



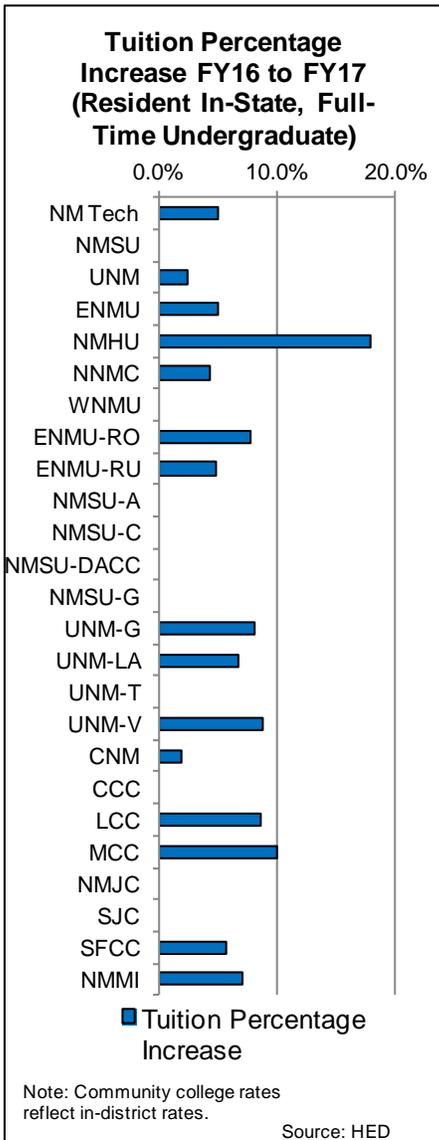
Higher Education Institutions

Due to the structure of the academic year, quarterly performance reports for higher education institutions remain a challenge. For the spring data submissions, institutions provide one data point – retention rates. LFC staff, in addition to the Higher Education Department (HED), are asking institutions to review their spring performance measures and suggest measures that will demonstrate how these institutions are leveraging nearly one-seventh of general fund appropriations to advance the state’s interests.

Four-Year Institutions

New Mexico’s four-year institutions report fall-to-spring retention each spring. This measure is not required under the Accountability in Government Act; targets are set by institutions rather than Department of Finance and Administration (DFA) and LFC consensus. Nonetheless, these retention rates provide insight into institutional performance in financial aid support, academic advising and support, and how well the college or university is orienting its students to college life in general. Among four-year institutions, both fall-to-fall and fall-to-spring retention rates are a strong predictor of six-year completion rates.

Research institution retention rates remain mostly stable in the current academic year, with slight declines at NM Tech and slight improvements at UNM and NMSU.



Tuition Increases

Colleges and universities experienced a 2.4 percent decline in instruction and general appropriations for FY17, with the exception of New Mexico Military Institute. This reduction is compounded by an expected drop in enrollment, leading to decreased tuition revenue. Facing budget shortfalls as high as \$10.7 million, several institutions increased tuition rates to offset declines in other revenue sources. The increases alone will not balance institutional budgets; reductions in expenditures will also be necessary. Although it has been discussed, it remains unclear whether institutions will resort to furloughs or reductions in force in FY17.

Measure: First-Time, Full-Time Freshman Fall-to-Spring Retention	Fall 2013 to Spring 2014 Actual	Fall 2014 to Spring 2015 Actual	Fall 2015 to Spring 2016 Target	Fall 2015 to Spring 2016 Actual	Rating
New Mexico Institute of Mining and Technology (NM Tech)	89.9%	90.5%	90.0%	88.5%	Y
New Mexico State University (NMSU)	86.9%	86.0%	88.2%	86.1%	Y
University of New Mexico (UNM)	90.4%	90.6%	91.0%	91.4%	G
Program Rating					Y

Year-over-year performance dropped at nearly all comprehensive institutions, with the exception of WNMU. However, WNMU did not meet its performance target, and retention rates in the fall 2015 cohort were lower than the fall 2013 cohort retention rates at WNMU. Although retention decreased at NNMC, the institution exceeded its target and significantly improved over the fall 2013 cohort result.

Measure: First-Time, Full-Time Freshman Fall-to-Spring Retention	Fall 2013 to Spring 2014 Actual	Fall 2014 to Spring 2015 Actual	Fall 2015 to Spring 2016 Target	Fall 2015 to Spring 2016 Actual	Rating
Eastern New Mexico University (ENMU)	80.7%	81.8%	83.5%	79.4%	R
New Mexico Highlands University (NMHU)	75.4%	77.5%	78.0%	74.8%	R
Northern New Mexico College (NNMC)	68.5%	81.3%	80.0%	80.2%	G
Western New Mexico University (WNMU)	79.9%	75.6%	81.5%	76.3%	Y
Program Rating					Y

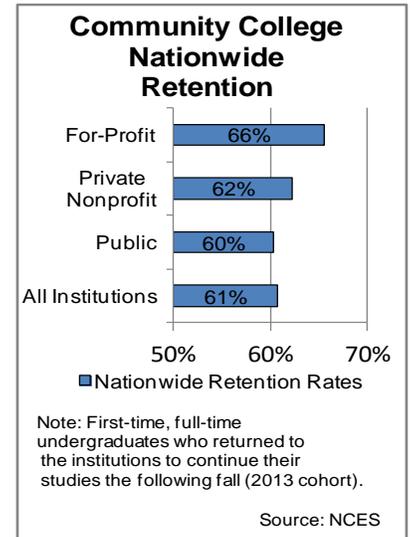


Community Colleges

Community Colleges continue to experience significant variance in fall-to-fall retention rates, with only six colleges exceeding the most recently available national community college retention rate for public institutions of 60 percent. As with four-year institutions, community college targets for spring performance measures are not determined through consensus between DFA and LFC. Instead, retention targets are set solely by the institution. In addition, while four-year institutions report fall-to-spring retention rates each spring, two-year colleges report prior-year fall-to-fall retention rates in the spring.

Measure: First-Time, Full-Time Freshman Fall-to-Fall Retention	Fall 2012 to Fall 2013 Actual	Fall 2013 to Fall 2014 Actual	Fall 2014 to Fall 2015 Target	Fall 2014 to Fall 2015 Actual	Rating
ENMU-Roswell (ENMU-RO)	60.4%	60.4%	52.5%	58.2%	Y
ENMU-Ruidoso (ENMU-RU)	32.9%	47.9%	43.0%	34.6%	R
NMSU-Alamogordo (NMSU-A)	59.1%	48.9%	54.0%	50.3%	Y
NMSU-Carlsbad (NMSU-C)	46.7%	42.5%	47.0%	54.6%	G
NMSU-Dona Ana Community College (NMSU-DACC)	59.2%	60.5%	64.8%	64.5%	G
NMSU-Grants (NMSU-G)	50.9%	43.5%	52.0%	53.1%	G
UNM-Gallup (UNM-G)	60.5%	57.9%	57.5%	63.3%	G
UNM-Los Alamos (UNM-LA)	57.4%	58.0%	57.5%	54.5%	R
UNM-Taos (UNM-T)	47.6%	45.9%	49.5%	57.8%	G
UNM-Valencia (UNM-V)	55.3%	56.4%	55.0%	56.9%	G
Clovis Community College (CCC)	52.2%	52.3%	45.0%	61.7%	G
Central New Mexico Community College (CNM)	60.2%	59.1%	60.0%	60.9%	G
Luna Community College (LCC)	41.9%	42.2%	50.0%	41.5%	R
Mesalands Community College (MCC)	61.9%	70.9%	60.0%	65.8%	G
New Mexico Junior College (NMJC)	58.9%	64.0%	60.0%	57.0%	R
Santa Fe Community College (SFCC)	58.7%	55.7%	59.5%	56.5%	Y
San Juan College (SJC)	55.7%	51.8%	57.0%	60.6%	G
Program Rating					Y

Although retention rates at four-year institutions demonstrate correlation with graduation rates, LFC staff are unable to find a similar correlation for two-year institutions. It is unclear why this occurs, and LFC staff suggest further study of this issue in order to ensure the measures institutions are reporting each spring predict future student success reliably. This further suggests the need to consider additional measures that can show on a more periodic basis how institutions are progressing toward meeting statewide degree attainment needs.

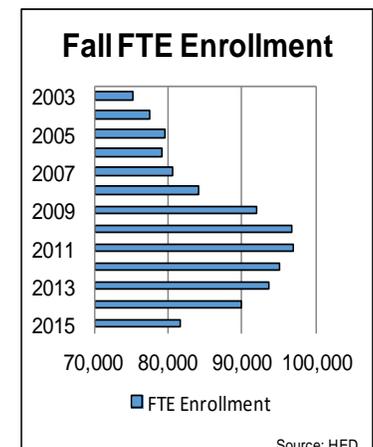


Higher Education Funding Formula Update

In late May, HED, in coordination with LFC staff, informed institutions the department is forming a technical workgroup to discuss refinements to the formula; however, the full funding formula steering committee will not be convened until the end of the legislative interim.

The technical committee will address:

- whether certain degrees fall under the category of science, technology, engineering, math, or health;
- criteria for the "Hold-Harmless" measure, which provides a soft-landing for some institutions;
- possible incentives for efficiency and productivity; and
- various scenarios in the event no new money is available in FY18.





PERFORMANCE REPORT CARD

Higher Education Institutions
Third Quarter, Fiscal Year 2016

KEY ISSUES

Retention rates among four-year colleges and university students are a strong predictor of completion; however, current performance indicators among two-year colleges appear less reliable. As institutions increase tuition rates to cover budget shortfalls, using data to ensure students receive a certificate or diploma in a timely manner will be especially important in the coming years.

