

SUMMARY AND HIGHLIGHTS FISCAL YEAR 2022 LEGISLATIVE FINANCE COMMITTEE & EXECUTIVE BUDGET RECOMMENDATIONS

PREPARED BY NMSU OFFICE OF GOVERNMENT RELATIONS

JANUARY 15, 2022 - Revised



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Item	Executive Recommendation	LFC Recommendation
General Budget Overview	<ul style="list-style-type: none"> • Recommends a total budget of \$867.0 million for the Higher Ed Department, institutions and special schools <ul style="list-style-type: none"> ○ Recommends \$58.4 million for the Higher Education Department ○ Recommends \$799.9 million for Higher Ed institutions ○ Recommends \$8.7 million for special schools • The recommendation includes \$204.0 million for the NMSU system, an increase of \$1.1 million above the FY21 Special Session budget <p>See attached table for further detail (FY22 General Fund Appropriations, Pg. 7)</p>	<ul style="list-style-type: none"> • Recommends a total budget of \$862.3 million for the Higher Ed Department, institutions and special schools <ul style="list-style-type: none"> ○ Recommends \$38.1 million for the Higher Education Department ○ Recommends \$815.5 million for Higher Ed institutions ○ Recommends \$8.7 million for special schools • The recommendation includes \$207.2 million for the NMSU system, an increase of \$4.3 million above the FY21 Special Session budget <p>See attached table for further detail (FY22 General Fund Appropriations, Pg. 7)</p>
Instruction & General Budget	<ul style="list-style-type: none"> • Executive recommendation does not run the formula • Restores \$10 million of the \$20 million CARES SWAP reduction that was taken during the 1st Special Session of 2020 <p>See attached table for further detail (FY22 System Appropriation Recommendations, Pg. 8)</p>	<ul style="list-style-type: none"> • The LFC runs the I&G formula by first restoring the \$20 million CARES SWAP reduction taken during the 1st Special Session of 2020. <ul style="list-style-type: none"> ○ Includes 0.5% new money and 2% redistribution ○ Modifies the percent allocation for MP30, MP60, and Dual Credit <p>See attached table for further detail (FY22 System Appropriation Recommendations, Pg. 8)</p>
Non-Instruction & General Budget	<ul style="list-style-type: none"> • Recommends a 3.2% across the board reduction in all research and public service projects • A flat budget was recommended for NM Department of Agriculture and the Agricultural Experiment Station and the Cooperative Extension Service were reduced by 3.2% 	<ul style="list-style-type: none"> • Recommends a 3.0% across the board reduction in all research and public service projects, except nursing expansion • NM Department of Agriculture, Agricultural Experiment Station, and Cooperative Extension Service were reduced by 1.5%
Compensation	Not mentioned	Average of 1.5% compensation increase for state, public school, and higher education employees. (\$60 million)

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Higher Ed Compliance Bill language	Not mentioned	For the Higher Education Subsection. On approval of the higher education department and in consultation with the legislative finance committee, the state budget division of the department of finance and administration may reduce general fund appropriations up to three percent to institutions whose lower level common courses are not completely transferrable or accepted among public colleges and universities in New Mexico.
Higher Ed Compliance Bill language	Not mentioned	The department of finance and administration shall, as directed by the secretary of higher education, withhold from an educational institution or program up to twenty-five percent of the approved operating budget if the institution enrollment has declined by more than fifty percent within the past five academic years and until the institution has published a plan to improve enrollment, collaborate or merge with other institutions, and reduce expenditures accordingly.
Higher Ed compliance Bill language	Not mentioned	For the Higher Education Subsection. The department of finance and administration shall, as directed by the secretary of higher education, withhold from an educational institution or program that the higher education department places under an enhanced fiscal oversight program a portion, up to ten percent, of the institution's or program's general fund allotment. On written notice by the secretary of higher education that the institution or program has made sufficient progress toward satisfying the requirements imposed by the higher education department under the enhanced fiscal oversight program, the department of finance shall release the withheld allotments. Money withheld in accordance with this provision and not released at the end of fiscal year 2022 shall revert to the general fund. The secretary of the department of finance and administration shall advise the legislature through its officers and appropriate committees, in writing, of the status of all withheld allotments. Except as otherwise provided, any

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		unexpended balances remaining at the end of fiscal year 2022 shall not revert to the general fund.
Higher Education Department-Institutional Financial Oversight	Not mentioned	For the Higher Education Department. The general fund appropriation to the policy development and institutional financial oversight program of the higher education department in the other category includes six million five hundred thousand dollars (\$6,500,000) to provide adults with education services and materials and access to high school equivalency tests, one hundred twenty-six thousand one hundred dollars (\$126,100) for workforce development programs at community colleges that primarily educate and retrain recently displaced workers, four hundred sixty-one thousand one hundred dollars (\$461,100) for the high skills program, eighty-four thousand five hundred dollars (\$84,500) for English-learner teacher preparation and two hundred forty thousand seven hundred dollars (\$240,700) to the tribal college dual-credit program fund.
Higher Ed Department “Trifecta” Reforms	Not mentioned	HED did not complete implementation of the reform initiative it began in 2016 intended to simplify the transfer of lower-level courses among higher education institutions (HEIs). The three-pronged program, often called the trifecta reforms, developed (1) a common course numbering system (CCNS), (2) a revised general education curriculum, and (3) meta-majors designed to assist students in maintaining progress toward degree completion even if students transferred to another institution. If the trifecta had achieved its stated purpose – to simplify transferability of common courses and learning outcomes – the entire general education curriculum would be aligned across all 24 public institutions. In October, HED announced a renewed focus on completing the trifecta reforms, particularly the CCNS and standardizing general education learning among institutions. HED should use the authority granted through

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Higher Ed Department FTE Increase	Not mentioned	<p>Section 21-1B-1 NMSA 1978 to require compliance from higher education institutions.</p> <p>Statutorily responsible for providing information on the performance of the system but with limited staff, HED relies on the colleges and universities to submit data routinely then aggregates the data to provide summative reports providing data on inputs: enrollment, awards, and finances. Higher education staff are occupied with complying with state and federal reporting requirements rather than evaluating or assessing student outcomes. The deluge of reporting – and the labyrinth of databases and processes created for compliance – has obscured its informational value. As a result, the Legislature invests in programs aimed at improving student outcomes but receives limited data or timely information to understand the worth of the programs. The Legislature, HED, and institutions need clear, comprehensive information on college performance and student outcomes; thus, the committee recommends the addition of 6 FTE to HED for use in data collection and evaluation and assessment of that data.</p>
Student Financial Aid		<p>The LFC recommendation increases the FY22 recurring appropriation from \$24.5 million to \$25.6 million for the other 23 student financial aid programs (including the Opportunity Scholarship), a \$1.1 million, or 6 percent, increase. The increase is attributed to a \$1.1 million increase in student work study. The general fund appropriations target financial aid for low-income students or students pursuing high demand degrees: (1) \$7.8 million has been targeted to low-income students through the supplemental student incentive grant; (2) \$2.9 million is aimed at professional development support for teachers, post-baccalaureate education or legal education support, and for the Western Interstate Commission for Higher Education (WICHE) exchange program; (3) \$3 million for healthcare workforce development to increase primary care doctors and nurse</p>

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		practitioners, dentists, and allied health professions; and (4) \$6 million for student work study and veterans or public safety professionals.
Scholarship Fund through State Board of Licensure for Engineers and Land Surveyors	Not mentioned	In 2019, the board initiated legislation to use some of its fund balance to create a college scholarship program for students studying to become engineers and surveyors. For FY21, the board budgeted \$138.5 thousand to be disbursed from a newly created scholarship fund to NMSU, UNM, NM Tech, and Central New Mexico Community College to provide scholarships of up to \$4,000 per student. The board made its first disbursement of \$100 thousand at the end of FY20. The committee recommends increasing the scholarship fund disbursement for FY22 by \$18.3 thousand.
Opportunity Scholarship	\$26 million, including \$4 million for a pilot program for students who lost the lottery scholarship (per Secretary Rodriguez will only apply to two-year students)	\$5 million, which is a flat recommendation from FY21. The LFC recommends expanding current eligibility to include individuals who have dropped out of college but are one year away from earning a two-year or four-year degree.
Teacher Preparation Affordability Scholarship Program	\$2.2 million (special appropriation)	\$20 million (Fund transfer)
Teacher Loan Repayment Fund	\$2 million (Fund transfer)	\$5 million (Fund transfer)
Grow Your Own Teachers program	\$1 million (special appropriation from the education reform fund)	Not mentioned
College Affordability Endowment	Not mentioned	\$15 million (Fund transfer)
Development of a local meatpacking cooperative (NMDA)	Not mentioned	\$150,000 (special, supplemental, and deficiency appropriations)
New Mexico Longitudinal Data System	\$401,000 (information technology system enhancements)	\$401,000 (information technology system/enhancements)
Shared Services Enterprise Resource Planning	\$3,125,000 (information technology system/enhancements) Request by Independent Community Colleges	\$3,125,000 (information technology system/enhancements) Request by Independent Community Colleges
Green Energy Projects	\$2 million- grid modernization projects \$1.4 million – climate data collection and monitoring \$144,000 – grid modernization and green technology \$145,000 – climate resiliency report	Not mentioned

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Capital Outlay	<p>N/A</p> <p>See attached table (FY22 Statewide Capital Outlay Requests / Recommendations, Pg. 9)</p>	<p>LFC framework supports \$47.1 million for 36 projects, including \$8.7 million for 6 NMSU system projects.</p> <p>See attached table (FY22 Statewide Capital Outlay Requests / Recommendations, Pg. 9)</p>

Higher Education General Fund Appropriations For FY22

Agency / Institution	FY21 SS Operating	FY22 Rec.		Exec vs FY21 SS		LFC vs FY21 SS		LFC vs Exec
		Executive	LFC	Dollar Change	Percent Change	Dollar Change	Percent Change	
950 HIGHER EDUCATION DEPARTMENT	40,049.7	58,419.7	38,112.7	18,370.0	45.9%	(1,937.0)	-4.8%	-20,307.0
952 UNIVERSITY OF NEW MEXICO	316,503.7	319,192.3	325,533.4	2,688.6	0.8%	9,029.7	2.9%	6,341.1
954 NEW MEXICO STATE UNIVERSITY	202,935.2	204,011.6	207,235.5	1,076.4	0.5%	4,300.3	2.1%	3,223.9
956 NEW MEXICO HIGHLANDS UNIVERSITY	31,558.6	31,716.4	32,269.6	157.8	0.5%	711.0	2.3%	553.2
958 WESTERN NEW MEXICO UNIVERSITY	21,739.3	21,873.2	22,403.7	133.9	0.6%	664.4	3.1%	530.5
960 EASTERN NEW MEXICO UNIVERSITY	47,325.6	47,642.4	48,549.7	316.8	0.7%	1,224.1	2.6%	907.3
962 NEW MEXICO INSTITUTE OF MINING AND	37,833.5	38,808.3	39,335.0	974.8	2.6%	1,501.5	4.0%	526.7
964 NORTHERN NEW MEXICO COLLEGE	11,013.4	11,150.8	11,329.8	137.4	1.2%	316.4	2.9%	179.0
966 SANTA FE COMMUNITY COLLEGE	14,526.8	14,582.9	14,858.4	56.1	0.4%	331.6	2.3%	275.5
968 CENTRAL NEW MEXICO COMMUNITY	56,558.8	58,110.3	60,284.9	1,551.5	2.7%	3,726.1	6.6%	2,174.6
970 LUNA COMMUNITY COLLEGE	7,884.5	7,912.5	7,902.9	28.0	0.4%	18.4	0.2%	-9.6
972 MESALANDS COMMUNITY COLLEGE	4,356.3	4,379.3	4,400.6	23.0	0.5%	44.3	1.0%	21.3
974 NEW MEXICO JUNIOR COLLEGE	6,282.7	6,438.0	6,651.3	155.3	2.5%	368.6	5.9%	213.3
976 SAN JUAN COLLEGE	23,848.3	24,285.8	24,761.2	437.5	1.8%	912.9	3.8%	475.4
977 CLOVIS COMMUNITY COLLEGE	9,672.4	9,807.7	9,976.7	135.3	1.4%	304.3	3.1%	169.0
978 NEW MEXICO MILITARY INSTITUTE	2,907.2	2,976.8	2,994.5	69.6	2.4%	87.3	3.0%	17.7
979 NEW MEXICO SCHOOL FOR THE BLIND	1,474.1	1,474.1	1,460.8	0.0	0.0%	(13.3)	-0.9%	-13.3
980 NEW MEXICO SCHOOL FOR THE DEAF	4,208.1	4,208.1	4,201.4	0.0	0.0%	(6.7)	-0.2%	-6.7
Total Higher Education	840,678.2	866,990.2	862,262.1	26,312.0	3.1%	21583.9	2.6%	-4,728.1

Summary by Major Category

Higher Education Department	40,049.7	58,419.7	38,112.7	18,370.0	45.9%	(1,937.0)	-4.8%	-20,307.0
Institutions (952 - 977)	792,039.1	799,911.5	815,492.7	7,872.4	1.0%	23,453.6	3.0%	15,581.2
Special Schools (978 - 980)	8,589.4	8,659.0	8,656.7	69.6	0.8%	67.3	0.8%	-2.3
Total Higher Education	840,678.2	866,990.2	862,262.1	26,312.0	3.1%	21,583.9	2.6%	-4,728.1

FY22 NMSU System Appropriation Recommendations

\$ in Thousands

Institution / Program	FY22 Rec.				FY22 LFC vs FY21 SS		FY22 Exec vs FY21 SS		LFC vs Exec \$ Change
	Actuals FY20	FY21 SS Sp. Ses.	LFC	Executive	Dollar Change	Percent Change	Dollar Change	Percent Change	
Main I&G	120,020.6	114,166.3	118,015.3	115,793.9	3,849.0	3.4%	1,627.6	1.4%	2,221.4
Athletics	3,724.1	3,712.2	3,600.8	3,593.4	-111.4	-3.0%	-118.8	-3.2%	7.4
Educational television	1,054.3	991.0	961.3	959.3	-29.7	-3.0%	-31.7	-3.2%	2.0
Alamogordo - I&G	7,323.8	6,900.4	7,032.3	7,006.4	131.9	1.9%	106.0	1.5%	25.9
Carlsbad - I&G	4,271.2	4,044.9	4,240.8	4,146.2	195.9	4.8%	101.3	2.5%	94.6
Dona Ana - I&G	23,658.3	22,404.3	23,343.8	22,868.1	939.5	4.2%	463.8	2.1%	475.7
Grants - I&G	3,526.1	3,360.3	3,443.8	3,416.8	83.5	2.5%	56.5	1.7%	27.0
<i>Department of Agriculture</i>	12,019.2	12,092.4	11,911.0	12,092.4	-181.4	-1.5%	0.0	0.0%	-181.4
<i>Agricultural Experiment Station (AES)</i>	14,948.6	14,542.7	14,324.5	14,077.3	-218.2	-1.5%	-465.4	-3.2%	247.2
<i>Cooperative Extension Service (CES)</i>	13,635.3	13,185.9	12,988.1	12,764.0	-197.8	-1.5%	-421.9	-3.2%	224.1
Research & Public Service Projects:									
Veterans Services	50.0	47.0	45.6	45.5	-1.4	-3.0%	-1.5	-3.2%	0.1
Sustainable Ag Center of Excellence	0	240.0	232.8	232.3	-7.2	-3.0%	-7.7	-3.2%	0.5
STEM alliance for minority participation	318.0	298.9	290.0	289.3	-8.9	-3.0%	-9.6	-3.2%	0.7
Anna Age Eight Institute	0	821.6	796.9	795.3	-24.7	-3.0%	-26.3	-3.2%	1.6
Mental health nurse practitioner	643.9	940.0	940.0	909.9	0.0	0.0%	-30.1	-3.2%	30.1
Indian resources development	277.9	261.2	253.4	252.9	-7.8	-3.0%	-8.3	-3.2%	0.5
Manufacturing sector dev. prgm.	674.6	634.1	615.1	613.8	-19.0	-3.0%	-20.3	-3.2%	1.3
Arrowhead center for business dev.	343.9	323.3	313.6	312.9	-9.7	-3.0%	-10.4	-3.2%	0.7
Nurse expansion	700.2	846.2	846.2	819.1	0.0	0.0%	-27.1	-3.2%	27.1
Alliance teaching & learning ad.	155.9	146.5	142.1	141.9	-4.4	-3.0%	-4.6	-3.1%	0.2
Water resource research institute	931.9	1,064.0	1,032.1	1,030.0	-31.9	-3.0%	-34.0	-3.2%	2.1
College assistance migrant program	205.8	193.5	187.6	187.3	-5.9	-3.0%	-6.2	-3.2%	0.3
Autism Program	614.0	577.2	559.8	558.7	-17.4	-3.0%	-18.5	-3.2%	1.1
Sunspot Solar Observatory Consortium	100.0	256.6	248.9	248.4	-7.7	-3.0%	-8.2	-3.2%	0.5
Carlsbad - manf sector development prgm.	232.9	218.9	212.4	211.9	-6.5	-3.0%	-7.0	-3.2%	0.5
Carlsbad - nurse expansion	108.9	102.4	102.4	99.1	0.0	0.0%	-3.3	-3.2%	3.3
Dona Ana - dental hygiene program	206.0	287.6	279.0	278.4	-8.6	-3.0%	-9.2	-3.2%	0.6
Dona Ana - nurse expansion	193.5	275.9	275.9	267.1	0.0	0.0%	-8.8	-3.2%	8.8
Total NMSU	209,938.9	202,935.3	207,235.5	204,011.6	4,300.2	2.1%	1,076.3	0.5%	3,223.9

FY22 STATEWIDE CAPITAL OUTLAY REQUESTS/RECOMMENDATIONS			
Campus/Project	NMSU Request	Recommendations	
		HED	LFC
NMSU-LAS CRUCES	9,016,000	4,500,000	6,000,000
1 Repair Tunnel A Sections	3,000,000	3,000,000	3,000,000
2 Ag Science Center Improvements Per Assessments	3,000,000	1,500,000	3,000,000
3 Data Center Infrastructure Upgrades	1,516,000	-	-
4 Selective Demolition per Space Plan (Greek Complex)	1,500,000	-	-
NMSU-ALAMOGORDO	810,000	650,000	650,000
1 Mechanical Ductwork and Boiler Feed Lines Classroom Bldng1	160,000	-	
2 Classroom Building Infrastructure	650,000	650,000	650,000 ¹
NMSU-CARLSBAD	750,000	-	400,000
1 Information Technology and Other Infrastructure Upgrades	750,000	-	400,000
NMSU-DACC	1,500,000	-	750,000
1 Classroom and Lab Renovations	1,500,000	NA	750,000
NMSU-GRANTS	1,200,000	887,500	887,500
1 Martinez Hall Roof Replacement	1,200,000	887,500	887,500
GRAND TOTAL (Higher Education Dept. Requests)	13,276,000	6,037,500	8,687,500
Athletics	6,075,000	NA	NA
1 Athletics*	6,075,000	NA	NA
NM DEPARTMENT AGRICULTURE (State Agency Request)*	10,500,000	NA	-
1 NMDA Building Renovations Phase 3	10,500,000	NA	- ²
Grand Total	29,851,000	6,037,500	8,687,500

* The Higher Education Department and the Legislative Finance Committee only review I&G related requests.

¹ The language allows for

² Includes \$200,000 in the General Appropriations recommendation for a study (planning)