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DATE: April 17, 2017
TO: All NMSU Employees
FROM: Garrey Carruthers, Chancellor
SUBJECT: Funding for Higher Education

A handwritten signature in blue ink, appearing to be 'GC', with a long horizontal line extending to the right.

Earlier this month, Governor Martinez vetoed funding for all of higher education in New Mexico. It could not come at a worse time, just as we are enrolling students for the summer and fall semesters. At a meeting this week with colleagues, we determined it was time for all to speak up for higher education and the importance of a sustainable funding source. The group suggested we provide some talking points so that those who are so moved could write to their own legislators and to the Governor. Please find those points below.

- New Mexico's institutions of higher education cannot absorb further budget cuts without detrimental effects to our students' quality of education and affordability, as well as to the state's current and future work force.
- The Higher Education budget that was vetoed in HB 2 would cut \$69.2 million since FY16. Higher Education comprises 44 percent of the budget cuts, while comprising only 12.8 percent of the state's spending. In order to make up for these cuts, higher education would have to raise tuition by roughly 30 percent.
- Currently, state funding makes up roughly 50 to 60 percent of the money we receive for instruction and general operations. This includes critical areas such as classroom education, the services essential to each student's educational efforts, and the hiring of faculty who bring renown to New Mexico. Our universities also generate other revenues from research and services to support the academic mission.
- We cannot stress enough how much the state appropriation means to each of our students and their families. Without it, the amount of tuition each student would pay increases dramatically by roughly three times of what they are currently paying.
- The effect on the Legislative Lottery Scholarship, which might only pay 65 to 70 percent of tuition in FY18, may result in an additional reduction in what can be allocated to student tuition costs.

- HB 2 proposed a 1 percent cut at \$69.1 million to higher education. Any cut above the 1 percent would result in the elimination of programs and jobs, make accreditations vulnerable, raise tuition, and negatively impact student services.
- Higher Education enrollment in FY17 is very similar to FY08 enrollment numbers, while the FY17 budget is \$50 million less than FY08. Total enrollment for Higher Education in FY08 was 130,382 students with an operating budget of \$793.9 million. Total enrollment for Higher Education in FY17 is 130,780 students and an operating budget of \$743.9 million.
 - Higher Education is the only state entity that is funded under a performance based funding formula that makes adjustments for increases/decreases in enrollment and increases/decreases in degrees and certificates.
 - Over the last ten years, colleges and universities have experienced inflationary increases in the areas of healthcare benefits, building costs, etc.
- To make up a possible loss of \$69.1 million in reductions, institutions will have to eliminate valued programs when graduation rates are improving (degree certificate awards have increased by 16.4 percent over the last 5 years).
- The Council of University Presidents' seven four-year institutions have eliminated 2,801 jobs over the past 5-7 years. However, this can be interpreted as a significantly higher job loss because the State's Higher Education Jobs multiplier of 1.64 results in a job loss total of 4,593.
- The *Santa Fe New Mexican* recently published a story that New Mexico has the lowest average rate of tuition in the country.
- Student Loan Hero, an Austin-based student loan management company, used U.S. Department of Education data to calculate the average cost per credit hour for residents to attend public colleges and universities in each state. The average rate at schools around New Mexico is by far the lowest, at \$122.77, the firm said in a report.
- According to the Institute for College Access and Success, New Mexico ranks 49th in average student debt at graduation due to the state appropriations that support low tuition and fees.
- According to the Center for Higher Education and Workforce Center at Georgetown University, 65 percent of jobs available will require at least some postsecondary education by 2020.