

NEW MEXICO HIGHER EDUCATION DEPARTMENT FY19 HIGHER EDUCATION INSTITUTIONS AND DEPARTMENT BUDGET OVERVIEW



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NEW MEXICO GOVERNOR

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HED CABINET SECRETARY

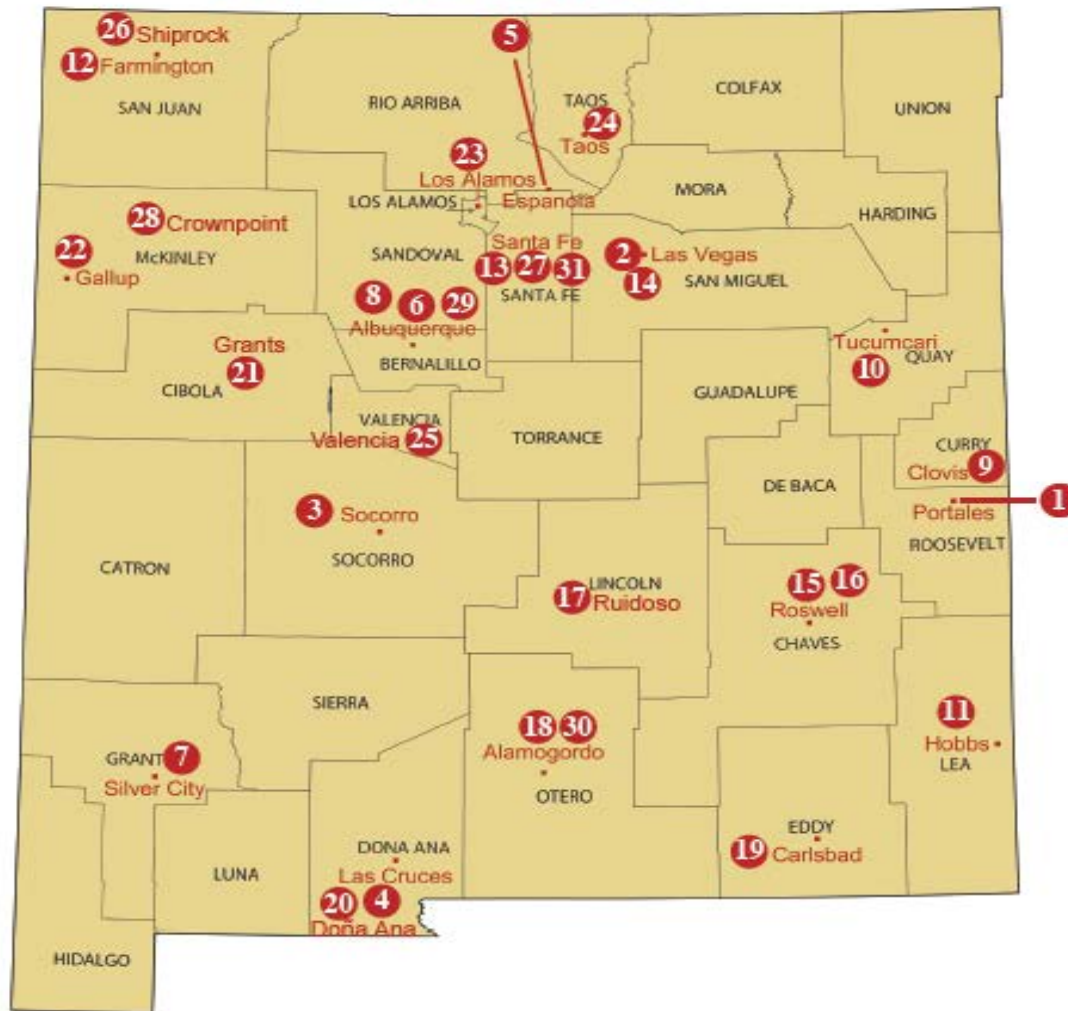
PRESENTATION TO THE LEGISLATIVE FINANCE COMMITTEE
DECEMBER 5, 2017

I&G / RPSP FUNDING RECOMMENDATION



December 5, 2017 Presentation to the Legislative
Finance Committee

STATE-FUNDED COLLEGES, UNIVERSITIES, TRIBAL COLLEGES & SPECIAL SCHOOLS IN NEW MEXICO



FOUR-YEAR PUBLIC COLLEGES & UNIVERSITIES:

- 1 - Eastern New Mexico University, Portales (1934)
- 2 - New Mexico Highlands University, Las Vegas (1893)
- 3 - New Mexico Institute of Mining and Technology, Socorro (1889)
- 4 - New Mexico State University, Las Cruces (1888)
- 5 - Northern New Mexico College, Espanola (1909)
- 6 - University of New Mexico, Albuquerque (1889)
- 7 - Western New Mexico University, Silver City (1893)

TWO-YEAR COMMUNITY COLLEGES:

- 8 - Central New Mexico Community College, Albuquerque (1965)
- 9 - Clovis Community College, Clovis (1961)
- 10 - Mesalands Community College, Tucumcari (1979)
- 11 - New Mexico Junior College, Hobbs (1966)
- 12 - San Juan College, Farmington (1956)
- 13 - Santa Fe Community College, Santa Fe (1983)
- 14 - Luna Community College, Las Vegas (1969)
- 15 - New Mexico Military Institute, Roswell (1945)

TWO-YEAR BRANCH COMMUNITY COLLEGES:

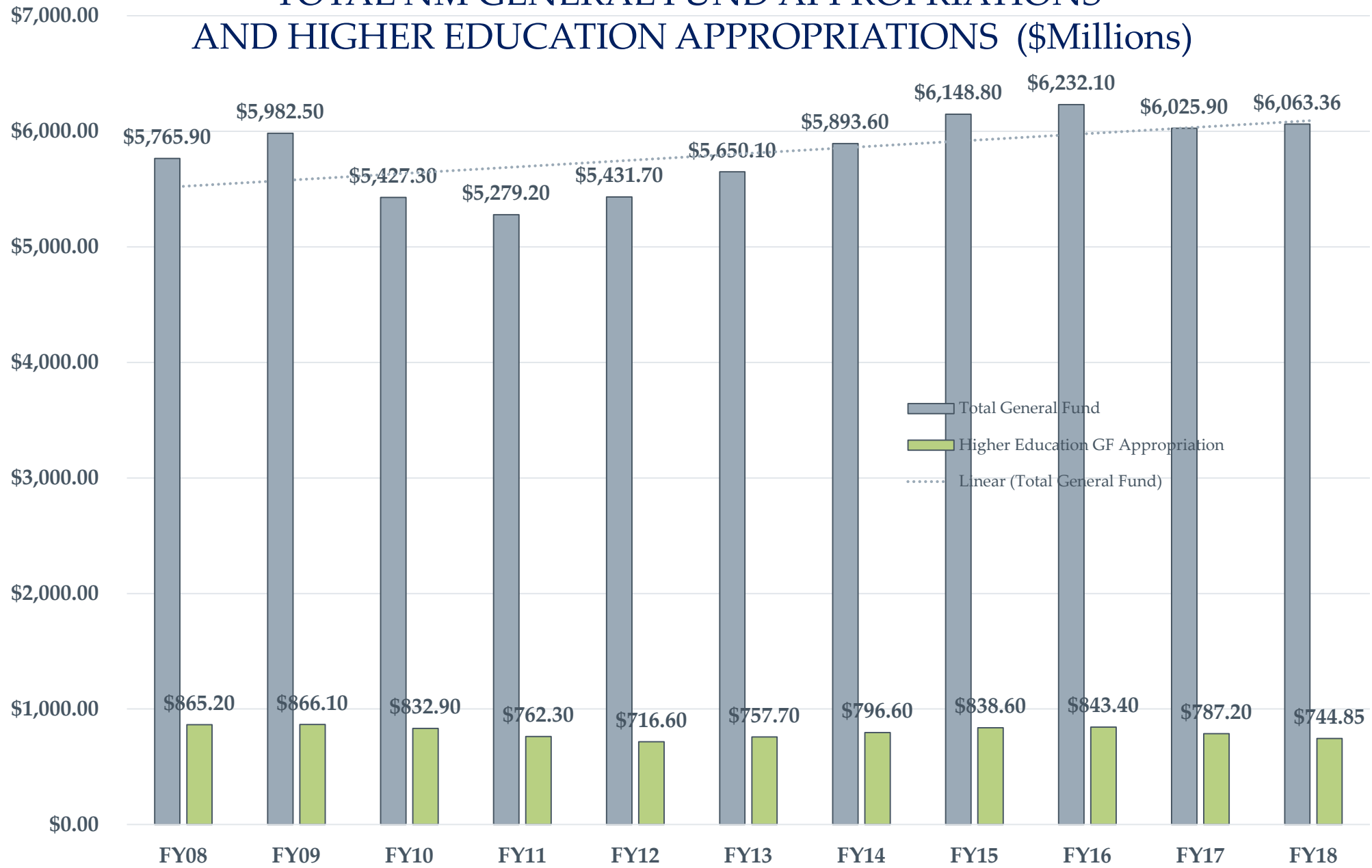
- 16 - ENMU-Roswell (1958)
- 17 - ENMU-Ruidoso (1958)
- 18 - NMSU-Alamogordo (1959)
- 19 - NMSU-Carlsbad (1950)
- 20 - NMSU-Dona Ana (1973)
- 21 - NMSU-Grants (1968)
- 22 - UNM-Gallup (1968)
- 23 - UNM-Los Alamos (1956)
- 24 - UNM-Taos (1923)
- 25 - UNM-Valencia (1978)

TRIBAL COLLEGES:

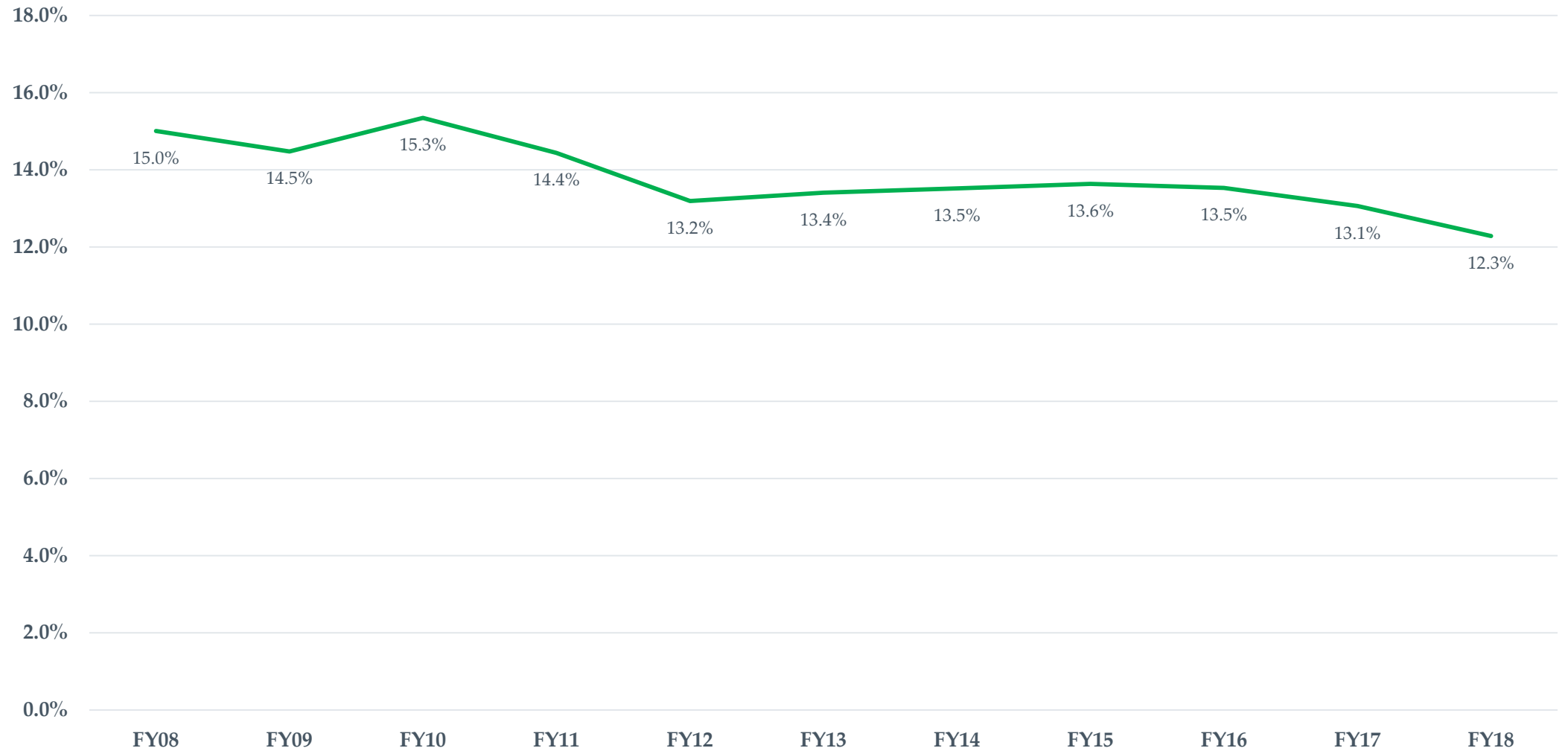
- 26 - Diné College, Shiprock (1968)
- 27 - Institute of American Indian Arts, Santa Fe (1962)
- 28 - Navajo Technical College, Crownpoint (1979)
- 29 - Southwestern Indian Polytechnic Institute, Albuquerque (1971)

Higher Education Sector	Higher Education Institution (HEI)	General Fund I&G Recommendation Method
Research Sector	New Mexico Institute of Mining and Technology New Mexico State University University of New Mexico	NM Higher Education Instruction & General (I&G) Funding Formula
Regional Comprehensive Sector	Eastern New Mexico University New Mexico Highlands University Northern New Mexico College Western New Mexico University	
Branch Community College Sector	Eastern New Mexico University-Roswell Eastern New Mexico University-Ruidoso New Mexico State University-Alamogordo New Mexico State University-Carlsbad New Mexico State University-Dona Ana New Mexico State University-Grants University of New Mexico-Gallup University of New Mexico-Los Alamos University of New Mexico-Taos University of New Mexico-Valencia	
Independent Community College Sector	Central New Mexico Community College Clovis Community College Luna Community College Mesalands Community College New Mexico Junior College San Juan College Santa Fe Community College	
Tribal Colleges	Dine College Institute of American Indian Arts Navajo Technical College Southwestern Indian Polytechnic Institute	
Special Schools	New Mexico Military Institute New Mexico School for the Deaf New Mexico School for the Blind and Visually Impaired	Non – Formula
Health Science Center	University of New Mexico - Health Science Center	Hybrid

TOTAL NM GENERAL FUND APPROPRIATIONS AND HIGHER EDUCATION APPROPRIATIONS (\$Millions)



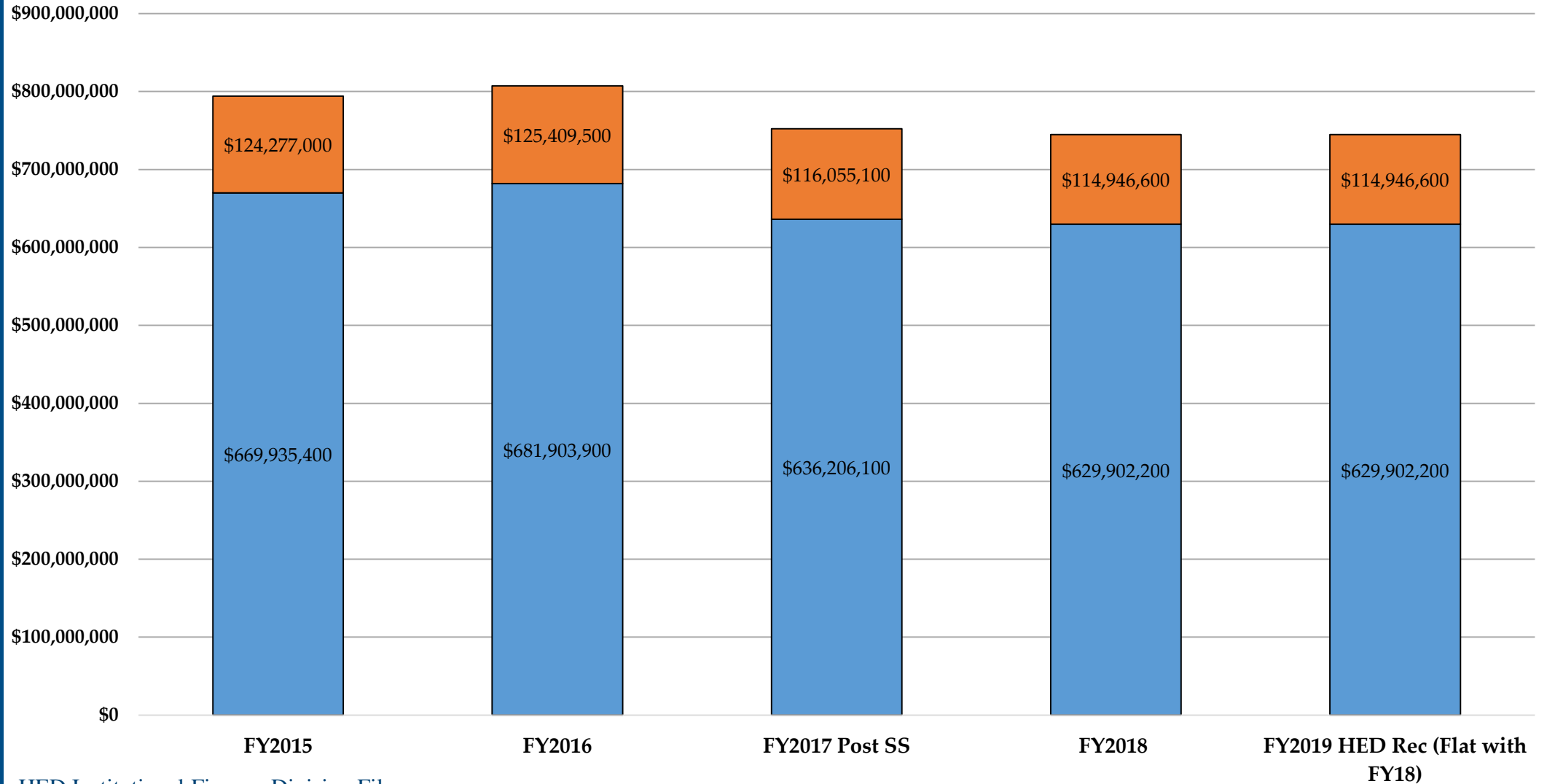
HIGHER EDUCATION APPROPRIATIONS AS A PERCENTAGE OF TOTAL GENERAL FUND APPROPRIATIONS



HED Institutional Finance Files.

Note: Higher Education GF Appropriation includes HEIs and HED.

NM GENERAL FUND SUPPORT FOR HIGHER EDUCATION INSTITUTIONS



HED Institutional Finance Division Files.
Note: Data includes UNM HSC and Special Schools.

■ I&G Funding

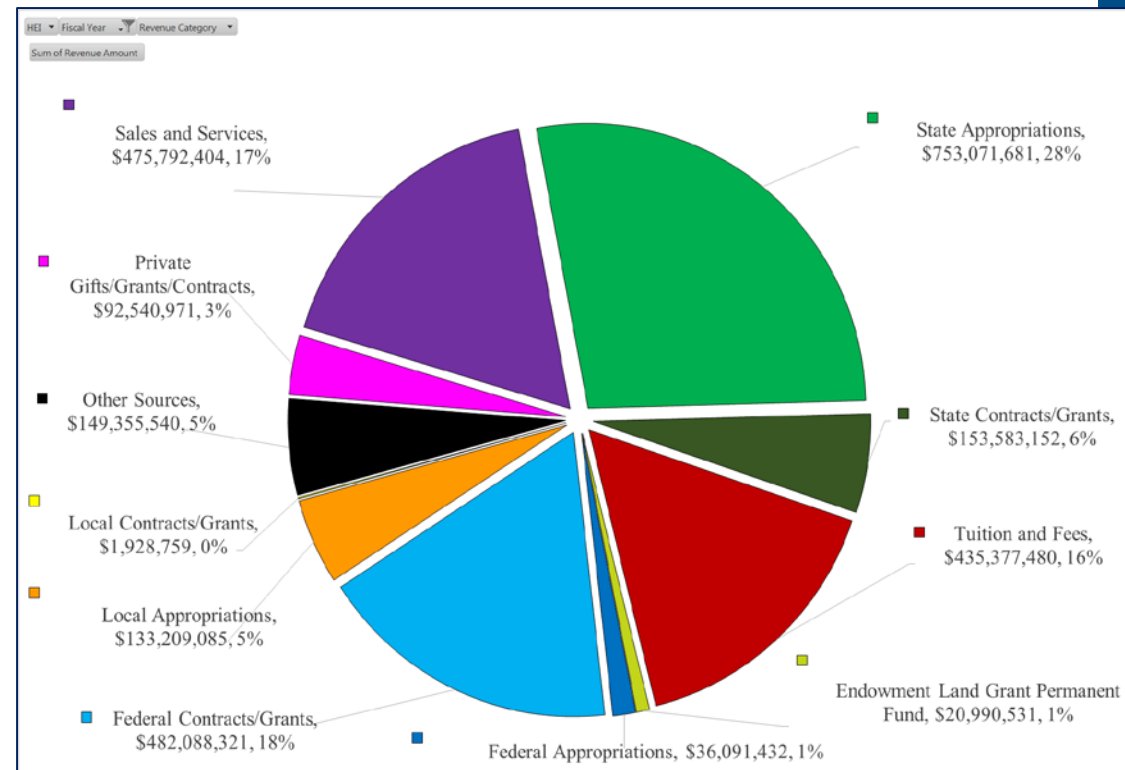
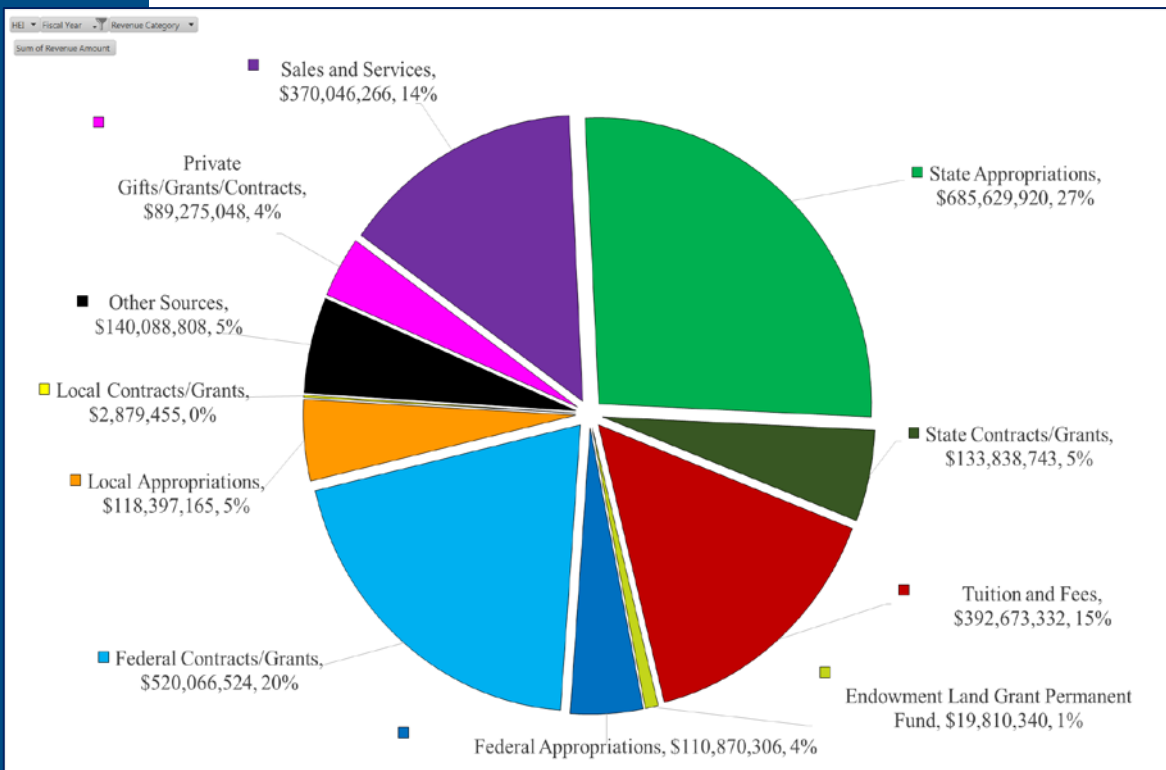
■ RPSP Funding



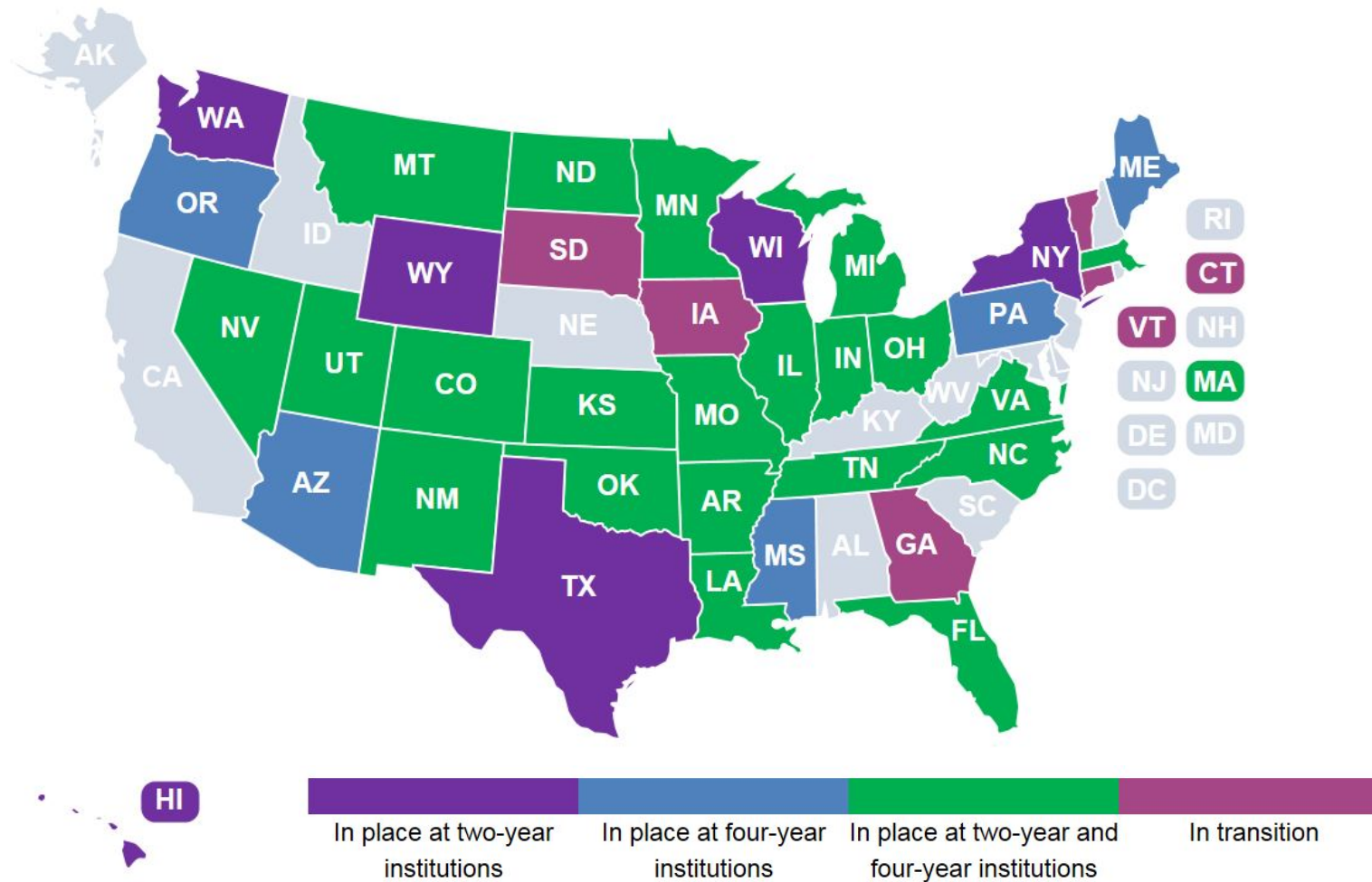
Total Sources of Revenue Unrestricted and Restricted

FY12 ALL HEI TOTAL FUNDING
\$2,583,575,907

FY17 ALL HEI TOTAL FUNDING
\$2,734,029,356



OUTCOMES BASED FUNDING IN HIGHER EDUCATION



In 2016, 32 states utilized some form of outcomes based funding for state higher education institutions.

National Conference of State Legislatures. 2016.

NEW MEXICO PERFORMANCE FUNDING ALIGNS WITH NATIONALLY RECOGNIZED BEST PRACTICES

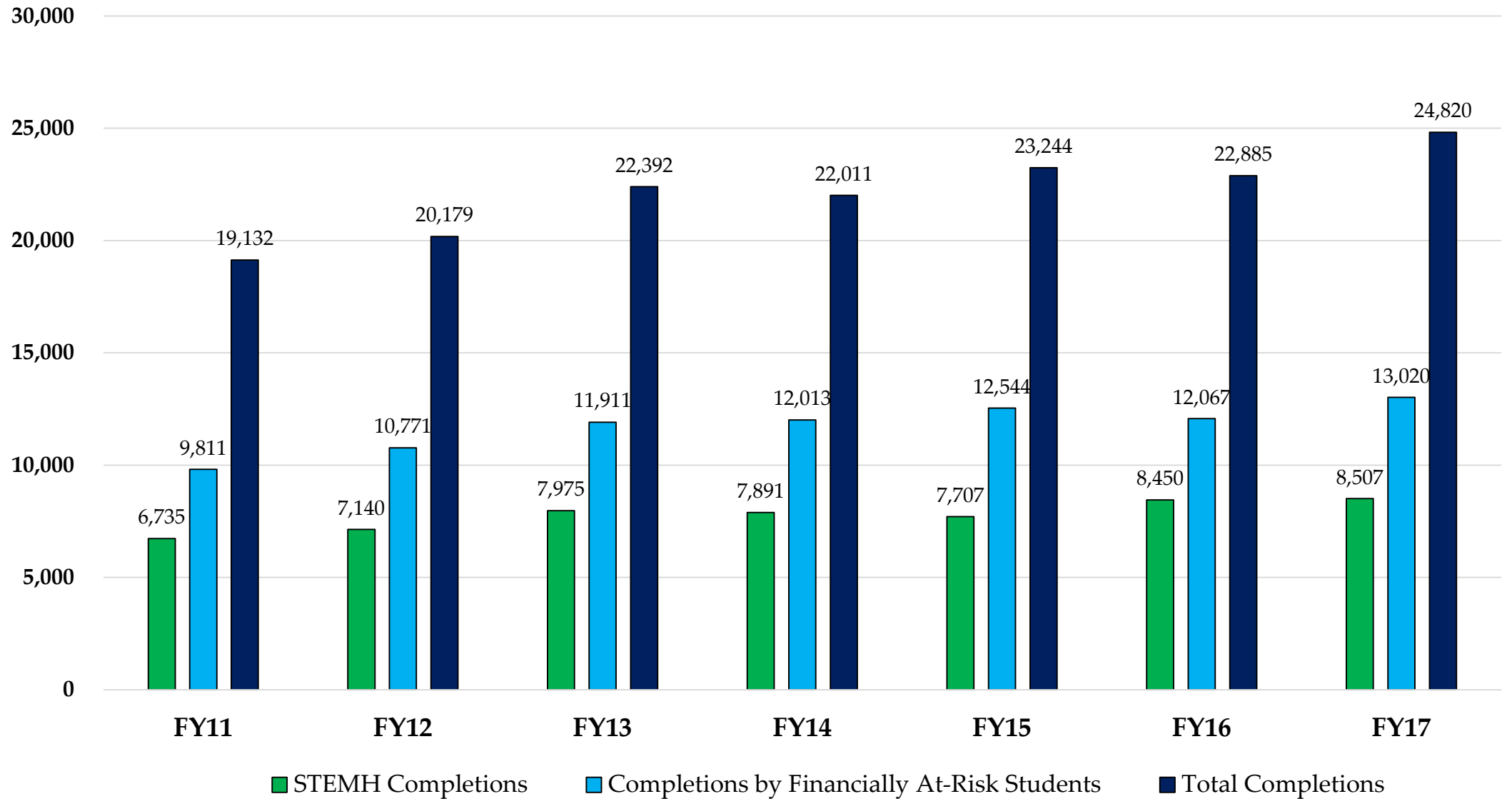
Nationally Recognized Practices

- Gain the support and involvement of key stakeholders early on in the process.
- Develop different funding formulas for community colleges and universities or use the same formula but weight it differently depending on the type of institution and characteristics of the student population
- Integrate all metrics and provisions into the state higher-education-funding formula, as this makes it more durable when states are faced with budget cuts.
- Use indicators that measure both progress and completion, with an emphasis on progress.

New Mexico Funding Formula

- ➔ • Funding Formula Steering and Technical Committees convened
- ➔ • Mission- and Sector-Specific measures (Research, Dual Credit, Momentum Points)
- ➔ • Maintained implementation through solvency issues experienced FY16-FY18.
- ➔ • Formula rewards both completion (awards) and progress (momentum points) and incentivizes completions for at-risk (Pell eligible) students.

NEW MEXICO POSTSECONDARY CREDENTIAL COMPLETIONS

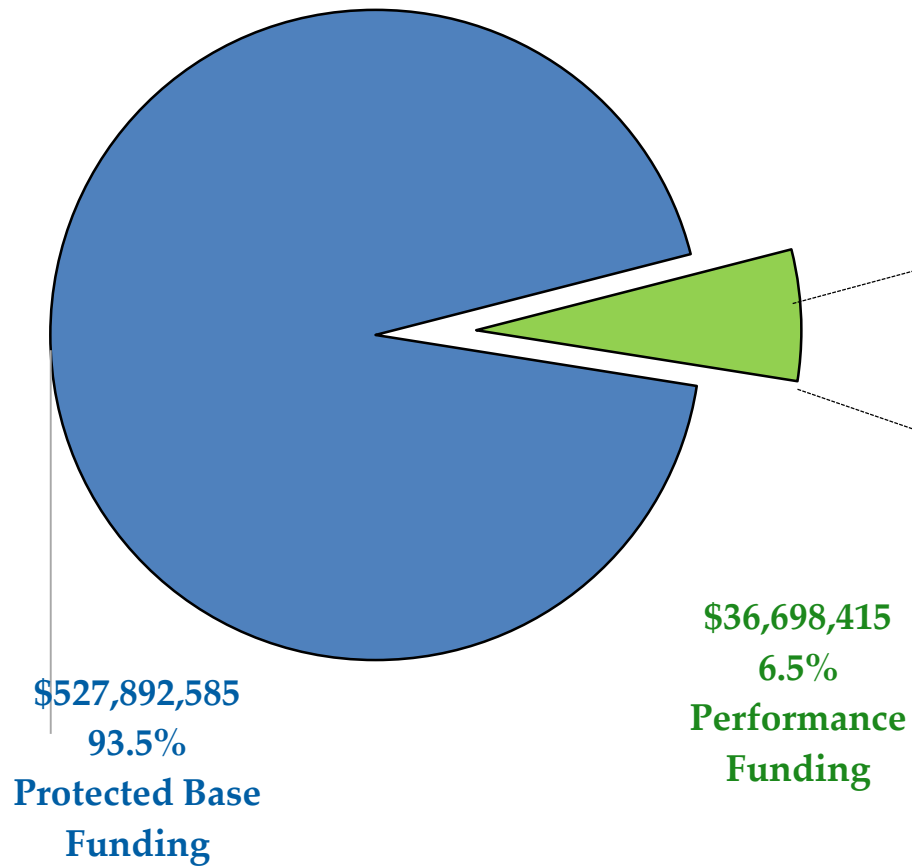


HED Funding Formula Files.

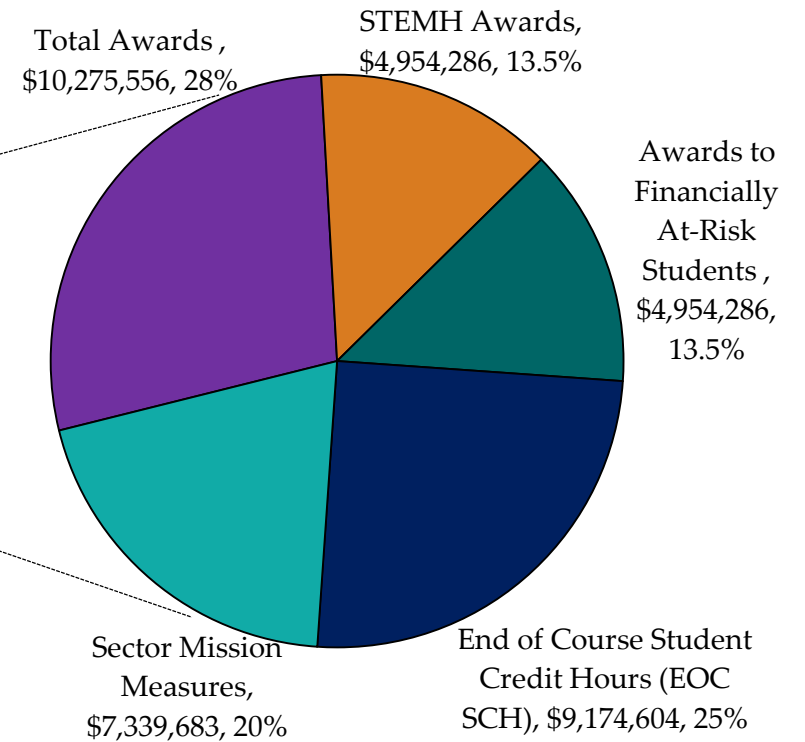
Note: Students are defined as being financially at-risk when their annual Expected Family Contribution (EFC) for college is less than \$5K.

FY19 I&G FUNDING FORMULA RECOMMENDATION

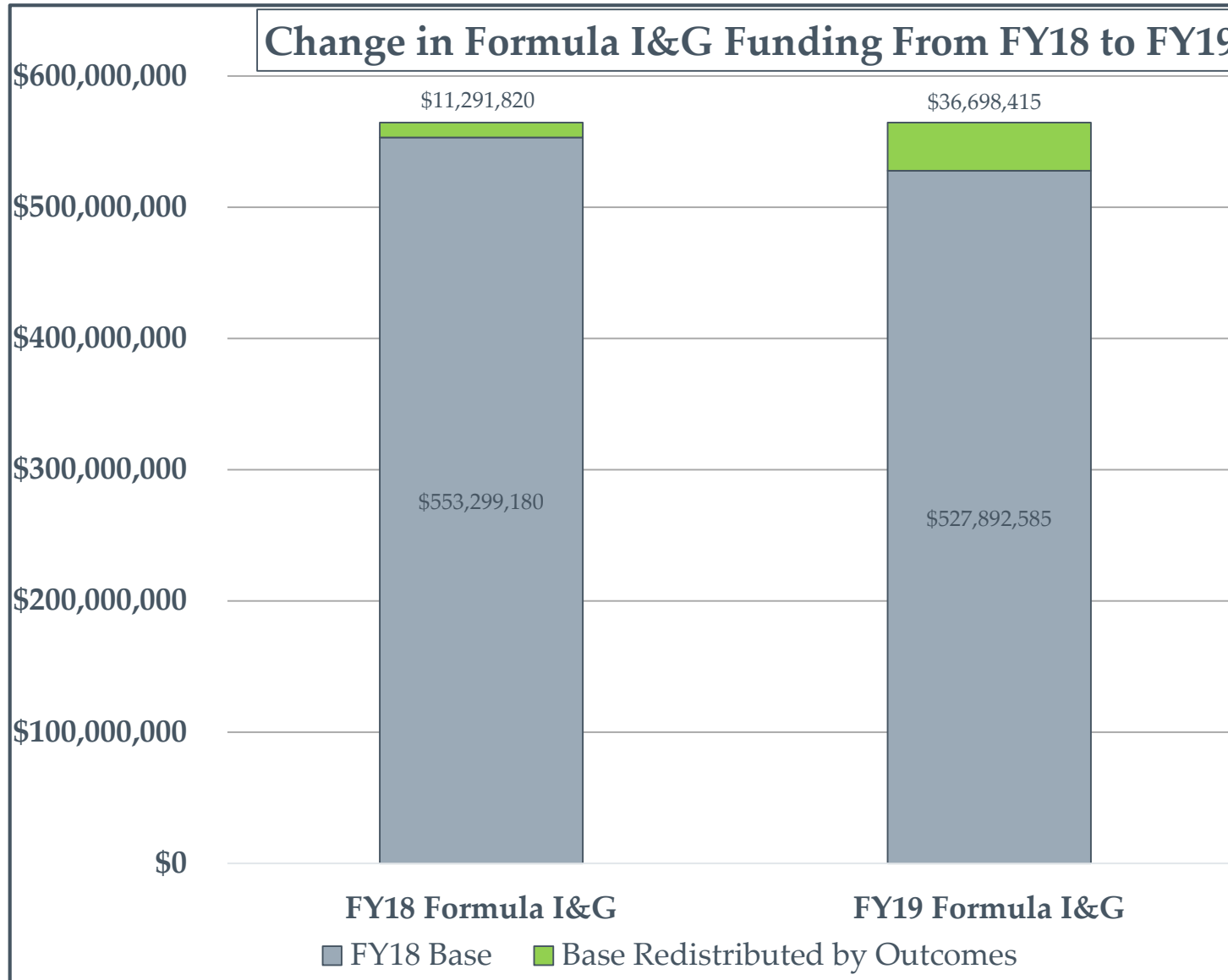
I&G Funding



Performance Measures



FY19 I&G FUNDING FORMULA RECOMMENDATION



- HED's FY19 Funding Formula Recommendation includes *0% new money and redistributes 6.5% of total base I&G funding according to performance measures.*

Proposed FY19 I&G Funding Recommendation

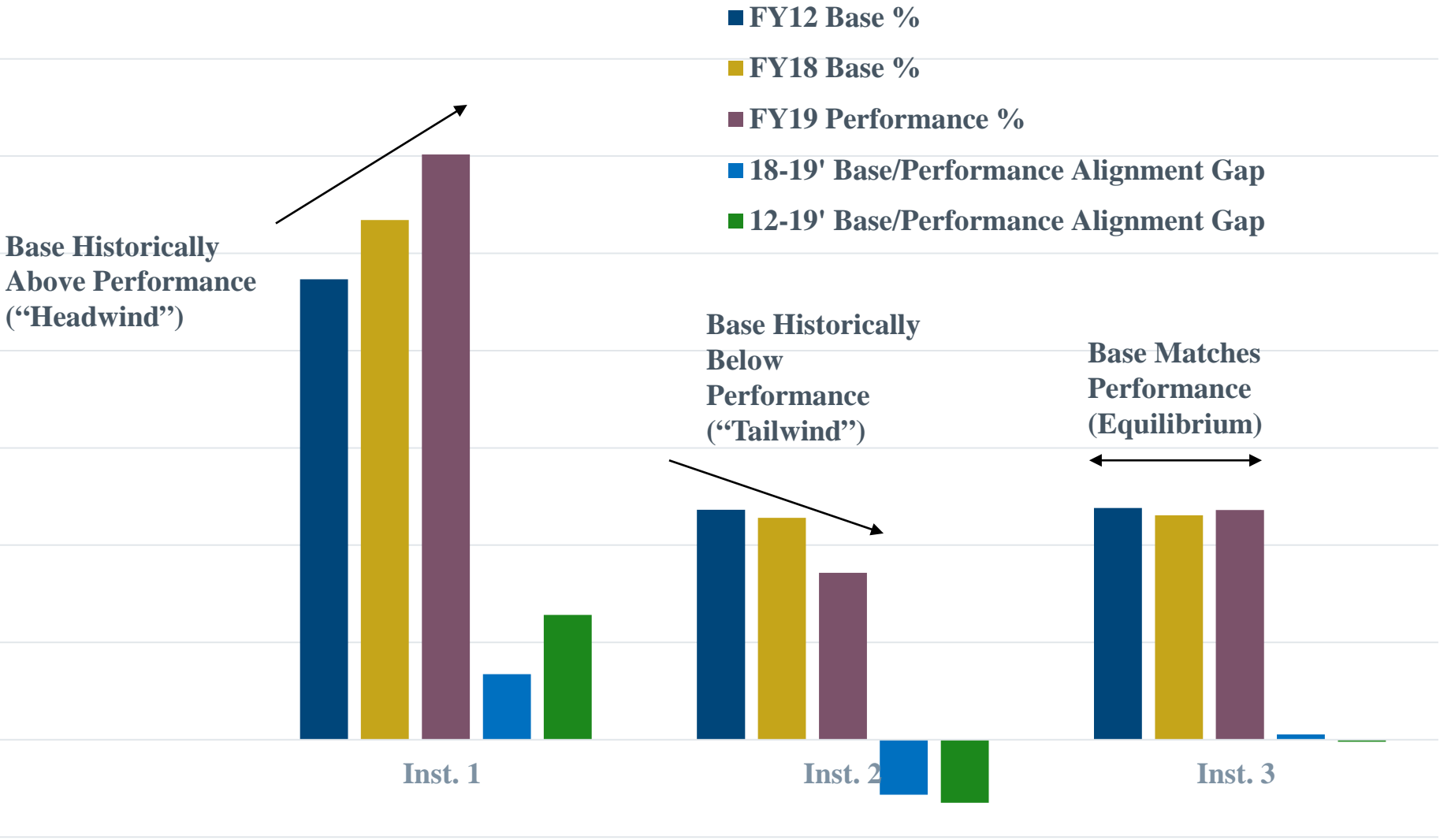
Institution	Proportion of Total I&G Funding with Flat Funding for FY19	FY18 Funding into the FY19 Formula	FY19 Performance Funding		FY19 Total I&G Funding	Change in I&G Funding from FY18 Adjusted Budget	Percentage Change FY18 to FY19
Grand Total	100.00%	\$564,591,000	\$36,698,420	100.00%	\$564,591,000	\$0	0%
University of New Mexico	31.24%	\$175,823,200	\$11,970,070	32.62%	\$176,364,800	\$541,600	0.31%
University of New Mexico-Gallup	1.45%	\$8,407,100	\$311,780	0.85%	\$8,172,400	(\$234,700)	-2.79%
University of New Mexico-Los Alamos	0.30%	\$1,710,400	\$94,170	0.26%	\$1,693,400	(\$17,000)	-0.99%
University of New Mexico-Taos	0.58%	\$3,274,100	\$240,860	0.66%	\$3,302,100	\$28,000	0.86%
University of New Mexico-Valencia	0.91%	\$5,135,200	\$329,000	0.90%	\$5,130,400	(\$4,800)	-0.09%
Subtotal UNM & Branches	34.48%	\$194,350,000	\$12,945,880	35.28%	\$194,663,100	\$313,100	-2.71%
New Mexico State University	19.33%	\$109,438,500	\$6,816,840	18.58%	\$109,141,800	(\$296,700)	-0.27%
New Mexico State University-Alamogordo	1.20%	\$7,036,200	\$181,230	0.49%	\$6,760,100	(\$276,100)	-3.92%
New Mexico State University-Carlsbad	0.68%	\$3,860,000	\$211,320	0.58%	\$3,820,400	(\$39,600)	-1.03%
New Mexico State University-Dona Ana	3.78%	\$21,387,300	\$1,336,950	3.64%	\$21,334,100	(\$53,200)	-0.25%
New Mexico State University-Grants	0.57%	\$3,320,100	\$126,540	0.34%	\$3,230,800	(\$89,300)	-2.69%
Subtotal NMSU & Branches	25.56%	\$145,042,100	\$8,672,880	23.63%	\$144,287,200	(\$754,900)	-8.16%
Eastern New Mexico University	4.57%	\$25,603,100	\$1,873,280	5.10%	\$25,812,200	\$209,100	0.82%
Eastern New Mexico University-Roswell	1.91%	\$10,985,700	\$530,770	1.45%	\$10,802,400	(\$183,300)	-1.67%
Eastern New Mexico University-Ruidoso	0.34%	\$1,936,100	\$106,470	0.29%	\$1,916,700	(\$19,400)	-1.00%
Subtotal ENMU & Branches	6.82%	\$38,524,900	\$2,510,520	6.84%	\$38,531,300	\$6,400	-1.85%
New Mexico Institute of Mining and Technology	4.53%	\$25,523,000	\$1,706,050	4.65%	\$25,570,100	\$47,100	0.18%
New Mexico Highlands University	4.62%	\$26,046,100	\$1,732,800	4.72%	\$26,085,900	\$39,800	0.15%
Northern New Mexico College	1.68%	\$9,706,900	\$381,920	1.04%	\$9,457,900	(\$249,000)	-2.57%
Western New Mexico University	2.87%	\$15,996,900	\$1,262,260	3.44%	\$16,219,400	\$222,500	1.39%
Four Year University & Two Year Branch Totals	80.56%	\$455,189,900	\$29,212,310	79.60%	\$454,814,900	(\$375,000)	-13.56%
Central New Mexico Community College	9.53%	\$52,815,800	\$4,416,510	12.03%	\$53,799,300	\$983,500	1.86%
Clovis Community College	1.59%	\$9,094,100	\$449,620	1.23%	\$8,952,600	(\$141,500)	-1.56%
Luna Community College	1.15%	\$6,730,900	\$175,580	0.48%	\$6,469,000	(\$261,900)	-3.89%
Mesalands Community College	0.66%	\$3,864,200	\$121,120	0.33%	\$3,734,100	(\$130,100)	-3.36%
New Mexico Junior College	0.92%	\$5,157,900	\$346,540	0.94%	\$5,169,200	\$11,300	0.22%
San Juan College	3.96%	\$22,555,400	\$1,259,130	3.43%	\$22,348,400	(\$207,000)	-0.92%
Santa Fe Community College	1.65%	\$9,182,800	\$717,610	1.96%	\$9,303,500	\$120,700	1.31%
Two Year Independent Community College Totals	19.44%	\$109,401,100	\$7,486,110	20.40%	\$109,776,100	\$375,000	-6.33%



Aligning Performance to Base Funding

	FY12 Base		FY18 Base		FY19 Performance	FY19 Percentage of Base
	\$	%	\$	%	%	%
Grand Total	\$520,548,900	100.0%	\$564,591,000	100.0%	100.0%	100.0%
University of New Mexico	\$160,933,600	30.9%	\$175,823,200	31.1%	32.6%	31.1%
University of New Mexico-Gallup	\$8,202,900	1.6%	\$8,407,100	1.5%	0.8%	1.5%
University of New Mexico-Los Alamos	\$1,665,500	0.3%	\$1,710,400	0.3%	0.3%	0.3%
University of New Mexico-Taos	\$2,736,100	0.5%	\$3,274,100	0.6%	0.7%	0.6%
University of New Mexico-Valencia	\$4,673,100	0.9%	\$5,135,200	0.9%	0.9%	0.9%
Subtotal UNM & Branches	\$178,211,200	34.2%	\$194,350,000	34.4%	35.3%	34.4%
New Mexico State University	\$103,002,300	19.8%	\$109,438,500	19.4%	18.6%	19.4%
New Mexico State University-Alamogordo	\$6,554,700	1.3%	\$7,036,200	1.2%	0.5%	1.2%
New Mexico State University-Carlsbad	\$4,234,500	0.8%	\$3,860,000	0.7%	0.6%	0.7%
New Mexico State University-Dona Ana	\$18,291,700	3.5%	\$21,387,300	3.8%	3.6%	3.8%
New Mexico State University-Grants	\$3,258,200	0.6%	\$3,320,100	0.6%	0.3%	0.6%
Subtotal NMSU & Branches	\$135,341,400	26.0%	\$145,042,100	25.7%	23.6%	25.7%
Eastern New Mexico University	\$23,037,400	4.4%	\$25,603,100	4.5%	5.1%	4.5%
Eastern New Mexico University-Roswell	\$10,748,000	2.1%	\$10,985,700	1.9%	1.4%	1.9%
Eastern New Mexico University-Ruidoso	\$1,935,400	0.4%	\$1,936,100	0.3%	0.3%	0.3%
Subtotal ENMU & Branches	\$35,720,800	6.9%	\$38,524,900	6.8%	6.8%	6.8%
New Mexico Institute of Mining and Technology	\$25,111,900	4.8%	\$25,523,000	4.5%	4.6%	4.5%
New Mexico Highlands University	\$24,806,600	4.8%	\$26,046,100	4.6%	4.7%	4.6%
Northern New Mexico College	\$9,895,100	1.9%	\$9,706,900	1.7%	1.0%	1.7%
Western New Mexico University	\$14,031,900	2.7%	\$15,996,900	2.8%	3.4%	2.8%
Four Year University & Two Year Branch Totals	\$423,118,900	74.9%	\$455,189,900	80.6%	79.6%	80.6%
Central New Mexico Community College	\$43,008,000	8.3%	\$52,815,800	9.4%	12.0%	9.4%
Clovis Community College	\$8,397,100	1.6%	\$9,094,100	1.6%	1.2%	1.6%
Luna Community College	\$7,026,300	1.3%	\$6,730,900	1.2%	0.5%	1.2%
Mesalands Community College	\$4,048,500	0.8%	\$3,864,200	0.7%	0.3%	0.7%
New Mexico Junior College	\$5,316,000	1.0%	\$5,157,900	0.9%	0.9%	0.9%
San Juan College	\$21,471,600	4.1%	\$22,555,400	4.0%	3.4%	4.0%
Santa Fe Community College	\$8,162,500	1.6%	\$9,182,800	1.6%	2.0%	1.6%
Two Year Independent Community College Totals	\$97,430,000	18.7%	\$109,401,100	19.4%	20.4%	19.4%

Comparing Base to Performance Alignment FY12 - Present

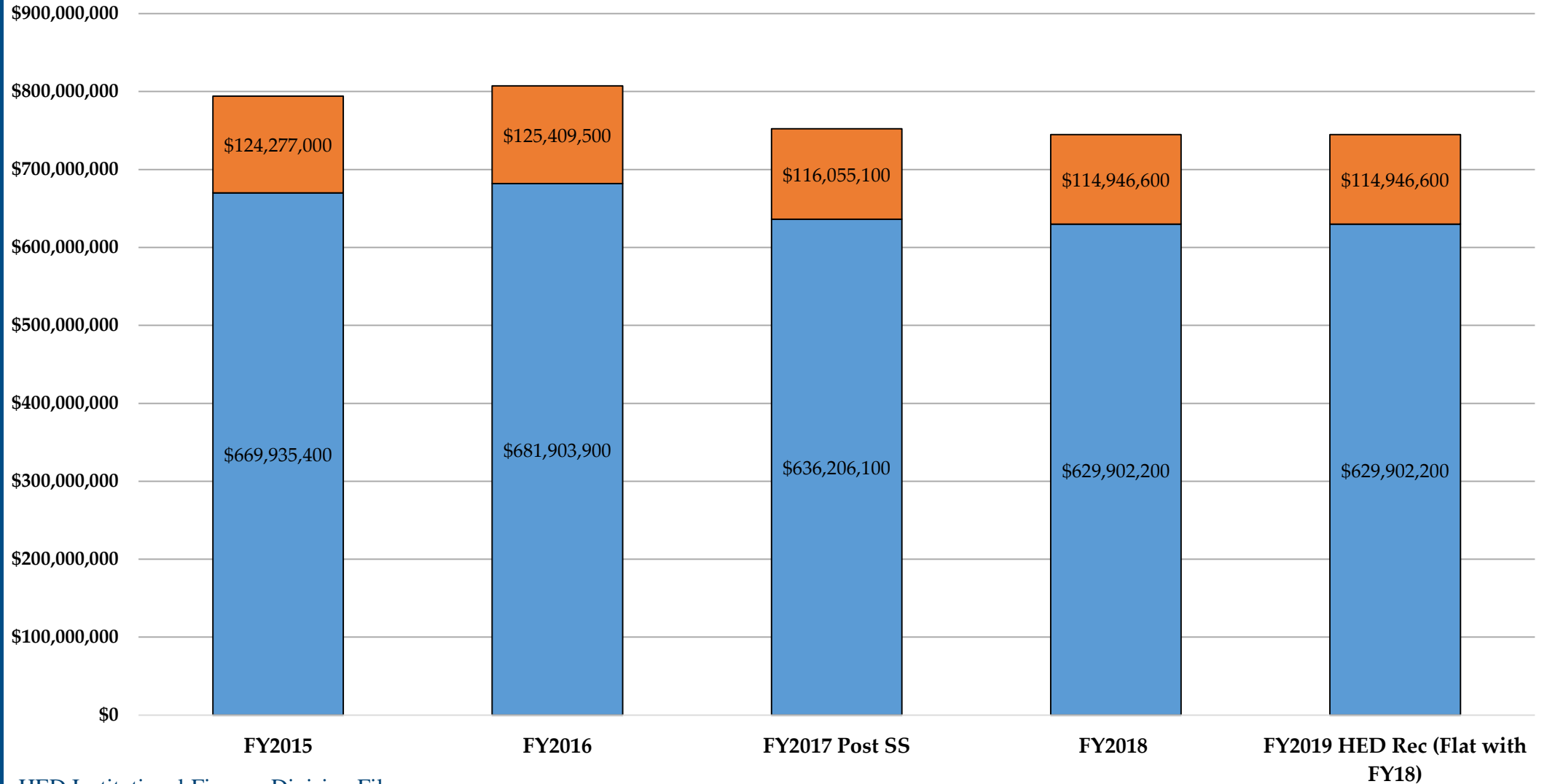




Aligning Performance to Base Funding

- The data shows that over time, institutional funding is more reflective of performance.
- The alignment process is ongoing.
- The goal is for funding to better correlate with performance, and reduce dependence on historical funding levels.
- Stabilizing the outcomes of the formula is sound strategy.

NM GENERAL FUND SUPPORT FOR HIGHER EDUCATION INSTITUTIONS



HED Institutional Finance Division Files.
Note: Data includes UNM HSC and Special Schools.

■ I&G Funding

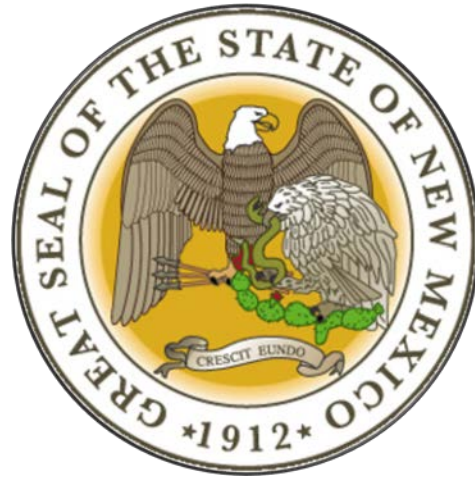
■ RPSP Funding



HED Research and Public Service (RPSP) Recommendation

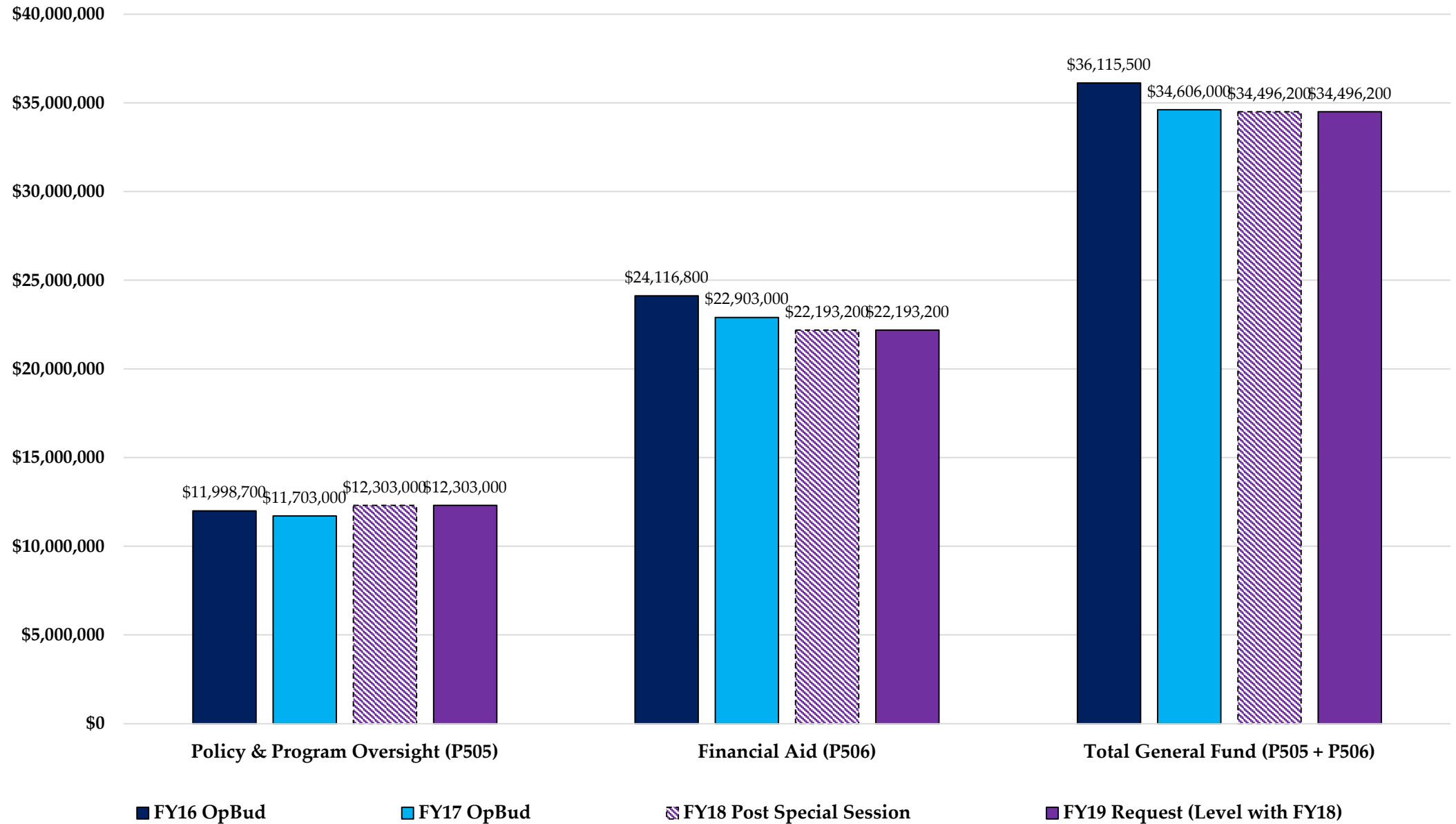
- 123 HEI Requests for FY19 included:
 - 35 level-funded requests;
 - 81 expansion requests (majority to restore to FY16 funding levels);
 - 7 new projects
- All new and expansion requests >10% were presented at RPSP Fall Hearings
- HED Recommendation: all existing projects funded at FY18 levels, no new funding requests
- Total \$114,946,600 for FY19

HED BUDGET REQUEST

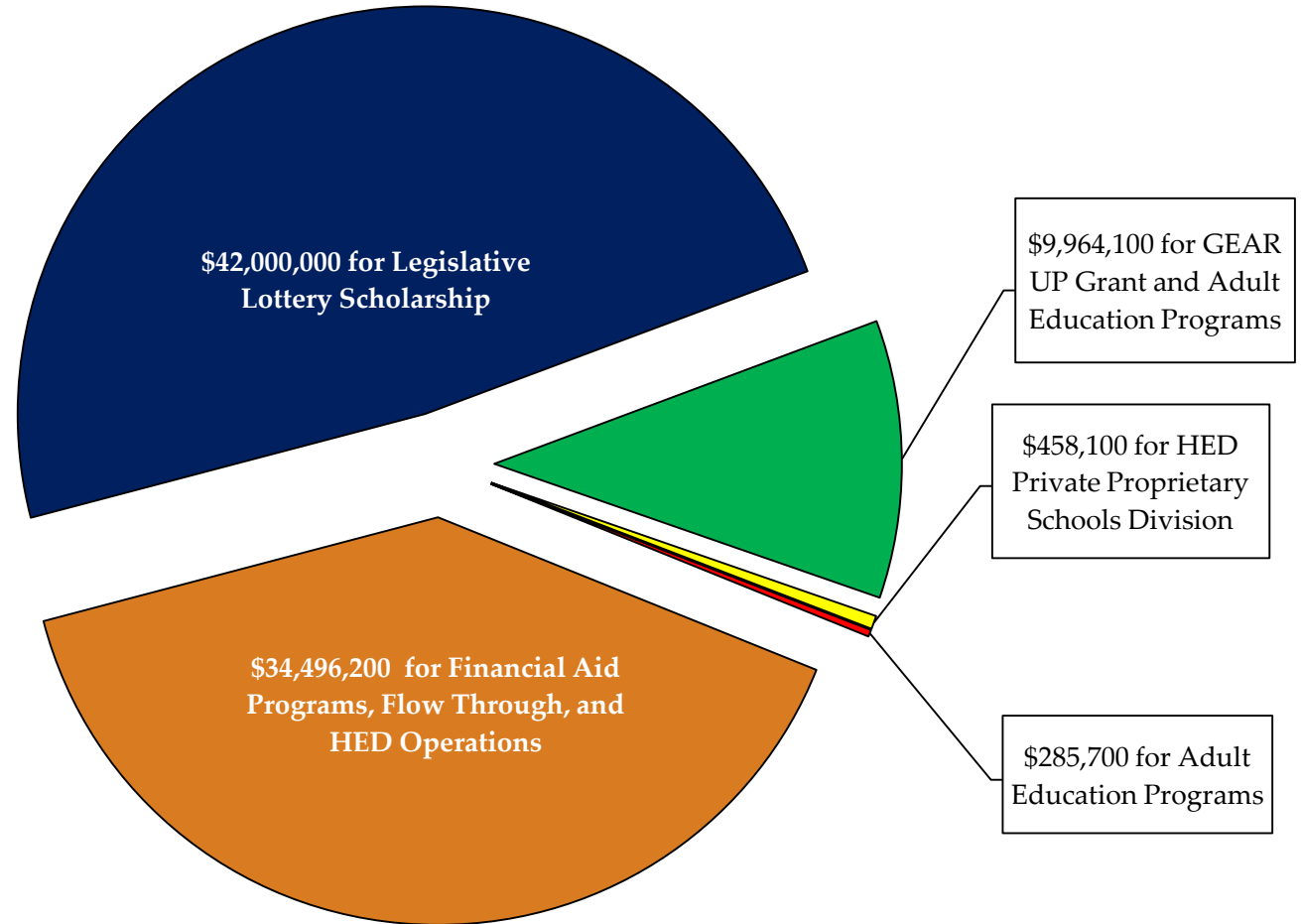
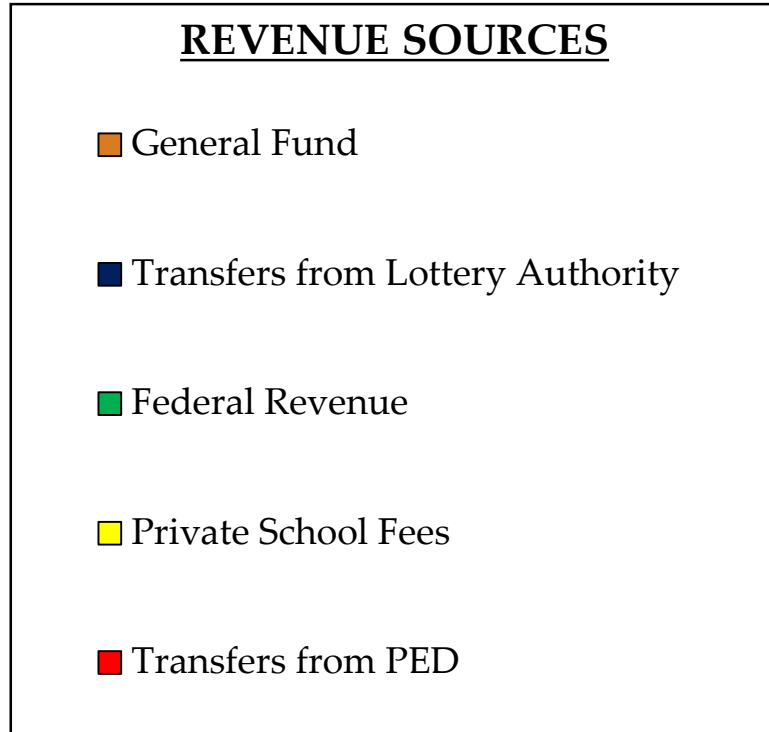


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GENERAL FUND SUPPORT FOR HED

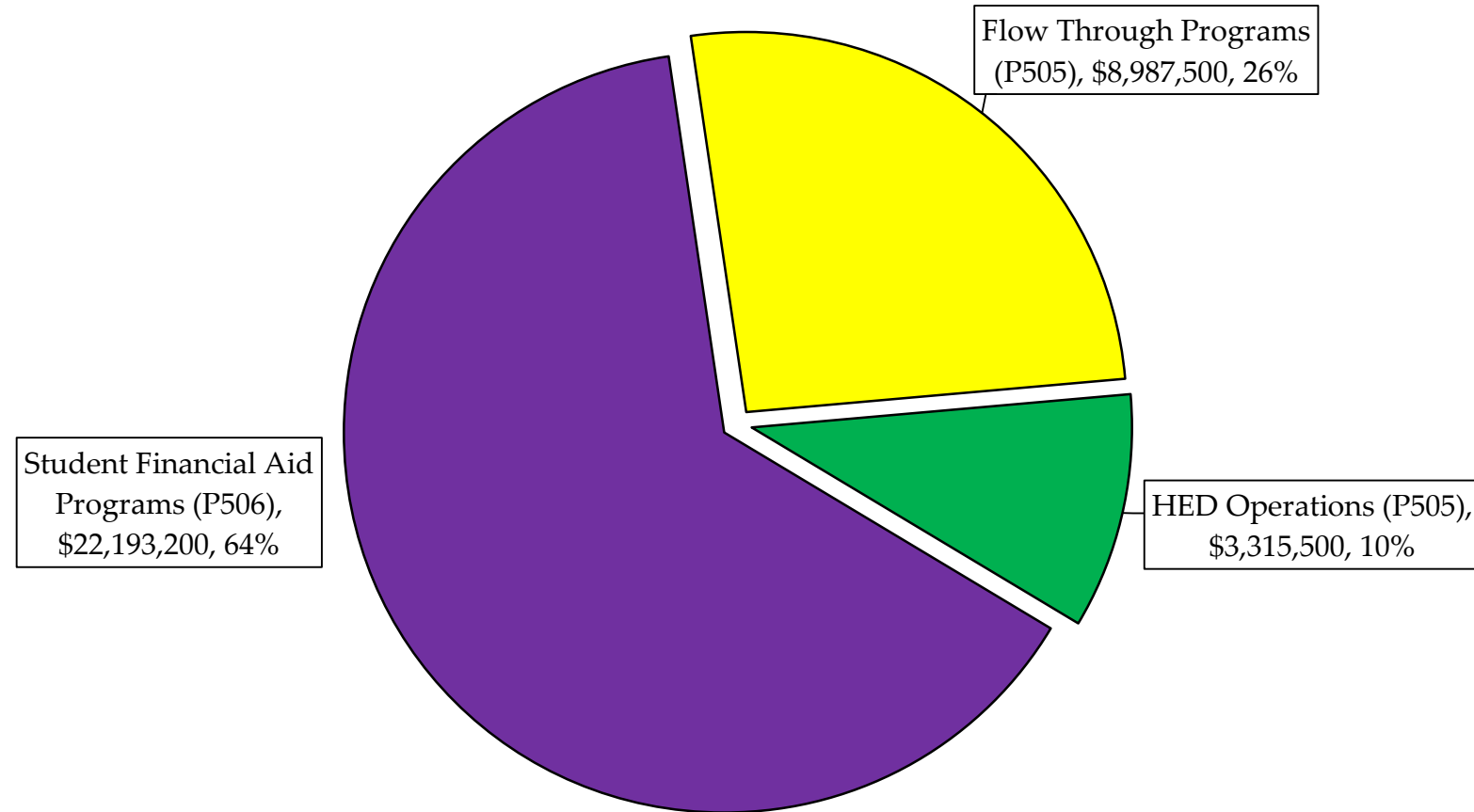


HED FY19 REQUEST - REVENUE SOURCES AND USE OF EACH REVENUE SOURCE



Note: General Fund amounts held flat to HED's FY18 (Post Special Session) Revised Operating Budget.
 Note: Liquor Excise Funds for the Legislative Lottery Scholarship expired June 30, 2017.

GENERAL FUND SUPPORT FOR HED FY19 BUDGET REQUEST

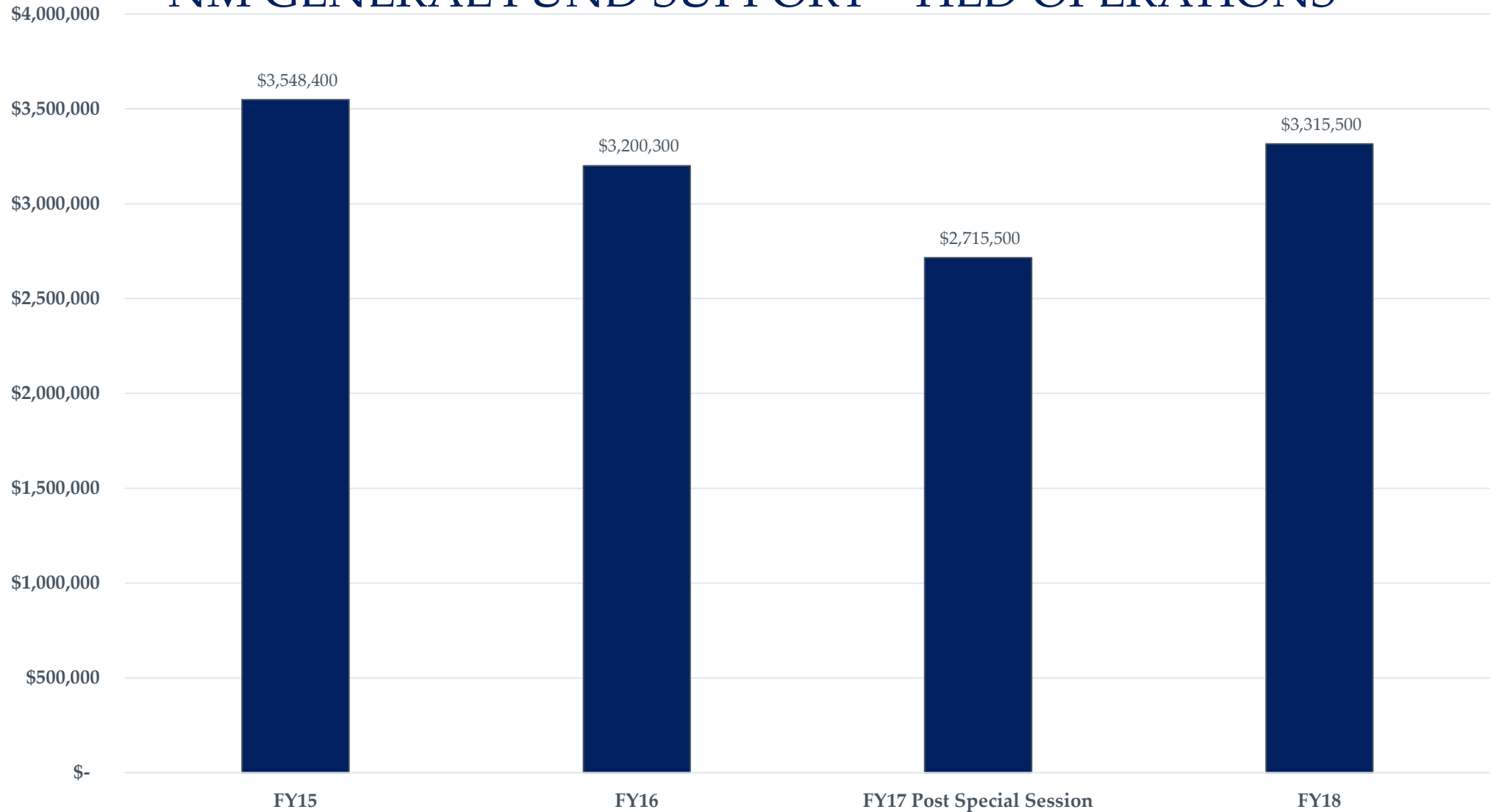


General Fund Summary Recommendation Submission.

Note: General Fund amounts held flat to HED's Operating Budget.

Note: HED Operations refers to all non flow through activities in the Personal Services (200), Contractual Services (300), and Other (400) expenditure categories.

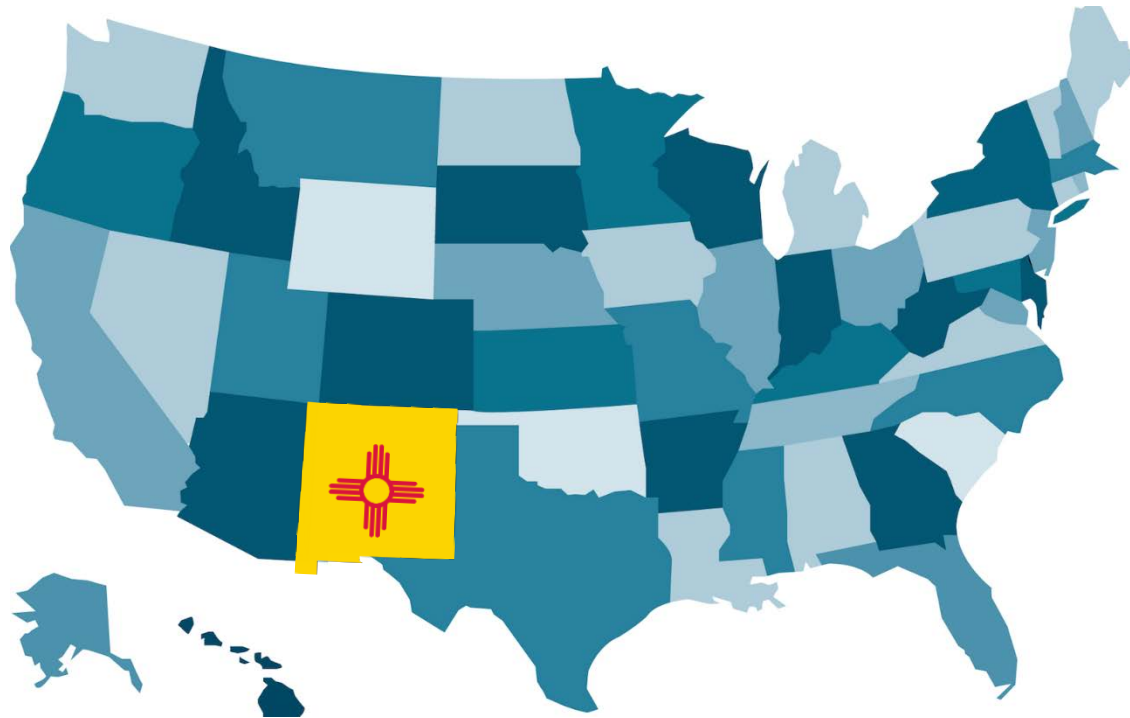
NM GENERAL FUND SUPPORT – HED OPERATIONS



LFC Post Session Review (2014) p.68; LFC Post Session Review (2015) p.66; 2016 Legislative Special Session SB9.

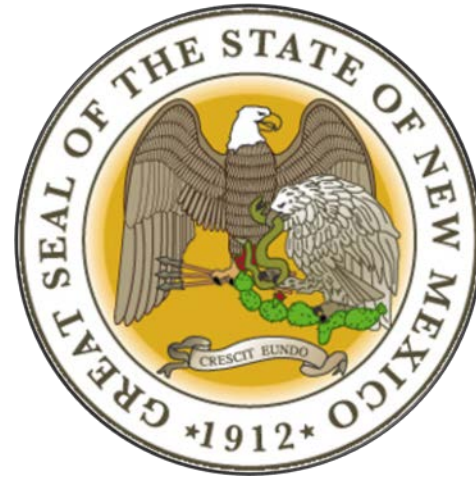
Note: HED Operations refers to all non flow through activities in the Personal Services (200), Contractual Services (300) and Other (400) expenditure categories.

PROGRESS FOR NEW MEXICO HIGHER EDUCATION



- Route to 66.
- Remediation and Trifecta.
- Improved Student Outcomes.

SUPPLEMENTAL TABLES

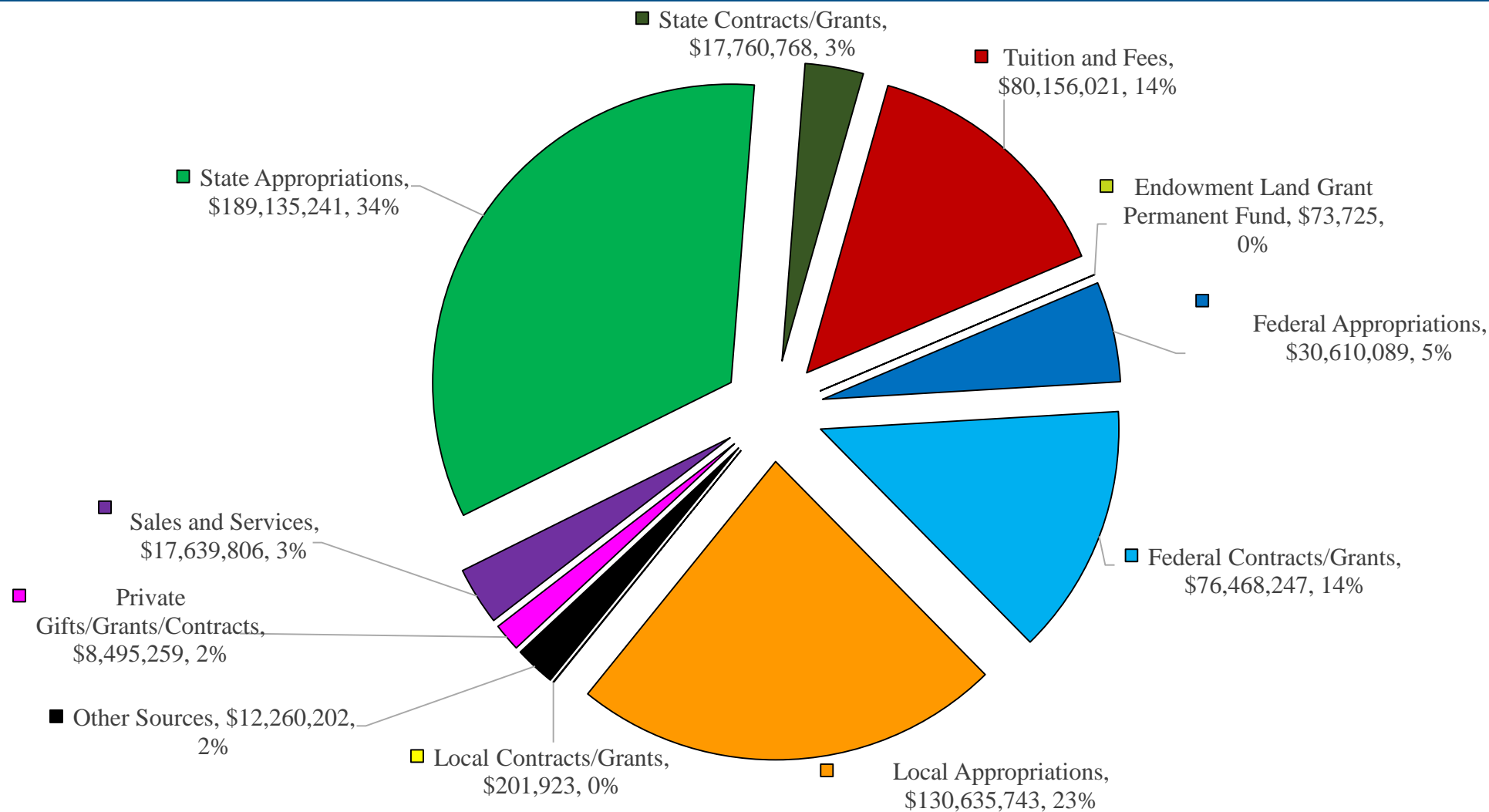


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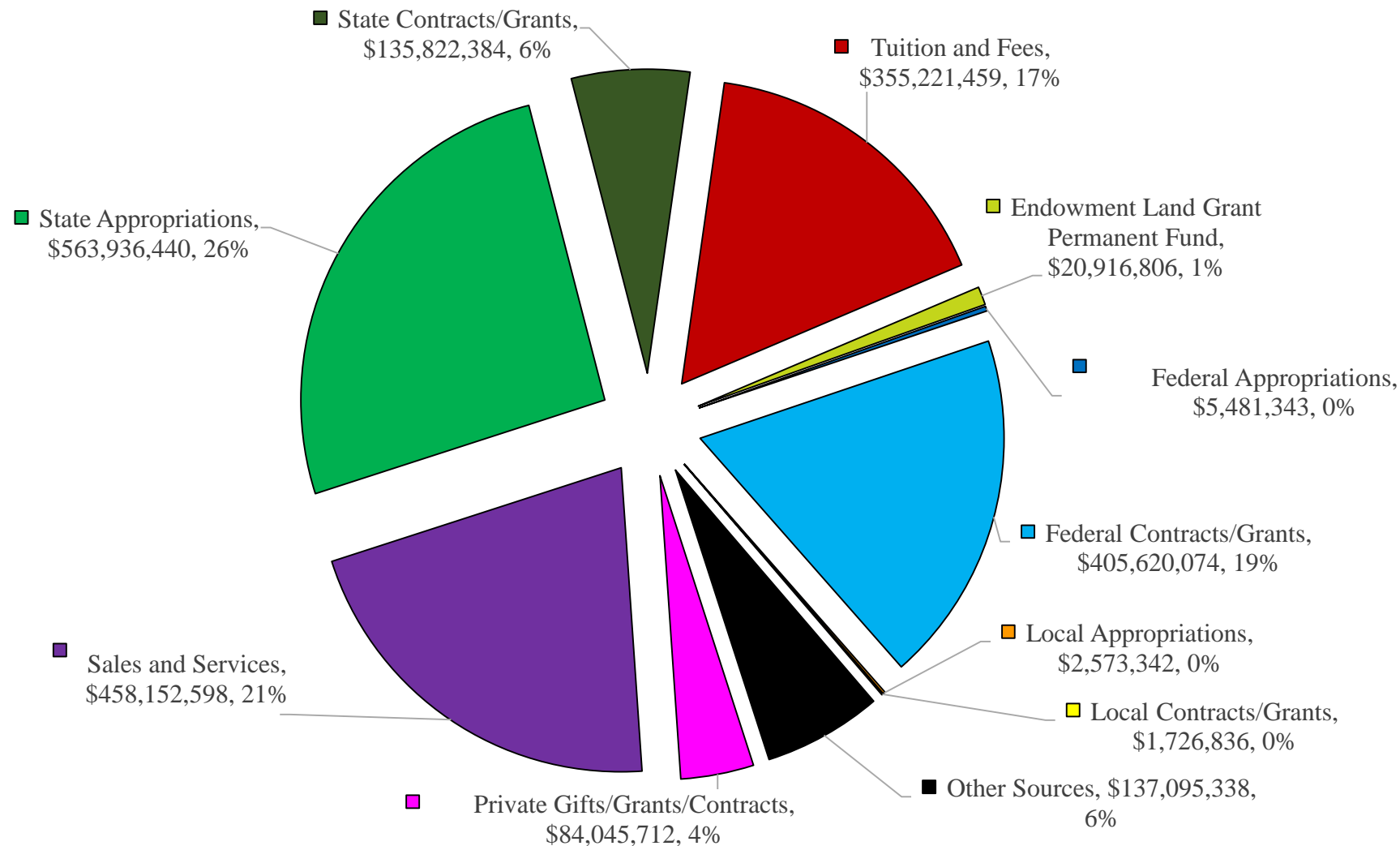
FY17 Total Revenues Distribution

2 Year Branch & Independent Colleges Total \$563,437,024

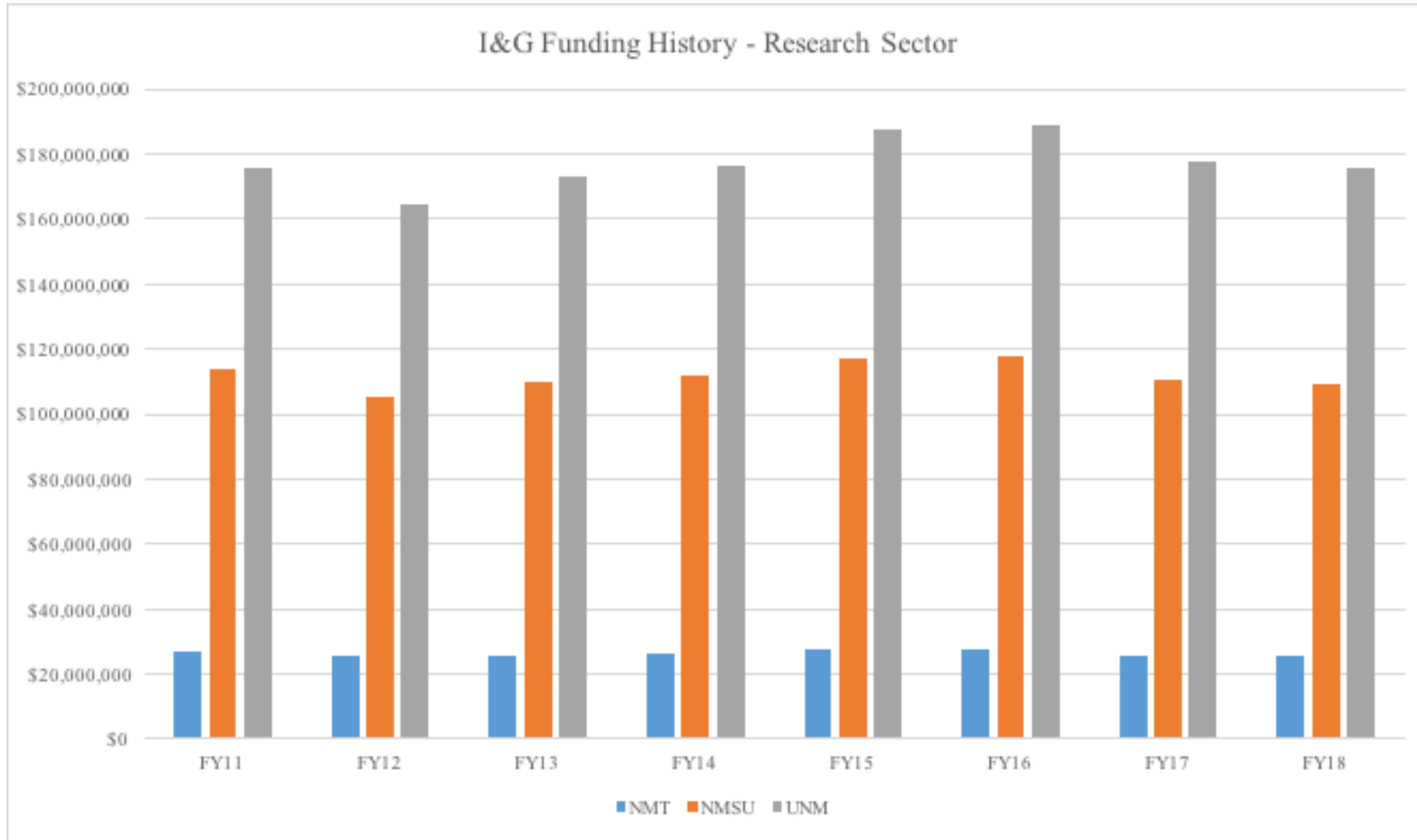




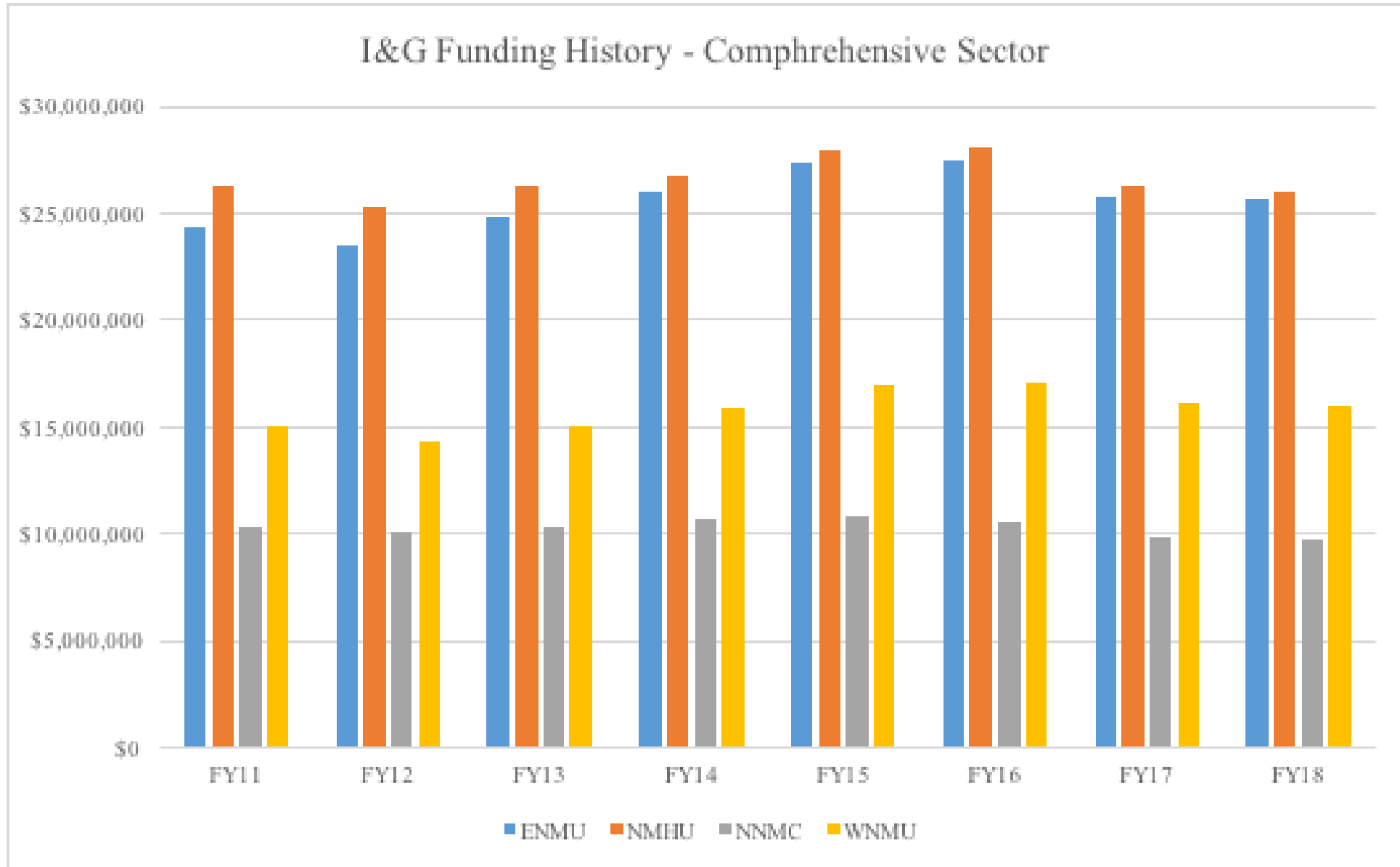
FY17 Total Revenues Distribution Four Year Universities \$2,170,592,332



Historical I&G Appropriations by Sector

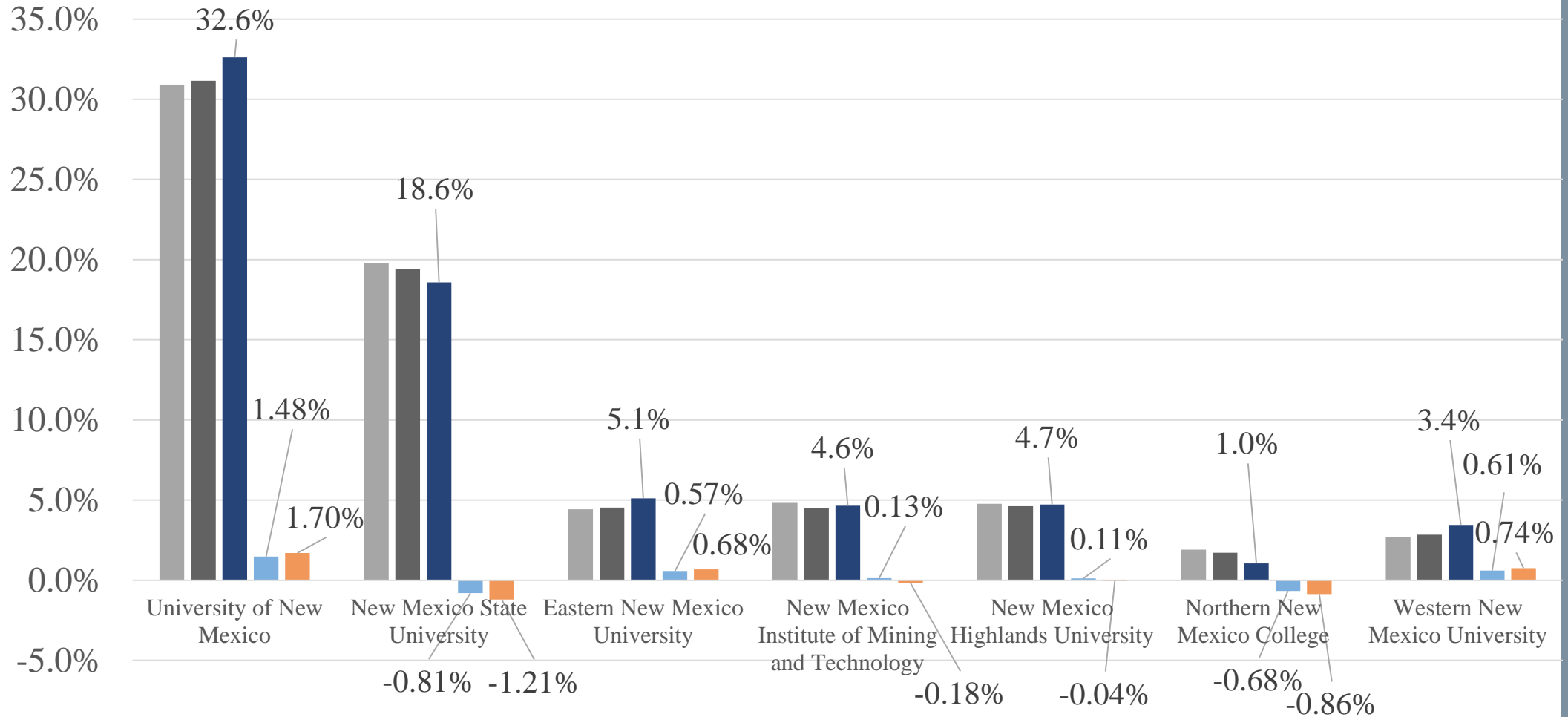


Historical I&G Appropriations by Sector



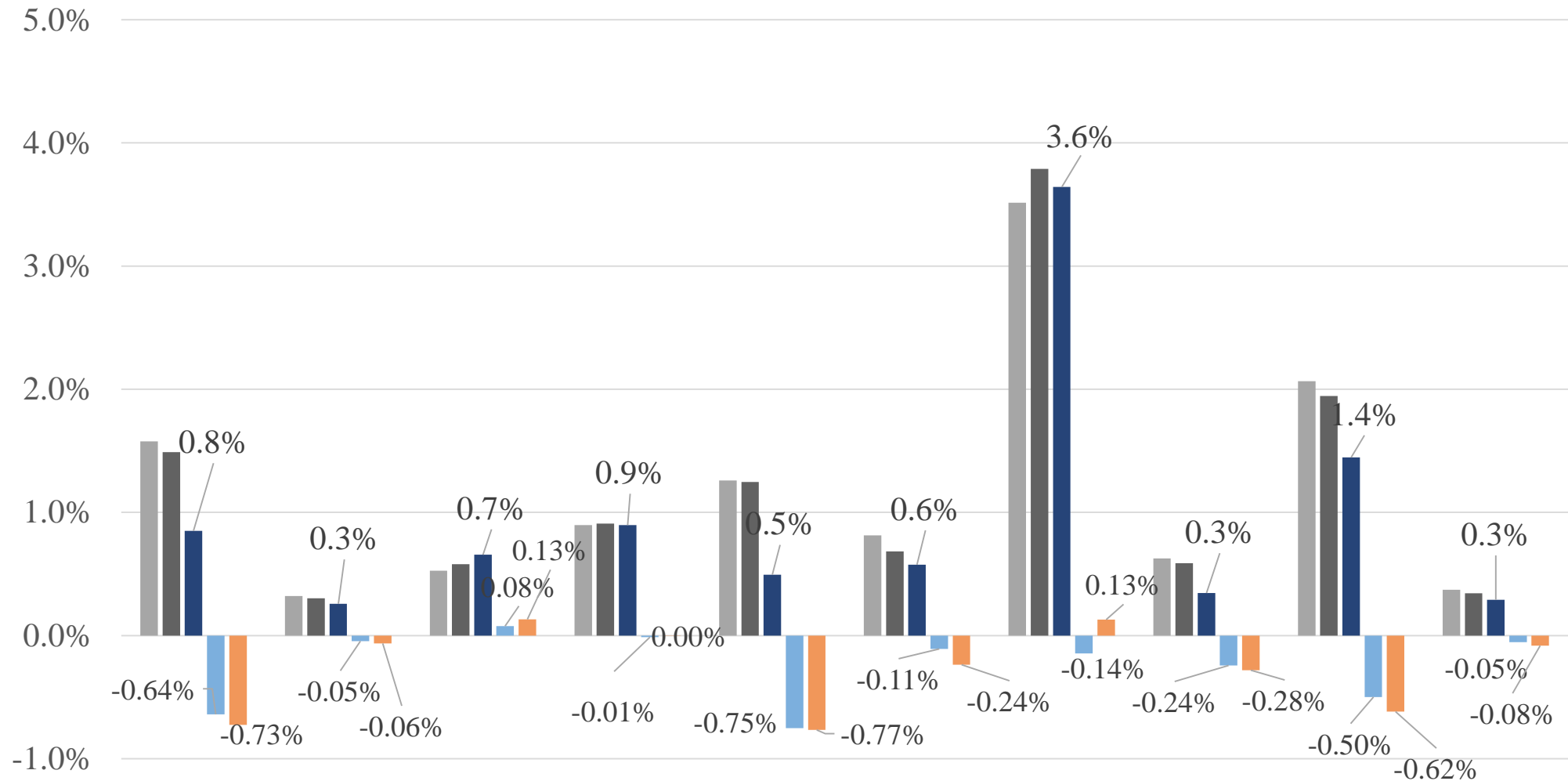
FY12 thru FY19 Base/Performance Alignment Gap Four Year Institutions

■ FY12 Base %
 ■ FY18 Base %
 ■ FY19 Performance %
 ■ 18-19' Base/Performance Alignment Gap
 ■ 12-19' Base/Performance Alignment Gap



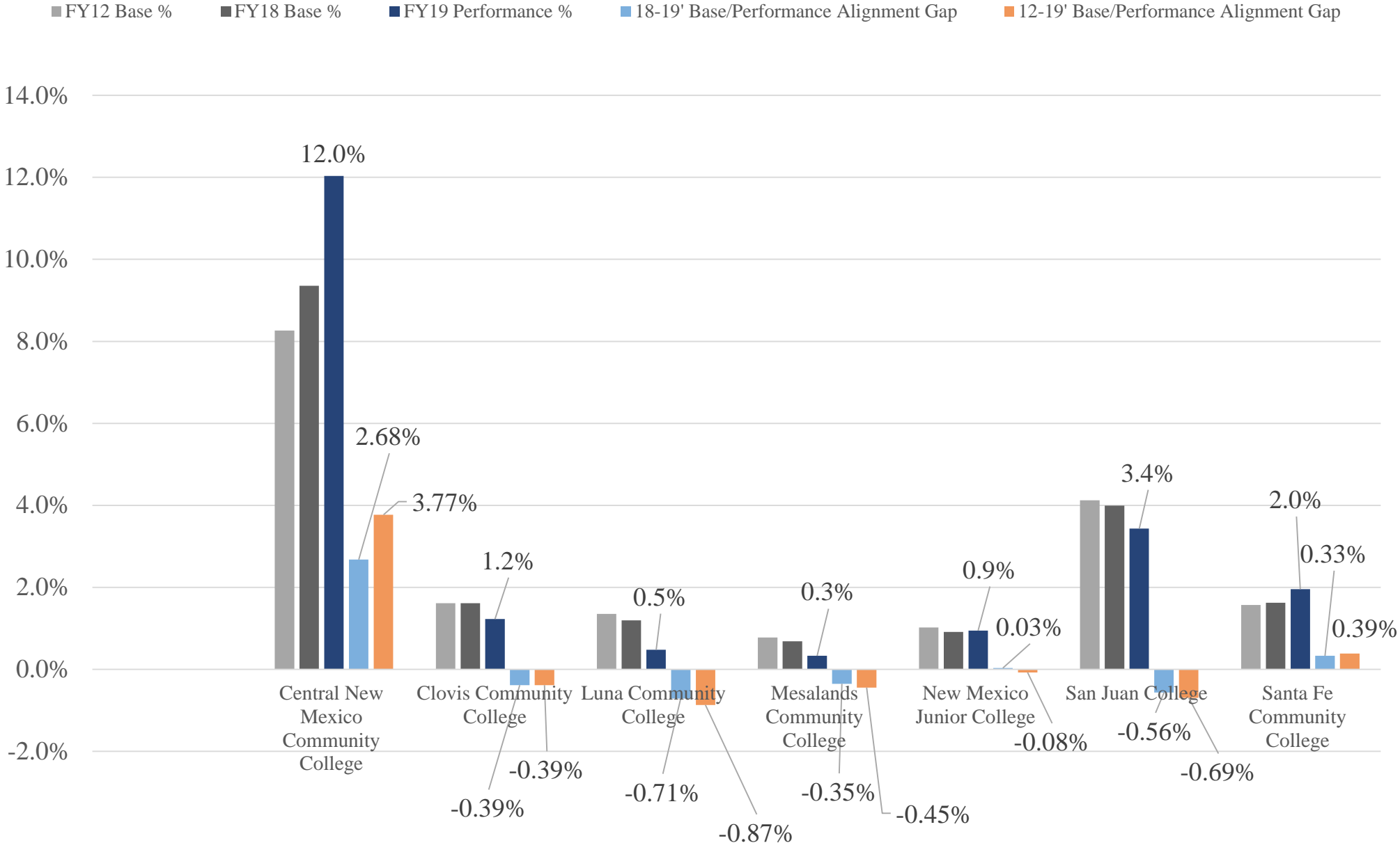
FY12 thru FY19 Base/Performance Alignment Gap 2 Year Branch Colleges

FY12 Base %
 FY18 Base %
 FY19 Performance %
 18-19' Base/Performance Alignment Gap
 12-19' Base/Performance Alignment Gap

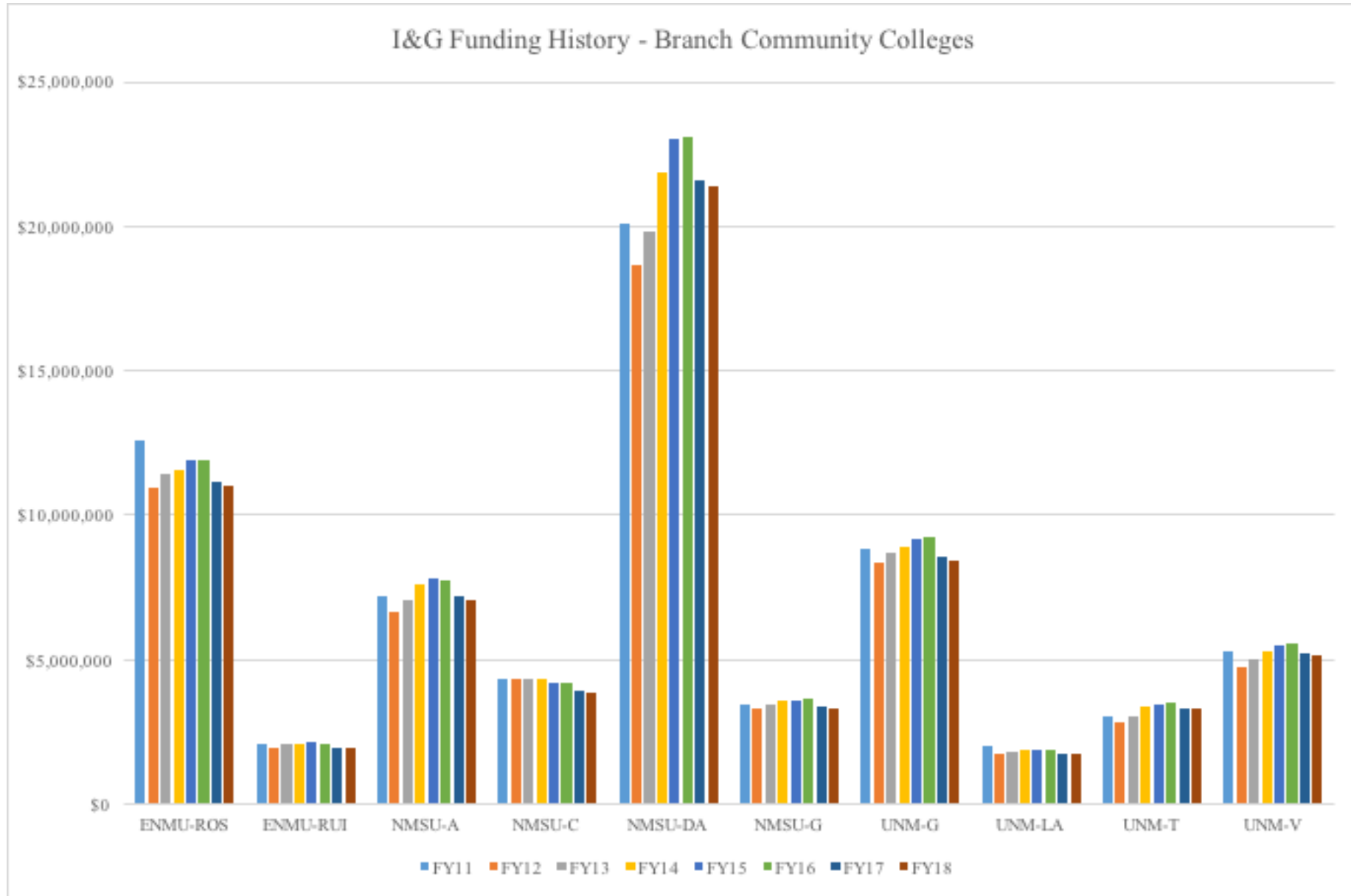


UNM Gallup - UNM Los Alamos - UNM Taos - UNM Valencia - NMSU Alamogordo - NMSU Carlsbad - NMSU Dona Ana - NMSU Grants - ENMU Roswell - ENMU Ruidoso

FY12 thru FY19 Base/Performance Alignment Gap 2 Year Independent Colleges



Historical I&G Appropriations by Sector



Historical I&G Appropriations by Sector

