

**Summary of Executive and Legislative Finance Committee Budget Recommendations for FY23**  
**Prepared by the Office of Government and Community Relations**  
**Updated January 13, 2022**

New Mexico's Executive and Legislative branches presented their proposed spending plans for Fiscal Year 2023 on Thursday, January 6, 2021. The proposals represent the vision, objectives and policy aims of the respective branches and will effectively serve as the starting point for budgeting and capital outlay matters in the upcoming 2022 Legislative Session. For higher education institutions, the Executive and the Legislative Finance Committee demonstrated a shared interest in investment in colleges and universities and the students that we serve, with the difference in spending levels mostly coming down to different priorities and programs.

At the macro level, the Executive recurring operating budget increases spending to higher education institutions by approximately \$116 million, an increase of 13%. Nearly \$92 million of this funding is destined for Student Financial Aid and the Opportunity Scholarship Program. By contrast, the Legislative Finance Committee (LFC) recommends a \$41 million recurring increase, or 4.5% percent above FY22 recurring spending.

For Instruction and General, the Executive and LFC adopted the Funding Formula Task Force recommendations related to performance and enrollment with the Executive proposing 2% in "new money," while the LFC proposed 3%. These "new money" recommendations come with a new feature embraced by both the Governor and LFC—a workload adjustment measure--- in which a percentage of the increased Instruction and General funding is withheld until institutions provide plans to HED to address declining enrollment. The Executive recommends withholding a half percent, while LFC recommends one percent.

Compensation is one major difference between the executive and legislative recommendations, both in percentage increase and methodology. The executive recommendation would increase compensation for faculty and staff by 4% in fiscal year 2023. LFC's recommendation would increase pay by 3% in the final quarter of FY22 (i.e., beginning April 1, 2022) and then add 4% more for FY 23 resulting in what is effectively a 7% increase.

Other notable nonrecurring funding recommendations in the LFC budget:

- \$50 million to the HED Research Technology Enhancement Fund
- \$25 million to HED for work study in high demand fields
- \$50 million to HED's program development fund for endowed nursing faculty positions
- \$50 million to HED for social worker faculty positions
- \$50 million to HED for endowed faculty positions in educator preparation programs
- \$20 million to the teacher preparation affordability fund
- \$150 million for public-private partnership hydrogen energy hubs, with the appropriation being contingent on passage of authorizing legislation

Notable funding recommendations in the Executive budget:

- \$85.5 million in recurring funding for the Opportunity and Lottery Scholarship
- \$17.4 million in nonrecurring funding for building renewal and replacement

- \$5 million in nonrecurring funding for the higher education endowment fund
- \$1.5 million in nonrecurring funding to the Economic Development Department for biosciences business incubator
- \$50 million in nonrecurring (potentially via capital outlay) to create a Film Academy in collaboration with public higher education institutions

Highlights of the respective budgets specific to New Mexico State University:

- LFC recommends an increase of \$7.9 million in operating funding for the NMSU system (a 3.7% increase); the Executive recommends a \$5.1 million increase in operating funding for system (a 2.4% increase)
- LFC proposes increases to the Autism program, and the New Mexico Department of Agriculture, the Agriculture Experiment Station, and Cooperation Extension Service in the amount of \$1.1 million (see attached table for details), additionally the LFC recommends \$2.3 million in recurring operating funding for a New Mexico Tribal Education initiative, New Mexico Teacher Education Consortium (a new Research and Public Service Program) and Student Support Services (wrap-around services)
- The Executive proposes increases to the Sustainable Ag Center of Excellence, the Autism program, Dona Ana Community College Dental Hygiene Program and the New Mexico Department of Agriculture, the Agriculture Experiment Station, and Cooperation Extension Service in the amount of \$2.0 million (see attached table for details)

Capital outlay recommendations:

- LFC is recommends \$54.1 million for various capital projects within the NMSU system, including the New Mexico Department of Agriculture
- The Executive has not provided details on capital outlay recommendations; however, the Higher Education Department is recommending \$47.4 million in infrastructure spending (HED does not make recommendations for NMDA) --- See attached table for capital outlay details

## FY 2023 NMSU SYSTEM BUDGET RECOMMENDATIONS COMPARISON

\$ in thousands

Institution / Program <small>Shaded = NMSU Req Increase &amp; Request</small>	Actual Includes ERB & Comp	Recommendations		\$ Change vs FY22	
	FY22	LFC	Exec	LFC	Exec
<b>Main I&amp;G<sup>1</sup></b>	<b>122,211.3</b>	<b>125,957.9</b>	<b>124,773.9</b>	<b>3,746.6</b>	<b>2,562.6</b>
Athletics (\$2.0 M)	4,177.6	4,177.6	4,177.6	0.0	0.0
Educational television (\$100K)	970.3	970.3	970.3	0.0	0.0
Categorical - NM tribal education initiatives	-	200.0	0.0	200.0	0.0
NM Teacher education consortium	-	500.0	0.0	500.0	0.0
Categorical - Student Support Services (System)	-	1,515.1	0.0	1,515.1	0.0
<b>Alamogordo - I&amp;G<sup>1</sup></b>	<b>7,257.6</b>	<b>7,333.1</b>	<b>7,307.7</b>	<b>75.5</b>	<b>50.1</b>
<b>Carlsbad - I&amp;G<sup>1</sup></b>	<b>4,276.0</b>	<b>4,370.5</b>	<b>4,339.4</b>	<b>94.5</b>	<b>63.4</b>
<b>Dona Ana - I&amp;G<sup>1</sup></b>	<b>23,679.1</b>	<b>24,266.7</b>	<b>24,075.7</b>	<b>587.6</b>	<b>396.6</b>
<b>Grants - I&amp;G<sup>1</sup></b>	<b>3,557.6</b>	<b>3,599.9</b>	<b>3,586.8</b>	<b>42.3</b>	<b>29.2</b>
Categorical - NM tribal education initiatives	-	100.0	0.0	100.0	0.0
Department of Agriculture (\$7.79M)	12,360.0	12,860.0	13,360.0	500.0	1,000.0
Agricultural Experiment Station (AES) (\$500K)	14,831.6	15,081.6	15,081.6	250.0	250.0
Cooperative Extension Service (CES) (\$250K)	13,481.3	13,631.3	13,731.3	150.0	250.0
<b>Research &amp; Public Service Projects (RPSP):</b>					
Veterans Services	45.6	45.6	45.6	0.0	0.0
Sustainable Ag Center of Excellence (\$766.1K)	232.8	232.8	500.0	0.0	267.2
STEM alliance for minority participation	292.8	292.8	292.8	0.0	0.0
Anna Age Eight Institute	1,199.6	1,199.6	1,199.6	0.0	0.0
Mental health nurse practitioner	940.0	940.0	940.0	0.0	0.0
Indian resources development	255.7	255.7	255.7	0.0	0.0
Manufacturing sector dev. prgm.	621.7	621.7	621.7	0.0	0.0
Arrowhead center for business dev.	321.5	321.5	321.5	0.0	0.0
Nurse expansion <sup>2</sup>	846.2	846.2	846.2	0.0	0.0
Alliance teaching & learning advancement	143.8	143.8	143.8	0.0	0.0
Water resource research institute (\$100K)	1,039.7	1,039.7	1,039.7	0.0	0.0
College assistance migrant program	289.5	289.5	289.5	0.0	0.0
Autism Program (\$150K)	561.8	711.8	711.8	150.0	150.0
Sunspot Solar Observatory Consortium	352.6	352.6	352.6	0.0	0.0
Carlsbad - manf sector development prgm.	214.6	214.6	214.6	0.0	0.0
Carlsbad - nurse expansion	102.4	102.4	102.4	0.0	0.0
Dona Ana - dental hygiene program (\$100K)	279.0	279.0	379.0	0.0	100.0
Dona Ana - nurse expansion <sup>3</sup>	275.9	275.9	275.9	0.0	0.0
New Space Commercialization (\$500K)	-	-	0.0	0.0	0.0
<b>Total NMSU</b>	<b>214,817.6</b>	<b>222,729.2</b>	<b>219,936.7</b>	<b>7,911.6</b>	<b>5,119.1</b>

### Summary by Major Category

Instruction and General (System)	160,981.6	165,528.1	164,083.5	4,546.5	3,101.9
Athletics	4,177.6	4,177.6	4,177.6	-	-
Educational TV	970.3	970.3	970.3	-	-
LFC Recommended Non I&G Items	-	2,315.1	-	2,315.1	-
Ag Departments (NMDA, AES, CES)	40,672.9	41,572.9	42,172.9	900.0	1,500.0
RPSPs	8,015.2	8,165.2	8,532.4	150.0	517.2
<b>Total NMSU System</b>	<b>214,817.6</b>	<b>222,729.2</b>	<b>219,936.7</b>	<b>7,911.6</b>	<b>5,119.1</b>

<sup>1</sup> LFC and HED recommends 3% new money and the Executive recommends 2% new money. Both recommendations withhold funding subject to the submission of an acceptable recruitment/enrollment strategic plan. Executive withhold 0.5% and LFC recommends withholding 1%.

<sup>2</sup> NMSU submitted a special appropriation request, at the request of the executive, of \$750,000 non-recurring for the Nurse Anesthesiology Concentration start-up.

<sup>3</sup> NMSU submitted a special appropriation request of \$565,047 (non-recurring) to address the LPN nursing students impacted by the Vista college closure.

## FY23 STATEWIDE CAPITAL OUTLAY REQUESTS/RECOMMENDATIONS

Campus/Project	NMSU Request	Recommendations		
		HED	LFC	Executive
<b>NMSU-LAS CRUCES</b>	<b>48,500,000</b>	<b>39,800,000</b>	<b>38,000,000</b>	<b>-</b>
1 Thomas and Brown Replacement	25,000,000	22,500,000	22,500,000 <sup>7</sup>	NA
2 Nursing Expansion, Health and Education Renovations Nursing (LFC separated Nursing)	17,000,000	15,500,000 <sup>1</sup>	13,500,000 <sup>7</sup> 2,000,000 <sup>7</sup>	NA
3 Chemistry Building HVAC and Ventilation Upgrades	5,000,000	-	-	NA
4 Infrastructure Upgrades	1,500,000	-	-	NA
- Greek Complex (East and West) Demolition	NA	\$1,800,000 <sup>2</sup>	-	NA
<b>NMSU-ALAMOGORDO</b>	<b>1,500,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>-</b>
1 Rohovec Fine Arts Theatre Roof Replacement/Repairs and Renovation	1,500,000	1,000,000 <sup>3</sup>	1,000,000 <sup>6</sup>	NA
<b>NMSU-CARLSBAD</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>2,000,000</b>	<b>-</b>
1 Vocational Trades Center	4,000,000	4,000,000	2,000,000 <sup>7</sup>	NA
<b>NMSU-DACC</b>	<b>1,150,000</b>	<b>1,350,000</b>	<b>1,350,000</b>	<b>-</b>
1 Chiller and Cooling Replacement Espina/Sunland Park Roof Replacement	1,150,000	1,350,000 <sup>4</sup>	1,350,000 <sup>7</sup>	NA
<b>NMSU-GRANTS</b>	<b>1,500,000</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>-</b>
1 Martinez Hall Improvements	1,500,000	1,250,000	1,250,000 <sup>7</sup>	NA
<b>GRAND TOTAL (Higher Education Dept. Requests)</b>	<b>56,650,000</b>	<b>47,400,000</b>	<b>43,600,000</b>	<b>N/A</b>
<b>NM DEPARTMENT AGRICULTURE (State Agency Request)</b>	<b>17,500,000</b>	<b>NA</b>	<b>10,500,000</b>	<b>N/A</b>
1 NMDA Building Renovations Phase 3	17,500,000	NA <sup>5</sup>	10,500,000 <sup>6</sup>	NA
<b>Grand Total</b>	<b>74,150,000</b>	<b>47,400,000</b>	<b>54,100,000</b>	<b>-</b>

<sup>1</sup> HED recommends \$13,500,000 in GOB, and \$2,000,000 in Other State Funds

<sup>2</sup> Recommendation is a result of a Higher Education Institutions Facilities survey HED sent to institutions in September 2021 regarding campus demolition needs

<sup>3</sup> HED recommends NMSU-A request under Other State Funds

<sup>4</sup> DACC's top two projects are combined into one recommendation

<sup>5</sup> The Higher Education Department only reviews I&G related requests

<sup>6</sup> STB

**COMPARISON OF THE EXECUTIVE AND LEGISLATIVE FINANCE COMMITTEE HIGHER EDUCATION BUDGET RECOMMENDATIONS FOR FY23**  
**Prepared by the NMSU Office of Government and Community Relations**  
**Updated January 12, 2022**

Item	CUP/NMICC/NMACC Request	Executive	LFC
<b>Recurring Items (Section 4)</b>			
Instruction and General	10% Increase	2%	3%
	NA	Withholds 0.5% of I&G subject to a submission of an enrollment plan	Withholds 1.0% of I&G subject to a submission of an enrollment plan
	NA	Adopts the funding formula task force formula recommendation	Adopts the funding formula task force formula recommendation
Non I&G	\$15 million for Wrap around services	NA	\$500,000 Tribal Colleges Initiative (HED budget) \$6.0 million for Student Services (wrap around services) \$3.4 million Indian Education and Teacher Pipeline
Compensation & Other Benefits	Requests 10% Compensation Increase	Recommends 4% compensation increase for faculty and staff	Recommends a 7% compensation increase for faculty and staff for FY23 and recommends a 3% increase for the last quarter of FY22
	Fund ERB mandated increase (1%)	Unknown	Includes the 2% for FY23 and will include language for 1% contingent upon the passage of legislation
	NA	Unknown	Funds the Employer share of a 5% medical insurance premium increase for GSD funded programs (see page 90 of LFC Volume I)
State/Higher Ed Employees Minimum Wage	NA	Unknown	\$13.50 Funding will be included in HB2
<b>American Rescue Plan Act Funding and Other Nonrecurring Recommendations (Non Recurring)</b>			
NMDA Soil and Water Conservation Districts	NA	NA	\$10.0 million
DoIT Statewide Broadband	NA	Unknown	\$149.1 million
HED Research Technology Enhancement Fund	\$40.0 million	No funding recommended	\$50.0 million Section 21-1-27.2
HED Work-study in High Demand Fields	NA	No funding recommended	\$25.0 million for work study in high demand fields

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<b>Item</b>	<b>CUP/NMICC/NMACC Request</b>	<b>Executive</b>	<b>LFC</b>
HED Nursing Faculty Positions	NA	No funding recommended	HED higher education program development fund for endowed nursing faculty positions \$15.0 million - Funded during the special session \$35.0 million in additional funding via ARPA to GF transfer
HED Social Worker Faculty Positions	NA	No funding recommended	\$50.0 million for social worker faculty positions
HED Lottery Tuition Fund	Supports increase funding	See HED Opportunity Scholarship	\$150.0 million for Lottery Scholarship Fund
HED Opportunity Scholarship Fund	Supports increase funding	\$85.537 million for Opportunity Scholarship (includes \$7.0 million already in the HED base)  <b>Included in the HED recurring budget.</b>	\$43.0 million for Opportunity Scholarship Non Recurring (\$5.0 million increase for a total of \$12.0 million) Total Recurring/Non Recurring \$55.0 million
<b>Sections 5, 6 and 7 (Non Recurring)</b>			
Economic Development Department Film Division	NA	\$1.5 million for the film division, additional \$50.0 million in capital outlay for a Media Academy	No funding recommended
Higher Education Department Building Renewal & Replacement (BRR)	\$75.0 million for Information Technology and Deferred Maintenance	\$17.4 million for HEIs contingent on report of BRR transfer to HED, salaries not allowed	No funding recommended
Higher Education Department Cybersecurity	\$6.0 million	\$1.7 million for cybersecurity insurance/security assessments at HEIs	No funding recommended
Higher Education Department Endowment Fund	\$10.0 million	\$5.0 million for endowment fund (50% match required)	No funding recommended
Higher Education Department Dual Credit	\$15.0 million	\$10.0 million within HED recurring budget	\$4.0 million to pay colleges for successfully completed dual credit courses
Higher Education Department Endowed Faculty Educator Preparation Programs	NA	No funding recommended	\$50.0 million for endowed faculty positions in educator preparation programs

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<b>Item</b>	<b>CUP/NMICC/NMACC Request</b>	<b>Executive</b>	<b>LFC</b>
Teacher Preparation Affordability Fund	NA	Transfers \$5.0 million from teacher preparation affordability fund to the student financial aid program	\$20.0 million for the teacher preparation affordability fund
Teacher Loan Repayment Fund	NA	Transfers \$5.0 million from the teacher loan repayment fund to the student financial aid program	\$5.0 million for the teacher loan repayment fund
HED Longitudinal Data System	Supports the Longitudinal Data System	\$7.5 million for Longitudinal Data System	\$4.25. million for the New Mexico Longitudinal Data System Project
HED Shared Services ERP	NA	\$15.15 million for the Shared Services ERP and Student Information Systems Project	\$5.0 for the Shared Services ERP and Student Information Systems Project
Economic Development Dept to create a bioscience business incubator	\$1.5 million to create a bioscience business incubator	\$1.5 million to create a bioscience business incubator	No funding recommended
Economic Development Department to create Film academy with public higher education institutions	NA	\$50.0 million recommended in <u>capital outlay</u>	No funding recommended
Teacher Residency Program	NA	\$11.0 million from the Public Education Reform Fund to the Teacher Residency Fund	\$5.0 million for the Teacher Residency Fund \$6.0 million for student teacher stipends