2005 Strategic Planning Process:

New Mexico & The West Challenges & Opportunities
New Mexico’s story – a mixed bag

The good news
- Strong on college participation of recent high school graduates
- Demographics in your favor

The other story
- Terrible on graduation – both from high school and college

The net effect – nationally uncompetitive
The Good News – Sort Of

Growth is not your challenge
New Mexico’s no-growth scenario in context

Figure 17. Percent Change in Number of Public and Nonpublic High School Graduates by State, U.S., 2001-02 (actual) and 2017-18 (projected)

The challenge – no growth in a growth industry

- Innovating on budget dust
- Redistribution within a static flow

Figure 4. New Mexico Public High School Graduates by Race/Ethnicity
1990-91 through 2001-02 (actual), 2002-03 through 2017-18 (projected)
Some other good news – sort of

*Measuring Up 2004*

- Participation of high school grads
  - NM = 56.8%
  - US = 56.1%
  - WICHE = 48%

- Participation of adults
  - NM = 5.4%
  - US = 5.4%
Telltale signs of possible concern
- The depressed denominator
- Adult participation has dropped from 6.2% to 5.4% over last decade
Migration of first-time, first-year college students, 2000-2001

<table>
<thead>
<tr>
<th>State</th>
<th>Receiving</th>
<th>Sending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>California</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Colorado</td>
<td>19%</td>
<td>16%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>Nevada</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Texas</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Utah</td>
<td>25%</td>
<td>8%</td>
</tr>
</tbody>
</table>
In sum,
- A pretty good story
- Some reasons for concern
Student success/preparation

Measuring Up 2004 – down from a D-
Don’t Complete

High school completers as a portion of 9th graders 4 years earlier

Don’t Prepare

<table>
<thead>
<tr>
<th>Subject</th>
<th>NM 2002</th>
<th>Top States 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>9th-12th grade upper level math</td>
<td>31%</td>
<td>57%</td>
</tr>
<tr>
<td>9th-12th grade upper level science</td>
<td>19%</td>
<td>39%</td>
</tr>
<tr>
<td>8th grade algebra</td>
<td>17%</td>
<td>30%</td>
</tr>
<tr>
<td>12th grade upper level math</td>
<td>36%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Source: Measuring Up 2002
In sum,

OUCH

- Not available to go
- Not prepared to go

Which leads to performance
Student success/performance in college

- Measuring Up
- Degree Production
  - Associate degrees – pretty good
    - NM = 26.4%
    - WICHE = 25.8%
    - US = 21.8%
  - Baccalaureate degrees – pretty bad
    - NM = 35.6%
    - WICHE = 43.9%
    - US = 47.7%
Student success/The net effect a mighty leaky pipeline

Of 100 9th graders, how many...

<table>
<thead>
<tr>
<th>Stage</th>
<th>Best Performing State</th>
<th>U.S. Average</th>
<th>New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate from High School</td>
<td>84</td>
<td>67</td>
<td>60</td>
</tr>
<tr>
<td>Enter College</td>
<td>58</td>
<td>38</td>
<td>36</td>
</tr>
<tr>
<td>Enroll Sophomore Year</td>
<td>42</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Graduate Within 150%</td>
<td>28</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>25-44 with Bachelor's Degree</td>
<td>38.8</td>
<td>26.7</td>
<td>21.2</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Public Use Microdata Samples, 2000
Comparatively strong public support

Share of state budget to higher ed
- Nm = 16.4%
- WICHE = 12.4%
- US = 10.9%

Lottery scholarship
Low tuition
"The rest of the story"

- The Feds have fallen back
The value of Pell has atrophied over time.

Maximum Pell Grant as a percentage of average tuition, fees, and on-campus room and board: 1973-74 to 2002-03

Federal reliance has shifted from grants to loans.

Percent share of grants vs. loans, 1980-81 to 1999-2000:
- Grants 40%
- Loans 59%
“The rest of the story”

- The Feds have fallen back
- New Mexico has fallen back in need-based aid
## Full-time, degree-seeking, in-state undergraduates

### New Mexico public postsecondary institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>No FAFSA</th>
<th>FAFSA Filed and Aid Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unmet(^1) Need</td>
<td>&lt;= $2,500</td>
</tr>
<tr>
<td>1996</td>
<td>10,263</td>
<td>2,962</td>
</tr>
<tr>
<td>1997</td>
<td>9,345</td>
<td>3,578</td>
</tr>
<tr>
<td>1998</td>
<td>9,285</td>
<td>4,408</td>
</tr>
<tr>
<td>1999</td>
<td>8,326</td>
<td>6,955</td>
</tr>
<tr>
<td>2000</td>
<td>7,986</td>
<td>7,017</td>
</tr>
<tr>
<td>2001</td>
<td>8,199</td>
<td>6,687</td>
</tr>
<tr>
<td>2002</td>
<td>8,077</td>
<td>7,209</td>
</tr>
</tbody>
</table>

**Fall Term\(^2\)**

1. Need is computed as the "Cost of Attendance" minus "Expected Family Contribution", as computed from FAFSA data and Federal regulations. UnMet need is computed as "Need" minus Total Financial Aid awards, including loans, work study, grants, and scholarships. If Total Awards exceed Need, then UnMet Need is zero.
2. The financial aid data for 2003-04 will not be available until September 2004.

Source: NMCHE DEAR Financial Aid and Enrollment Files.
“The rest of the story”

- The Feds have fallen back
- New Mexico has fallen back in need-based aid
- Lottery scholarships address well the performance incentive for students, but no policies provide similar incentives for institutions (the demand/supply equation)
This Story Is A Simple One
- Serious economic problems
- Greater divide between economic and social haves and have nots
- Reduced quality of life for many New Mexicans
- Current Economy masks the imperative
The consequences of not acting

Percent Employment in Professional, Education, Health, and Social Service Industries, 2000

Source: U.S. Census Bureau
The consequences of not acting

New Mexico Per Capita Personal Income as a Percentage of U.S. Average, 1960-2000

Source: U.S. Census Bureau, 2000
The consequences of not acting...
The consequences of not acting
New Mexico Top 25 Occupations (3-Digit SOC Code Level) Held by 55- to 64-Year-Olds (Likely Retirees), 2000

- Other Management Occupations
- Retail Sales Workers
- Primary, Secondary, & Special Education School Teachers
- Construction Trades Workers
- Building Cleaning & Pest Control Workers
- Health Diagnosing & Treating Practitioners
- Motor Vehicle Operators
- Secretaries & Administrative Assistants
- Supervisors, Sales Workers
- Information & Record Clerks
- Business Operations Specialists
- Financial Specialists
- Financial Clerks
- Top Executives
- Other Office & Administrative Support Workers
- Material Recording, Scheduling, Dispatching, & Distributing Workers
- Other Sales & Related Workers
- Engineers
- Postsecondary Teachers
- Vehicle & Mobile Equipment Mechanics, Installers, & Repairers
- Other Personal Care & Service Workers
- Other Installation, Maintenance, & Repair Occupations
- Cooks & Food Preparation Workers
- Supervisors, Office & Administrative Support Workers
- Sales Representatives, Services

Source: U.S. Census Bureau, 2000 Census; 5% Public Use Microdata Sample (PUMS) Files
The consequences of not acting

Student Pipeline

Of 100 9th Graders, How Many...

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<td>84</td>
<td>67</td>
<td>60</td>
<td>84</td>
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<tr>
<td>Enter College</td>
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Source: U.S. Census Bureau, Public Use Microdata Samples, 2000
The consequences of not acting

Median Earnings by Degree Level

Source: U.S. Census Bureau, Public Use Microdata Samples, 2000
To Compete By Increasing Performance on the educational production pipeline.
- Economic vitality
- Social Equity
- A High Standard of Living and Life Style

To Maintain the Status Quo
- Third World Economy and Social Structure
Improving the Lottery Scholarship
Cementing Need-based assistance
Rewarding Institutions for Student Success