

Higher education institutions have been producing more awards with fewer resources since the introduction of a performance-based budgeting formula, according to data captured through quarterly reporting. Over the past five years, awards conferred to students has grown 10 percent. Fourth quarter FY20 unaudited performance data reveals awards will increase marginally compared with last year.

Declining college enrollment along with state fiscal constraints has depressed instruction and general operating revenue. Meanwhile, dual credit enrollment has increased at several colleges throughout the state by more than 30 percent, adding further cost pressure at those institutions. Dual-credit classes are offered tuition free.

The arrival of COVID-19 on campus could further depress enrollment and revenue, while increasing institutional operating expenses. Throughout the country, many institutions are taking measures to decrease operational costs, or merge with other institutions, or close altogether. Strong state funding, in part, insulates New Mexico institutions from financial impacts of declining enrollment. However, student enrollment may force some New Mexico institutions to consider opportunities to share resources and seek opportunities to reduce expenses.

Higher Education Enrollment During COVID-19

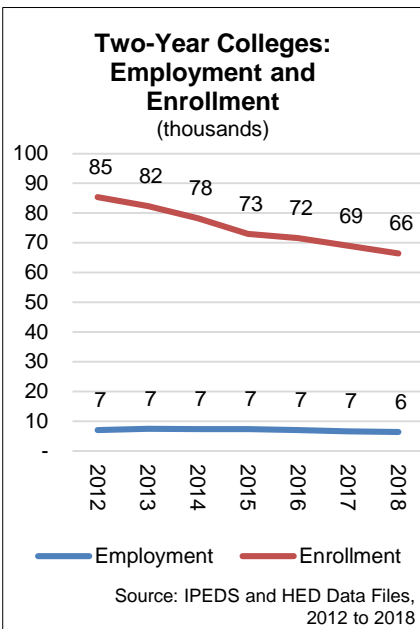
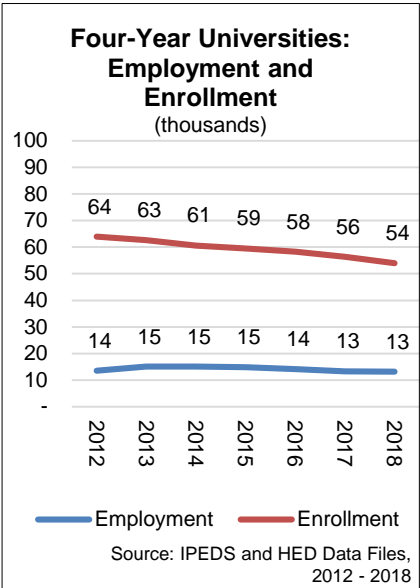
New Mexico college students, whose enrollment choices will impact the finances of colleges and universities throughout the state, have been impacted by institutional responses to COVID-19. The protocols are challenging students' expectation for a college education and experience, with some students changing their plans for the fall semester. Some students are postponing their education; some four-year university students are enrolling at a local two-year community college for online courses.

Colleges and universities have built their digital online infrastructure in similar form to their physical campus: similar numbers of faculty and staff, same course offerings and time slots. Now, the online redundancy will offer students an in-person or digital choice, increasing access to college for New Mexico students. Some institutions in smaller communities, who have experienced minimal student participation on campus, are developing alternative uses for their campuses, such as teaching high school students in dual credit or early college high school programs, or allowing local employers to train their employees on campus, or developing community-based centers such as gyms or performing arts theaters.

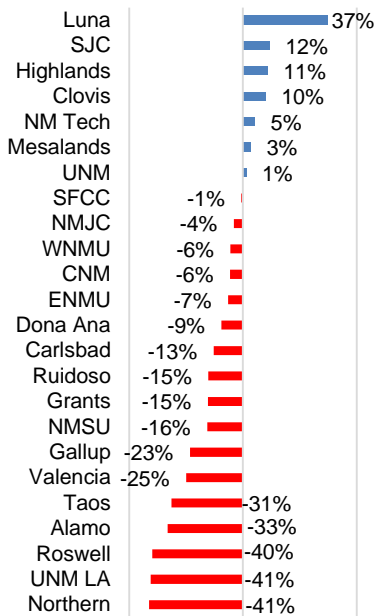
Preliminary data for the fall semester shows the enrollment picture on campus is mixed. Four-year universities may be attracting more students, who have traditionally sought out-of-state institutions. Addressing a LFC concern, some institutions are reporting improvement in the number of first-time freshman, an important element for future enrollment. To their credit, four-year universities have been shifting employees to student-support positions and setting targets for enrollment management teams as an effort to capture a greater share of college-bound New Mexico high school graduates.

ACTION PLAN

Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No



Employment: Growth 2012 to 2018



Source: US DOE Integrated Postsecondary Education Data System, 2012 - 2018

Overall, initial estimates of enrollment are flat or marginally positive in the four-year sector. Two-year colleges, both the branch campus community colleges and independent community colleges, have been anticipating enrollment declines of more than 20 percent for the fall semester. Preliminary data shows enrollment may improve compared with the initial estimates, though still down. Community colleges are less reliant on tuition and fee revenues because they receive local property tax revenues. Some colleges, however, have grown increasingly reliant on state funding, and in light of declining enrollment, could have difficulty balancing operating costs without the use of reserves or greater support from state appropriations. Two-year college may no longer be able to provide free tuition for dual-credit students without support from the public school districts to whom they provide the service.

Higher Education Employment at Colleges and Universities

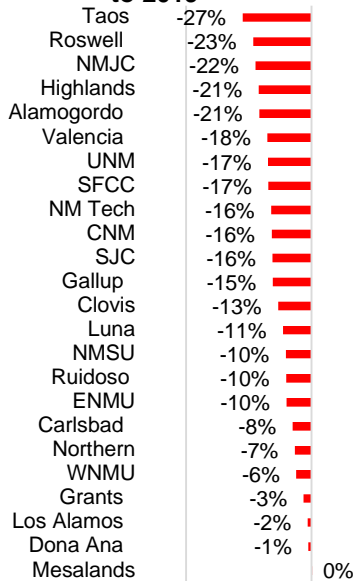
Statewide, at the public colleges and universities throughout the state, the number of employees has declined by 5.7 percent, or 1,181 full time positions, from 2012 (20,783 employees) to 2018 (19,602 employees), according to data published by the U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS). The IPEDS data, reflecting a two-year lag, provides a glimpse of trends for employment on campus, providing useful insight to shifts in core employment categories and types of employment. Importantly, the trends reveal shifts between part-time and full-time employees, shifts from administrative staff positions to management or faculty, and in some cases, shifts into student-centered positions.

Four-Year Universities. Enrollment declined by 15.5 percent, or close to 10,000 students, at four-year universities over the past five years. From 2012 to 2018, the number of employees at higher education institutions declined by 4.2 percent, or 581 positions. Three institutions increased employment: New Mexico Highlands increased by 57 positions; New Mexico Tech by 43 positions and University of New Mexico by 106 positions. New Mexico State University, addressing its structural financial deficit in 2017, reduced employment by 576 positions.

The modest increase of 106 employees at UNM, at an institution experiencing a 17 percent student enrollment decline, shields sizeable shifts in the types of employment at the university: part-time employees were reduced by 627 positions; faculty increased by more than 700 positions occurring primarily in the medical school, management increased by 600 positions, and lower-level staff positions suffered losses of 685 positions. UNM reports the shift in positions may be misstated by changes in data reporting requirements at the federal level.

When student enrollment dropped by 21 percent, New Mexico Highlands University increased faculty by almost 100 positions – or 11 percent growth -- all of whom were part-time faculty. The university reports that it has increased its hiring of student success positions, an effort to reverse enrollment declines and improve graduation outcomes. Highlands has begun to assess its enrollments at offsite locations and recently closed its presence at ENMU Roswell. At New Mexico Tech, a specialized research university focused on science and engineering, management positions were eliminated to increase faculty and student advisers. The institution suffered from a 16 percent reduction in enrollment, prompting a renewed focus on student recruitment, an initiative paying off. Preliminary data shows an increase in first time freshmen enrolling at New Mexico Tech, beginning to reverse the enrollment decline over the past five years.

Enrollment: Growth 2015 to 2019



Source: HED EDEAR System Data for 2015 to 2019,

At least two universities reduced employment during this timeframe to mitigate financial exigency. Northern New Mexico College, confronting financial mismanagement and fraud, began to reduce its staff in 2016. Northern reduced faculty and staff evenly, with the exception of increasing its student support positions. At NMSU, the Chancellor reduced employment by 576 positions, or 16 percent, after engaging Deloitte Consulting to complete a staffing study. The move was intended to right-size the institution in light of enrollment declines of 16 percent.

Two-Year Community Colleges. From 2012 to 2018, enrollment declined by 22 percent, or close to 19,000 students, at two-year colleges. During the same period, the number of employees declined by 8.6 percent, or 600 positions. Branch campuses endured the brunt of the reductions, by reducing employment by 637 positions, or 24 percent, when independent community colleges increased employment by 1 percent. Four independent colleges increased employment: Clovis CC by 10 percent, San Juan College by 12 percent, Mesalands by 3 percent, and Luna CC increased staff by 37 percent from 134 to 184 employees. Luna’s student enrollment declined by 11 percent.

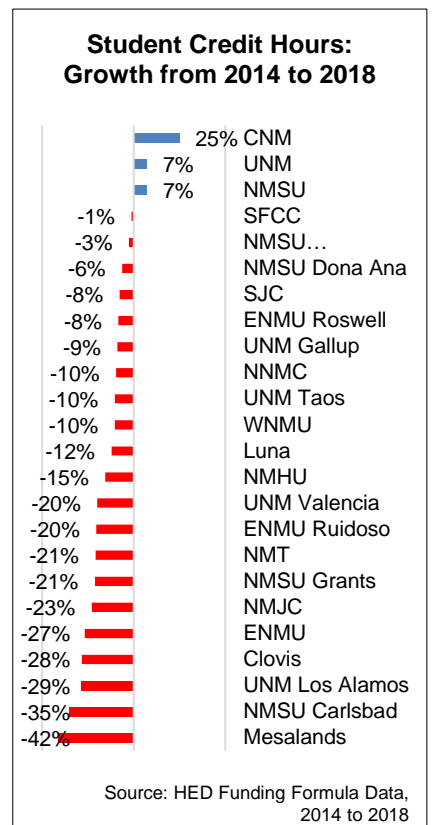
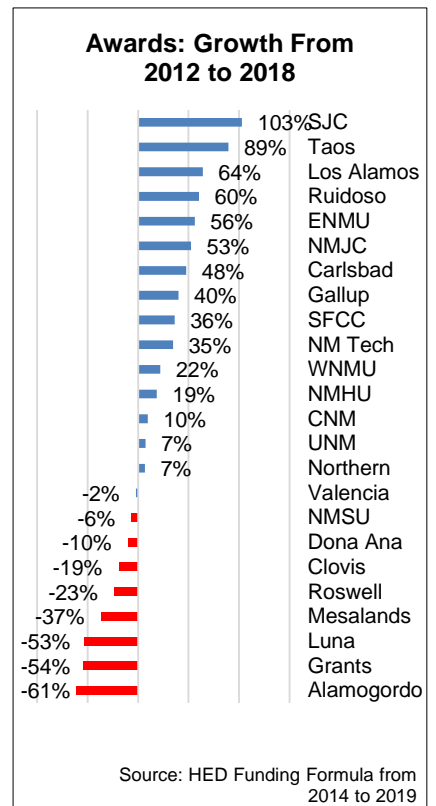
In contrast, branch campus community colleges all reported employment losses during this time period. ENMU Roswell and UNM Los Alamos reduced its employment by 40 percent. On average, the UNM system reduced employment by 30 percent, the NMSU system by 17 percent, and the ENMU branches by 28 percent. Overall, the branch campuses absorbed 53 percent of the employment losses of the entire higher education sector.

Higher Education Workload and Outcomes

Both declining, employment and enrollment are inputs into the higher education system. Institutional outcomes – student credit hours and degrees – show mixed results. Awards have increased, graduation rates at some institutions have improved, and time-to-graduation at some institutions has decreased. One output, student credit hours, which is a measure of faculty workload, declined proportionally with student enrollment.

Overall, the number of awards conferred to students increased by 10 percent. Sixty-three percent of the growth in awards came from independent community colleges, which despite a 17 percent decline in student credit hours, were able to confer 1,400 more awards than five years ago. Independent community colleges increased awards from 8,338 in 2012 to 9,774 in 2018. That independent community colleges can increase awards when workload is dropping indicates an increase in certificates requiring less than two years to earn, a point highlighted by the *2018 LFC Performance Evaluation on the Higher Education Funding Formula*.

Universities increased the number of awards significantly like independent community colleges, but did so in bachelor’s and master’s degrees, both of which increased by more than 10 percent over the past five years. Moreover, the research universities are producing more STEM degrees than compared with five years ago to meet strong demand from national laboratories. Eastern New Mexico University and Western New Mexico University have substantially increased the number of master’s degrees awarded compared with five years ago with programs in teacher education and social work.



Growth at Colleges and Universities: Net Increase/Decrease from 2012 to 2018								
	Employment		Enrollment		Student Credit Hours		Awards	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
HEIs Total	(1,181)	-6%	(17,217)	-14%	(346,705)	-13%	2,249	10%
New Mexico Tech	43	5%	(368)	-16%	(3,896)	-8%	101	35%
NMSU	(576)	-16%	(1,687)	-10%	(46,643)	-12%	(216)	-6%
UNM	106	1%	(4,920)	-17%	(56,771)	-9%	380	7%
Research Universities	(427)	-4%	(6,970)	-15%	(107,310)	-10%	265	3%
NM Highlands	57	11%	(791)	-21%	(6,417)	-8%	464	56%
ENMU	(42)	-7%	(545)	-10%	(1,422)	-1%	151	19%
Northern NM College	(142)	-41%	(64)	-7%	(8,742)	-28%	11	7%
WNMU	(27)	-6%	(177)	-6%	(7,042)	-10%	112	22%
Regional Universities	(154)	-8%	(1,577)	-12%	(23,623)	-8%	738	32%
ENMU Roswell	(195)	-40%	(406)	-23%	(11,584)	-20%	(141)	-23%
ENMU Ruidoso	(14)	-15%	(41)	-10%	(4,328)	-35%	29	60%
NMSU Alamogordo	(75)	-33%	(364)	-21%	(16,156)	-42%	(145)	-61%
NMSU Carlsbad	(20)	-13%	(90)	-8%	1,981	7%	51	48%
NMSU Dona Ana	(71)	-9%	(101)	-1%	(15,546)	-10%	(118)	-10%
NMSU Grants	(15)	-15%	(21)	-3%	(3,072)	-21%	(68)	-54%
UNM Gallup	(59)	-23%	(326)	-15%	(9,864)	-20%	96	40%
UNM Los Alamos	(63)	-41%	(14)	-2%	823	7%	43	64%
UNM Taos	(66)	-31%	(310)	-27%	(7,211)	-29%	67	89%
UNM Valencia	(59)	-25%	(306)	-18%	(5,557)	-15%	(4)	-2%
Branches	(637)	-24%	(1,979)	-10%	(70,514)	-17%	(190)	-7%
CNM CC	(117)	-6%	(3,613)	-16%	(102,723)	-21%	546	10%
NM Junior College	(15)	-4%	(536)	-22%	(3,060)	-6%	144	53%
Clovis CC	26	10%	(391)	-13%	(1,212)	-3%	(118)	-19%
San Juan College	95	12%	(1,079)	-16%	(13,322)	-10%	800	103%
Santa Fe CC	(5)	-1%	(945)	-17%	(21,213)	-23%	241	36%
Mesalands CC	3	3%	1	0%	2,887	25%	(63)	-37%
Luna CC	50	37%	(128)	-11%	(6,614)	-27%	(114)	-53%
Independents	37	1%	(6,691)	-16%	(145,258)	-17%	1,436	17%

Source: HED EDEAR and funding formula data, IPEDS data, LFC Files.