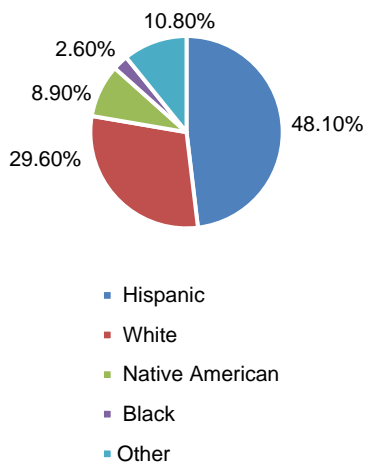


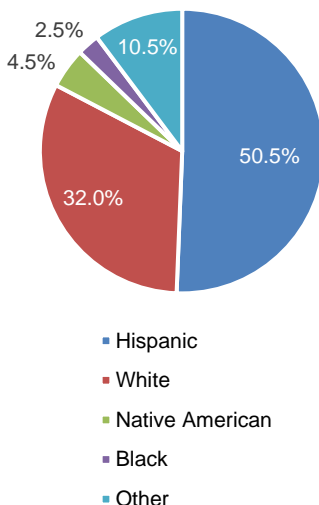
ACTION PLAN

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

Enrollment by Ethnicity (Fall 2020)



Percent of Bachelor's Degree Awards by Ethnicity, 2020-2021



Higher Education Institutions

New Mexico is the fourth-poorest state in the nation with a median income of \$25,881, well below the national median of \$31,133. Increasing educational attainment has been proven to increase incomes and improve quality of life for graduates. In 2019, the median earnings of those with a bachelor's degree (\$55,700) were 39 percent higher than those with an associate's degree (\$40 thousand) and 59 percent higher than those with only a high school diploma. Increasing the populace's income is good for New Mexico. It workforce makes the state a more attractive place to bring new business and economic development opportunities.

Higher Education Institutions (HEIs) have a critical role to play in providing an affordable, high-quality education to students and providing them the support they need to complete studies undertaken. As noted during the LFC's LegisSTAT hearing on higher education in October 2021, HEIs face several significant challenges, including low college-going rates and student difficulties in completing degrees within 150 percent of the normal time. In New Mexico, college-going rates have fallen from 72 percent of graduating high school students in 2010 to 61 percent in 2018. The U.S. average college-going rate over this same time has remained relatively stable and was 64 percent in 2018. New Mexico has lower retention rates than the U.S. average for four-year schools.

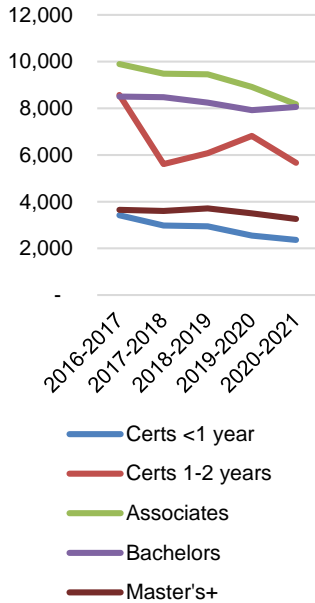
The Legislature has voiced concern about declining enrollment for several years. The 2021 and 2022 General Appropriation Acts (GAA) include language stating that any institution whose enrollment has declined more than 50 percent over the past 5 academic years shall work with the Secretary of the Higher Education Department "on a plan to improve enrollment, collaborate or merge with other institutions, [and] reduce expenditures". Additionally, for FY23, the GAA includes language stating that 1 percent of the additional 3 percent in new appropriations to HEIs is dependent on institutions submitting an enrollment plan to the Higher Education Department.

Given current enrollment declines and graduation rates that are significantly lower than the national average, HEIs and HED will need to place increased emphasis on planning and tracking progress in enrollment and degree completions. HEIs have expanded reporting to provide the LFC and DFA with more current enrollment, workload, and completion data. The additional data provide a clearer view of the higher education environment, but there is still room for improvement, particularly regarding measures to better understand barriers to enrollment, retention, and on-time completion.

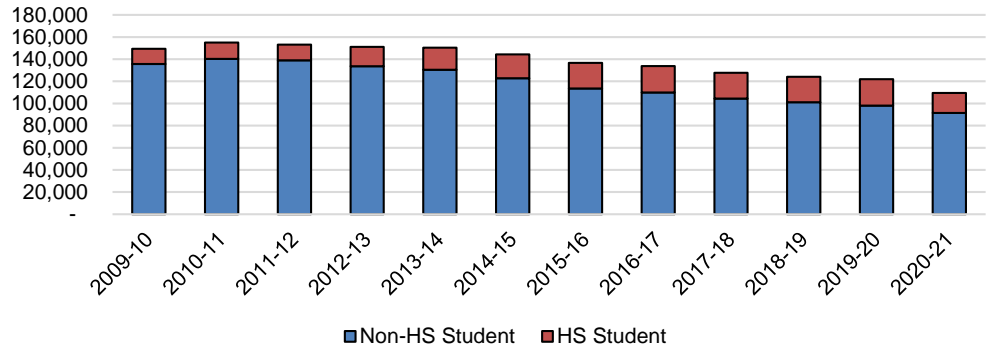
Enrollment

Enrollment at New Mexico's 24 public colleges and universities has declined since its peak in 2010. Nationally, enrollment fell by 11 percent over this time, but New Mexico enrollment declined by 27 percent. The enrollment reduction came even as high school graduation requirements pushed more students into higher education institutions. In 2009, the state began requiring all high school students to take an advanced placement or honors course, distance learning course, or dual credit to graduate. The result was a sizeable increase in dual credit enrolment in New Mexico colleges. In the 2010 school year, 8.9 thousand high school students took dual-credit courses at HEIs, accounting for 5.8 percent of total enrollment. By the 2019 school year, 16.6 thousand students were taking dual credit courses accounting for 14 percent of total enrollment.

Post Secondary Awards by Type



HEI Enrollment Headcount Including High School Concurrent Enrollment and Dual Credit



Awards

A common graduation rate performance measure is the percent of students who complete a four-year degree within 150 percent of the normal graduation time. This is also known as the six-year graduation rate. According to the National Center for Education Statistics, New Mexico students have lagged the nation on this metric for decades. For cohorts of students beginning their studies between 1996 and 2014, the most recent period for which national data are available, the graduation rates for New Mexico students were between 9 percent and 15 percent lower than the national average. Data reported by HEIs on the 2015 cohort who graduated in fall 2021 show rates are largely similar to the historical trend. The comparatively low graduation rates result in many students taking on debt that does not yield an award or lead to increased earnings.

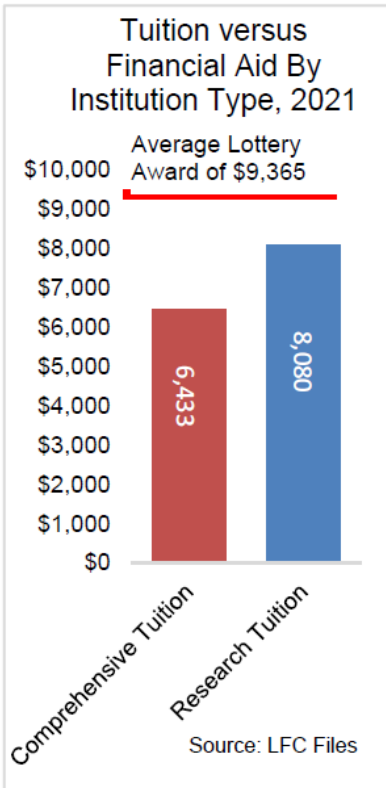
| Six-Year Graduation Rate for 2016 Cohort | |
|--|-----|
| UNM | 49% |
| NMSU | 50% |
| WNMU | 29% |
| ENMU | 34% |

New Mexico HEIs conferred 27.5 thousand certificates or degrees in the 2020-2021 academic year. This represents a decrease of 19.2 percent from the 34 thousand reported in the 2016-2017 school year. HEI's reported 7,359 awards for the 2021 fall semester, as shown below. Intuitions usually confer most of their degrees in the spring semester.

Summary of Fall Semester Awards by Institution Type

| Institution Type | Degree Awarded | | | | |
|-------------------|-----------------------|--------------|--------------|--------------|------------|
| | Certificates <2 years | Associate's | Bachelor's | Master's | Doctoral |
| Research | - | 2 | 1,319 | 641 | 171 |
| Comprehensive | - | 156 | 691 | 495 | - |
| Branch | 318 | 469 | - | - | - |
| Community College | 1,910 | 1,187 | - | - | - |
| Total | 2,228 | 1,814 | 2,010 | 1,136 | 171 |

The mix of awards has also changed. In the 2016-2017 academic year, certificates for programs lasting less than two years made up 35 percent of total awards. By the 2020-2021 academic year, these certificates accounted for 30 percent of total awards. Conversely, the proportion of bachelor's degrees to total awards increased from 25 percent to 29 percent over this same period. The increase in the proportion of bachelor's degrees is significant, as this award type is most strongly associated with improved employment and higher earnings for recipients.



Affordability

Tuition and fees faced by New Mexico students are lower than the national median, as are the net price of education. Net price is the total cost of attendance (including tuition, books, supplies, fees, room and board, and other expenses) minus any federal or state aid or scholarship. While tuition is lower for both two- and four-year institutions, the tuition and fee costs for two-year institutions are less than half of the national average while students at four-year institutions pay between 1 percent and 40 percent less than the national average.

| Institution Type | 2019-20 tuition and fees median | 2018-19 net price median |
|------------------|---------------------------------|--------------------------|
| 4 year | \$8,260 | \$12,665 |
| NM Tech | \$8,156 | \$14,908 |
| UNM | \$7,875 | \$11,368 |
| NMSU | \$7,087 | \$9,930 |
| Eastern | \$6,450 | \$10,338 |
| Highlands | \$6,318 | \$10,617 |
| Western | \$6,306 | \$11,909 |
| Northern | \$4,952 | \$6,703 |

| | | |
|---------------|----------------|----------------|
| 2 year | \$3,984 | \$7,174 |
| Mesalands | \$2,004 | \$8,113 |
| SFCC | \$1,755 | \$8,519 |
| CNM | \$1,650 | \$4,424 |
| San Juan | \$1,546 | \$7,075 |
| Clovis CC | \$1,376 | \$4,961 |
| NMJC | \$1,320 | \$5,940 |
| Luna | \$962 | \$3,895 |

Nonrecurring Higher Education Appropriations
(in millions)

| | |
|---------------------------------------|---------|
| Facility Demolition | \$3.5 |
| Nursing faculty endowment | \$30.0 |
| Teaching faculty endowment | \$50.0 |
| Opportunity scholarship | \$63.0 |
| High-demand work-study | \$20.0 |
| Native American studies endowment | \$5.0 |
| School of Public Health- UNM | \$10.0 |
| School of Public Health- NMSU | \$5.0 |
| Department of Agriculture | \$5.0 |
| Lottery Tuition Fund | \$130.0 |
| Applied research matching grants | \$45.0 |
| Teacher preparation and affordability | \$20.0 |
| Teacher loan repayment | \$5.0 |

With existing low tuition and high federal and state aid, many students are already well supported when it comes to tuition and fees, especially those in bachelor’s degree programs. To illustrate, even in past years, when the lottery scholarship only covered 70 percent or less of tuition, the average financial aid package offered to students at New Mexico’s four-year colleges has been more than enough to cover tuition and fees.

Next Steps

The Legislature made a number of nonrecurring appropriations to the Higher Education Department and HEIs for specific programs. The effectiveness of these programs will need to be monitored to determine the need, if any, for future funding. Specifically, additional reporting will be needed to assess the impact of increased financial aid offered through the opportunity scholarship and whether HEIs are successful in expanding programs using endowment funds.