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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 2nd Session, 2024

Bill Number	<u>SB235</u>	Sponsor	<u>Maestas</u>
Tracking Number	<u>.227631.1</u>	Committee Referrals	<u>SCC/SEC/SFC</u>
Short Title	<u>Higher Ed Student Retention & Graduation</u>		
Analyst	<u>Hathaway</u>	Original Date	<u>1/31/2024</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

Senate Bill 235 (SB235) makes an appropriation to the Higher Education Department (HED) to expand existing efforts, through evidence-based programs, to retain students and improve graduation rates at all public institutions of higher education.

FISCAL IMPACT

The bill appropriates \$1 million from the general fund to HED for expenditure in FY25. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

For FY25, the House Appropriations and Finance Committee Substitute for House Bills 2 and 3 (HAFCS/HB2) does not appear to contain an appropriation that corresponds to the provisions of SB235.

SUBSTANTIVE ISSUES

Higher Education Student Retention. Student retention in higher education refers to the ability of colleges and universities to retain enrolled students and prevent them from dropping out, or leaving the college setting, before completing their academic programs. It is a crucial metric that reflects the effectiveness of colleges and universities in supporting and engaging students throughout their academic journey. High student retention rates contribute to a stable and successful learning environment, fostering academic achievement, student satisfaction, and ultimately, the long-term success of both the students and the higher education institutions.

As reported in national [research](#), college students today have “more reasons than ever to leave without graduating.” Often cited reasons for leaving college before completion include tuition costs, student debt, a lack of preparedness for postsecondary educational pursuits, and difficulty with support services that enable their success in a higher education setting.

College Retention in New Mexico. In July 2023, HED [presented](#) to the Legislative Finance Committee (LFC) about college retention rates. The department reported that although retention had been trending upward in recent years, this trend was interrupted by the Covid-19 pandemic, and New Mexico is now experiencing decreases in retention rates. This appears to be consistent with national trends. HED reports the largest decrease in retention has been in the two-year college sector, while the four-year college and university sectors have slightly increased retention in the same time period (the 2018-2019 academy year to the 2019-2020 academic year, the most recent data available from HED). As shown in the table below, the most recent statewide average retention rate including both two- and four-year colleges is 59 percent—however, in this there are differences in institution type. The retention at four-year colleges and universities is 65 percent, and at two-year colleges, it is 53 percent.

TWO-YEAR AND FOUR-YEAR COLLEGE RETENTION RATES IN NEW MEXICO					
ACADEMIC YEAR (AY)	AY2017-18	AY2018-19	AY2019-20	AY2020-21	AY2021-22
Four-Year Colleges & Universities	65%	66%	67%	61%	65%
Two-Year Colleges	52%	54%	49%	50%	53%
Overall Statewide Average	59%	60%	58%	56%	59%

Source: HED

Graduation Rates. HED also presented graduation rates at the July 2023 LFC meeting. The department noted, “graduation rates track first-time, full-time, degree-seeking students to see if or when they graduate from a college or university.” HED notes full-time, or 100 percent of time, is defined as four years to complete a bachelor’s degree and two years for an associate degree or certificate. The department also notes this rate is often calculated for 150 percent of expected time, which means six years for a bachelor’s degree and three years for an associate degree or certificate. Graduation rates for both two- and four-year colleges are shown in the table below.

TWO-YEAR & FOUR-YEAR COLLEGE GRADUATION RATES IN NEW MEXICO					
Institution Type	Two-Year Colleges			Four-Year Colleges	
ENTERING YEAR	2-YEAR ♦	3-YEAR ♦	4-YEAR ♦	4-YEAR ♦	6-YEAR
2012	10.3%	16.4%	20.2%	19.1%	36.2%
2013	14.0%	19.2%	24.5%	21.8%	36.7%
2014	16.3%	24.0%	28.3%	25.9%	39.6%
2015	17.5%	25.3%	29.3%	25.6%	39.0%
2016	17.0%	23.4%	29.6%	28.2%	39.6%
2017	19.8%	26.9%	30.8%	25.9%	--
2018	21.5%	28.8%	34.8%	28.1%	--
2019	18.4%	27.1%	--	--	--

Data from eDEAR “End-of-Semester” student files and degree files. Graduation in this data is defined as a certificate or degree of first-time, full-time entering freshman.

Source: HED

ADMINISTRATIVE IMPLICATIONS

HED would be responsible for managing this appropriation, as well as determining an appropriate award methodology for New Mexico’s public institutions of higher education. It is unclear how HED would disperse these funds or what the current cost of retention and graduation support programs at colleges and universities is. It is also unclear if colleges and universities have programs in place that would meet SB235’s stated purpose to fund “evidence-based programs.” HED would need to determine a method of identifying what programs meet this requirement in addition to their administrative oversight. HED analysis was not available at the time of writing, however, the agency would also need to manage funds and dedicate staff time—as HED already manages many legislative appropriations, it is likely the department would be able to manage this proposed appropriation, however, it is unclear if the department has current staff capacity to adopt the provisions of SB235 into current workflows.

The New Mexico Institute of Mining and Technology (NM Tech) notes it is supportive of SB235, citing lower-than-average retention rates at New Mexico’s colleges and universities and its current efforts to expand student persistence and completion of degree programs. NMT notes it currently spends about \$75 thousand annually to expand peer mentoring programs and faculty engagement in student onboarding to support student retention.

SOURCES OF INFORMATION

- LESC Files
- New Mexico Institute of Mining and Technology (NM Tech)

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