

Cost-Effectiveness in New Mexico Higher Education

Presentation to the Government Restructuring Task Force
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Overview of State Higher Education Institutions

Research Universities

- University of New Mexico, New Mexico State University, New Mexico Tech
- Branch Campuses (UNM Taos, Valencia, Gallup, Los Alamos; NMSU Alamogordo, Carlsbad, Dona Ana, Grants)

Four-Year Comprehensive Universities

- ENMU, New Mexico Highlands, WNMU, Northern New Mexico College
- Branch Campuses (ENMU, Roswell Ruidoso)

Two-Year Community Colleges

- Central New Mexico CC, Santa Fe CC, Luna CC, Mesalands CC, Clovis CC, San Juan College, New Mexico Junior College

Specialized Schools

- New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, New Mexico School for the Deaf

Overview of Structure of General Fund Support for State Higher Education

Appropriation Category	FY06 GF Approp (\$000s)	FY07 GF Approp (\$000s)	FY08 GF Approp (\$000s)	FY09 GF Approp (\$000s)	FY10 PS GF Amount (\$000s)	FY11 GF Approp* (\$000s)
Instruction and General	\$ 566,023.5	\$ 603,223.8	\$ 658,139.7	\$ 667,942.9	\$ 639,733.7	\$ 624,073.7
Department of Agriculture	\$ 8,676.6	\$ 9,457.8	\$ 11,263.9	\$ 11,259.8	\$ 10,531.2	\$ 10,701.1
Special Schools (excluding athletics)	\$ 2,506.7	\$ 3,466.3	\$ 5,940.7	\$ 6,211.9	\$ 6,394.4	\$ 6,135.0
Nursing/Dental/Athletics/Educational Television	\$ 16,810.5	\$ 19,181.3	\$ 22,531.5	\$ 30,043.1	\$ 27,204.6	\$ 25,374.4
Higher Education Department**	\$ 33,342.6	\$ 36,728.9	\$ 38,671.8	\$ 40,672.9	\$ 38,299.8	\$ 35,345.4
Research and Public Service Projects/Other	\$ 87,591.4	\$ 91,811.2	\$ 107,852.1	\$ 106,642.1	\$ 94,226.2	\$ 86,341.2
TOTAL	\$ 714,951.3	\$ 763,869.3	\$ 844,399.7	\$ 862,772.7	\$ 816,389.9	\$ 787,970.8

* Based on across the board saving amounts

** About 65% of HED budget used for direct student financial aid.

Targeting primary mission

Higher Education serves four missions – education, research, community service and economic development.

Of the four, many stakeholders consider education to be foremost as it underpins other missions.

This perspective would encourage structuring higher education finances to place greater emphasis on I&G funding and less on RPSP, athletics, and other earmarked programs.

LFC Actions Regarding RPSP's

In its FY11 budget recommendation, the LFC reduced funding for RPSP's as follows:

- 11% from research projects, public service projects, and P-20 pipeline projects focusing on students
- 33% from projects that could be supported with fees, tuition revenues, or grant funding; academic programs receiving start-up appropriations; and other projects that fall within the formula funding framework.
- 50% from projects that duplicate activities of the Higher Education Department, other state agencies, or other programs within the higher education budget, teacher continuing education and training projects, and new projects initiated by the Legislature in 2009.
- 100% from projects of \$50 thousand or less are eliminated.
- Special project expansion lump sum funding is significantly reduced.

Policy Options to Prioritize Instruction

- Try to maintain funding for I&G by making reductions in RPSP's
- Reduce RPSP's by category as LFC did, leaving RPSP's itemized in HB2
- Roll RPSP's into blocks, reduce the total appropriation to the block and allow IHE's to allocate reductions among projects
- Sand all RPSP's
- Eliminate RPSP's below a certain threshold
- Eliminate all RPSP's in certain categories
- Treat other itemized appropriations similar to RPSP's such as athletics, nursing expansions, dentistry and educational television
- Develop a process to roll RPSP's into base I&G over time, especially to phase our RPSP support for instructional programs.
- Phase out funding for each RPSP after three years with the IHE assuming responsibility to fund after that time.
- Evaluate needs of RPSP's that are institutions such as the Department of Agriculture, OMOI, Carrie Tingley Hospital individually.

Number of Higher Education Facilities

Number of state-supported higher education Institutions.

State	No. of 4-yr Institutions*	No. of 2-yr Institutions*	Population**	Pop. per 4-yr Inst	Pop per 2-yr Inst
Arizona	3	11	6,595,778	2,198,592.67	599,616.18
Colorado	9	15	5,024,748	558,305.33	334,983.20
Nevada	4	3	2,643,085	660,771.25	881,028.33
New Mexico	7	7	2,009,671	287,095.86	287,095.86
Oklahoma	13	12	3,687,050	283,619.23	307,254.17
Utah	6	4	2,784,572	464,095.33	696,143.00

* Does not include branch campuses

** 2009 Census Bureau estimate

GF Cost per Credit Hour in NM

Institution	Campus	09 SCH	FY10 I&G	Per credit hour GF cost
NMIMT	Main	21,472	\$ 26,519,000	\$ 1,235.05
NMHU	Main	37,872	\$ 26,075,200	\$ 688.51
UNM	Main	316,685	\$ 175,543,000	\$ 554.31
LCC	Main	13,685	\$ 7,454,800	\$ 544.74
NMSU	Main	208,548	\$ 113,017,100	\$ 541.92
NNMC	Main	19,161	\$ 10,215,500	\$ 533.15
ENMU	Main	51,338	\$ 24,160,000	\$ 470.61
WNMU	Main	32,188	\$ 14,958,100	\$ 464.71
MCC	Main	10,772	\$ 4,238,500	\$ 393.49
UNM	Los Alamos Branch	5,118	\$ 2,006,100	\$ 391.97
ENMU	Roswell Branch	33,969	\$ 12,507,600	\$ 368.21
NMSU	Grants Branch	10,419	\$ 3,436,800	\$ 329.86
CCC	Main	27,468	\$ 8,886,300	\$ 323.51
UNM	Gallup Branch	28,038	\$ 8,783,200	\$ 313.26
SJC	Main	71,854	\$ 21,953,400	\$ 305.53
NMSU	Carlsbad Branch	14,440	\$ 4,272,800	\$ 295.90
NMSU	Alamogordo Branch	24,704	\$ 7,155,400	\$ 289.65
ENMU	Ruidoso Branch	7,115	\$ 2,055,400	\$ 288.88
NMSU	Dona Ana Branch	75,550	\$ 20,011,000	\$ 264.87
UNM	Valencia Branch	20,198	\$ 5,281,400	\$ 261.48
UNM	Taos Branch	11,861	\$ 2,993,400	\$ 252.37
SFCC	Main	39,128	\$ 8,610,900	\$ 220.07
NMJC	Main	28,200	\$ 6,010,300	\$ 213.13
CNM	Main	231,550	\$ 49,294,400	\$ 212.89
Total		1,341,332		

Policy Questions

- Are there too many institutions in New Mexico for our population?
- How do we ensure quality instruction?
- Is this efficient? (One NM IHE web site lists 18 faculty members and 52 administrators.)
- How does NM determine when and where a new campus is needed? Does this reflect a careful evaluation of system needs or earmarking?
- Do we equate the existence of facilities with the existence of a quality educational program?

Policy Options Related to Number of Campuses

- Centralize Governance
 - Single statewide board of regents or governing body (Oklahoma, Nevada)
 - Multiple systems (California – UC, CSU, Community College)
- Encourage IHE's to share administration
 - Library, bookstore, registrar, financial aid, accounting/HR, executive office, public information office, IT support, other instructional and institutional support activities
 - Possible opportunities:
 - Luna/Highlands
 - NMSU/DACC
 - UNM, NMSU-ABQ, Highlands-ABQ
 - Example: CNM and UNM in Rio Rancho are working on a dual admission program that allows them to share advisement and counseling as well as guarantees a career path for CNM students who complete a two-year program at CNM and want to transition to UNM. UNM has agreed not to offer lower division classes in Rio Rancho. UNM and CNM also share a nursing simulation lab and are collaborating on use of libraries.

Policy Options Related to Number of Campuses

- Consolidate smaller community colleges into larger colleges or as branches of four-year institutions to reduce cost and improve quality
- Moratorium on creation of new colleges or campuses
- Create financial disincentives to add campuses
- Ban use of unqualified high school teachers to instruct dual credit classes; eliminate double payments to high school teachers for a single course.

Constraints

- IHE's are generally supportive of efforts to promote greater cooperation, but are not as receptive to efforts to consolidate institutions or functions except voluntarily
- Cooperation can be constrained by academic standards and by existing contracts with vendors (such as bookstore or food service operators)
- Funding formula does not allow easy capture of savings from changes in institutional structures
- Consolidation of IHE governance (i.e. statewide Board of Regents) can result in more administrative costs if the central office duplicates functions performed at each campus.