PERCENT OF ADULTS AGES 25 TO 64 WITH A POSTSECONDARY CREDENTIAL BY 2030
THE CASE FOR HIGHER EDUCATION FUNDING

December 11, 2019 Presentation to the Legislative Finance Committee
Median Earnings of Full-Time Year-Round Workers by Age and Education Level

Source: College Board, Education Pays 2016 (2014 data)
Percentage of Individuals Age 25 and Older Living in Households in Poverty, by Household Type and Education Level

- Less than a High School Diploma
  - Married Couples with Related Children Under 18: 25%
  - Female Householders with Related Children Under 18: 26%
  - All Households: 49%
- High School Diploma
  - Married Couples with Related Children Under 18: 11%
  - Female Householders with Related Children Under 18: 13%
  - All Households: 35%
- Some College, No Degree
  - Married Couples with Related Children Under 18: 6%
  - Female Householders with Related Children Under 18: 11%
  - All Households: 31%
- Associate Degree
  - Married Couples with Related Children Under 18: 4%
  - Female Householders with Related Children Under 18: 8%
  - All Households: 23%
- Bachelor's Degree or Higher
  - Married Couples with Related Children Under 18: 2%
  - Female Householders with Related Children Under 18: 13%
  - All Households: 13%

Source: College Board, Education Pays 2016 (2014 data)
Employer-Provided Health Insurance Coverage Among Part-Time Workers Age 25 and Older, by Education Level

- Advanced Degree: 48%
- Bachelor's Degree: 38%
- Associate Degree: 33%
- Some College, No Degree: 28%
- High School Diploma: 26%
- Less than a High School Diploma: 17%

Source: College Board, Education Pays 2016 (2014 data)
Smoking Rates Among Individuals Age 25 and Older, by Education Level

Source: College Board, Education Pays 2016 (2014 data)
HIGHER EDUCATION RECURRING APPROPRIATIONS AS A PERCENTAGE OF TOTAL GENERAL FUND APPROPRIATIONS

National Average = 15.8%
(Source: Lumina Foundation 2017)

FY08  FY09  FY10  FY11  FY12  FY13  FY14  FY15  FY16  FY17  FY18  FY19  FY20  FY21
10.0%  11.0%  12.0%  13.0%  14.0%  15.0%  16.0%
15.2%  15.5%  14.4%  14.6%  13.5%  13.4%  13.4%  13.6%  13.6%  12.9%  13.0%  12.8%  12.6%  12.2%

HED Institutional Finance Files.
Note: Higher Education GF Appropriation includes HEIs and HED.
TOTAL RECURRING NM GENERAL FUND APPROPRIATIONS AND HIGHER EDUCATION APPROPRIATIONS ($Millions)

Higher Education GF Appropriation
CPI Adjusted FY08 Dollars

FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20
$865.20 $869.23 $832.90 $822.37 $762.30 $729.61 $730.90 $765.39 $700.28 $718.60 $761.74 $756.62 $691.00 $679.16 $677.32 $709.54
$870.54

Note: Higher Education GF Appropriation includes HEIs and HED.
Comparison of FTE Enrollment with Awards FY09-FY19

HED Funding Formula Files.
<table>
<thead>
<tr>
<th>Institution</th>
<th>Protected FY 20 Base Funding for FY21</th>
<th>FY21 Performance Funding</th>
<th>Total FY21 I&amp;G Formula Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I&amp;G Funding</td>
<td>Change in I&amp;G Funding from FY20 Budget</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$614,015,018</td>
<td>$46,752,413</td>
<td>100.0%</td>
</tr>
<tr>
<td>University of New Mexico</td>
<td>$191,519,263</td>
<td>$15,620,406</td>
<td>33.41%</td>
</tr>
<tr>
<td>University of New Mexico-Gallup</td>
<td>$8,751,430</td>
<td>$400,598</td>
<td>0.86%</td>
</tr>
<tr>
<td>University of New Mexico-Los Alamos</td>
<td>$1,859,286</td>
<td>$142,422</td>
<td>0.30%</td>
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<tr>
<td>University of New Mexico-Taos</td>
<td>$3,708,230</td>
<td>$257,625</td>
<td>0.55%</td>
</tr>
<tr>
<td>University of New Mexico-Valencia</td>
<td>$5,643,952</td>
<td>$386,500</td>
<td>0.83%</td>
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<tr>
<td>Subtotal UNM and Branches</td>
<td>$211,482,160</td>
<td>$16,807,552</td>
<td>35.95%</td>
</tr>
<tr>
<td>New Mexico State University</td>
<td>$118,220,291</td>
<td>$8,168,138</td>
<td>17.47%</td>
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<tr>
<td>New Mexico State University-Alamogordo</td>
<td>$7,213,943</td>
<td>$182,149</td>
<td>0.39%</td>
</tr>
<tr>
<td>New Mexico State University-Carlsbad</td>
<td>$4,207,132</td>
<td>$253,063</td>
<td>0.54%</td>
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<tr>
<td>New Mexico State University-Dona Ana</td>
<td>$23,303,426</td>
<td>$1,596,146</td>
<td>3.41%</td>
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<tr>
<td>New Mexico State University-Grants</td>
<td>$3,473,209</td>
<td>$149,513</td>
<td>0.32%</td>
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<tr>
<td>Subtotal NMSU and Branches</td>
<td>$156,418,000</td>
<td>$10,349,009</td>
<td>22.14%</td>
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<tr>
<td>Eastern New Mexico University</td>
<td>$28,299,937</td>
<td>$2,638,176</td>
<td>5.64%</td>
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<tr>
<td>Eastern New Mexico University-Roswell</td>
<td>$11,721,303</td>
<td>$651,995</td>
<td>1.39%</td>
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<tr>
<td>Eastern New Mexico University-Ruidoso</td>
<td>$2,074,804</td>
<td>$99,478</td>
<td>0.21%</td>
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<tr>
<td>Subtotal ENMU and Branches</td>
<td>$42,096,044</td>
<td>$3,899,649</td>
<td>7.25%</td>
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<tr>
<td>New Mexico Institute of Mining and Technology</td>
<td>$27,877,175</td>
<td>$2,074,661</td>
<td>9.44%</td>
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<tr>
<td>New Mexico Highlands University</td>
<td>$28,239,064</td>
<td>$2,320,343</td>
<td>8.96%</td>
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<tr>
<td>Northern New Mexico College</td>
<td>$10,247,152</td>
<td>$434,856</td>
<td>0.93%</td>
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<tr>
<td>Western New Mexico University</td>
<td>$17,878,834</td>
<td>$1,617,768</td>
<td>3.46%</td>
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<tr>
<td>Subtotal non-branch Universities</td>
<td>$84,242,224</td>
<td>$36,993,838</td>
<td>79.13%</td>
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<tr>
<td>Central New Mexico Community College</td>
<td>$59,061,979</td>
<td>$5,814,950</td>
<td>12.44%</td>
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<tr>
<td>Clovis Community College</td>
<td>$9,689,741</td>
<td>$622,761</td>
<td>1.33%</td>
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<tr>
<td>Luna Community College</td>
<td>$6,907,707</td>
<td>$180,226</td>
<td>0.39%</td>
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<tr>
<td>Mesalands Community College</td>
<td>$4,019,725</td>
<td>$199,085</td>
<td>0.43%</td>
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<tr>
<td>New Mexico Junior College</td>
<td>$5,627,404</td>
<td>$429,522</td>
<td>0.92%</td>
</tr>
<tr>
<td>San Juan College</td>
<td>$24,204,405</td>
<td>$1,625,393</td>
<td>3.48%</td>
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<tr>
<td>Santa Fe Community College</td>
<td>$10,265,572</td>
<td>$886,639</td>
<td>1.90%</td>
</tr>
<tr>
<td>Independent Community College Total</td>
<td>$119,776,591</td>
<td>$9,758,575</td>
<td>20.87%</td>
</tr>
</tbody>
</table>
FY21 I&G FUNDING FORMULA RECOMMENDATION

- HED’s FY21 Funding Formula Recommendation includes 6% new money and redistributes 1.5% of total base I&G funding according to performance measures.

Recommendation based on summer interim task force (HED, LFC, DFA, CUP, NMICC, NMACC)
Protected FY20 Base Funding, $614,015,018

"Performance Funding" (New Money + Redistributed FY20 Base Amount), $46,752,413

Total Credentials, 33.00% (Was 30% FY20)

STEMH Awards, 13.50%

Awards to Financially At-Risk Students, 18.50% (Was 15.75% in FY20)

End of Course Student Credit Hours (EOC SCH), 15.00% (Was 20.75% in FY20)

Sector Mission Measures, 20.00%

HED Funding Formula Files

12/11/2019
FY21 I&G FUNDING FORMULA RECOMMENDATION: DISTRIBUTION OF SECTOR MISSION MEASURES

- Research, $5,169,487, 55%
- MP30, $2,329,194, 25%
- MP60, $293,375, 3%
- Dual Credit, $1,558,427, 17%

HED Funding Formula Files
HED Research and Public Service (RPSP) Recommendation

• 191 HEI Requests for FY21 totaling $176M included:
  ▪ 73 level-funded requests
  ▪ 69 expansion requests
  ▪ 49 new projects

• New and expansion requests >10% were presented at RPSP Fall Hearings

• Total HED Recommendation ~$141M for FY21 ($13.8M or 10.9% increase)

• Prioritizes nurse expansion, other health care and early childhood projects;
New Mexico Opportunity Scholarship

Ensures full coverage of tuition and fees for all New Mexico

- Recent graduates
- Returning adults

Prudent, sustainable investment in our economic future. College degree holders are

- 24% more likely to be employed
- Almost twice as likely to buy homes
- Twice as likely to do volunteer work
- 3½ times more likely to make charitable contributions

MOU will ensure tuition stability, increase support services for improve retention
New Mexico Opportunity Scholarship

COST

• $35 million a year

BACKGROUND

• Legislative Lottery Scholarship provided tuition free college for NM high school graduates, however, it now covers only 60-75 percent of tuition.

FAFSA

• Students are encouraged to apply for federal student aid by completing the FAFSA

IMPACTS

• 55,000 New Mexico students
• All of NM’s 29 public, post secondary schools
New Mexico Opportunity Scholarship

RECIPIENTS

Recent high school grads pursuing a bachelor’s or associate degree

For Adults (24+) to pursue an *associate degree*

ELIGIBILITY

- New Mexico resident for one year
- New Mexico high school graduate (or HSE or GED)
- Must complete use of the scholarship within five years
- Do not already possess a bachelors or associates degree
Towards a Brighter Future

• Higher Education funding has declined as a share of the state budget over the last decade causing
  • cuts in student support services;
  • further deferring maintenance; and
  • creating unsustainable revenue to adequately support students.

• Higher education is the economic driver in New Mexico
  • Filling workforce needs for nurses, teachers, welders and other high need areas;
  • Changing the trajectories of individuals, families and communities
Thank You! Questions?
Total Sources of Revenue
Unrestricted and Restricted
Source: HEI Reports of Actuals

FY08 ALL HEI TOTAL FUNDING
$2,364,363,284

FY19 ALL HEI TOTAL FUNDING
$2,717,813,866
FY19 Total Revenues Distribution
2 Year Branch & Independent Colleges Total $570,615,731

- Federal Appropriations: $29,574,632, 5%
- Federal Contracts/Grants: $76,764,264, 13%
- Endowment Land Grant Permanent Fund: $1,387,157, 0%
- State Appropriations: $186,858,316, 33%
- State Contracts/Grants: $16,241,227, 3%
- Tuition and Fees: $82,207,816, 14%
- Sales and Services: $15,497,264, 3%
- Private Gifts/Grants/Contracts: $8,569,797, 2%
- Other Sources, Local Appropriations: $12,290,124, 2%
- Local Contracts/Grants: $218,310, 0%
- Local Appropriations: $141,006,824, 25%

Total Revenues Distribution:
- Federal Appropriations: $29,574,632
- Federal Contracts/Grants: $76,764,264
- Endowment Land Grant Permanent Fund: $1,387,157
- State Appropriations: $186,858,316
- State Contracts/Grants: $16,241,227
- Tuition and Fees: $82,207,816
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- Private Gifts/Grants/Contracts: $8,569,797
- Other Sources, Local Appropriations: $12,290,124
- Local Contracts/Grants: $218,310
- Local Appropriations: $141,006,824

Total: $570,615,731
FY19 Total Revenues Distribution
Four Year Universities  $2,147,198,135

- Federal Appropriations  $5,325,203  0%
- Sales and Services  $457,806,300  21%
- Local Contracts/Grants  $2,566,636  0%
- Federal Contracts/Grants  $404,935,696  19%
- Local Appropriations  $2,471,826  0%
- Other Sources  $147,085,295  7%
- Endowment Land Grant Permanent Fund  $24,467,305  1%
- Private Gifts/Grants/Contracts  $76,941,989  4%
- Tuition and Fees  $361,234,379  17%
- State Appropriations  $559,256,976  26%
- State Contracts/Grants  $105,106,530  5%
Historical I&G Appropriations by Sector

I&G Funding History - Research Sector

NMT  NMSU  UNM
Historical I&G Appropriations by Sector

I&G Funding History - Independent Community Colleges
Employment Rates of Individuals Age 25 and Older, by Race/Ethnicity and Education Level

- Bachelor's Degree or Higher
- Associate Degree
- Some College, No Degree
- High School Diploma
- Less than a High School Diploma

Source: College Board, Education Pays 2016 (2014 data)
Labor Force Participation Rates of Individuals Age 25 and Older, by Race/Ethnicity and Education Level

Source: College Board, Education Pays 2016 (2014 data)
THE FUNDING FORMULA INCENTIVIZES COMPLETION

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.