

# NEW MEXICO HIGHER EDUCATION DEPARTMENT



SUSANA MARTINEZ  
NEW MEXICO GOVERNOR

JOSÉ Z. GARCIA  
CABINET SECRETARY

## ANNUAL REPORT 2011

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Letter from the Secretary:

There was much for the students and the taxpayers of New Mexico to be proud of in 2011.

Across our state educators, students and administrators worked together to fashion important steps forward for our higher education system. From a moratorium on new buildings to a new performance-based funding formula, the New Mexico higher education community rose to the challenge in every category.

We accomplished a great deal in 2011, but there is much more to do. The students in our classrooms today are the workforce of tomorrow. Our continuing challenge is to prepare them to face an increasingly competitive global economy.

The good news is that Governor Martinez and leaders in business and education across our state can see this challenge on the horizon and are taking action now. The New Mexico Higher Education Department is working with all of the post-secondary institutions in the state – research universities, four-year comprehensive universities and community colleges – to create a *system* of higher education that will fulfill our state's need for a skilled and educated workforce for years to come.

This is our challenge and our goal: to create a higher education system that provides jobs for our students and a thriving economy for our state.

Sincerely,

Dr. José Z. Garcia  
Secretary of Higher Education

## **Executive Summary:**

There are great challenges, but also great opportunities for higher education in New Mexico. As of today, there are 27 higher learning institutions available to serve a population of just over 2 million citizens. These institutions, spread throughout the state, are the recipients of over \$700 million dollars from the taxpayers every year. This significant investment from the state is delivered with the hope and expectation that New Mexico's students are being given every skill they will need to compete.

For the first time in the history of New Mexico, the state's younger generation will be *less* educated than the older generation. This dynamic paints a difficult future for New Mexico's economy as employers look for an educated workforce and as companies look for the best locations to operate their business. Moreover, with New Mexico facing competition not only from neighboring states, but from other countries as well, having an educated, highly skilled workforce is essential.

The challenge then becomes how best to use the state's resources to develop this workforce. It's clear that a large part of the answer is to better utilize the higher education system in New Mexico.

### **A new funding formula for New Mexico**

Early in her administration, New Mexico Governor Susana Martinez instructed Higher Education Secretary Jose Garcia to develop a funding formula that would bring a better return on investment for New Mexico taxpayers. The funding formula would have to steer the state into developing a more globally competitive workforce while still meeting the needs of a diverse population. The new formula would also have to engage stakeholders in charge of the state's institutions to begin to work together as a higher education *system* instead of each college or university pursuing goals individually. Lastly, this new formula would need to incentivize colleges and universities to produce the graduates New Mexico will need for generations to come.

Beginning in spring 2011, Secretary Garcia began to gather stakeholders from around New Mexico and around the nation to take on the challenge of this new funding formula. For

months, leaders gathered together and worked to develop the framework of the formula. Through numerous work sessions and strong input the new funding formula began to take shape around the following concepts:

- Providing more funding to institutions producing student outcomes.
- Developing a strategy to have all institutions work as one system.
- Including a 2% “stop-loss” ensuring stability as the new formula is implemented.
- Incentivizing institutions to produce high demand degrees.
- Working hand-in-hand with state employment projections to produce graduates the state economy needs.

Developing a formula to incentivize outcomes instead of inputs not only pays dividends for the economy and students, it also benefits taxpayers. Studies have shown that New Mexico taxpayers pay \$53,000 for every bachelor’s degree earned. Compare this to neighboring Arizona, which serves a larger population, where taxpayers only pay \$39,000 for every bachelor’s degree. It’s clear a new funding formula would deliver a better return on investment for all New Mexicans.

From February through October, 2011, NMHED personnel joined together with college and university stakeholders to develop a formula which met goals and provided stability for institutions. Through this process, NMHED produced a new formula that not only met the high standard of rewarding outcomes, but also was delivered with the support of many of the stakeholders across the state.

Moving forward, New Mexico’s ambitious new higher education funding formula focuses 5% of the entire budget on outcome based measures. In particular, institutions would be rewarded for producing STEHM (Science, Technology, Engineering, Health Care and Mathematics) degrees. While there is value in all college degrees, studies have shown New Mexico will require nearly 50,000 employees in the STEHM field in the next six years. In fact, by 2018, 5% of all jobs in the state will be in the STEHM fields and 93% of those jobs will require post-secondary education or training.

The Secretary of the Higher Education Department delivered the new funding formula to Governor Martinez in October 2011. Shortly thereafter, HED delivered and presented the new formula to key legislative committees and also made presentations at various institutions across New Mexico.

Now in place, the new funding formula places 5% of the higher education budget on outcome based measures. New Mexico's colleges and universities receive increased support for students who complete courses, and earn needed degrees to push the economy forward. In a single year, New Mexico has become a national model for how to move forward with a higher education system with a focus on helping out students become globally competitive.

### **Moratorium on new branch campuses and new building**

The proliferation of branch campuses across New Mexico created an unsustainable system. In some areas, branch campuses would be located not far from the main campus and even closer to competing branch campuses from other institutions. These buildings were incentivized by the out-dated funding formula which financially rewarded institutions for the amount of square footage they controlled. While the goal of access to higher education is laudable one, New Mexico taxpayers were supporting a system where many efforts were duplicated.

In 2011, the New Mexico Higher Education Department worked brokered and agreement with higher education stakeholders to implement a moratorium on the proliferation of branch campuses. Representatives of every higher learning institution in the state agreed to halt the construction not only of new branch campuses, but of new buildings on existing campuses, for at least two years. The agreement allowed institutions some flexibility to build new facilities under specific circumstances, but the moratorium saved a lot of taxpayer dollars.

General Fund Appropriations for Higher Education in New Mexico  
Compared to Total General Fund Appropriations for All State Agencies

<b>Millions of Dollars Appropriated</b>			
<b>Academic (Fiscal) Year</b>	<b>Total General Fund Appropriations</b>	<b>Higher Education Appropriations</b>	<b>Higher Education as a Percent of Total General Fund</b>
2004-2005	\$4,380.6	\$671.9	15.3%
2005-2006	\$4,708.6	\$705.0	15.0%
2006-2007	\$5,084.1	\$762.0	15.0%
2007-2008	\$5,675.0	\$846.3	14.9%
2008-2009	\$6,026.8	\$884.9	14.7%
2009-2010	\$5,487.7	\$853.2	15.5%
2010-2011	\$5,188.3	\$762.3	14.7%
2011-2012	\$5,435.1	\$731.3	13.5%

Higher education appropriations include funds appropriated for Instruction & General (I & G), Financial Aid, and a range of individual appropriations for Research and Public Service and other non-I&G programs that are not funded via the Funding Formula.

## Sources of Revenue for Instruction and General Purposes Unrestricted and Restricted Funds in 2011 - 2012

Public post-secondary institutions rely upon a number of revenue sources in order to operate. The following tables illustrate the primary source of income is derived from state appropriations; universities obtain 53.8% while community colleges obtain

	State Appropriations	Tuition & Fees	Local Tax Levy	L&PF / Endowment	Misc.	Total Unrestricted	Grants & Contracts Total I & G Restricted	Total I & G Budgeted Revenue
Universities	\$417,780,900	\$263,787,938	\$0	\$16,341,101	\$78,702,337	\$776,612,276	\$37,730,493	\$814,342,769
Branch Colleges	\$62,300,100	\$33,105,882	\$17,099,506	\$0	\$1,203,970	\$113,709,458	\$14,673,174	\$128,382,632
Independent	\$97,430,000	\$48,822,553	\$89,689,154	\$0	\$7,794,140	\$243,735,847	\$20,649,865	\$264,385,712
Total Comm Colls	\$159,730,100	\$81,928,435	\$106,788,660	\$0	\$8,998,110	\$357,445,305	\$35,323,039	\$392,768,344
All Institutions	\$577,511,000	\$345,716,373	\$106,788,660	\$16,341,101	\$87,700,447	\$1,134,057,581	\$73,053,532	\$1,207,111,113

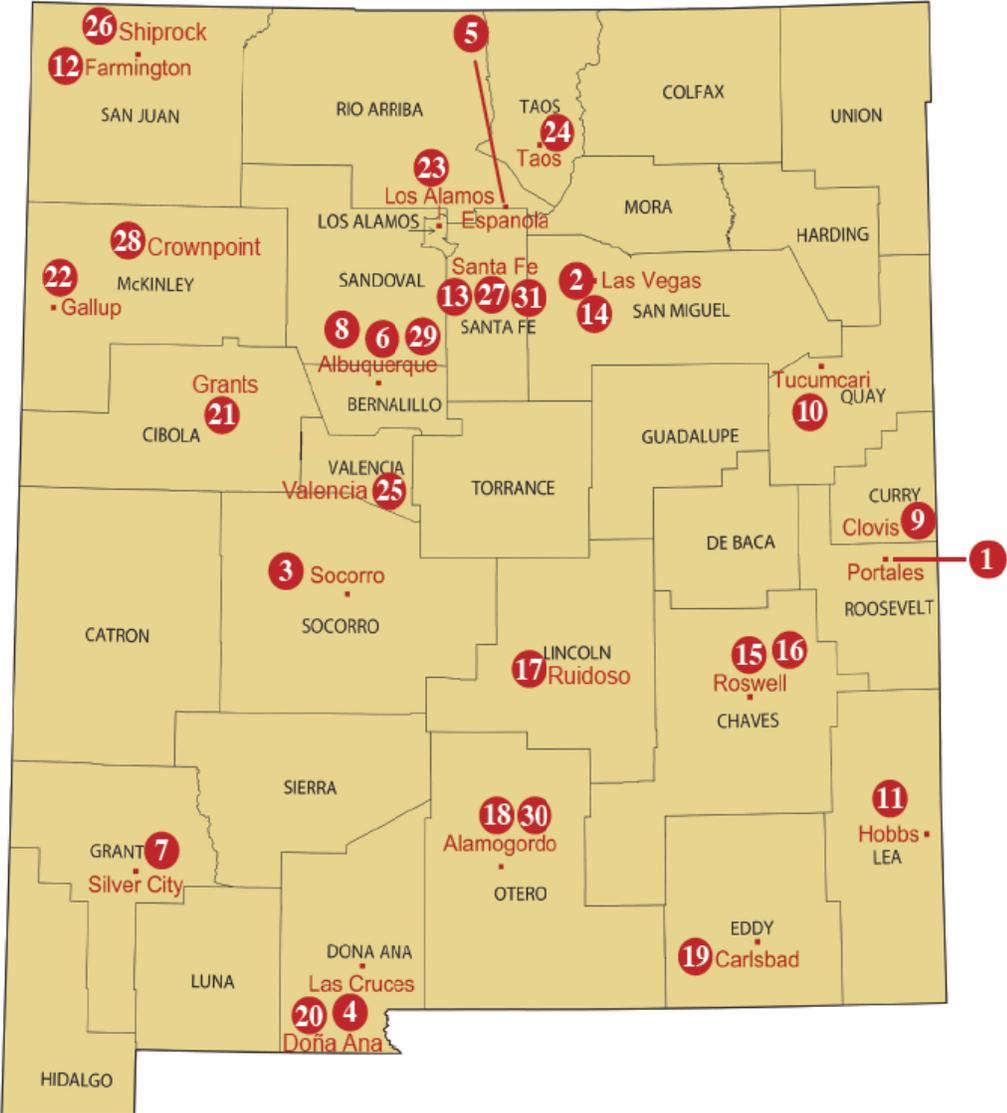
### Percentage of Revenue Sources

	State Appropriations	Tuition & Fees	Local Tax Levy	L&PF/ Endowment	Misc.	Total Unrestricted	Grants & Contracts Total I & G Restricted	Total I & G Budgeted Revenue
Universities	53.8%	34.0%	0.0%	2.1%	10.1%	95.4%	4.6%	100.0%
Branch Colleges	54.8%	29.1%	15.0%	0.0%	1.1%	88.6%	11.4%	100.0%
Independent Colleges	40.0%	20.0%	36.8%	0.0%	3.2%	92.2%	7.8%	100.0%
Total Community Colleges	44.7%	22.9%	29.9%	0.0%	2.5%	91.0%	9.0%	100.0%
All Institutions	50.9%	30.5%	9.4%	1.4%	7.7%	93.9%	6.1%	100.0%

Source: Approved Institutional Operating Budgets for Fiscal Year 2011-2012

Acronym	Institution	GF Approp	Tuition & Fees	Local Tax Levy	Land & Perm Fund	Miscellaneous	Total	Restricted I & G
	<b>Four-Year Schools:</b>							
NMIMT	New Mexico Institute of Mining & Technol	25,111,900	7,600,800	0	1,250,000	4,177,500	38,140,200	0
NMSU	New Mexico State University	103,002,300	77,738,575	0	2,761,200	18,223,913	201,725,988	11,019,100
UNM	University of New Mexico	160,933,600	132,657,313	0	11,068,028	23,631,006	328,289,947	8,005,697
UNM HSC	University of New Mexico HSC	56,962,200	10,798,653		0	29,654,621	97,415,474	6,536,988
ENMU	Eastern New Mexico University	23,037,300	13,028,000	0	620,000	374,200	37,059,500	4,925,000
NMHU	New Mexico Highlands University	24,806,600	9,455,871	0	283,873	1,638,650	36,184,994	1,623,756
NNMC	Northern New Mexico College	9,895,100	4,541,234	0	200,000	288,585	14,924,918	4,939,909
WNMU	Western New Mexico University	14,031,900	7,967,492	0	158,000	713,862	22,871,254	680,043
	<b>Sub-total</b>	<b>417,780,900</b>	<b>263,787,938</b>	<b>0</b>	<b>16,341,101</b>	<b>78,702,337</b>	<b>776,612,275</b>	<b>37,730,493</b>
	<b>Two-Year Schools:</b>							
ENMU-RO	ENMU Roswell	10,748,000	4,368,393	990,000	0	320,200	16,426,593	2,090,007
ENMU-RU	ENMU Ruidoso	1,935,400	756,200	970,000	0	11,800	3,673,400	1,226,300
NMSU-A	NMSU Alamogordo	6,554,700	4,745,400	544,000	0	69,400	11,913,500	1,080,860
NMSU-C	NMSU Carlsbad	4,234,500	1,377,485	3,950,000	0	70,000	9,631,985	1,174,025
NMSU-D	NMSU Dona Ana	18,291,700	11,193,903	3,900,000	0	236,477	33,622,080	3,600,193
NMSU-G	NMSU Grants	3,258,200	1,766,035	220,000	0	27,200	5,271,435	1,221,167
UNM-G	UNM Gallup	8,202,900	3,798,466	2,000,000	0	171,250	14,172,616	1,602,547
UNM-L	UNM Los Alamos	1,665,500	1,021,700	635,000	0	20,000	3,342,200	314,200
UNM-T	UNM Taos	2,736,100	1,419,233	1,472,105	0	105,000	5,732,438	407,577
UNM-V	UNM Valencia	4,673,100	2,659,067	2,418,401	0	172,643	9,923,211	1,956,298
CNM	Central New Mexico Community College	43,008,000	23,728,648	45,577,425	0	5,012,172	117,326,245	9,340,764
CCC	Clovis Community College	8,397,100	2,684,863	1,156,900	0	111,500	12,350,363	525,596
LCC	Luna Community College	7,026,300	1,352,778	1,499,982	0	262,200	10,141,260	791,779
MCC	Mesalands Community College	4,048,500	1,040,500	170,000	0	154,000	5,413,000	163,000
NMJC	New Mexico Junior College	5,316,000	3,589,200	10,805,732	0	349,471	20,060,403	1,400,174
SJC	San Juan College	21,471,600	9,985,189	15,479,115	0	1,729,797	48,665,701	2,565,724
SFCC	Santa Fe Community College	8,162,500	6,441,375	15,000,000	0	175,000	29,778,875	5,862,828
	<b>Sub-total</b>	<b>159,730,100</b>	<b>81,928,435</b>	<b>106,788,660</b>	<b>0</b>	<b>8,998,110</b>	<b>357,445,305</b>	<b>35,323,039</b>
	<b>TOTAL</b>	<b>577,511,000</b>	<b>345,716,373</b>	<b>106,788,660</b>	<b>16,341,101</b>	<b>87,700,447</b>	<b>1,134,057,580</b>	<b>73,053,532</b>
	Two-Year Branches	62,300,100	33,105,882	17,099,506	0	1,203,970	113,709,458	14,673,174
	Two-Year Independents	97,430,000	48,822,553	89,689,154	0	7,794,140	243,735,847	20,649,865
	Total Community Colleges	159,730,100	81,928,435	106,788,660	0	8,998,110	357,445,305	35,323,039

# STATE-FUNDED COLLEGES, UNIVERSITIES, TRIBAL COLLEGES & SPECIAL SCHOOLS IN NEW MEXICO



## **Institutional Finance and Capital Projects Division**

The Institutional Finance and Capital Projects Division provides fiscal oversight to the state's 24 publicly funded colleges and universities and three special schools.

The Division runs the higher education funding formula. In the General Appropriation Act of 2011, the New Mexico legislature directed HED to overhaul the formula to shift from an input-based to an outcome-based approach. The previous formula was based on calculation of such items as student enrollment on the 20<sup>th</sup> census date, student headcount, equipment replacement costs, building replacement and renewal, building operations and maintenance costs, tuition, land grant permanent fund, mill levy, tuition waivers, and dual credit adjustments. The new formula is based on four outcome measures – student credit hours completed, total awards of certificates and degrees, workforce development and outcomes for at-risk students. In 2012, HED plans to expand the formula by adding several sector-specific outcome measures and to refine the existing four measures.

To develop the new formula, the Division organized more than 30 meetings of the Funding Task Force, Strawman Committee, Finance Committee, Best Practices Committee, Utilities Committee, and Institutional Research Committee, including participation from all of the presidents and executive directors of New Mexico public postsecondary institutions, all vice presidents for financial affairs, institutional research directors, major public and private sector employers, cabinet secretaries and staff from other state agencies (especially the Workforce Solutions Department, Economic Development Department, and Department of Finance and Administration), legislators and staff from the New Mexico Legislature, and experts from within and outside the state.

The Division also produces an annual budget recommendation for the public postsecondary sector, including estimates of the costs of compensation and revenues from non-general fund sources. In developing these recommendations, the Division held two days of hearings on Research and Public Service Project FY13 budget requests totaling about \$99 million. Following these hearings, Division staff reviewed the requests and recommended about \$92.4 million for FY13 funding.

The Division reviews and approves institutional operating budgets. For fiscal year 2012, the Division submitted to the Department of Finance and Administration and the Legislative Finance Committee the approval of \$4 billion in expenditures for publicly funded institutions. Prior to the operating budget approval, the Division reviewed and approved more than 100 operating budget adjustment requests for fiscal year 2011.

The Division works collaboratively with the New Mexico Tax and Revenue Department and the Department of Finance and Administration's Local Government Division as well as other agencies to complete the Mill Levy and Debt Service Certification. Revenue from the mill levy generated approximately \$112.2 million for all 17 public community colleges in fiscal year 2011.

In 2011, the Division closed out the state's participation, in cooperation with the New Mexico Department of Finance and Administration and the New Mexico Office of Recovery and Reinvestment, in the American Recovery and Reinvestment Act. New Mexico's public postsecondary institutions were beneficiaries of \$26,475,900 from the American Recovery and Reinvestment Act's State Fiscal Stabilization Fund for Education and received additional support from the Government Service Fund.

Committed to the concept of continuous improvement, the Division has increased fiscal accountability of state funding of higher education institutions via improved review and analysis of financial activity. Financial reports and certifications are submitted on a quarterly basis. Financial ratios are submitted to the New Mexico Higher Education Department in conjunction with the Higher Learning Commission requirement. Unaudited "Reports of Actuals" are provided to the Department for verification of fund balances.

Monthly reporting is required of institutions on fiscal watch or with a budget contingency. Compliance with financial reporting and state audit rule requirements is monitored closely and includes corrective action follow-up by the Department on the annual financial audit findings. Increased communication with institutional fiscal managers has resulted in standardized and measurable monitoring of institutions' fiscal health and regulatory compliance.

On an ongoing basis, the Division provides oversight of the agency's ENLACE, MESA, High Skills, and Nursing Enhancement programs. The Division also processes flow-thru

appropriation payments for the State Fiscal Stabilization Fund for Education and Government Service Fund reimbursements to institutions via an automated clearing house (ACH, direct deposit) process. The benefits include saving labor, time and effort and the process reduces excess paper printing and postage costs.

For continued cost savings, all disbursements handled by the Division, along with back-up documentation, are emailed to each institution once each transaction has been completed. Further, the Division collects information electronically including operating budgets, report of actuals, quarterly reporting. This has led to a well-organized, timely and streamlined method of communicating data among state agencies.

## **New Mexico State Approving Agency**

Each State has a State Approving Agency (SAA) and a few have two or three. Some states have one agency to approve all school programs, another agency to approve all on-the-job training programs, and then possibly a third agency to approve the flight schools. New Mexico has one State Approving Agency that approves all school and on-the-job training programs to allow Veterans to receive GI Benefits. The Department of Veteran Affairs approves all flight schools.

The primary responsibility and focus of the SAAs continues to be the review, evaluation and approval of quality programs of education and training under State and Federal criteria. SAAs continue to conduct on-site supervisory visits to approved institutions and schools seeking approval. They continue to provide technical assistance to all interested parties and are engaged in outreach activities to foster the usage of the GI Bill. Further, they continue to act as state liaison in assisting military installations to provide base personnel with quality educational offerings.

The programs which can be approved are found in Institutions of Higher Learning (colleges and universities), non-degree institutions (vocational and technical schools), apprenticeship programs, other on-the-job training programs, and flight training schools. Each state reviews the quality of each program as to its own standards and laws in addition to VA rules and regulations along with any other applicable laws and/or regulations. Then it is either approved or disapproved; continuous supervision is required of approved programs.

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## **Adult Basic Education**

The New Mexico Higher Education Department's Adult Basic Education (ABE) division serves more than 21,000 adult students 16 years of age and older who function below the high school completion level. New Mexico community colleges house 22 of the 27 ABE programs located throughout the state. The programs provide opportunities for New Mexico's adults to improve their lives through free classes. Last year, ABE students made significant gains in the quality of their lives through progress in literacy, math skills and greater access to higher education:

- Learning basic literacy and numeracy skills
- Earning a GED high school diploma
- Learning English as a second language (ESL) and civics
- Preparing for college and careers
- Entering and thriving in New Mexico's workforce

### **A Demonstrated Need: More than 400,000 Adult New Mexicans Do Not Have a High School Diploma and/or Have English as a Second Language Needs**

According to the 2010 American Community Survey, approximately 270,000 New Mexico adults between the ages of 18 and 64 do not have a high school diploma. An additional 132,000 adults have English as a second language needs. The New Mexico Higher Education Department's Adult Basic Education Division and its 27 local programs serve that population by providing free English language and GED classes. Students pay no tuition, and all books and necessary materials are provided free of charge. In FY 2010-11, ABE programs in New Mexico enrolled over 21,000 students. Due to limited funding, NM ABE currently is only able to serve around five percent of the eligible adult population.

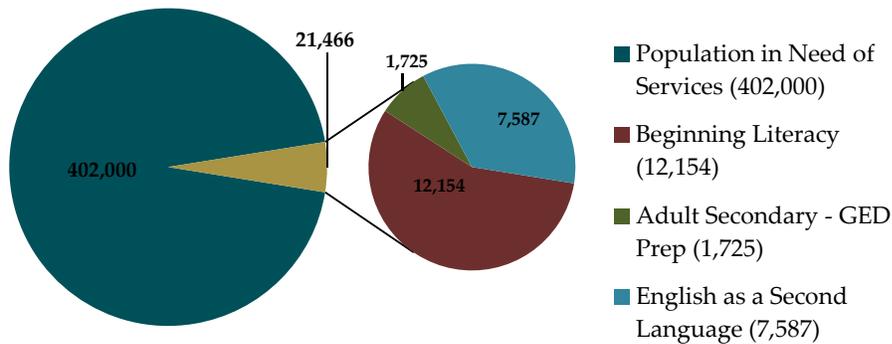
NM ABE is considered primarily a GED program; however, few students enter prepared to study at this level. Approximately 90% of New Mexico students enroll in the lowest levels of adult basic education and English language proficiency. Of particular note:

- Only 8% of students enter ABE programs ready for instruction at adult secondary levels (9th-12th grade equivalency)

- 57% of students enter at the ABE levels (below 9th grade)
- 35% of students enter as English as a Second Language (ESL) students

The following chart compared the population in need of ABE services with those served in 2010-11.

**2010-2011 Adult Basic Education Students Served Versus Population in Need of Services**

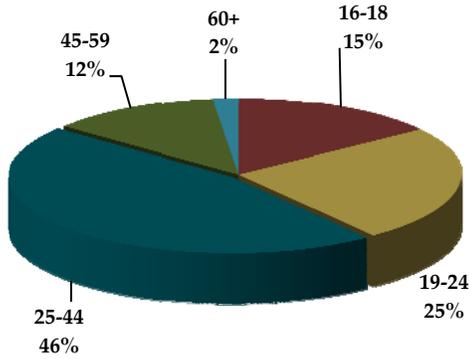


**Adult Basic Education Student Demographics**

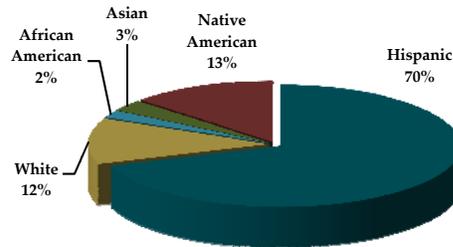
While in previous years enrollment in ABE programs had been steady at approximately 20,000 students for many years, While the prior two reporting years saw a 15% increase in enrollment to more than 23,000 students receiving 12 or more instructional hours, enrollment for 2010-11 dropped slightly to 21,466 students served, a consequence of a reduction in funding for ABE programs. Hispanic females still constitute the majority of the ABE population in New Mexico with 40% of the total students served in 2010-11, a disproportionate segment of the student

population compared to statewide ethnicity distributions. Students ages 25-44 constitute the majority of the ABE population, though that number has decreased from 50% in 2005-06 to 45% in 2010-11, with a concomitant increase in 16-24 year old students. The following charts describe age, ethnicity, and educational demographics currently observed in the NM ABE student population.

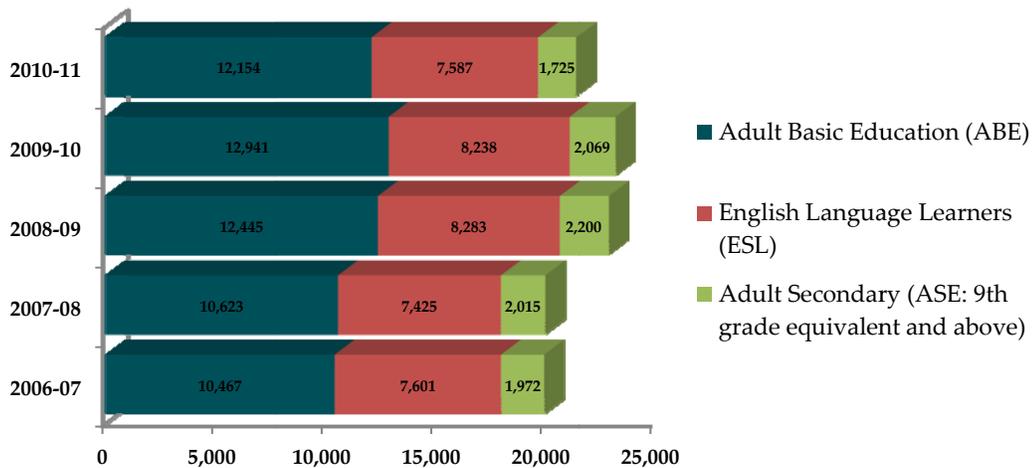
**New Mexico ABE Enrollment by Age**



**New Mexico ABE Students by Ethnicity**



**Adult Basic Education Enrollment, 2007-2011**



## **Data Driven Accomplishments in Adult Education**

NM ABE has taken steps to improve student intake, assessment, goal setting and follow-up with policies to ensure collection of consistent, reliable data from the 27 local programs in order to drive program improvement. To accommodate and enhance state and local program processes, customized procedures have been designed and implemented around LACES, the statewide web-based data management system for adult education. Since the ABE division was moved from the Public Education Department to its current position within the Higher Education Department, there have been numerous accomplishments and projects geared toward student improvement, staff professional development, enhanced data collection and quality, and increased accountability. Some of ABE's notable accomplishments under HED leadership include:

- The piloting of Integrated Basic Education and Skills Training (I-BEST) programs, where college career technical programs and ABE partner to design programs of instruction that help adults transition into family sustaining careers at a highly accelerated pace.
- An initiative to shift the priorities of the NM ABE funding formula from enrollment-based to performance based funding through formation of a Performance Based Funding Task Force and consultation with MPR Associates under a US Department of Education Office of Vocational and Adult Education initiative.
- Since 2007, ABE has contracted with Literacy Pro Systems to develop and maintain the Literacy and Community Education System (LACES) longitudinal database. The statewide deployment of LACES has enabled the Division to monitor local program data in real time and to generate timely, relevant reports with unparalleled accuracy.
- 2010-11 marks the fourth reporting year for the ABE Division to use data matching within HED and other State agencies for the purpose of tracking the core educational outcomes of GED attainment, post-secondary transitions, and entering the workforce.
- 25 of the 27 ABE programs have been evaluated on-site with an evaluation instrument developed in house with consultation from the US Department of Education. A new evaluation instrument based on a program of self study and accepted standards of program accreditation is under development for the next cycle of site visits.

- Using Federal Leadership funds, an array of professional development activities have been offered focusing on improved instruction and covering: Math, Reading, Writing, ESL, Leadership Training, NRS, College and Career Transition, and Learning Differences.

## **Program Performance**

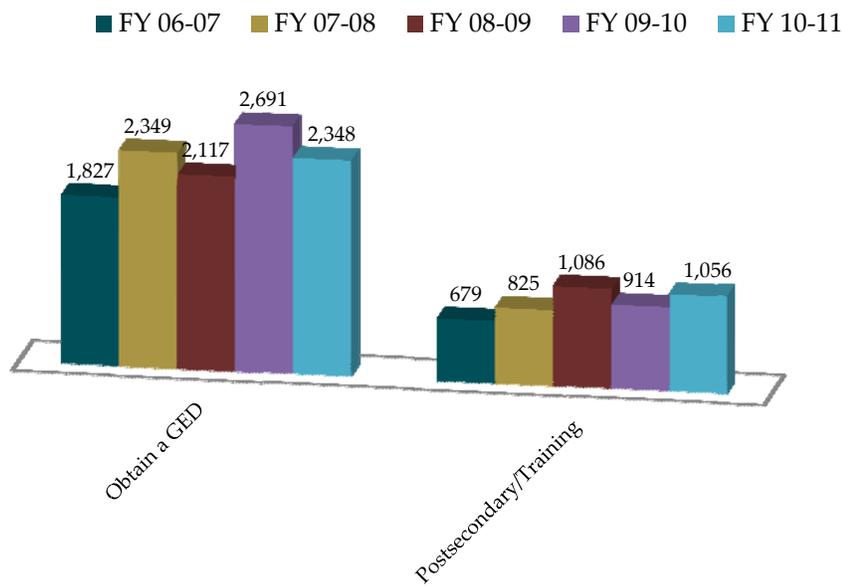
During 2010-11, The ABE Division and New Mexico's ABE programs continued to emphasize improvement in program data quality. The outcome has been statewide improvement in data quality with achievements being made towards accurate, longitudinal data for tracking program progress. The following section describes key achievements and highlights.

2010-11 marks the fourth year in which NM ABE reported core student goals and outcomes by applying a data-matching methodology. NM ABE is now comparing employment goal data with that collected by the New Mexico Department of Workforce Solutions for the purpose of reporting on employment goals. In addition, GED outcomes of ABE students were matched with the Oklahoma Scoring GED data clearinghouse. Postsecondary transitions are measured by comparing with the New Mexico Higher Education Department's database of college students. Since not all students who meet core goals are locatable by Social Security Number, NM ABE continues to augment data match results with survey data to represent as full a cohort of these students as possible. The data reveals that ABE students are excelling in the workforce and in education:

- 2,407 ABE students received a GED in 2010-11;
- 1,209 ABE students entered the workforce, and an additional 1,248 reported job retention or raises;
- In 2010-11, 1,056 students entered college or postsecondary training programs.
- Educational gains of ABE students as measured by pre- and post-instructional assessment revealed a 25% increase in performance compared to 2009-10.

The following figure illustrates the number of ABE students who achieved the goal of earning a GED and transitioning to college over the course of the past four years.

**Number of New Mexico ABE Students Who Set and Attain GED or Postsecondary Goals (12+ Instructional Hours)**



**Accelerating Opportunity – Integrated Basic Education and Skills Training (I-BEST)**

The Adult Basic Education Division of the New Mexico Higher Education Department intends to improve the lives of New Mexicans by increasing opportunity for low-skilled adults to better their lives and those of their families. In 2011, the ABE Division was awarded a grant by Jobs for the Future, in conjunction with the Gates Foundation and other philanthropic organizations, to design programs of instruction that would help adults transition into family sustaining careers at a highly accelerated pace. Given New Mexico’s current economic situation, trends in community college education toward career pathways, and a fairly long-standing commitment by

ABE educators to focus beyond GED attainment, integrated basic education and skills training (I-BEST) appears to be the most constructive approach to accelerating adult progress toward livable wages, long term employment, and more satisfying and productive lives.

Six schools are piloting I-BEST programs in the Spring of 2012, and at this point, all ABE programs in the state are being supported as they continue shifting their goals about ABE beyond GED attainment or English language mastery to preparing students for successful transitions to postsecondary training or education—for the pursuit of economic sovereignty and lifelong learning. The New Mexico ABE office is developing relationships with community college CTE departments, chief academic officers, and financial aid departments, and it participates in Workforce Investment Boards in order to increase awareness and collaboration not only with regional WIBs but also with employers.

For New Mexico, the key elements for implementing an I-BEST approach to accelerating opportunity for our low skilled adults are:

- ✓ Program acceleration;
- ✓ The “stackability” of industry-recognized credentials;
- ✓ Building capacity
- ✓ Building evidence of success

### **Program Acceleration**

Program acceleration is one of the key factors in student success. To that end, New Mexico will pursue and expand I-BEST style programs that

- Challenge the traditional sequencing of courses by offering career-technical instruction using team teachers, one focused on basic education and the other on skills training. The two instructors will both be present in the classroom at least 50% of the time; they will jointly plan the class and assess student outcomes; and they will be treated as equals, both in the institution and in the classroom;
- Accept students into I-BEST classes based on reading scores as measured by ABE tests (e.g., CASAS, TABE) rather than on possession of a high school credential or GED. Students will not take developmental courses—their basic skills will be expected to

develop in the team-taught CTE class at at least the same rate they would if taught as a prerequisite rather than in the I-BEST immersion context;

- Require students to avail themselves of wrap-around student support services to help them persist through family, social, economic, and academic obstacles.

### **Stackable Credentials**

Stackable, industry-recognized credentials provide both students and employers with long-term planning options.

For students, this means that

- The educational pathway has multiple entrance and exit points;
- The pathway does not involve repetition of previous courses in order to upgrade a credential;
- The institutions include academic bridges between credentials when the exit skills for one credential are not sufficient for entry into the program for the next credential on the pathway;
- The educational pathway is aligned with a career pathway in demand in the region in which the students can realistically be expected to build a life.

For employers, this means that

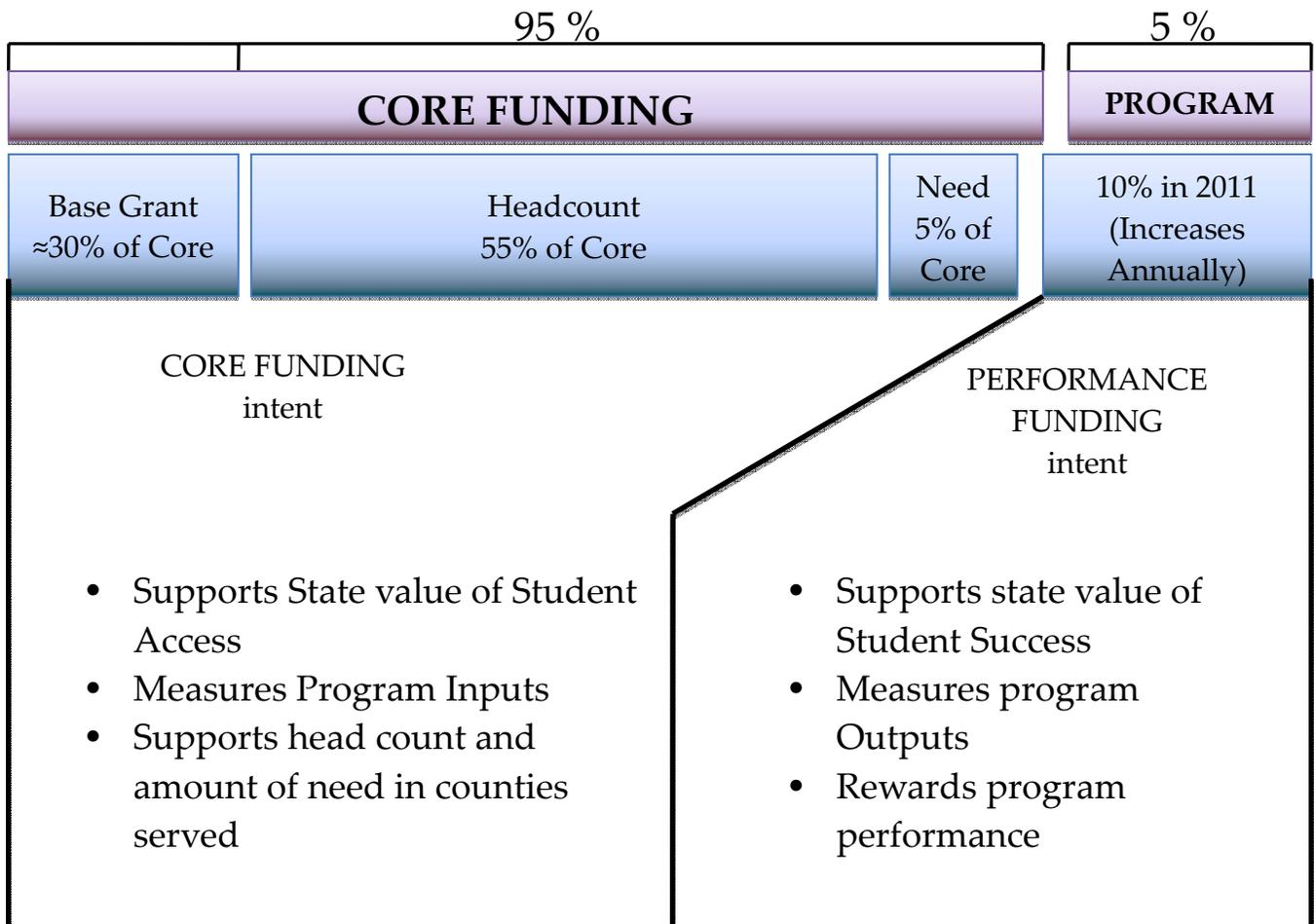
- They have worked with the institutions to develop curricula to prepare students with the skills employers need;
- They can work with specific institutions to help their employees advance along a career pathway rather than undergoing expensive searches for new employees at every level;
- They can work with institutions to develop CTE educational pathways to better serve students as economic trends develop in their regions.

ABE will support colleges and ABE programs in curriculum development as necessary to ensure complete stackability of credentials that are relevant to labor market conditions.

## Performance Based Funding

The Higher Education Department’s ABE Division has completed an initiative to shift the priorities of the NM ABE funding formula from enrollment-based to performance based funding. The new funding formula represents a major shift from a formula that was exclusively enrollment-based to a formula that also incorporates community needs and rewards program performance. The performance based funding formula is designed to reward local programs that excel, without unduly punishing other programs that may have special populations or circumstances. The formula has been designed increase the funding for performance over time to help local programs adjust to the formula without unsustainable changes in their funding stream. New Mexico ABE is proud to be one of the leaders in changing adult education funding to increase accountability, cost effectiveness, and drive student success.

### ABE Performance Based Funding Overview



## **2010 Adult Basic Education Program of the Year**

This year, the Adult Basic Education Division of HED has selected The Literacy Center at UNM-Taos “Outstanding ABE Program of the Year.” The Division awards this distinction in recognition of overall program excellence and innovation. The Literacy Center’s ABE program, directed by Judy Hofer, provides services to approximately 250 students a year from its location in Taos, NM. Hofer, now in her eighth year as director, credits Literacy Center teachers and staff, community volunteers, nonprofits, local businesses and students who support each other for making the program such a success. “It’s a community effort,” she said.

The Literacy Center takes a holistic approach to learning, helping students find counseling and other support services in order to resolve crises and further their education. In spite of funding cuts, this past year, Literacy Center ABE students showed the highest educational level gains in the state at rates 154% higher than the statewide average, and a 43% increase in GED graduates from the previous year. The Literacy Center’s staff and students met or exceeded every goal the program set for itself last year.

In a time of shrinking resources in the face of a growing need for Adult Education services, the ABE programs funded through NMHED continue to work to make the lives of New Mexico citizens more productive and more meaningful. NMHED is proud to recognize The Literacy Center at UNM-Taos for their outstanding accomplishments during 2010-11 and their ongoing commitment to improving lives in the communities they serve.

## **The ABE Return on Investment**

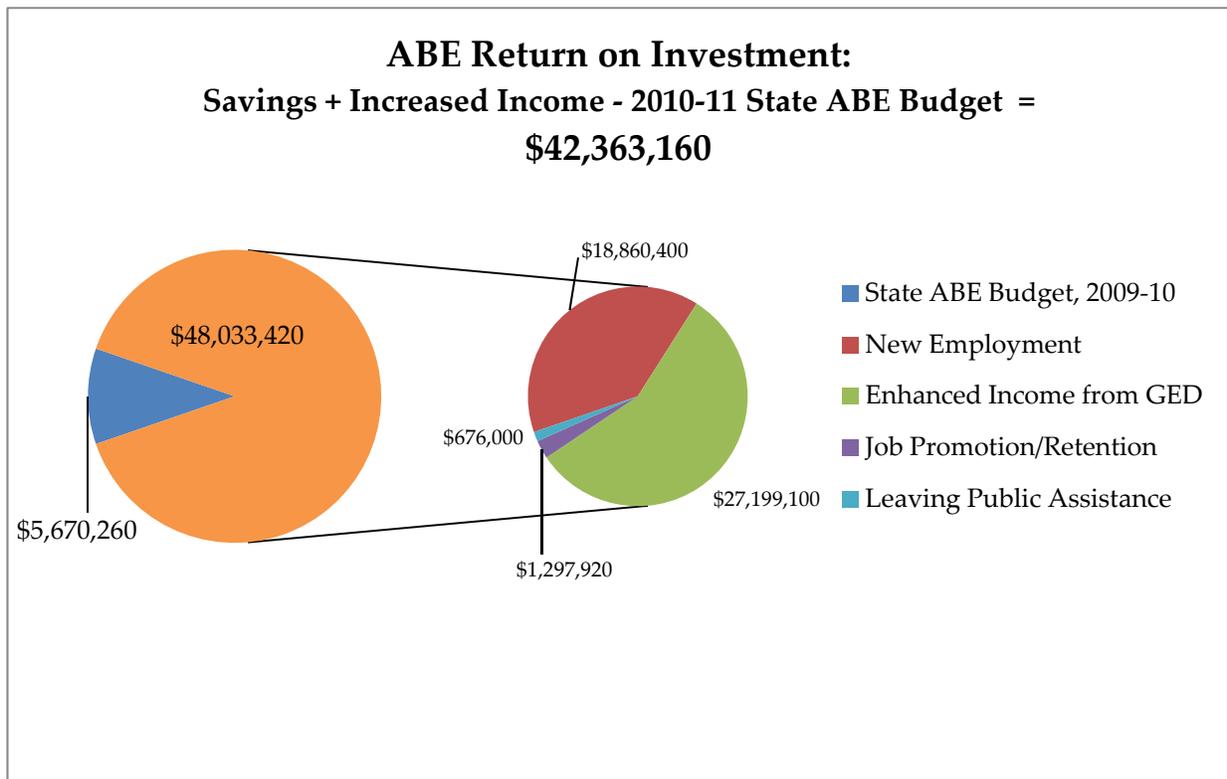
In addition to the enhancing the quality of student life through educational accomplishments, New Mexico ABE Programs give back to the community in the economic returns seen through students’ realization of their employment and educational goals. According to 2008 U.S. Census data, A GED graduate earns on average \$11,300 more per year than someone without an equivalent degree. Many ABE students leave public assistance having acquired the skills they need to successfully enter the workforce. Other students improve their literacy and numeracy skills resulting in enhanced income at their present job. In addition to student and community

benefits, the enhanced earning potential of ABE students benefits the State through additional tax revenue, offsetting the cost of running adult education programs throughout the state. Some of ABE's return on investment can be measured as follows:

- \$20,158,320 in new income from 1,209 students gaining jobs (1,209 x 2,080 hrs x \$7.50/hr.) and 1,248 students receiving job promotions (1,248 x 2,080 hours x \$.50/hr.)
- \$27,199,100 in enhanced earning potential from GED Graduates (2,407 students x \$11,300/yr.)
- An estimated savings of \$676,000 from 52 students leaving public assistance (52 x \$13,000 annual average TANF benefits for family of four)

$$\mathbf{\$46,735,500} \quad - \quad \mathbf{\$5,670,260} \quad = \quad \mathbf{\$42,363,160}$$

**Savings + Increased Income    09-10 State ABE Budget    ABE Return on Investment**



## **Planning and Research Division**

The Planning and Research Division supports the vision of a well informed education leadership community in New Mexico. Employing the guiding principles of teamwork, efficiency, quality and progress, the Division works to fulfill a mission of providing quality information and planning support to the higher education community through collaborative data collection, analysis and reporting. Five primary goals have been identified that contribute to the success of this mission:

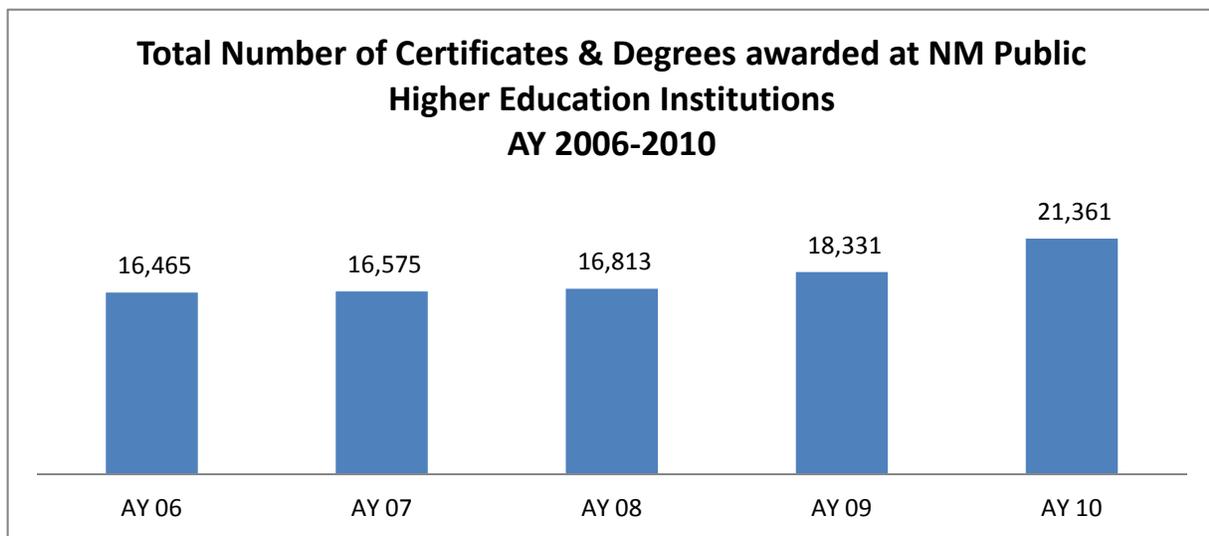
- 1) Support the policy work of the Department
- 2) Strengthen partnerships with the state's education leadership community
- 3) Contribute to the local and national discussion of education policy and reform through research publications
- 4) Organize the Division's processes, define procedures, and clarify roles
- 5) Build Planning and Research Division sustainability

The responsibilities of the Planning and Research Division are broad. These are some of the Division's important and particularly relevant duties:

- Publish and present research and accountability reports at state and federal levels
- Inform and support the policy work of other division within the Department and other state agencies by providing research design and data analysis and report writing support
- Manage the public higher education funding formula data generation and certification process
- Oversee internal and external data flow related to the statewide higher education database
- Manage the statewide data verification process
- Lead and perform the legislative bill analysis process
- Develop data governance for the management and maintenance of student information
- Lead the development of New Mexico's longitudinal data system initiative
- Apply for grants that relate to educational research
- Provide state and federally mandated compliance reports related to accountability

The Division is dedicated to continuing to improve the ability to identify strategic improvement opportunities for the Governor, legislators and the higher education leadership community via robust student longitudinal data analysis, forecasting, trend analysis and modeling. The Division seeks ways to improve data collection so that decisions that impact education policy for secondary and postsecondary programs, institutions and the workforce may be data informed.

In addition to routine reporting, the division initiates and completes ad hoc data collection and analyses that further describe the department's activities for quality improvement and public information purposes.



### **Classification of Instructional Programs in Higher Education: Transition to CIP 2010**

The National Center for Education Statistics (NCES) Classification of Instructional Program (CIP) codes is a taxonomic scheme of instructional programs used by postsecondary institutions when reporting to the New Mexico Higher Education Department on degrees and awards completed by field of study. The reporting of these codes is critical to how New Mexico funds public colleges and universities and are vital to the depth and direction of the research undertaken by the Department for the state's schools and students. The Department is finding opportunities to apply new, equitable, and robust sets of standards to the application of CIP codes with the progression from CIP 2000 to CIP 2010. Data collection under the new classification is scheduled to begin with the fall semester of 2011.

The 2010 CIP is the fifth edition of CIP codes since it was created by NCES in 1980. The 2010 CIP includes more than 300 new instructional programs across more than 50 disciplines. The transition to CIP 2010 will allow the Department to make critical policy and research-based decisions with greater accuracy. The CIP classification system assumes every instructional program can be assigned to a single six-digit program code associated with a unique program title and description. CIP codes can be broken down to a three-level hierarchy of codes: a two-digit series representing the most general description; a four-digit series representing intermediate groupings of related programs; and a six-digit series representing specific instructional programs. Reporting of CIP codes to the Department will be required to the nearest 6-digit CIP code that reflects the program content. With this level of detail, the Department has an opportunity to begin collecting higher quality course data that will lead to better research and policy work in the state; for example, the Department will be better able to conduct in-depth reviews of degree and award programs, to identify duplicate course offerings and to assist in reducing the cost of funding courses.

The transition to CIP 2010 is another component of the Planning and Research Division's work to fulfill a mission of providing quality information and planning support to the higher education community through collaborative data collection, analysis and reporting. Having the ability to collect precise and meaningful course information will strengthen current statewide and intra-agency efforts to create a robust P-20 longitudinal student data system (NM EDUCATES). The new CIP codes will expand and enhance data reporting and improve data access for New Mexico's educators, families, policy makers and employers to identify areas of strength and those that need improvement, ultimately increasing opportunities for students to gain employment into quality careers of their choosing.

## Enrollment Summary

	Fall 09 Head Count	Fall 10 Head Count	Percentage change
<b>Research Universities</b>			
New Mexico Institute of Mining and Tech	1,900	1,933	2%
New Mexico State University	18,528	18,518	0%
University of New Mexico	27,194	28,741	6%
University of New Mexico-Medical School	315	334	6%
	<b>47,937</b>	<b>49,526</b>	3%
<b>Comprehensive Institutions</b>			
Eastern New Mexico University	4,979	5,376	8%
New Mexico Highlands University	3,765	3,809	1%
Northern New Mexico College	2,121	2,180	3%
Western New Mexico College	3,368	3,506	4%
	<b>14,233</b>	<b>14,871</b>	4%
<b>Branch Community Colleges</b>			
ENMU - Roswell	4,322	4,074	-6%
ENMU - Ruidoso	1,016	1,079	6%
NMSU -Alamogordo	3,641	3,939	8%
NMSU -Carlsbad	2,043	1,884	-8%
NMSU - Dona Ana	9,022	9,891	10%
NMSU -Grants	1,479	1,587	7%
UNM - Gallup	2,905	3,027	4%
UNM - Los Alamos	738	775	5%
UNM - Taos	1,541	1,615	5%
UNM - Valencia	2,335	2,436	4%
	<b>29,042</b>	<b>30,307</b>	4%
<b>Independent Community Colleges</b>			
Central New Mexico Community College	27,999	29,948	7%
CNM-UNM Site	1,163	1,289	11%
Clovis Community College	4,282	4,174	-3%
Luna Community College	1,793	2,068	15%
Mesalands Community College	1,240	1,104	-11%
New Mexico Junior College	3,445	3,369	-2%
New Mexico Military Institute	526	584	11%
San Juan College	11,383	11,239	-1%
Santa Fe Community College	6,410	6,586	3%
	<b>58,241</b>	<b>60,361</b>	4%
<b>Statewide Totals:</b>	<b>149,453</b>	<b>155,065</b>	4%

**New Mexico Public Postsecondary Institutions  
Fall 2010  
Undergraduate and Graduate FTE and Headcounts**

	Head Count	UG FTE	GR FTE	Total FTE
<b>Research Universities</b>				
New Mexico Institute of Mining and Tech	1,933	1,233	318	1,552
New Mexico State University	18,518	12,290	2,300	14,590
University of New Mexico	28,741	18,398	4,938	23,336
University of New Mexico-Med School	334	n/a	532	532
<b>Comprehensive Universities</b>				
Eastern New Mexico University	5,376	3,257	505	3,762
New Mexico Highlands University	3,809	1,824	923	2,747
Northern New Mexico College	2,180	1,352	0	1,352
Western New Mexico College	3,506	1,956	279	2,236
<b>Branch Community College</b>				
ENMU-Roswell	4,074	2,319	n/a	2,319
ENMU-Ruidoso	1,079	506	n/a	506
NMSU-Alamogordo	3,939	1,787	n/a	1,787
NMSU-Carlsbad	1,884	915	n/a	915
NMSU-Dona Ana	9,891	5,633	n/a	5,633
NMSU-Grants	1,587	707	n/a	707
UNM-Gallup	3,027	1,968	n/a	1,968
UNM-Los Alamos	775	378	n/a	378
UNM-Taos	1,615	887	n/a	887
UNM-Valencia	2,436	1,453	n/a	1,453
<b>Independent Community College</b>				
Central New Mexico Community College	29,948	16,340	n/a	16,340
CNM-UNM Site	1,289	347	n/a	347
Clovis Community College	4,174	1,828	n/a	1,828
Luna Community College	2,068	1,048	n/a	1,048
Mesalands Community College	1,104	639	n/a	639
New Mexico Junior College	3,369	1,923	n/a	1,923
New Mexico Military Institute	584	593	n/a	593
San Juan College	11,239	4,799	n/a	4,799
Santa Fe Community College	6,586	2,847	n/a	2,847
<b>Statewide Totals</b>	<b>155,065</b>	<b>87,230</b>	<b>9,796</b>	<b>97,026</b>

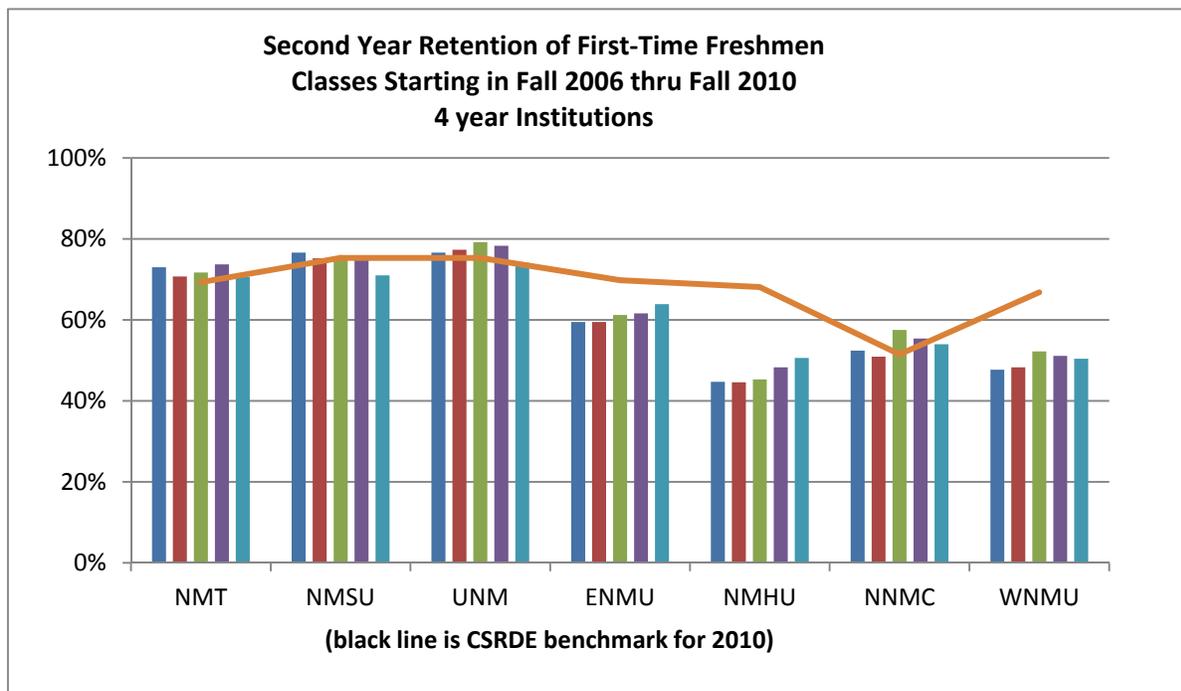
**New Mexico Public Postsecondary Institutions  
Fall 2010  
Resident and Non-resident Student Status**

	Resident	Non-resident	Total
<b>Research Universities</b>			
New Mexico Institute of Mining and Tech	1,484	449	1,933
New Mexico State University	13,790	4,728	18,518
University of New Mexico	24,917	3,824	28,741
University of New Mexico-Medical School	325	< 10	334
<b>Comprehensive Universities</b>			
Eastern New Mexico University	4,224	1,152	5,376
New Mexico Highlands University	2,997	812	3,809
Northern New Mexico College	2,096	84	2,180
Western New Mexico College	2,942	564	3,506
<b>Branch Community Colleges</b>			
ENMU-Roswell	3,611	463	4,074
ENMU-Ruidoso	1,003	76	1,079
NMSU-Alamogordo	3,355	584	3,939
NMSU-Carlsbad	1,753	131	1,884
NMSU-Dona Ana	8,912	979	9,891
NMSU-Grants	1,436	151	1,587
UNM-Gallup	2,351	676	3,027
UNM-Los Alamos	720	55	775
UNM-Taos	1,547	68	1,615
UNM-Valencia	2,376	60	2,436
<b>Independent Community Colleges</b>			
Central New Mexico Community College	25,168	4,780	29,948
CNM-UNM Site	1,146	143	1,289
Clovis Community College	2,963	1,211	4,174
Luna Community College	2,020	48	2,068
Mesalands Community College	1,027	77	1,104
New Mexico Junior College	2,808	561	3,369
New Mexico Military Institute	148	436	584
San Juan College	8,874	2,365	11,239
Santa Fe Community College	5,842	744	6,586

Source: New Mexico Higher Education Department Data Editing and Reporting System Fall 2010

## Retention of First-Time Freshmen to Their Second Year

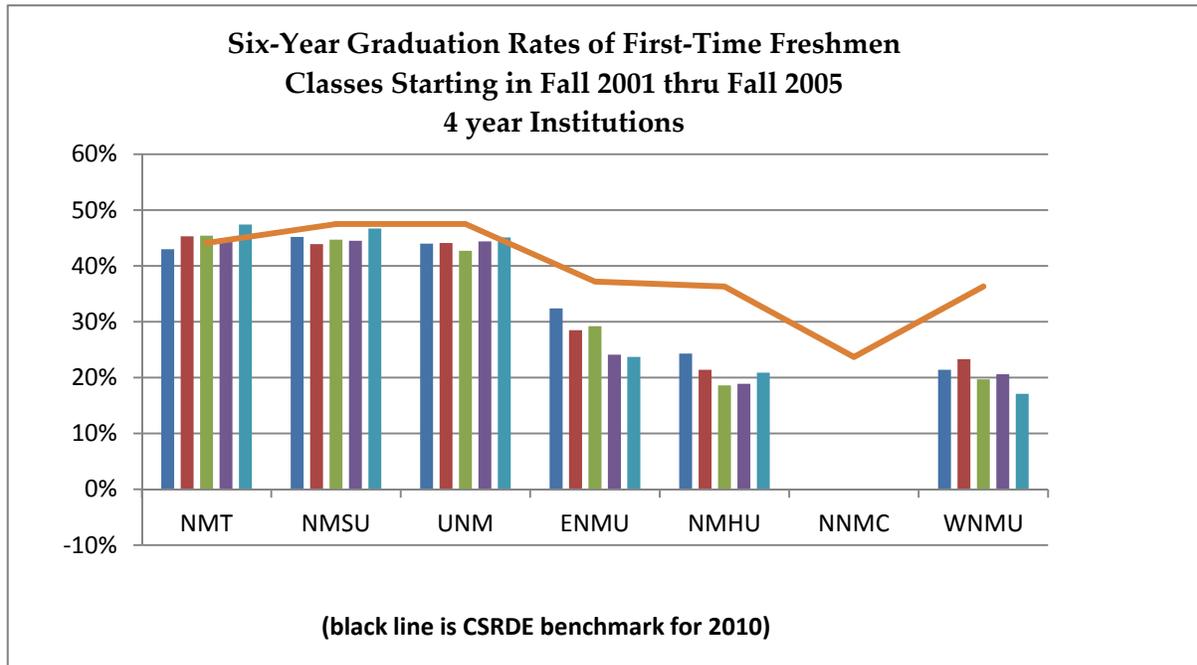
Persistence of first-time freshmen to the second fall semester has remained relatively constant for all universities, though both NMSU and UNM had a drop in retention this year. Open-door admission policies at the comprehensive universities help explain the difference in their retention rates relative to the research universities. The black line in the graph represents the average retention rate for similar public universities based on size and their admission profile, as reported by the Consortium for Student Retention Data Exchange (CSRDE). The research universities are at or near their CSRDE benchmark; the comprehensive universities are all slightly below. All universities have goals to improve student retention over the next few years.



## Six-Year Graduation Rate of First-Time Freshmen

A graduation rate of first-time freshmen after six years is a measure that all institutions have committed to increase over the next few years. The data show a similar pattern to the retention rate data, with some fluctuations from year to year. As with retention, the open door admission policies of the comprehensive universities help explain the lower rates relative to the research

universities. The black line in the graph represents the average six-year graduation rate for similar public universities based on size and their admission profile, as reported by the Consortium for Student Retention Data Exchange (CSRDE). (NNMC had just started offering baccalaureate degrees in fall 2005 and the size of their first cohort is too small to report.)



SOURCE: Council of University Presidents Performance Effectiveness Report (2006-2010) [www.unm.edu/~cup](http://www.unm.edu/~cup)

