social work endowment funding proposed forming a partnership with NMSU where UNM endowment funding would pay for NMSU social work courses offered at the UNM campus. However, the proposed partnership fell through. After the proposed partnership between UNM and NMSU did not materialize, UNM decided to pursue its own program creation and accreditation. UNM does not currently anticipate receiving all approvals for a new MSW program or teaching its first social

Figure 2. Summary of UNM Endowments for Nursing



Source: LFC review of endowment data.

Figure 3. Summary of UNM Endowments for Social Work



Source: LFC review of endowment data.

ENMU Established a New MSW Program in Two Years.

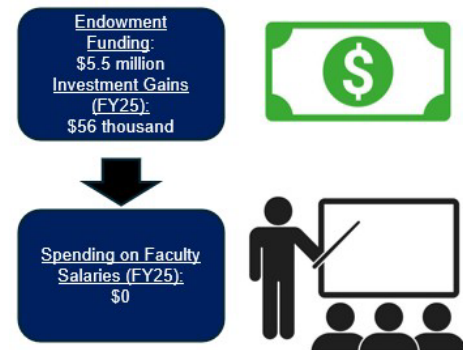
Eastern New Mexico University (ENMU) applied for and received social work endowment funding at roughly the same time as UNM. However, ENMU began its internal planning for a new MSW program in fall 2022. ENMU was then able to receive internal and external approvals for its new MSW program by January 2024. Through 2024, ENMU hired 3.5 faculty and recruited students. ENMU was able to start teaching its first cohort of 42 MSW students in fall 2024 and anticipates graduating 15 MSW graduates in FY26. This information indicates that, despite extensive program approval processes, it is possible to establish a social work master’s program in two years.

Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs

work cohort until at least FY27. UNM should complete all remaining approval processes for establishing its proposed MSW program (currently receiving endowment funding) before the beginning of FY27.

Despite portfolio gains of \$829 thousand from early FY23 through late FY25, Northern New Mexico College (NNMC) did not distribute any investment earnings from its endowment appropriations. According to HED voucher data, NNMC received \$2.5 million for a nursing endowment and \$2.5 million for a teacher education endowment in early FY23 (September 2022). NNMC also later received an additional \$500 thousand in nursing endowment funding in late FY24 (June 2024). Investment account statements from the NNMC foundation show no withdrawals or distributions from either the nursing endowment or the teacher education endowment from September 2022 through March 2025. NNMC reports it hired an endowed nursing professor (with a \$92 thousand salary) in FY24 and an endowed teacher education professor (with a \$72 thousand salary) in FY25 but chose to delay making any distributions from the endowments until the end of FY25. NNMC reports its endowed faculty are currently being funded through instruction and general (I&G) cash balances. NNMC reports it chose to delay making distributions from its endowment appropriations because of initial negative returns in late 2022, despite combined investment earnings of \$829 thousand from early FY23 through the third quarter of FY25. NNMC should spend investment earnings from its nursing and teacher education endowments on endowed faculty salaries for the purpose of boosting program capacity.

Figure 4. Summary of NNMC Endowments for Nursing and Education



Source: LFC review of endowment data.

Figure 5. NNMC Foundation Investment Statements Showing Investment Gains and No Withdrawals from Nursing or Teaching Endowment Appropriations

Northern New Mexico College Foundation Nursing Endowment

	Beginning Market Value	Net Contributions & Withdrawals	Portfolio Gain/Loss	Ending Market Value
CURRENT QUARTER	3,399,936.67	0.00	19,257.45	3,419,194.12
ANNUALLY				
2022	2,500,000.00	0.00	-10,177.60	2,489,822.40
2023	2,489,822.40	0.00	125,018.32	2,614,840.72
2024	2,614,840.72	500,000.00	285,095.95	3,399,936.67
2025	3,399,936.67	0.00	19,257.45	3,419,194.12
SINCE INCEPTION	2,500,000.00	500,000.00	419,194.12	3,419,194.12

Northern New Mexico College Foundation Teacher Education Endowment

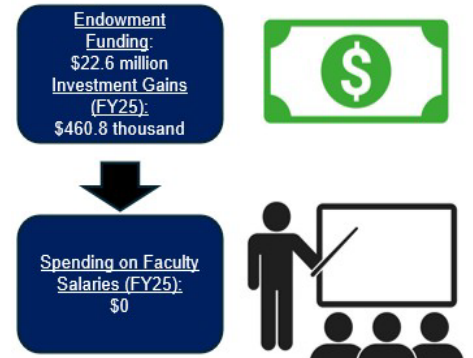
	Beginning Market Value	Net Contributions & Withdrawals	Portfolio Gain/Loss	Ending Market Value
CURRENT QUARTER	2,893,745.62	0.00	16,447.72	2,910,193.34
ANNUALLY				
2022	2,500,000.00	0.00	-12,205.75	2,487,794.25
2023	2,487,794.25	0.00	120,445.69	2,608,239.94
2024	2,608,239.94	0.00	285,505.68	2,893,745.62
2025	2,893,745.62	0.00	16,447.72	2,910,193.34
SINCE INCEPTION	2,500,000.00	0.00	410,193.34	2,910,193.34

Source: NNMC Foundation March 2025 Investment Quarterly Review Report, p.18 and p.32.

Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs

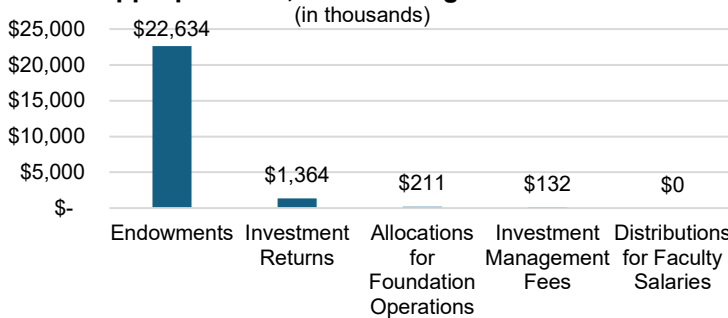
WNMU received over \$22 million in endowment appropriations (earning \$1.4 million in investment gains) since FY23 yet the university has made no distributions from these endowments to pay for faculty salaries. WNMU received \$13 million in FY23, \$7.1 million in FY24, and \$2.5 million in FY25 to support endowed faculty positions and increase the capacity of its nursing, teacher education, and social work programs. WNMU applications to HED for endowment funding documented initial intentions to begin hiring new faculty positions in FY23. As of late FY25, WNMU had not yet hired any faculty with investment earnings from the endowment appropriations. Since FY23, the WNMU foundation has earned \$1.4 million in investment gains from its endowment appropriations, allocated roughly \$211 thousand to support foundation operations, and paid about \$132 thousand in fees for investment management services. WNMU should ensure investment earnings from its \$22.6 million in endowment appropriations begin funding faculty salaries and endowed financial aid in FY26. Additionally, WNMU should use the earnings from its endowment appropriations to support in-state faculty and students in order to educate future social workers, teachers, and nurses for New Mexico’s workforce. WNMU has a large online social work program serving out-of-state students, but the purpose of the endowment appropriations is to grow the New Mexico workforce. In FY25, 56 percent of WNMU’s social work students (423 out of 760 students) were out-of-state online students.

Figure 6. Summary of WNMU Endowments for Nursing and Education



Source: LFC review of endowment data.

Chart 15. Summary Data on WNMU Endowment Appropriations, FY23 through March 2025





Source: LFC analysis of WNMU data and documents.

Some colleges used endowment funds differently than legislative budget language instructed or intended.

LFC staff found instances where colleges used endowment appropriations in ways that differed from how budget language instructed or likely intended. These instances range from colleges using endowment appropriations directly for scholarships, as a fundraising contingency fund, or to support the operations of foundations above investment management fees. While investment management fees would be an expected business expense for endowments, the necessity of using state-funded endowments to support general foundation operations (separately from managing investments) is questionable given that the appropriations were not the result of foundation fundraising efforts.

Despite legislative appropriation language and HED guidance, New Mexico Highlands University (NMHU) allocated \$1 million intended to create a financial aid endowment directly to students as scholarships. Legislative language for the FY24 social work endowment appropriations specified the funding was “for endowments to support financial aid.” Subsequent HED guidance to colleges and universities in early FY24 cited this legislative language. In mid-FY24 (March 2024), HED allocated \$5.1 million of the FY24 social work endowment funding to NMHU. Despite

Figure 7. HED Memo to Colleges About the FY24 Social Work Financial Aid Endowment Funding, Early FY24 (July 2023)

 <p>NEW MEXICO HIGHER EDUCATION DEPARTMENT <i>Fostering Student Success from Cradle to Career</i></p>	 <p><i>Michelle Lujan Grisham, Governor</i> <i>Stephanie M. Rodriguez, Cabinet Secretary</i> <i>Patricia Trujillo, Deputy Secretary</i></p>
MEMORANDUM July 31, 2023 TO: Public Postsecondary and Tribal College Presidents, Chancellors, and Financial Aid Directors FROM: Heather Romero, Financial Aid Manager, New Mexico Higher Education Department CC: Stephanie M. Rodriguez, Cabinet Secretary, New Mexico Higher Education Department Mario Suazo, Chief of Staff & Chief Financial Officer, New Mexico Higher Education Department Gerald Hoehne, Interim Institutional Finance Director, New Mexico Higher Education Department RE: Graduate Student Scholarships in Social Work	
<p>Pursuant to Laws 2023, Subsection 10 of Section 5 of Chapter 222 (House Bill 2, General Appropriation Act), the New Mexico Higher Education Department was charged with the distribution of \$20 million:</p> <p><i>“...for endowments to support financial aid, including scholarships and paid practicums, for New Mexico residents who are graduates of a New Mexico high school currently enrolled in a master’s level social work program at a state institutions of higher education as enumerated in Article 12 Section 11 of the constitution of New Mexico and for clinical supervision services for licensed social workers post-graduation... the awards from the appropriation will supplement and not supplant spending at the institution’s social worker program before making an endowment award.”</i></p>	

Source: LFC review of HED documentation.

the legislative and departmental instructions saying NMHU’s \$5.1 million was intended to create an endowment that would support future financial aid for social work, NMHU distributed \$1 million of this funding directly to students as scholarships. NMHU should strengthen its internal financial controls to prevent funds from being used contrary to their appropriated purposes.

San Juan College (SJC) reported in an application for a \$2 million nursing endowment that it would hire two additional faculty, but its foundation instead set up a contingency fund in case a local partnership with a hospital fell through. In its application to HED for FY23 nursing endowment funding, SJC reported, “Income generated by the endowment will be utilized to fund two full time nursing faculty positions,” and “these positions will provide clinical instruction for nursing students in local health care settings.” In FY23, SJC received \$2 million in endowment funding from HED to support endowed nursing faculty. The SJC Foundation placed this endowment funding into an investment pool earning an average annual return of 5 percent. SJC Foundation earned approximately \$362 thousand in investment earnings from the \$2 million nursing endowment. SJC reported to LFC staff that “none of the endowment’s corpus or earnings thereon have been expended” as of May 2025.

SJC Foundation used the investment earnings from the \$2 million endowment as a contingency fund in case an anticipated partnership with a regional hospital for expanding SJC’s nursing program fell through. SJC has been working with its local regional hospital to increase the size of its nursing program’s semester-by-semester student cohort by 50 percent (i.e., an increase of 16 students from 32 students per semester to 48 students per semester). SJC reports this increased cohort size of 48 students should start in the fall 2025 semester. While the hospital partnership is relevant to workforce goals, SJC used the endowment funds for purposes contrary to its original application to HED and appropriation budget language. The endowment funds were intended to supplement program capacity by supporting endowed faculty rather than creating a contingency fund to potentially backfill funding that might not materialize. SJC should use its endowment appropriation earnings in accordance with legislative appropriations language and SJC’s original application to HED. HED should also periodically conduct follow-up audits on appropriations to ensure colleges are using funds as intended.

Figure 8. Screenshot of SJC Original Endowment Application (2022)
(yellow highlight added)

Screenshot from SJC Application for \$2 million Nursing Endowment (June 2022) p.3

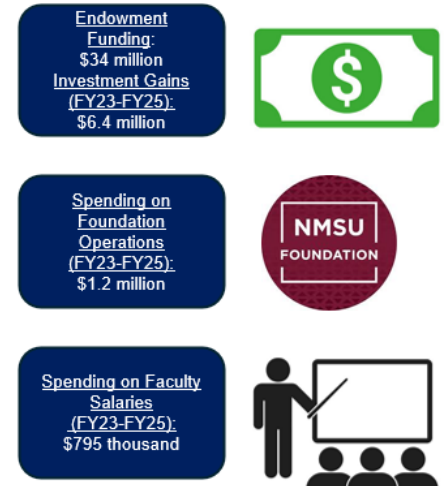
D. Please address the proposed activities that will be accomplished with funds from the endowment. Please provide specific qualitative and quantitative targets, e.g., increased graduation rates or number of graduates; support for mentorships, internships, residencies, or practicums; and other means to gauge effectiveness of the endowment activities.

Income generated by the endowment will be utilized to fund 2 full time nursing faculty positions. These positions will provide clinical instruction for nursing students in local health care settings. The current requirement, as determined by the NM Board of Nursing, for the instructor to student shall not exceed 8 students to 1 instructor. Improving the instructor to student ratio in clinical rotations will allow for a more comprehensive and engaging experience leading to better clinical judgement and reasoning skills. While the program relies on part time instructors to assist with clinical rotations, the current strains on

Source: LFC review of SJC and HED documentation.

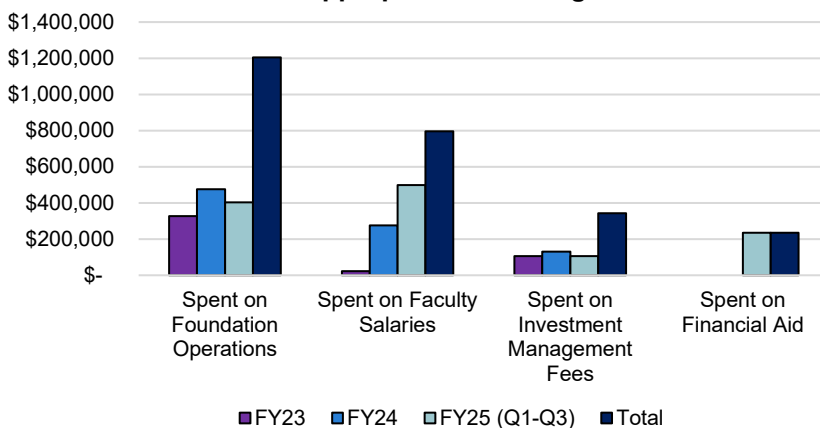
Over the past three fiscal years, NMSU cumulatively spent more of its endowment earnings on foundation operations than on faculty salaries and financial aid. NMSU Main campus and its Doña Ana branch campus altogether received approximately \$34 million in endowment appropriations. As these endowment appropriations were invested at the NMSU Foundation, the endowments collectively yielded an average of \$2.1 million per year in investment gains and a cumulative total of \$6.4 million in gains (net of \$342 thousand in total investment management fees) by the end of third quarter of FY25. However, over this same timeframe, the NMSU Foundation spent \$1.2 million (an average of \$400 thousand per year) of the endowments' investment gains on general foundation operations. By comparison, NMSU reported spending a cumulative total of only \$1 million of endowment distributions on faculty salaries (\$795 thousand) or financial aid for social work students (\$342 thousand). The original appropriations' language and HED guidance did not specifically prohibit spending endowment earnings on foundation operations. However, the necessity of the NMSU Foundation's administrative fees on the endowment appropriations (above investment management costs) are questionable because the appropriations were not the result of foundation fundraising efforts. NMSU's finance office says it is currently conducting an internal cost-benefit assessment of whether to manage its endowments internally or through the NMSU Foundation. NMSU should complete this cost-benefit assessment and renegotiate the NMSU Foundation's administrative fees on funds received through state appropriations.

Figure 9. Summary of NMSU Endowments for Nursing, Education, and Social Work



Source: LFC review of endowment data.

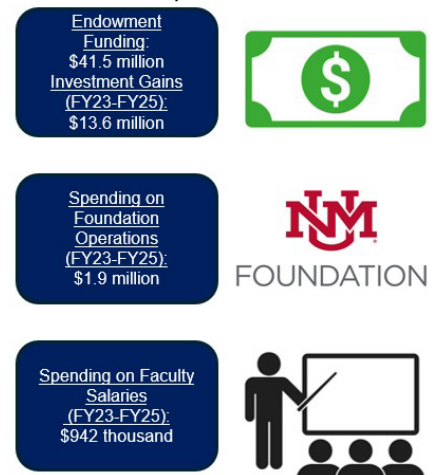
Chart 16. Comparison of NMSU Spending of Endowment Appropriation Earnings Since FY23



Source: LFC analysis of NMSU data.

UNM Foundation policies indicate the endowment appropriations were charged roughly \$1.9 million in administrative fees to support foundation operations since FY23 while spending \$942 thousand on faculty salaries over the same timeframe. According to its investment policy, the UNM Foundation applies a uniform fee that is “applicable to all endowment accounts ... to assist the operations of the Foundation” (p.7). The fee is called the development funding allocation and it “does not provide support for any direct costs of investing and administering the CIF [consolidated investment fund].” The UNM Foundation’s website currently indicates 1.85 percent is assessed against each participating fund to help support foundation operations. Based on this information, the UNM Foundation charged roughly \$768 thousand from the investment earnings of endowment appropriations in FY25 while spending \$653 thousand on 9 faculty salaries in the same year. Cumulatively since FY23, UNM has received \$41.5 million in endowment appropriations, earned \$13.6 million in investment gains, paid \$1.8 million in investment management fees, charged \$1.9 million in operational fees, and spent \$942 thousand on faculty salaries. UNM should renegotiate the UNM Foundation’s development funding allocation fee on funds received through state appropriations. The Legislature should consider including budget language for any future endowment appropriations which prohibits the corpus or earnings from being used to fund general foundation operations above or beyond investment management costs.

Figure 10. Summary of UNM Endowments for Nursing, Education, and Social Work



Source: LFC review of endowment data and UNM Foundation documentation.

Recommendations

The Legislature should consider:

- Including budget language for any future endowment appropriations that prohibits the corpus or earnings from being used to fund general foundation operations above or beyond investment management costs.

The Higher Education Department should:

- Strengthen its internal appropriation tracking and distribution processes to ensure appropriations are distributed and expended in a timely manner;
- Ensure the clinical supervision services it funds from the FY24 social work appropriations is for licensed social workers as required by the appropriation language; and
- Periodically conduct follow-up audits on appropriations to ensure colleges are using funds as intended.

The University of New Mexico should:

- Deploy investment earnings from its nursing endowment appropriations to fund endowed faculty salaries and increase the enrollment capacity of its main campus and Gallup branch campus nursing education programs;
- Complete all remaining approval processes for establishing its proposed MSW program (currently receiving endowment funding) before the beginning of FY27; and

- Renegotiate the UNM Foundation's development funding allocation fee on funds received through state appropriations.

Northern New Mexico College should

- Spend investment earnings from its nursing and teacher education endowments on endowed faculty salaries for the purpose of boosting instructional program capacity.

Western New Mexico University should:

- Ensure investment earnings from its \$22 million in endowment appropriations begin funding endowed faculty salaries and endowed financial aid in FY26; and
- Use the earnings from its endowment appropriations to support in-state faculty and students in order to educate future social workers, teachers, and nurses for New Mexico's workforce.

New Mexico Highlands University should:

- Strengthen its internal financial controls to prevent funds from being used contrary to their appropriated purpose.

San Juan College should:

- Use its endowment appropriation earnings in accordance with legislative appropriations language and SJC's original application to HED.

New Mexico State University should:

- Complete its internal cost-benefit assessment of whether to manage its endowments internally or through the NMSU Foundation; and
- Renegotiate the NMSU Foundation's administrative fees on funds received through state appropriations.

Agency Response



Michelle Lujan Grisham, Governor
Stephanie M. Rodriguez, Cabinet Secretary
Patricia Trujillo, Ph.D., Deputy Cabinet Secretary

July 16, 2025

Charles Sallee, Director
New Mexico Legislative Finance Committee
325 Don Gaspar Avenue, Suite 101
Santa Fe, NM 87501

Dear Director Sallee:

The New Mexico Higher Education Department (Department) appreciates the opportunity to respond to the New Mexico Legislative Finance Committee's (LFC) program evaluation titled "Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs" provided to the Department on July 10, 2025. We recognize the work of the program evaluation team in their independent research and coordination with the Department and sector leaders, which we hope will support continued efforts to improve postsecondary outcomes for New Mexicans and the state's workforce.

Throughout the Department's response to the report, we provide additional context to the information included in the program evaluation and expand the discussion to address broader issues beyond the original scope. The Department looks forward to continued collaboration with our partner cabinet agencies, the Legislature, and higher education sector to continue the pivotal progress and investments that New Mexico has made in higher education.

Broad-Level Considerations

The Department appreciates LFC's efforts in developing this program evaluation and acknowledges that there are areas where our processes can be strengthened, but, while we recognize this, we are concerned that the overall tone of the report remains predominantly negative and focuses more on deficits than on assets. Several assumptions throughout the report seem to reflect ideal conditions rather than the complex realities in which higher education institutions operate. For example, the report states that colleges and universities would have had the capacity to hire 87 full-time faculty. This may be true in an ideal scenario, but the estimate does not account for real-world factors such as recruitment challenges and salary negotiations. We appreciate that some tone adjustments were made for the final version, but the tone remains largely critical. For instance, the first section heading still states that the Department and higher education institutions "struggled," which we believe does not fully reflect the collaborative efforts and progress made.

The evaluation does not include baseline data on student enrollment in the supported programs. It remains unclear whether institutions were previously turning students away due to faculty shortages or capacity constraints. As a result, the addition of faculty may not directly correspond to an immediate increase in enrollment. More broadly, the report seems to recognize the need for additional professionals in these workforce areas, but it stops short of establishing a clear connection between faculty funding and increased graduate output in these fields.

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Fostering Student Success from Cradle to Career

Michelle Lujan Grisham, Governor

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We thank LFC for its commitment to timely progress, but meaningful change in higher education takes time and true partnership in building a legislative agenda. Although the rollout of these funds may have appeared slow, many higher education institutions had to develop new internal structures to manage and deploy the funding rather than relying on existing systems. Some higher education institutions, particularly those without prior infrastructure, experience managing endowments of this scale, or access to financial institutions that can support endowments in their communities required additional time to fully implement their awards. Continued collaboration between LFC and the Department will be essential to support these colleges and universities where they are at and ensure strong stewardship of this investment.

The term “endowment” carries a different meaning within higher education than may be assumed in the evaluation. We believe the report intends to speak of positions funded by investment returns from higher education institutions’ endowments, but the use of “endowment” in that context conflicts with more traditional endowed higher education positions.

While we acknowledge the significance of endowed positions as generous gifts to higher education institutions, it is important to note that these roles are typically symbolic and prestigious in nature. Endowed professorships often require several million dollars in funding to establish, and the salary alone does not reflect the broader investment needed. In many cases, these professors may have limited teaching responsibilities and focus more on research or public engagement. Based on the report’s emphasis, it appears the intent is to support faculty who are actively teaching and engaging directly with students, such as assistant, associate, or full professors, rather than those in primarily ceremonial or research focused endowed roles.

Not only does New Mexico need more graduates in these areas, but it also needs more students taking, and passing, state licensure exams. Nursing, teaching, and social work all require state licenses to practice. As such, LFC’s report could be greatly improved by incorporating data on the number of test takers and passing rates.

Strengthening the Data Framework

The Department has observed several areas where additional clarity is needed regarding the data utilized in the report. First, the report notes that the source of the data in Table 1 is “LFC Files.” The Department requests clarification on the origin and composition of these files to better understand how the report reaches its conclusions.

Second, the report uses data from a survey disseminated by LFC. The Department requests clarification on why LFC decided against using Electronic Data Editing and Reporting (eDEAR) or Integrated Postsecondary Education Data System (IPEDS) data to verify the historical data in the report. Using eDEAR or IPEDS data would have provided a more consistent and verified baseline.

Third, the Department appreciates that the projected effects of salary figures in the final report were revised to be more realistic, but questions remain about the source and methodology used to



generate these figures. For a report that hinges on how many faculty positions different amounts of funding could support, it is noticeable that the report does not have a section walking readers through how it comes up with salary and benefits estimates, where those vary between higher education institutions and between nursing, education, and social work faculty salaries, and other assumptions made in the report. The closest Department analysts were able to derive was Bureau of Labor Statistics data in Appendix H, but our analysts were unable to confirm the report's aggregations in that appendix, and so we cannot replicate the report's findings. We recognize that the salaries were adjusted by inflation to 2025, but when Department analysts used the Bureau of Labor Statistics inflation calculator, we could not replicate these findings.

Fourth, the report appears to focus primarily on teaching responsibilities, without reference to research or service roles that are often part of faculty expectations, especially at research institutions. Understanding the full range of faculty responsibilities and how they vary by institution type is important context when evaluating salary expectations and hiring strategies. While this type of endowment funding offers a valuable opportunity to prioritize the hiring of faculty who not only teach in their discipline but also engage in research addressing critical needs for New Mexico, this potential is not yet being fully realized.

Fifth, the report does not include data on student interest in these high-need fields. If interest is already limited, hiring additional faculty may not result in more graduates. The report makes a questionable assumption of cause and effect by suggesting that hiring more faculty will automatically lead to increased graduation, which may not reflect reality. Other issues include how these fields are often underpaid statewide, and that the report does not acknowledge how stagnant salaries may affect both student interest and long-term workforce outcomes. Introducing students to these fields early on can help them understand the vital role these careers play in addressing statewide and national priorities. A coordinated marketing campaign targeted at youth—highlighting real-world impact, diverse role models, and clear career pathways—could further inspire interest and engagement in these high-need areas.

Institutional Comparisons

Although the evaluation may not intend to compare institutions, it presents spending data across very different types of schools in close succession. Grouping a comprehensive university, an independent community college, and a research university overlooks key differences in mission, capacity, and resources. Larger institutions may build on existing structures, while smaller ones often need to create new systems. Without this context, the report risks applying a one-size-fits-all standard to very different institutional realities.

This can result in misleading conclusions. The Department encourages institution-level analysis where appropriate and demonstrative, but we request that the strategy around data communication and presentation be adjusted so that each institution receives a standalone analysis.

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The Department distributed 33 percent of all endowment funds in an untimely manner and had not allocated \$5 million of FY24 funds for social work as of May 2025

While the Department acknowledges that we were behind on distributing the remaining \$5 million, this funding is much different than the usual flow-through streams that the Department oversees as the funding could not go to higher education institutions directly. Social work graduates require post-graduate clinical supervision before they can apply for certain levels of licensure and start to bill Medicaid, as two examples. Further, some of the supervised work is unpaid for both the supervisor and supervisee due to an unfunded mandate from the state. This supervision is done by licensed social work practitioners, not by colleges and universities. The result is that the Department would not distribute this funding to higher education institutions to facilitate this supervision.

Instead, after many attempts to distribute the funding, the Department sent out a request for applications (RFA) through Falling Colors, the administrative services organization (ASO) for the New Mexico Behavioral Health Collaborative. Vendors whose applications are accepted will provide the funding to social work practitioners providing supervision for post-graduate social workers. The Department is in the final stages of awarding the RFA. Additionally, the Department will make sure that programs are aware of this opportunity.

Key Recommendation: The Department should strengthen its internal appropriation tracking and distribution processes to ensure appropriations are distributed and expended in a timely manner

At the time of the initial endowment allocation, the Department's Institutional Finance Division faced significant staffing vacancies. Since then, the division has been fully restructured with new staff and updated procedures. A new distribution process has been implemented to ensure timely release of flow-through funds, resulting in stronger internal appropriation tracking and distribution processes.

Recommendation: The Department and higher education institutions should enhance the quality control processes for how faculty full-time employees (FTE) are reported in financial reports of actuals and operating budgets

The Department has not typically used FTE data from the reports of actuals for monitoring institutional hiring. The Department is open to developing a new process in collaboration with higher education institutions on FTE reporting for these programs.

Recommendation: The Department should ensure that the clinical supervision services that it funds from the FY24 social work appropriations is for licensed social workers as required by the appropriation language

As stated above, the Department is evaluating RFAs received through Falling Colors in order to distribute this funding. It is not clear that the Department should be evaluating if recipients of these funds are using them in appropriate ways regarding licensure and other requirements. There are state agencies and organizations with expertise in social work that are better positioned to evaluate the

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quality and appropriateness of clinical and licensure-level decisions related to social work supervision.

If the Department were to do this, we would need additional staffing resources who have training in areas outside of higher education administration. Further, even with increased capacity, it is important to acknowledge that the Department is not in control of the accuracy of institutionally reported data and cannot oversee the day-to-day operations at each higher education institution. This is compounded were the Department asked to oversee funding recipients outside of higher education. The Department remains committed to strengthening accountability mechanisms wherever feasible and will work with LFC to further discussions on this topic.

Recommendation: The Department should periodically conduct follow-up audits on appropriations to ensure colleges are using funds as intended.

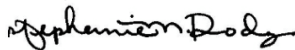
The Department agrees that audits are a valuable tool for ensuring the proper use of funds. At the same time, conducting these audits would require a significant investment of time and additional staff capacity. The Department respectfully asks whether the LFC would consider recommending increased FTE support to help ensure these audits are conducted on a regular basis. Additionally, because this work would require coordination across multiple divisions, the complexity of the task extends beyond the scope of a single new position.

Conclusion

New Mexico is actively working to strengthen its workforce in critical fields such as teaching, nursing, and social work — professions dedicated to serving and supporting the well-being of New Mexicans and their families. The endowment funding provided by the Legislature is crucial to these efforts and our local communities. Furthermore, the Department, higher education institutions, and the State of New Mexico as a whole are working diligently to ensure that New Mexican students are receiving the best education, including for our most in-demand fields. The Department looks forward to how we can continue this forward progress while incorporating the feedback and recommendations shared within this letter.

Thank you for your attention to the Department’s response, and we welcome the opportunity to continue working alongside the Executive and the Legislature on priorities for the state.

Sincerely,



Stephanie M. Rodriguez
Cabinet Secretary

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Fostering Student Success from Cradle to Career

Michelle Lujan Grisham, Governor

Stephanie M. Rodriguez, Cabinet Secretary

Patricia Trujillo, Ph.D., Deputy Cabinet Secretary

cc: Dr. Patricia Trujillo, Deputy Cabinet Secretary, New Mexico Higher Education Department
Gerald Hoehne, Chief of Staff, New Mexico Higher Education Department
Sam Hatch, Director of Strategic Planning and Initiatives, Office of the Governor
Nicole Macias, Principal Budget and Policy Analyst, New Mexico Department of Finance
and Administration
Senator George Muñoz, Chair, Senate Finance Committee
Representative Nathan Small, Chair, House Appropriations and Finance Committee



July 16, 2025

Charles Sallee, Director
Legislative Finance Committee
325 Don Gaspar Ave., Suite 101,
Santa Fe, NM 87501

Esteemed members of the Legislative Finance Committee:

The New Mexico Council of University Presidents (CUP) is grateful for the opportunity to review the New Mexico Legislative Finance Committee's (LFC) evaluation: *New Mexico, Higher Education Institutions Use and Impact of Endowments Appropriations for Higher Education Nursing, Teacher Education and Social Work Programs*.

The report identified several important areas for New Mexico's Higher Education Institutions (HEIs) to reflect upon and work with HED, LFC and employers to address in current and future strategies and initiatives that serve their missions: successful recruitment, retention and completion for, efficiencies in learning modalities and delivery of education and supporting the workforce for New Mexico's Nursing, Teacher Education and Social Worker.

Below, please find areas of proposed alignment and suggestions for advancing successful use of endowments at four-year HEIs, in addition to recommendations for further exploration and data gathering that we feel would improve our collective abilities to be successful in these areas. In the case of the evaluation, there is a need to better understand how the endowment appropriation process works.



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Tone Reflection, Final LFC Evaluation Publication

The tone of the final updated LFC evaluation document is more balanced and constructive than the earlier iteration. It acknowledges both institutional and agency-level delays while grounding findings in clear data and actionable recommendations. While still critical in areas where public funds were underutilized or misaligned with legislative intent, the report avoids overt blame and instead frames many issues as opportunities for improvement. It sets a professional tone that invites accountability and collaboration, though future versions could further benefit from a more explicit focus on equity and strategic alignment with workforce development goals.

Overall Reflection, Final LFC Evaluation Publication

The Legislative Finance Committee’s updated evaluation of higher education endowment appropriations reflects a stronger commitment to transparency and accountability. The revised report offers clearer documentation of delayed spending, misaligned fund use, and varied institutional approaches to managing endowed resources. These improvements enhance public understanding of how state endowment investments are utilized across sectors such as nursing, education, and social work.

One of the most constructive elements highlighted in the Council of University Presidents’ (CUP) response is the recommendation for **pre-planning meetings** prior to the launch of future appropriations. These meetings would allow higher education institutions (HEIs), HED, and LFC staff to jointly clarify the purpose of the appropriation, define intended outcomes, set realistic timelines, and discuss anticipated operational challenges, including how institutional foundations manage funds and the timeframes required for endowment



investments to yield spendable income. This type of early coordination could also serve to educate all parties on the constraints associated with faculty recruitment, accreditation cycles, and market performance, thereby creating shared expectations and a stronger foundation for implementation.

The CUP response also underscores a vital distinction: **hiring more faculty does not automatically translate into higher enrollment**. Rather, faculty hiring supports quality, student advising, and retention, particularly in professional programs with high workload and accreditation requirements. Enrollment growth depends on multiple levers, including recruitment capacity, marketing investments, and student financial aid, many of which were outside the original scope of endowment use.

While the evaluation identifies areas of underperformance and inconsistent fund usage, it could benefit from **inviting HEIs, HED, State Government Employers and LFC to collaborate on a forward-looking pathway**. A joint working group or follow-up convening could align institutions with legislative goals, refine financial models, and identify structural solutions to workforce pipeline gaps. Such collaboration could also address equity blind spots, ensuring rural, tribal, and underserved communities are fully included in both workforce strategy and endowment impacts.

CUP's response further affirms that **accountability must be mutual**. Institutions must take responsibility for implementation delays, data accuracy, and transparent fund management. However, shared responsibility also entails acknowledging systemic issues, such as hiring freezes, faculty shortages, and evolving compliance requirements. Pointing to institutional deficiencies alone, without acknowledging broader policy or operational barriers, risks reinforcing a narrative that obscures systemic complexity.

In summary, the updated LFC evaluation is a step forward, and the CUP response provides a roadmap to make future reviews even more impactful. A stronger emphasis on **preplanning, collaboration, and balanced accountability** will help ensure these investments yield sustainable, equity-minded, and workforce-aligned outcomes for New Mexico.



Summary of the Changes, Improvements, and Gaps

Here is a summary of the changes, improvements, and gaps in the *updated July 14, 2025, version* of the LFC evaluation on higher education endowments, compared to the original, focusing on your lens as a fiscal analyst, and the priorities from the CUP and previous notes:

Improvements Aligned to CUP & Notes

1. Acknowledges Implementation Delays
 - Recognizes that endowments take 1–3 years to mature, and delays were due to both HED and institutional timelines.
 - Explicitly cites HED turnover and late allocations, especially the \$5M unallocated as of May 2025.
2. Details on Underspending due to challenges
 - Highlights that only \$2.5M of \$10.7M earned was spent, and some institutions didn't align with LFC language or funds were unused (e.g., UNM, WNMU, NNMU).
 - Evaluates foundation fee structures and usage beyond intent (UNM and NMSU foundations in particular), aligning with notes about co-mingling of funds.
3. Strong Accountability Recommendations
 - Recommends disallowing endowment funds to support general foundation operations—directly aligning with your critique on lack of financial controls.
 - Pushes HED to improve distribution and tracking processes.
 - Recommends renegotiation of foundation management fees by UNM and NMSU.
4. Equity Signal (Partial)
 - Includes breakdowns by county for licensed social workers.
 - Notes rural service gaps in access to social workers.
 - Begins to highlight that out-of-state online students dilute local workforce goals (e.g., WNMU).



Partial or Weak Improvements

1. No Formal Equity Analysis.
 - Still lacks a comprehensive racial, geographic, or socioeconomic equity impact lens. Does not analyze how funds benefit rural or underserved institutions or populations.
 - Equity is not named as an evaluation lens or criteria. The report mentions a majority of the workforce is in State government and the CUP response in the case of Social Workers recommends the need to connect employer areas of need within the PD's, DA's, Courts, and CYFD
2. Framing Still Problematic
 - Underperformance is attributed to institutional delays, despite national labor shortages, HR barriers, and state-level bottlenecks (e.g., Board of Finance delays or approval chains).
 - Minimal reference to systemic constraints like faculty pipelines, licensure passage rates, or state procurement cycles.
3. Limited Solutions Orientation
 - While it provides detailed problems and data, the report is diagnostic rather than solution-oriented.
 - Lacks structural recommendations on aligning endowment strategies to workforce projections or modifying institutional supports.
4. No Cohesive Statewide Strategy
 - Does not suggest a coordinated framework or logic model across HED and institutions for implementation pacing, faculty recruitment, and workforce alignment. **This could be addressed by implementing pre-planning meeting with HEI stakeholders, HED, LFC and employers along with workforce solutions to develop a comprehensive plan to develop approve appropriations, timeline from upstart to end and setting goals, expectation and goals agreed upon between all stakeholders.**



Still Missing or Misaligned

1. No Evaluation of Appropriateness of Metrics
 - Uses enrollment and completions as proxies for endowment success too early in the lifecycle—ignores that impact is lagging and multi-year by nature.
2. Does Not Address Trust-Building Through Transparency
 - Although it points out budget language, it does not recommend improving disaggregated public-facing reporting to restore trust.
3. No Discussion of Faculty Recruitment Strategy
 - While faculty shortages are mentioned, the report can lead to pathway forward to support recruitment strategies, barriers to hiring, or competition from other states.
4. Still Frames Investment Performance Uniformly
 - Treats 5% as a benchmark without contextualizing investment strategy flexibility or market variability, which could unfairly penalize cautious institutions.

Revised: Direct Institutional Feedback

Eastern New Mexico University (ENMU)

ENMU notes discrepancies in Appendix H of the LFC report, which estimates faculty positions funded by endowment earnings using national average salaries that do not account for fringe benefits. At ENMU, fringe costs add approximately 45% to base salary. Consequently, while the report estimates the ability to support 7.0 faculty lines at \$64,522 each, the institution's actual capacity is closer to 4.5 lines. Additionally, Appendix J lists 22 faculty members in the Social Work program; the accurate current count is 9.

New Mexico Highlands University (NMHU) – Facundo Valdez School of Social Work The evaluation appropriately links faculty expansion to increased program capacity; however, research demonstrates that faculty hiring must be paired with student support services, mentoring, and recruitment strategies to yield enrollment growth (Kezar & Maxey, 2014). NMHU emphasizes that full-time faculty contribute to student success beyond classroom instruction.



The Facundo Valdez School of Social Work is fully compliant with deliverables tied to its three endowment awards and encourages recognition of institutional successes alongside implementation challenges. Endowment earnings at NMHU are not available until three years post-investment, consistent with long-term financial sustainability practices and market conditions (Council on Foundations, 2017).

The School recommends the evaluation incorporate key findings from the 2024 Social Workers of New Mexico Survey, including workforce needs and community-informed recommendations. Additionally, NMHU highlights the ongoing issue of state agencies contracting with out-of-state online universities for social work positions, despite New Mexico institutions offering culturally responsive, accredited programs. Broader workforce retention concerns such as burnout, inadequate compensation, and student debt must be addressed to achieve long-term impact (HRSA, 2023; Nelson et al., 2024).

Finally, the School notes that instructional designer roles, while not categorized as faculty FTE, were integral to online MSW program growth and should be recognized as a strategic investment in instructional capacity.

New Mexico Institute of Mining and Technology (NM Tech)

NM Tech has implemented a conservative endowment spending policy to ensure funding stability for recurring faculty lines. The institution requires a reserve equivalent to at least two years of faculty salary in the spending account before drawing from endowment earnings. This approach mitigates risks from market fluctuations and supports long-term sustainability, including promotion and merit increases.

New Mexico State University (NMSU)

NMSU acknowledges the importance of faculty hiring but notes that enrollment growth depends on multiple factors, including recruitment efforts, student demand, and program capacity. In several instances, NMSU has spent endowment funds responsibly despite lower-than-anticipated investment yields and delays in fund release timelines.

The assumed 5% spending rate in the report exceeds NMSU Foundation's 4% projection. In some cases, distributions are not received until late fall, limiting the hiring window for the academic year. The report's faculty position estimates also do not account for flat or declining enrollment, which may impact hiring justification.

NMSU suggests the inclusion of actual spending capacity data in funding tables and requests that evaluations recognize both successes and challenges. For example, NMSU's School of Nursing successfully hired a faculty member under the first endowment, supplementing funding with RPSP resources. The second endowment, received in late 2024, will not generate earnings until 2026, and the position is scheduled for hire in Fall 2026.



The university supports the recommendation to invest endowments with the State Investment Council and recommends clearer guidelines for management fee expectations. NMSU also encourages future funding to support recruitment, marketing, and scholarships, and expresses a preference for centralized endowment control rather than relying on foundation structures that do not directly support implementation.

University of New Mexico (UNM) – College of Nursing

UNM College of Nursing reaffirms its commitment to the Legislature's vision for a sustainable nursing workforce. The endowment awarded in FY22 was invested in FY23, with earnings available in FY24, in line with standard practice. Leadership transitions during this period did not interrupt strategic planning or enrollment growth.

Between May 2022 and September 2023, the college experienced substantial faculty turnover. Replacement hiring ensured instructional continuity but did not allow for expansion. The college avoided prematurely redirecting faculty salaries to the endowment to preserve flexibility during this recovery period.

Since receiving the endowment, the college has increased student admissions annually and is launching a new honors program in Fall 2025. Strategic planning has focused on a "grow your-own" model to support long-term faculty and workforce development. UNM recommends future evaluations balance critiques with recognition of progress and establish clearer pre-award expectations (AACN, 2023).

University of New Mexico (UNM) – Master of Social Work Program

UNM clarifies that its endowment was not received until February 29, 2024, with the first distribution available in October 2024. The interim director began in October 2024, and the program remains on track to launch in FY27—within two years of the first disbursement.

The report misattributes UNM's accreditation timeline. While HLC approval was received in July 2023, the relevant accrediting body is CSWE. UNM received CSWE eligibility approval in March 2025 and submitted its self-study in May 2025. Earlier admissions would not have been feasible due to CSWE requirements.

Initial partnership discussions with NMSU ended prior to the endowment disbursement. A subsequent proposal for joint accreditation with NMHU was withdrawn due to CSWE restrictions that would have required NMHU to dissolve its existing accreditation. UNM's decision to pursue solo accreditation has simplified the timeline and reduced delays.

Comparisons to ENMU are not appropriate, as ENMU had a longstanding BSW program and internal infrastructure. UNM began without any social work programmatic base.



The evaluation's workforce data relies on USBLS figures that exclude counselors and does not reflect New Mexico-specific shortages or behavioral health demand. State-level data indicate significantly higher attrition risk and regional need (Mental Health America, 2024; USDA ERS, 2023).

University of New Mexico (UNM) – Finance

UNM notes that while six institutions are included in the report's recommendations, only UNM and NMSU are called out in the Key Recommendations section, creating an unbalanced tone. Consolidating or generalizing key themes may improve report objectivity.

Additionally, the use of a letter from UNM College of Nursing as a visual insert contradicts the earlier statement that interviews would not include direct quotes. UNM recommends future evaluations clarify citation practices.

UNM also emphasizes that management fees assessed on endowment earnings align with standard institutional policy. If exclusions are intended, those should be clearly communicated by NMHED and the Legislature in advance.

The institution provided a detailed timeline for investment earnings and distributions. For example, if an endowment is received after December 31, distributions may be delayed until the next fiscal year, contributing to perceived implementation lags.

Western New Mexico University (WNMU)

WNMU identifies inconsistencies in FTE reporting. The report compares actual FTE with budgeted figures that do not include adjunct faculty, resulting in a misleading presentation of faculty trends. The regular faculty FTE in social work increased during the reporting period.

The report also assumes a 5% spending rate, while WNMU follows a three-year average in its spending policy and includes benefits at approximately 47% of salary. This materially affects the number of positions that can be funded.

WNMU reported only funds pulled from the Foundation to maintain clean audit trails. However, additional faculty expenses were covered by the university and will be reimbursed as distributions are drawn.

Institutional leadership notes that expectations of immediate workforce impact do not account for program structure or student progression timelines. For example, adding a full nursing cohort requires eight faculty and hinges on TEAS test pass rates and four-year degree timelines. Similarly, social work enrollment has not yet rebounded despite capacity, due in part to the approval of additional programs statewide.

WNMU affirms the long-term value of endowments but underscores the need for expanded use flexibility, including marketing and outreach resources, to realize enrollment growth.



The CUP looks forward to continued dialogue and collaboration in advancing successful endowment funding for our four-year institutions and the students they serve and supporting the workforce for nursing, teacher educators and social workers in New Mexico.

Marc H. Saavedra



Executive Director, CUP

(505) 426-4674

Rachel Mercer Garcia, Deputy Director of Program Evaluation, LFC

Clayton Lobaugh, Program Evaluator II, LFC

Josh Chaffin, Program Evaluator, LFC



Revised: Direct Institutional Feedback - References

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NMICC

NEW MEXICO INDEPENDENT COMMUNITY COLLEGES

Central New Mexico Community College • Clovis Community College • Luna Community College
Mesalands Community College • New Mexico Junior College • New Mexico Military Institute
Northern New Mexico College • San Juan College • Santa Fe Community College
Southeast New Mexico College • Western New Mexico University

July 15, 2025

Charles Sallee, Executive Director
cc: Rachel Garcia, Deputy Director
Clayton Lobaugh, Program Evaluator II
Josh Chaffin, Program Evaluator
New Mexico Legislative Finance Committee
325 Don Gaspar Avenue, Suite 101
Santa Fe, NM 87501

The New Mexico Independent Community Colleges (NMICC) wish to thank the New Mexico Legislature for appropriating the endowed funds for nursing, teacher preparation, and social work programs. Endowments are a great investment as the funding they provide is available to the programs in perpetuity. As these endowments are focused on critically needed faculty, they are a strategic investment in increasing New Mexico's workforce. The *"Use and Impact of Endowment Appropriations for Higher Education Nursing, Teacher Education, and Social Work Programs"* evaluation focuses on program faculty. It must be recognized that hiring and retaining faculty is only one part of growing New Mexico's social work, nursing, and educator and workforces.

All three programs in this evaluation have numerous challenges that must be addressed to grow New Mexico's workforce. For example, nursing, teacher preparation and social work have required student clinical components. Clinical education requires negotiated agreements with qualified clinical sites prior to placing any students at that clinical site. The negotiated agreements, the appropriate licensing bodies, and programmatic accreditors may limit how many students may be placed in a clinical environment, one example is the Board of Nursing requirement that stipulates there can be no more than 8 student nurses for every 1 faculty member present at the clinical site. Accessibility to appropriate clinical sites must be taken into account when an institution considers increasing the number of students admitted into training programs.

Another challenge is the number of qualified students applying for admission into these programs. Ten years ago it was common for both associate's degree and bachelor's degree nursing programs to have large waiting lists of highly qualified applicants. This is no longer the case.

An evaluation that does not examine the entire workforce pipeline is only examining a very small facet of what it takes to successfully grow our needed workforce. The following should be considered:

- student applicant pool;
- clinical education programs (including any constraints on growing the clinical education program);
- students sitting for the licensure examination (occasionally students will opt to not take the required licensure examination);
- students passing the licensure examination;
- needs of employers hiring our students.

NMICC appreciates the opportunity to provide feedback on accuracy and tone of the draft report. Many concerns were addressed, such as recognizing appropriate benefit costs along with salaries in calculating the number of faculty who could be funded on the spendable funds generated by the endowments. Additionally, we appreciate the recognition of improvements that could be made by all stakeholders in the endowment appropriations – the legislature, the Higher Education Department, and the institutions.

Below you will find NMICC responses to the LFC evaluation.

Recommendation:

Colleges and universities should fully leverage budgeted instructional funds on academic programs and limit transfers out of I&G funds.

NMICC Response:

Budgeted Instructional Funds –

Budgets are a plan, a road map, for the year. When academic program budgets are developed, the budget provides expenditure authority to the programs. This authority is spelled out in specific categories (salaries, equipment, supplies, etc.) When budgets are not completely spent down, the next step is to obtain a deeper understanding of why the funds were not fully utilized. For example -- Did a faculty member resign? Did an expected clinical site fall through? Is there a systemic concern that must be addressed?

The recommendation to leverage funds does not provide information as to why budgets have not been fully expended.

Limiting Transfers –

In compliance with the Higher Education Department Financial Reporting Manual (Reporting Manual), institutions must record certain revenues, such as indirect cost revenue (also known as facilities and administration overhead) as Instruction & General revenues. The Reporting Manual requires institutions to make a variety of transfers out of I&G, including transfers to Plant Fund – Renewals & Replacements, Plant Fund – Retirement of Indebtedness, Student Financial Aid. In addition the Reporting Manual permits transfers from I&G in the amount equal to received indirect

cost revenue and authorizes other transfers approved by the Governing Board/Board of Trustees/Regents.

The recommendation to 'limit transfers' out of I&G appears to not take into consideration the requirements of the Reporting Manual, nor the detailed needs of the institutions.

Recommendation:

HED and higher education institutions should enhance the quality control processes for how faculty FTE are reported in financial reports of actuals and operating budgets.

NMICC Response:

Faculty FTE –

The ability to compare across institutions the number and types of faculty could provide meaningful information. NMICC institutions look forward to working with HED on faculty FTE reporting in the reports of actuals and operating budgets.

Recommendation:

San Juan College should use its endowment appropriation earnings in accordance with legislative appropriations language and SJC's original application to HED.

NMICC Response:

San Juan College (SJC) Endowment –

SJC did apply for and was awarded \$2 million in nursing endowment funds. The intent of these funds was to hire two additional nursing faculty to reduce the reliance on adjunct (part-time) faculty in the clinical instruction component of the nursing education program, which may not exceed 8 students to 1 faculty in clinical rotations (New Mexico Board of Nursing requirement). SJC had been relying upon part-time instructors to in the clinical rotations. With the strain on the nursing workforce, SJC was limited in both the number of qualified part-time nursing faculty and the hours the faculty were available. By transitioning to full-time faculty in the clinical program, SJC would be in a better position to identify students with knowledge or skills deficits, providing intervention earlier in the clinical experience, thereby leading to higher retention and completion rates.

Shortly after receiving notice SJC would receive a nursing endowment award, SJC lost four nursing faculty – meanwhile the regional hospital approached SJC, requesting a partnership whereby SJC would expand the number of nursing students by 16 students for each semester of the 4-semester program.

Hiring and retaining nursing faculty is difficult regardless of where an institution is located, institutions in rural and frontier areas of New Mexico have greater challenges in recruiting and retaining.

SJC and its hospital should be recognized for their partnership which will greatly expand the number of SJC nursing students while incentivizing nursing faculty to remain teaching at SJC – the hospital is underwriting eight additional full-time faculty (two new full-time faculty per semester for four semesters).

The following is the timeline of SJC’s application for the nursing endowment, unexpected faculty vacancies, and the successful negotiations with their regional hospital to secure funding for both additional nursing faculty and nursing faculty recruitment and retention stipends.

June 2022	SJC applied for the \$2 million nursing endowment
September 2022	SJC & HED executed the subaward agreement
October 2022	SJC received the \$2 million nursing endowment payment
November 2022	SJC transferred the \$2 million nursing endowment funds to the SJC Foundation
Summer 2023	<p>SJC had to fill four existing nursing faculty positions due to three nursing faculty resignations and one nursing faculty member retiring.</p> <p>While the nursing faculty applicant pool provided four nursing instructors to fill the vacancies at SJC, the pool was insufficient to provide two more nursing instructors. These additional faculty would have been paid from the nursing endowment earnings.</p>
Late Spring 2024	<p>SJC and the regional hospital began negotiations to increase all nursing cohorts by 50% with the hospital underwriting the cost.</p> <p>The negotiations also included the hospital increasing the nursing faculty market stipend in an attempt to attract larger and better nursing faculty applicant pools.</p> <p>Though well intentioned, the negotiations moved slowly as SJC and hospital processes did not well align.</p>
Fall 2024	Negotiations continued.
Late Fall 2024/Spring 2025	Rather than attempting to fill the two new nursing positions which would be paid via the nursing endowment earnings, the decision was made to place a temporary pause on hiring in the event hospital funds were not available for two new nursing faculty for the Fall 2025 semester.
June 2025	SJC/regional hospital contract for the expanded nursing partnership was executed.
July 2025	SJC is ready to hire two new nursing faculty. These faculty hires will be funded by the nursing endowment.

New Mexico's independent community colleges looks forward to continuing conversations with the Legislature and the Executive as we serve our communities and New Mexico.

Respectfully Submitted,



Dr. Vanessa K. Hawker
Executive Director
New Mexico Independent Community Colleges

Appendix A. Evaluation Scope and Methodology

Evaluation Objectives

- Study the capacity of higher education institutions' nursing, education, and social work programs to meet state workforce needs;
- Examine how higher education institutions have used targeted legislative appropriations for increasing college program capacity in nursing, teacher preparation, and social work; and
- Assess how higher education institutions internally allocate instruction and general (I&G) resources for different academic departments and how higher education institutions are building the capacity of nursing, teacher preparation, and social work programs.

Scope and Methodology

- Analyzed data from the U.S. Bureau of Labor Statistics, the state Board of Nursing, and the U.S. Department of Education.
- Examined data and documentation from higher education institutions and the higher education department (HED).
- Interviewed multiple academic and financial officials from higher education institutions and their foundations.
- Analyzed data from the financial reports of actuals, operating budgets, and financial audits of state colleges and universities.

Evaluation Team

Clayton Lobaugh, Project Lead, Program Evaluator
Josh Chaffin, Program Evaluator

Authority for Evaluation

LFC is authorized under the provisions of Section 2-5-3 NMSA 1978 to examine laws governing the finances and operations of departments, agencies, and institutions of New Mexico and all of its political subdivisions; the effects of laws on the proper functioning of these governmental units; and the policies and costs. LFC is also authorized to make recommendations for change to the Legislature. In furtherance of its statutory responsibility, LFC may conduct inquiries into specific transactions affecting the operating policies and cost of governmental units and their compliance with state laws.

Exit Conferences

The contents of this report were discussed with Stephanie Rodriguez, HED Cabinet Secretary; Dr. Patricia Trujillo, HED Deputy Cabinet Secretary; Gerald Hoehne, HED Chief Financial Officer; Marc Saavedra, Council of University Presidents Executive Director; Dr. Vanessa Hawker, New Mexico Independent Community College Association Executive Director; and Dr. Barbara Medina, New Mexico Association of Community Colleges Executive Director on July 10, 2025.

Report Distribution

This report is intended for the information of the Office of the Governor, Department of Finance and Administration, Office of the State Auditor, and the Legislative Finance Committee. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Dr. Rachel Mercer Garcia
Deputy Director for Program Evaluation

Appendix B. Distribution of Endowment Appropriations Summary

Distribution of Endowment Appropriation Funds, FY23 through FY25
(in millions)

Name	Nursing Endowment Funding	Education Endowment Funding	Social Work Endowment Funding	Total Funding	Percent of Total
UNM	\$ 9.0	\$ 17.0	\$ 10.5	\$ 36.5	24%
NMHU	\$ 3.5	\$ 10.0	\$ 16.9	\$ 30.4	18%
NMSU	\$ 4.3	\$ 5.0	\$ 20.7	\$ 30.0	18%
WNMU	\$ 3.0	\$ 5.0	\$ 14.6	\$ 22.6	14%
ENMU	\$ 1.0	\$ -	\$ 12.2	\$ 13.2	8%
NNMC	\$ 3.0	\$ 2.5	\$ -	\$ 5.5	3%
CNM	\$ 3.0	\$ 2.0	\$ -	\$ 5.0	3%
NMT	\$ -	\$ 5.0	\$ -	\$ 5.0	3%
NMSU-DA	\$ 3.0	\$ 1.0	\$ -	\$ 4.0	2%
SJC	\$ 3.0	\$ -	\$ -	\$ 3.0	2%
UNM-GA	\$ 2.5	\$ 2.5	\$ -	\$ 5.0	3%
SFCC	\$ 2.0	\$ -	\$ -	\$ 2.0	1%
MCC	\$ 2.0	\$ -	\$ -	\$ 2.0	1%
ENMU-RO	\$ 0.5	\$ -	\$ -	\$ 0.5	0%
NMJC	\$ 0.3	\$ -	\$ -	\$ 0.3	0%
Total	\$ 40.0	\$ 50.0	\$ 75.0	\$ 165.0	100%

Source: LFC analysis of HED voucher data and higher education institution data.

Appendix C. Appropriations Language of Endowment Appropriations

Budget Language of the \$170 Million in Higher Education Endowment Appropriations

Fiscal Year	Endowment Type	Amount (in millions)	Appropriation Language	Reference
1	Teacher Faculty Endowments	\$ 50.0	For endowed faculty positions in educator preparation programs at New Mexico public and tribal higher education institutions. The higher education department must obtain certification from each higher education institution that the endowment revenue will supplement and not supplant spending at the institution's educator preparation program before making an endowment award. The other state funds appropriation is from the public education reform fund.	(Laws 2022, Chapter 54, Section 5, Subsection 128; General Appropriation Act of 2022, p. 203-204)
2	Social Work Faculty Endowments	\$ 50.0	For endowed faculty teaching positions in bachelor and master degree social worker programs at New Mexico public and tribal institutions of higher education to expand enrollment and the number of graduates able to work in the behavioral health, child welfare and school systems. The higher education department must obtain certification from each higher education institution that the endowment revenue will supplement and not supplant spending at the institution's social worker program before making an endowment award.	(Laws 2022, Chapter 54, Section 10, Subsection 42; General Appropriation Act of 2022, p. 232)
3	Nursing Faculty Endowments	\$ 30.0	For endowed faculty teaching positions in nursing programs at New Mexico public and tribal institutions of higher education to expand enrollment and the number of graduates able to work in nursing. The higher education department must obtain certification from each higher education institution that the endowment revenue will supplement and not supplant spending at the institution's nursing program before making an endowment award.	(Laws 2022, Chapter 54, Section 10, Subsection 43; General Appropriation Act of 2022, p. 232)
4	Nursing Faculty Endowments	\$ 10.0	For endowed faculty teaching positions in undergraduate- and graduate-level nursing programs at New Mexico public and tribal institutions of higher education to expand enrollment and the number of graduates able to work as nurses or nurse practitioners. The higher education department must obtain certification from each higher education institution that the endowment revenue will supplement and not supplant spending at the institution's nursing program before making an endowment award.	(Laws 2023, Chapter 210, Section 5, Subsection 217; General Appropriation Act of 2023, p. 224-225)
5	Social Work Financial Aid Endowments	\$ 20.0	For endowments to support financial aid, including scholarships and paid practicums, for New Mexico residents who are graduates of a New Mexico high school currently enrolled in a master's level social work program at a state institution of higher education as enumerated in Article 12 Section 11 of the constitution of New Mexico and for clinical supervision services for licensed social workers postgraduation. The higher education department must obtain certification from each higher education institution that the awards from this appropriation will supplement and not supplant spending at the institution's social worker program before making an endowment award. Any unexpended balances remaining at the end of fiscal year 2024 from this appropriation shall not revert to the general fund and may be expended through fiscal year 2026.	(Laws 2023, Chapter 210, Section 5, Subsection 222; General Appropriation Act of 2023, p. 225-226)
6	Social Work Faculty and Financial Aid Endowments	\$ 10.0	For endowed faculty teaching positions and student financial aid, including scholarships and paid practicums in bachelor and master degree social worker programs at New Mexico public and tribal institutions of higher education to expand enrollment and the number of graduates able to work in the behavioral health, child welfare and school systems. The higher education department shall distribute funding based on the number of New Mexico residents enrolled in programs in fiscal year 2024 and must obtain certification from each higher education institution that the endowment revenue will supplement and not supplant spending at the institution's social worker program before making an endowment award.	(Laws 2024, Chapter 69, Section 5, Subsection 212; General Appropriation Act of 2024, p. 215-216)

Source: LFC review of General Appropriation Acts.

Appendix D. Enrollment Survey Data

Unduplicated Student Enrollment in Nursing, Teacher Preparation, and Social Work Programs That Received Endowment Appropriations

Higher Education Institution	Program	FY23	FY24	FY25	FY26 (Budgeted)	FY23 to FY25 # Change	FY23 to FY25 % Change
1 University of New Mexico	Nursing	1,335	1,254	1,443	1,794	108	8%
2 University of New Mexico - Gallup	Nursing	64	70	68	68	4	6%
3 New Mexico State University	Nursing	1,148	1,143	1,139	1,206	(9)	-1%
4 New Mexico State University - Doña Ana	Nursing	132	141	155	166	23	17%
5 New Mexico Highlands University	Nursing	150	210	253	275	103	69%
6 Western New Mexico University	Nursing	232	250	253	252	21	9%
7 Northern New Mexico College	Nursing	58	62	72	-	14	24%
8 Eastern New Mexico University	Nursing	119	158	146	151	27	23%
9 Eastern New Mexico University-Roswell	Nursing	252	401	303	306	51	20%
10 Central New Mexico Community College	Nursing	3,000	2,776	2,596	2,596	(404)	-13%
11 San Juan College	Nursing	155	148	149	154	(6)	-4%
12 New Mexico Junior College	Nursing	138	109	92	94	(46)	-33%
13 Santa Fe Community College	Nursing	101	93	91	95	(10)	-10%
14 Mesalands Community College	Nursing	7	17	13	24	6	86%
15 Nursing Subtotal		6,891	6,832	6,773	7,180	(118)	-1.7%
16 University of New Mexico	Teacher Education	528	478	531	539	3	1%
17 New Mexico Highlands University	Teacher Education	417	416	354	410	(63)	-15%
18 New Mexico State University	Teacher Education	1,082	1,061	1,095	917	13	1%
19 New Mexico State University - Doña Ana	Teacher Education	405	440	477	512	72	18%
20 New Mexico Institute of Mining and Techn	Teacher Education	83	105	107	59	24	29%
21 Western New Mexico University	Teacher Education	867	923	958	958	91	10%
22 Northern New Mexico College	Teacher Education	161	185	262	-	101	63%
23 Central New Mexico Community College	Teacher Education	1,016	912	813	813	(203)	-20%
24 Teacher Education Subtotal		4,559	4,520	4,597	4,208	38	1%
25 New Mexico State University	Social Work	372	433	465	440	93	25%
26 University of New Mexico	Social Work	-	-	-	-	-	0%
27 Eastern New Mexico University	Social Work	191	202	237	248	46	24%
28 New Mexico Highlands University	Social Work	573	528	534	489	(39)	-7%
29 Western New Mexico University	Social Work	795	798	760	760	(35)	-4%
30 Social Work Subtotal		1,931	1,961	1,996	1,937	65	3%
31 Grand Total		13,381	13,313	13,366	13,326	(15)	-0.1%

Source: Survey data from state higher education institutions that received endowment appropriations.

Appendix E. Program Graduate Survey Data

Degree Completers from Nursing, Teacher Preparation, and Social Work Programs That Received Endowment Appropriations

Higher Education Institution	Program	FY23	FY24	FY25	FY26 (Projected)	FY23 to FY25 # Change	FY23 to FY25 % Change
1 University of New Mexico	Nursing	486	471	414	538	(72)	-15%
2 University of New Mexico - Gallup	Nursing	17	21	28	28	11	65%
3 New Mexico State University	Nursing	212	155	170	202	(42)	-20%
4 New Mexico State University - Doña Ana	Nursing	41	35	51	51	10	24%
5 New Mexico Highlands University	Nursing	42	49	67	74	25	60%
6 Western New Mexico University	Nursing	38	20	34	32	(4)	-11%
7 Northern New Mexico College	Nursing	20	22	37	-	17	85%
8 Eastern New Mexico University	Nursing	26	33	50	52	24	92%
9 Eastern New Mexico University-Roswell	Nursing	21	31	42	43	21	100%
10 Central New Mexico Community College	Nursing	339	295	174	174	(165)	-49%
11 San Juan College	Nursing	41	49	38	41	(3)	-7%
12 New Mexico Junior College	Nursing	16	38	37	39	21	131%
13 Santa Fe Community College	Nursing	17	27	20	25	3	18%
14 Mesalands Community College	Nursing	-	-	9	25	9	0%
Nursing Subtotal		1,316	1,246	1,171	1,324	(145)	-11%
16 University of New Mexico	Teacher Education	200	179	219	227	19	10%
17 New Mexico Highlands University	Teacher Education	104	141	101	140	(3)	-3%
18 New Mexico State University	Teacher Education	160	178	164	171	4	3%
19 New Mexico State University - Doña Ana	Teacher Education	41	35	51	51	10	24%
20 New Mexico Institute of Mining and Technology	Teacher Education	12	13	31	18	19	158%
21 Western New Mexico University	Teacher Education	117	143	152	147	35	30%
22 Northern New Mexico College	Teacher Education	50	70	84	-	34	68%
23 Central New Mexico Community College	Teacher Education	68	57	52	52	(16)	-24%
Teacher Education Subtotal		752	816	854	806	102	14%
25 New Mexico State University	Social Work	117	117	117	150	-	0%
26 University of New Mexico	Social Work	-	-	-	-	-	0%
27 Eastern New Mexico University	Social Work	53	55	42	58	(11)	-21%
28 New Mexico Highlands University	Social Work	52	46	35	45	(17)	-33%
29 Western New Mexico University	Social Work	216	211	174	213	(42)	-19%
Social Work Subtotal		438	429	368	466	(70)	-16%
Grand Total		2,506	2,491	2,393	2,596	(113)	-5%

Note: WNMU only provided fall graduates for FY25 so the FY25 amounts for WNMU were doubled to estimate a full year.

Source: Survey data from state higher education institutions that received endowment appropriations.

Appendix F. Program Budget and Actual Spending Data (Exhibit 10As)

Instructional Budgets and Spending for Programs that Received Endowment Appropriations

Programs	Higher Education Institution Name	Reported Actual Instructional Spending			Budgeted Instructional Spending				
		FY22 Actuals	FY23 Actuals	FY24 Actuals	FY22 Budget	FY23 Budget	FY24 Budgeted	FY25 Budgeted	
Nursing Programs	University of New Mexico	\$ 12,730,220	\$ 13,875,913	\$ 14,512,175	\$ 15,448,890	\$ 18,003,896	\$ 19,243,203	\$ 21,047,543	
	University of New Mexico - Gallup	\$ 462,932	\$ 615,426	\$ 438,142	\$ 506,895	\$ 608,053	\$ 663,283	\$ 349,695	
	New Mexico State University	\$ 4,269,331	\$ 5,110,946	\$ 6,477,631	\$ 5,352,215	\$ 5,011,800	\$ 7,820,794	\$ 8,376,167	
	New Mexico State University-DACC	\$ 1,408,614	\$ 1,608,170	\$ 2,169,333	\$ 1,482,923	\$ 2,250,386	\$ 2,865,763	\$ 2,904,965	
	New Mexico Highlands University	\$ 330,960	\$ 330,960	\$ 659,298	\$ 389,554	\$ 362,897	\$ 459,502	\$ 921,266	
	Eastern New Mexico University	\$ 463,025	\$ 452,629	\$ 501,193	\$ 455,129	\$ 481,748	\$ 503,735	\$ 525,534	
	Eastern New Mexico University-Roswell	\$ 506,462	\$ 691,527	\$ 671,543	\$ 749,613	\$ 1,055,510	\$ 683,288	\$ 922,451	
	Northern New Mexico College	\$ 997,623	\$ 1,277,589	\$ 1,724,375	\$ 1,117,672	\$ 1,159,826	\$ 1,859,270	\$ 1,953,039	
	Western New Mexico University	\$ 1,369,788	\$ 1,226,075	\$ 1,833,654	\$ 1,440,435	\$ 1,476,003	\$ 2,284,731	\$ 2,276,396	
	Central New Mexico Community College	\$ 3,647,740	\$ 3,852,450	\$ 5,381,694	\$ 4,030,825	\$ 3,415,230	\$ 5,021,345	\$ 6,392,518	
	San Juan College	\$ 1,289,100	\$ 1,525,161	\$ 1,946,417	\$ 1,442,035	\$ 1,385,797	\$ 1,671,017	\$ 1,369,268	
	Santa Fe Community College	\$ 643,420	\$ 791,177	\$ 830,224	\$ 618,550	\$ 686,572	\$ 713,174	\$ 746,982	
	Mesalands Community College	\$ -	\$ -	\$ 200,689	\$ -	\$ -	\$ 226,617	\$ 179,350	
	New Mexico Junior College	\$ 965,727	\$ 1,284,091	\$ 1,602,209	\$ 1,000,951	\$ 1,600,690	\$ 1,782,275	\$ 781,900	
	Nursing Subtotal	\$ 29,094,932	\$ 32,442,114	\$ 38,948,547	\$ 34,045,687	\$ 37,478,298	\$ 45,837,897	\$ 48,749,074	
	Teacher Programs	University of New Mexico	\$ 6,340,865	\$ 6,477,029	\$ 7,509,656	\$ 7,156,548	\$ 7,312,653	\$ 8,648,627	\$ 8,629,069
		University of New Mexico - Gallup	\$ 66,600	\$ 80,868	\$ 59,237	\$ 63,486	\$ 80,218	\$ 57,535	\$ 87,240
New Mexico Highlands University		\$ 1,783,258	\$ 1,829,983	\$ 2,364,306	\$ 1,521,889	\$ 1,783,729	\$ 2,784,411	\$ 2,912,816	
New Mexico State University		\$ 5,119,474	\$ 5,715,421	\$ 6,074,096	\$ 6,945,979	\$ 7,379,626	\$ 6,518,565	\$ 8,830,271	
New Mexico State University-DACC		\$ 270,247	\$ 385,859	\$ 429,057	\$ 306,234	\$ 1,317,297	\$ 1,341,354	\$ 352,686	
New Mexico Institute of Mining and Technology		\$ 256,784	\$ 197,688	\$ 167,578	\$ 249,835	\$ 242,443	\$ 248,815	\$ 219,600	
Western New Mexico University		\$ 1,135,922	\$ 1,863,100	\$ 1,917,674	\$ 1,205,140	\$ 2,043,901	\$ 1,977,940	\$ 1,685,628	
Northern New Mexico College		\$ 743,720	\$ 1,930,410	\$ 2,021,285	\$ 604,142	\$ 904,847	\$ 2,318,533	\$ 2,343,757	
Central New Mexico Community College		\$ 1,224,360	\$ 1,386,716	\$ 1,865,728	\$ 1,719,401	\$ 1,042,949	\$ 1,351,732	\$ 1,757,182	
Teacher Education Subtotal		\$ 16,941,229	\$ 19,867,074	\$ 22,228,617	\$ 19,772,654	\$ 22,107,663	\$ 25,247,312	\$ 26,818,249	
New Mexico State University		\$ 1,916,958	\$ 1,841,512	\$ 2,061,358	\$ 2,257,596	\$ 2,129,162	\$ 2,403,121	\$ 1,917,714	
Social Work Programs	University of New Mexico	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Eastern New Mexico University	\$ 1,687,253	\$ 1,836,711	\$ 2,214,978	\$ 1,406,630	\$ 1,632,179	\$ 1,751,657	\$ 2,147,413	
	New Mexico Highlands University	\$ 1,451,632	\$ 1,946,440	\$ 2,350,000	\$ 1,239,666	\$ 1,284,083	\$ 1,652,867	\$ 2,350,000	
	Western New Mexico University	\$ 1,683,389	\$ 1,875,703	\$ 1,877,927	\$ 1,723,304	\$ 1,762,048	\$ 1,794,284	\$ 1,432,500	
	Social Work Subtotal	\$ 6,739,242	\$ 7,501,366	\$ 8,504,263	\$ 6,627,196	\$ 6,807,472	\$ 7,541,929	\$ 7,847,627	
Grand Total	\$ 52,775,403	\$ 59,810,553	\$ 69,581,427	\$ 60,445,537	\$ 66,393,433	\$ 78,627,238	\$ 83,414,950		

Notes: Mesalands Community College nursing program first reported nursing spending in FY24. If both original and revised budget data were available, LFC staff used the higher budgeted amount to more accurately gauge college efforts to expand program capacity. Source: LFC analysis of Exhibit 10A of financial reports of actuals and operating budgets.

Appendix G. Reported Endowment Returns

Appropriation Name	Higher Education Institution Name	Amount Received by Higher Education Institution for Original Endowment Corpus	FY23				FY24				FY25 Returns (as of March 2025)			
			FY23 Returns	FY23 ROI on Corpus	FY23 Investment Management Fees	FY24 Returns	FY24 ROI on Corpus	FY24 Investment Management Fees	FY25 Returns	FY25 ROI on Corpus	FY25 Investment Management Fees	FY25 Returns	FY25 ROI on Corpus	FY25 Investment Management Fees
FY23 Nursing Endowments	University of New Mexico	\$ 6,500,000	\$ -	0%	\$ -	\$ 938,704	10%	\$ 185,741	\$ 1,368,797	15%	\$ 212,808			
	University of New Mexico-Gallup branch	\$ 2,500,000	\$ 422,702	8%	\$ 19,185	\$ 635,286	13%	\$ 23,442	\$ 175,555.55	4%	\$ 17,681			
	New Mexico State University	\$ 5,000,000	\$ -	0%	\$ -	\$ 259,933	10%	\$ 3,255	\$ 120,647.71	5%	\$ 1,653			
	New Mexico Highlands University	\$ 2,500,000	\$ 46,083	2%	\$ 9,266	\$ 52,033	2%	\$ 10,437	\$ 30,450.49	1%	\$ 12,472			
	Northern New Mexico College	\$ 2,000,000	\$ -	0%	\$ -	\$ 127,659	6%	\$ 4,583	\$ 70,894.00	4%	\$ 2,783			
	Western New Mexico University	\$ 3,000,000	\$ 199,438	7%	\$ 2,901	\$ 346,100	12%	\$ 4,899	\$ 166,824.54	6%	\$ 2,783			
	Central New Mexico Community College	\$ 2,000,000	\$ 131,455	7%	\$ -	\$ 98,591.20	5%	\$ -	\$ 98,591.20	5%	\$ -			
	San Juan College	\$ 2,000,000	\$ 38,487	2%	\$ -	\$ 67,709	3%	\$ -	\$ 58,241.10	3%	\$ -			
	Santa Fe Community College	\$ 2,000,000	\$ 23,072	1%	\$ -	\$ 87,831	5%	\$ -	\$ 87,249.30	4%	\$ -			
	Mesalands Community College	\$ 2,000,000	\$ 86,695	4%	\$ -	\$ 197,771	12%	\$ 3,270	\$ 111,336	6%	\$ 1,868			
Subtotal		\$ 30,000,000	\$ 861,161	3%	\$ 31,352	\$ 2,656,729	9%	\$ 237,448	\$ 6,137,787	12%	\$ 729,245			
FY23 Teacher Education Endowments	University of New Mexico	\$ 17,000,000	\$ 1,427,612	7%	\$ 3,507,690	\$ -	0%	\$ -	\$ 4,935,393	25%	\$ 644,549			
	University of New Mexico-Gallup branch	\$ 2,500,000	\$ -	0%	\$ -	\$ 1,027,656	10%	\$ 11,566	\$ 386,073	4%	\$ 5,290			
	New Mexico Highlands University	\$ 10,000,000	\$ -	0%	\$ -	\$ 785,619	13%	\$ 27,580	\$ 212,146	4%	\$ 21,347			
	New Mexico State University	\$ 6,000,000	\$ 374,013	6%	\$ 23,255	\$ 582,557	12%	\$ 35,628	\$ 290,020	6%	\$ 26,658			
	New Mexico Institute of Mining and Technology	\$ 5,000,000	\$ 65,997	1%	\$ -	\$ 582,557	12%	\$ 26,608	\$ 177,234	4%	\$ 18,928			
	Western New Mexico University	\$ 5,000,000	\$ -	0%	\$ -	\$ 319,148	6%	\$ 10,160	\$ 25,675	1%	\$ 10,615			
	Northern New Mexico College	\$ 2,500,000	\$ 46,244	2%	\$ 9,239	\$ 51,654	2%	\$ -	\$ 113,336	6%	\$ 1,868			
	Central New Mexico Community College	\$ 2,000,000	\$ 86,695	4%	\$ 197,771	\$ 230,964	12%	\$ 3,270	\$ 111,336	6%	\$ 1,868			
	Subtotal		\$ 50,000,000	\$ 2,600,560	5%	\$ 34,472	\$ 6,485,187	13%	\$ 618,861	\$ 6,137,787	12%	\$ 729,245		
	FY23 Social Work Endowments	New Mexico State University	\$ 16,500,000	\$ 1,026,746	6%	\$ 63,822	\$ 2,101,026	13%	\$ 76,491	\$ 582,751.41	4%	\$ 58,641		
University of New Mexico		\$ 10,500,000	\$ -	0%	\$ -	\$ 488,729	4%	\$ 110,270	\$ 970,623.85	9%	\$ 110,270			
Eastern New Mexico University		\$ 9,000,000	\$ -	0%	\$ -	\$ 846,185	9%	\$ -	\$ -	0%	\$ -			
New Mexico Highlands University		\$ 8,000,000	\$ -	0%	\$ -	\$ 831,659	10%	\$ 9,361	\$ 477,012.09	6%	\$ 6,536			
Western New Mexico University		\$ 6,000,000	\$ -	0%	\$ -	\$ 382,076	6%	\$ 31,930	\$ 212,681.00	4%	\$ 22,713			
Subtotal			\$ 50,000,000	\$ 1,026,746	2%	\$ 63,822	\$ 4,630,679	9%	\$ 228,053	\$ 2,243,068	4%	\$ 186,161		
FY24 Nursing Endowments		University of New Mexico	\$ 2,500,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -		
		New Mexico State University	\$ 2,250,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ 8,805.24	0%	\$ 2,613		
		New Mexico Highlands University	\$ 1,000,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -		
		Western New Mexico University	\$ 1,000,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -		
	Eastern New Mexico University	\$ 1,000,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Eastern New Mexico University-Roswell	\$ 500,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	San Juan College	\$ 500,000	\$ -	0%	\$ -	\$ 13,309	1%	\$ -	\$ 9,919.8	1%	\$ -			
	Northern New Mexico College	\$ 500,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	New Mexico Junior College	\$ 300,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Subtotal		\$ 10,000,000	\$ -	0%	\$ -	\$ 13,309	0%	\$ -	\$ 61,974.61	21%	\$ 2,622		
FY24 Social Work Endowments	Western New Mexico University	\$ 6,076,923	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	New Mexico Highlands University	\$ 5,076,923	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Eastern New Mexico University	\$ 2,038,462	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Eastern New Mexico University	\$ 1,807,632	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Subtotal		\$ 15,000,000	\$ -	0%	\$ -	\$ 122,518	1%	\$ 2,764	\$ 58,453.61	1%	\$ 6,004		
	New Mexico Highlands University	\$ 3,855,422	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Western New Mexico University	\$ 2,556,893	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	New Mexico State University	\$ 2,409,639	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ (40,001.96)	-2%	\$ (376)			
	Eastern New Mexico University	\$ 1,176,046	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -			
	Subtotal		\$ 10,000,000	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ (40,001.96)	0%	\$ (376)		
Grand Total		\$ 165,000,000	\$ 4,488,468	3%	\$ 129,646	\$ 13,988,522	8%	\$ 1,067,225	\$ 10,730,828	7%	\$ 1,206,850			

Appendix H. Spending Rate Benchmark

Appropriation Name	Higher Education Institution Name	Amount Received by Higher Education Institution for Original Endowment Corpus	5% Spending Rate	Amount from 5% Spending Rate	2023 U.S. Bureau of Labor Statistics data for New Mexico - Average Nursing, Education, and Social Work Faculty Salaries adjusted by inflation to 2025.	27.8% Benefit Rate	Estimated Faculty Compensation	Number of Potential Faculty Funded by Endowments
FY23 Nursing Endowments	University of New Mexico	\$ 6,500,000	5.0%	\$ 325,000	\$ 77,221	\$ 21,467	\$ 98,688	3.3
	University of New Mexico-Gallup	\$ 2,500,000	5.0%	\$ 125,000	\$ 77,221	\$ 21,467	\$ 98,688	1.3
	New Mexico State University	\$ 2,500,000	5.0%	\$ 125,000	\$ 77,221	\$ 21,467	\$ 98,688	1.3
	New Mexico State University-DACC	\$ 2,500,000	5.0%	\$ 125,000	\$ 77,221	\$ 21,467	\$ 98,688	1.3
	New Mexico Highlands University	\$ 2,500,000	5.0%	\$ 125,000	\$ 77,221	\$ 21,467	\$ 98,688	1.3
	Northern New Mexico College	\$ 2,500,000	5.0%	\$ 125,000	\$ 77,221	\$ 21,467	\$ 98,688	1.3
	Western New Mexico University	\$ 2,000,000	5.0%	\$ 100,000	\$ 77,221	\$ 21,467	\$ 98,688	1.0
	Central New Mexico Community College	\$ 3,000,000	5.0%	\$ 150,000	\$ 77,221	\$ 21,467	\$ 98,688	1.5
	San Juan College	\$ 2,000,000	5.0%	\$ 100,000	\$ 77,221	\$ 21,467	\$ 98,688	1.0
	Santa Fe Community College	\$ 2,000,000	5.0%	\$ 100,000	\$ 77,221	\$ 21,467	\$ 98,688	1.0
	Mesalands Community College	\$ 2,000,000	5.0%	\$ 100,000	\$ 77,221	\$ 21,467	\$ 98,688	1.0
	Subtotal		\$ 30,000,000	5.0%	\$ 1,500,000	\$ 77,221	\$ 21,467	\$ 98,688
FY23 Teacher Education Endowments	University of New Mexico	\$ 19,500,000	5.0%	\$ 975,000	\$ 69,949	\$ 19,446	\$ 89,395	10.9
	University of New Mexico - Gallup Branch	\$ 10,000,000	5.0%	\$ 500,000	\$ 69,949	\$ 19,446	\$ 89,395	5.6
	New Mexico Highlands University	\$ 5,000,000	5.0%	\$ 250,000	\$ 69,949	\$ 19,446	\$ 89,395	2.8
	New Mexico State University	\$ 1,000,000	5.0%	\$ 50,000	\$ 69,949	\$ 19,446	\$ 89,395	0.6
	New Mexico State University-DACC	\$ 5,000,000	5.0%	\$ 250,000	\$ 69,949	\$ 19,446	\$ 89,395	2.8
	New Mexico Institute of Mining and Technology	\$ 5,000,000	5.0%	\$ 250,000	\$ 69,949	\$ 19,446	\$ 89,395	2.8
	Western New Mexico University	\$ 5,000,000	5.0%	\$ 250,000	\$ 69,949	\$ 19,446	\$ 89,395	2.8
	Northern New Mexico College	\$ 2,500,000	5.0%	\$ 125,000	\$ 69,949	\$ 19,446	\$ 89,395	1.4
	Central New Mexico Community College	\$ 2,000,000	5.0%	\$ 100,000	\$ 69,949	\$ 19,446	\$ 89,395	1.1
	Subtotal		\$ 50,000,000	5.0%	\$ 2,500,000	\$ 69,949	\$ 19,446	\$ 89,395
FY23 Social Work Endowments	New Mexico State University	\$ 16,500,000	5.0%	\$ 825,000	\$ 64,522	\$ 17,937	\$ 82,459	10.0
	University of New Mexico	\$ 10,500,000	5.0%	\$ 525,000	\$ 64,522	\$ 17,937	\$ 82,459	6.4
	Eastern New Mexico University	\$ 9,000,000	5.0%	\$ 450,000	\$ 64,522	\$ 17,937	\$ 82,459	5.5
	New Mexico Highlands University	\$ 8,000,000	5.0%	\$ 400,000	\$ 64,522	\$ 17,937	\$ 82,459	4.9
	Western New Mexico University	\$ 6,000,000	5.0%	\$ 300,000	\$ 64,522	\$ 17,937	\$ 82,459	3.6
	Subtotal		\$ 50,000,000	5.0%	\$ 2,500,000	\$ 64,522	\$ 17,937	\$ 82,459
FY24 Nursing Endowments	University of New Mexico	\$ 2,500,000	5.0%	\$ 125,000	\$ 77,221	\$ 21,467	\$ 98,688	1.3
	New Mexico State University	\$ 1,750,000	5.0%	\$ 87,500	\$ 77,221	\$ 21,467	\$ 98,688	0.9
	New Mexico State University-DACC	\$ 500,000	5.0%	\$ 25,000	\$ 77,221	\$ 21,467	\$ 98,688	0.3
	New Mexico Highlands University	\$ 1,000,000	5.0%	\$ 50,000	\$ 77,221	\$ 21,467	\$ 98,688	0.5
	Western New Mexico University	\$ 1,000,000	5.0%	\$ 50,000	\$ 77,221	\$ 21,467	\$ 98,688	0.5
	Eastern New Mexico University	\$ 1,000,000	5.0%	\$ 50,000	\$ 77,221	\$ 21,467	\$ 98,688	0.5
	Eastern New Mexico University-Roswell	\$ 500,000	5.0%	\$ 25,000	\$ 77,221	\$ 21,467	\$ 98,688	0.3
	San Juan College	\$ 950,000	5.0%	\$ 47,500	\$ 77,221	\$ 21,467	\$ 98,688	0.5
	Northern New Mexico College	\$ 500,000	5.0%	\$ 25,000	\$ 77,221	\$ 21,467	\$ 98,688	0.3
	New Mexico Junior College	\$ 300,000	5.0%	\$ 15,000	\$ 77,221	\$ 21,467	\$ 98,688	0.2
Subtotal		\$ 10,000,000	5.0%	\$ 500,000	\$ 77,221	\$ 21,467	\$ 98,688	5.1
FY24 Social Work Financial Aid Endowments	Western New Mexico University	\$ 6,076,923	5.0%	\$ 303,846	\$ -	\$ -	\$ -	-
	New Mexico Highlands University	\$ 5,076,923	5.0%	\$ 253,846	\$ -	\$ -	\$ -	-
	Eastern New Mexico University	\$ 2,038,462	5.0%	\$ 101,923	\$ -	\$ -	\$ -	-
	New Mexico State University	\$ 1,807,692	5.0%	\$ 90,385	\$ -	\$ -	\$ -	-
Subtotal		\$ 15,000,000	5.0%	\$ 750,000	\$ -	\$ -	\$ -	-
FY25 Social Work Faculty and Financial Aid Endowments	New Mexico Highlands University	\$ 3,855,422	5.0%	\$ 192,771	\$ 64,522	\$ 17,937	\$ 82,459	2.3
	Western New Mexico University	\$ 2,556,893	5.0%	\$ 127,845	\$ 64,522	\$ 17,937	\$ 82,459	1.6
	New Mexico State University	\$ 2,409,639	5.0%	\$ 120,482	\$ 64,522	\$ 17,937	\$ 82,459	1.5
	Eastern New Mexico University	\$ 1,178,046	5.0%	\$ 58,902	\$ 64,522	\$ 17,937	\$ 82,459	0.7
	Subtotal		\$ 10,000,000	5.0%	\$ 500,000	\$ 64,522	\$ 17,937	\$ 82,459
Total Distributed Endowments		\$ 165,000,000	5.0%	\$ 8,250,000				84.6
Undistributed FY24 Social Work Endowment Funding		\$ 5,000,000	5.0%	\$ 250,000	\$ 64,522	\$ 17,937	\$ 82,459	3.0
Total Endowment Appropriation Funding		\$ 170,000,000	5.0%	\$ 8,500,000				87.6

Note: These data include a 27.8 percent benefits rate based on an Education Retirement Board rate of 18.15 percent required by Section 22-11-21(A)(3) NMSA 1978, a retiree health rate of 2 percent required by Section 10-7C-15(A)(1)(d) NMSA 1978, and a 7.65 percent Federal Insurance Contributions Act federal payroll tax.

Source: LFC analysis of higher education endowment data and U.S. Department of Labor Statistics estimates for New Mexico.

Appendix I. FY25 Endowment Uses

Appropriation Name	Higher Education Institution Name	Amount Received by Higher Education Institution for Original Endowment Corpus	FY25 Distributed Amount Spent on Faculty Salaries (as of March 31, 2025)	FY25 Number of Full-Time Equivalent (FTE) Faculty Supported by Endowment Distribution	FY25 Distributed Amount Spent on Financial Aid or Paid Practica for Students (as of March 31, 2025)	FY25 Number of Students Awarded Financial Aid or Paid Practica
FY23 Nursing Endowments	University of New Mexico	\$ 6,500,000	\$ -	-	\$ -	-
	University of New Mexico-Gallup	\$ 2,500,000				
	New Mexico State University	\$ 2,500,000	\$ 81,749	1	\$ -	-
	New Mexico State University-DACC	\$ 2,500,000	\$ 11,903	1	\$ -	-
	New Mexico Highlands University	\$ 2,500,000	\$ 25,157	1	\$ -	-
	Northern New Mexico College	\$ 2,500,000	\$ -	-	\$ -	-
	Western New Mexico University	\$ 2,000,000	\$ -	-	\$ -	-
	Central New Mexico Community College	\$ 3,000,000	\$ 154,820	2	\$ -	-
	San Juan College	\$ 2,000,000	\$ -	-	\$ -	-
	Santa Fe Community College	\$ 2,000,000	\$ 90,999	8	\$ -	-
	Mesalands Community College	\$ 2,000,000	\$ 87,249	1	\$ -	-
Subtotal	\$ 30,000,000	\$ 451,877	13	\$ -	-	
FY23 Teacher Education Endowments	University of New Mexico	\$ 19,500,000	\$ 583,977	8	\$ -	-
	University of New Mexico - Gallup Branch					
	New Mexico Highlands University	\$ 10,000,000	\$ 243,897	5	\$ -	-
	New Mexico State University	\$ 5,000,000	\$ 91,008	6	\$ -	-
	New Mexico State University-DACC	\$ 1,000,000	\$ 43,031	5	\$ -	-
	New Mexico Institute of Mining and Technology	\$ 5,000,000	\$ 41,906	1	\$ -	-
	Western New Mexico University	\$ 5,000,000	\$ -	-	\$ -	-
	Northern New Mexico College	\$ 2,500,000	\$ -	-	\$ -	-
Central New Mexico Community College	\$ 2,000,000	\$ 28,196	1	\$ -	-	
Subtotal	\$ 50,000,000	\$ 1,032,013	26	\$ -	-	
FY23 Social Work Endowments	New Mexico State University	\$ 16,500,000	\$ 325,137	5	\$ -	-
	University of New Mexico	\$ 10,500,000	\$ 69,374	1	\$ -	-
	Eastern New Mexico University	\$ 9,000,000	\$ 332,866	4	\$ -	-
	New Mexico Highlands University	\$ 8,000,000	\$ 246,323	4	\$ -	-
	Western New Mexico University	\$ 6,000,000	\$ -	-	\$ -	-
	Subtotal	\$ 50,000,000	\$ 973,700.93	13	\$ -	-
FY24 Nursing Endowments	University of New Mexico	\$ 2,500,000	\$ -	-	\$ -	-
	New Mexico State University	\$ 1,750,000	\$ -	-	\$ -	-
	New Mexico State University-DACC	\$ 500,000	\$ -	-	\$ -	-
	New Mexico Highlands University	\$ 1,000,000	\$ -	-	\$ -	-
	Western New Mexico University	\$ 1,000,000	\$ -	-	\$ -	-
	Eastern New Mexico University	\$ 1,000,000	\$ -	-	\$ -	-
	Eastern New Mexico University-Roswell	\$ 500,000	\$ -	-	\$ -	-
	San Juan College	\$ 950,000	\$ -	-	\$ -	-
	Northern New Mexico College	\$ 500,000	\$ -	-	\$ -	-
	New Mexico Junior College	\$ 300,000	\$ -	-	\$ -	-
Subtotal	\$ 10,000,000	\$ -	-	\$ -	-	
FY24 Social Work Financial Aid Endowments	Western New Mexico University	\$ 6,076,923	\$ -	-	\$ -	-
	New Mexico Highlands University	\$ 5,076,923	\$ -	-	\$ 687,600	-
	Eastern New Mexico University	\$ 2,038,462	\$ -	-	\$ 119,996	15
	New Mexico State University	\$ 1,807,692	\$ -	-	\$ -	-
	Subtotal	\$ 15,000,000	\$ -	-	\$ 807,596	15
FY25 Social Work Faculty and Financial Aid Endowments	New Mexico Highlands University	\$ 3,855,422	\$ -	-	\$ 589,796	100
	Western New Mexico University	\$ 2,556,893	\$ -	-	\$ 134,000	54
	New Mexico State University	\$ 2,409,639	\$ -	-	\$ 235,000	48
	Eastern New Mexico University	\$ 1,178,046	\$ -	-	\$ 170,842	46
	Subtotal	\$ 10,000,000	\$ -	-	\$ 1,129,638	248
Total Distributed Endowments	\$ 165,000,000	\$ 2,457,591	52	\$ 1,937,234	263	
Undistributed FY24 Social Work Endowment Funding	\$ 5,000,000	\$ -	-	\$ -	-	
Total Endowment Appropriation Funding	\$ 170,000,000	\$ 2,457,591	52	\$ 1,937,234	263	

Appendix J. Faculty Full Time Employees in Programs That Received Endowments

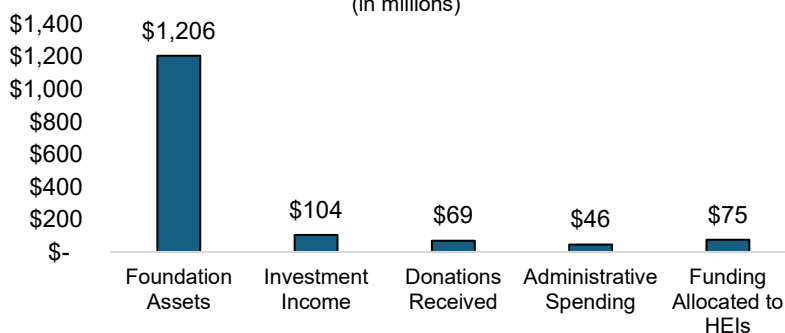
Program Name	Higher Education Institution Name	FY23	FY24	FY24 Budgeted	FY25 Budgeted
Nursing Programs	University of New Mexico	61.8	66.9	102.6	99.0
	University of New Mexico - Gallup	7.0	5.3	7.0	4.8
	New Mexico State University	38.3	47.1	51.7	47.1
	New Mexico State University-DACC	16.6	15.7	26.3	21.0
	New Mexico Highlands University	4.0	4.7	5.7	4.7
	Eastern New Mexico University	4.0	4.0	4.0	4.0
	Eastern New Mexico University-Roswell	9.3	9.3	7.6	10.3
	Northern New Mexico College	11.8	10.8	11.8	10.8
	Western New Mexico University	13.6	18.6	15.5	19.0
	Central New Mexico Community College	21.5	46.6	28.0	52.7
	San Juan College	12.7	9.3	11.1	10.3
	Santa Fe Community College	15.1	15.5	8.0	8.0
	Mesalands Community College	-	2.0	2.0	2.0
	New Mexico Junior College	22.0	12.0	12.0	12.0
	Subtotal		237.6	267.7	293.2
Teacher Programs	University of New Mexico	55.1	64.8	61.2	58.8
	University of New Mexico - Gallup	1.4	1.0	1.1	1.5
	New Mexico Highlands University	21.7	19.9	18.2	14.9
	New Mexico State University	58.9	50.4	54.3	44.3
	New Mexico State University-DACC	11.1	10.7	7.6	7.4
	New Mexico Institute of Mining and Technology	17.0	15.0	17.0	16.0
	Western New Mexico University	32.4	40.8	36.1	18.0
	Northern New Mexico College	3.8	4.8	3.8	4.8
	Central New Mexico Community College	8.4	19.6	17.5	22.0
	Subtotal		209.8	227.0	216.7
Social Work Programs	New Mexico State University	16.1	15.9	18.3	15.3
	University of New Mexico	-	-	-	-
	Eastern New Mexico University	5.0	6.0	-	9.0
	New Mexico Highlands University	6.0	6.00	14.4	0.75
	Western New Mexico University	13.0	14.0	17.0	17.0
Subtotal		40.1	41.9	49.7	42.1
Grand Total		487.5	536.5	559.6	535.4

Source: LFC review of higher education financial reports of actuals (Exhibit 10a), operating budgets, and social work faculty data provided by ENMU, NMHU, and WNMU in September 2024.

Appendix K. Higher Education Foundations Overview

New Mexico higher education foundations collectively held \$1.2 billion in assets in FY24, generated \$104 million in investment income, received \$69 million in donations, and allocated \$75 million back to their parent institutions for scholarships and program support. State law allows a person or organization, such as a college or university, to create a nonprofit corporation like a foundation by filing articles of incorporation with the secretary of state’s office (Section 53-8-30 NMSA 1978). Seventeen state-funded higher education institutions have created nonprofit foundations to solicit, receive, invest, and manage private donations. Every state-funded higher education institution has its own nonprofit foundation with the exception of the UNM and NMSU branch campus community colleges. Higher education foundations collectively reported \$1.2 billion in assets, primarily in long-term investments, in most recent financial audit reports.⁴ These investments generated \$104 million statewide for higher education foundations which equated to roughly 8.6 percent of the total assets. The investment income for foundations, as a percentage of total assets, ranged from a low of 0.01 percent at Luna Community College to a high of 15.8 percent at the Eastern New Mexico University Roswell Community College foundation, which shows the variation in investment approaches at different foundations. The foundations spent \$46 million on administrative and fundraising functions, including at least \$14 million in spending on investment management fees.⁵ The foundations allocated \$74 million back to their parent colleges in FY24 for scholarships, endowed faculty, and programmatic support. The vast majority of foundation balances, 82 percent, are restricted by donors for specific purposes or endowments to support scholarships, endowed faculty, or designated programs.⁶

Chart 17. Financial Overview of New Mexico Higher Education Foundations, FY24
(in millions)



Note: Most recent data for MCC (FY23) and LCC (FY22) used and the data for SENMC unavailable.

Source: LFC review of financial audits.

⁴ As of this analysis, most higher education institutions had completed audits for FY24 with the exceptions of Mesalands Community College (FY23), Luna Community College (FY22), and Southeast New Mexico College (missing audits).

⁵ Foundation spending on investment management fees may be more than the \$14 million identified by LFC staff in financial audits because some institutions may not have disaggregated their investment management fees and instead included their investment management fees in general or administrative spending categories.

⁶ These data on New Mexico higher education foundations do not include the \$2.9 billion in cash and investment assets that colleges own separately from their foundations. Foundations can be responsible for managing college investments even if the foundation does not own those investment assets. Additionally, these data on New Mexico higher education foundations do not include other nonprofit corporations New Mexico colleges have created for athletics fundraising (e.g., UNM Lobo Club, Inc.), the commercialization of research technology (such as UNM Rainforest Innovations, Inc. and NMSU Arrowhead Center, Inc.), or other purposes.