

HIGHER EDUCATION INSTITUTIONS BUDGET RECOMMENDATION

Our philosophy is simple: Higher education is a collective good.

New Mexico has a burgeoning national reputation for higher education policies that put students first. Whether through expansive free-tuition programs or debt relief mechanisms for workers in high-need fields, more first-time and returning students are benefiting from the tools the State of New Mexico has made available to them in pursuit of fulfilling careers. This is reflected in increased college enrollment across the board for several years in a row; traditional, non-traditional and returning adult learners are entering college classrooms in higher numbers and seeking out credentials that will improve individual economic mobility and strengthen New Mexico communities.

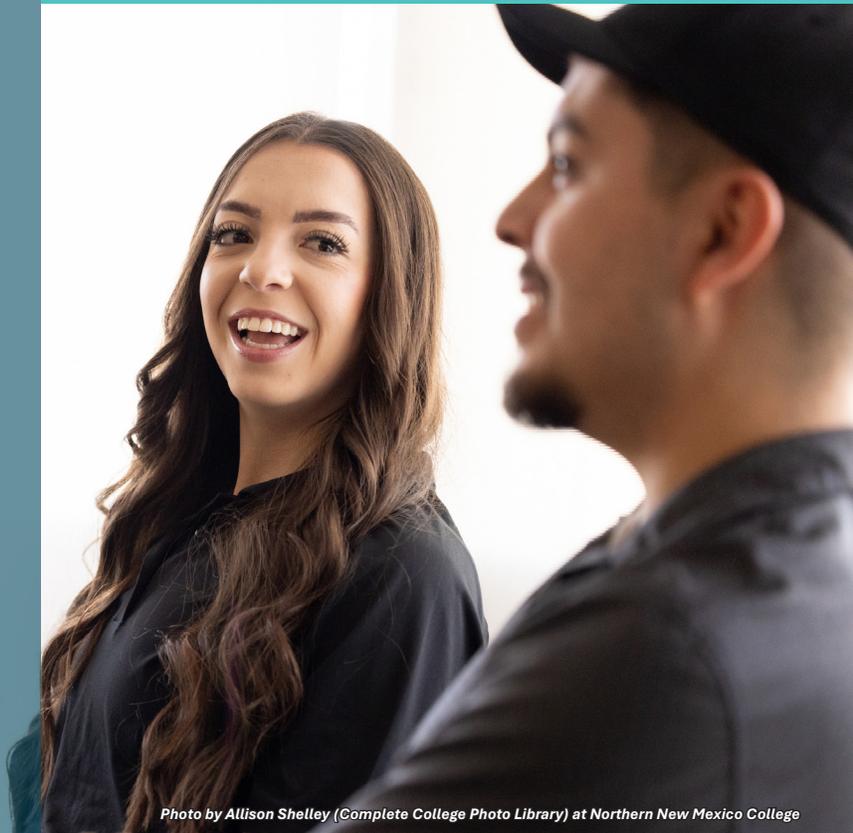


Photo by Allison Shelley (Complete College Photo Library) at Northern New Mexico College



Enrollment is up

New Mexico's college enrollment has climbed for *four* consecutive years while nationwide enrollment decreased from 2020 to 2023.

Source: Census Enrollment Headcount Report (HED, 2025)



Graduates are successful

New Mexico college graduates rank among the most likely to achieve economic security and mobility, according to a study measuring education-to-employment outcomes.

Source: Strada Education Foundation



New Mexico is moving up

New Mexico's higher education sector has climbed the national rankings due to its high performance in access, enrollment, affordability, low debt, and social mobility.

Source: U.S. News & World Report

13.6%

total enrollment increase since 2021, representing 13,727 additional college students

70%

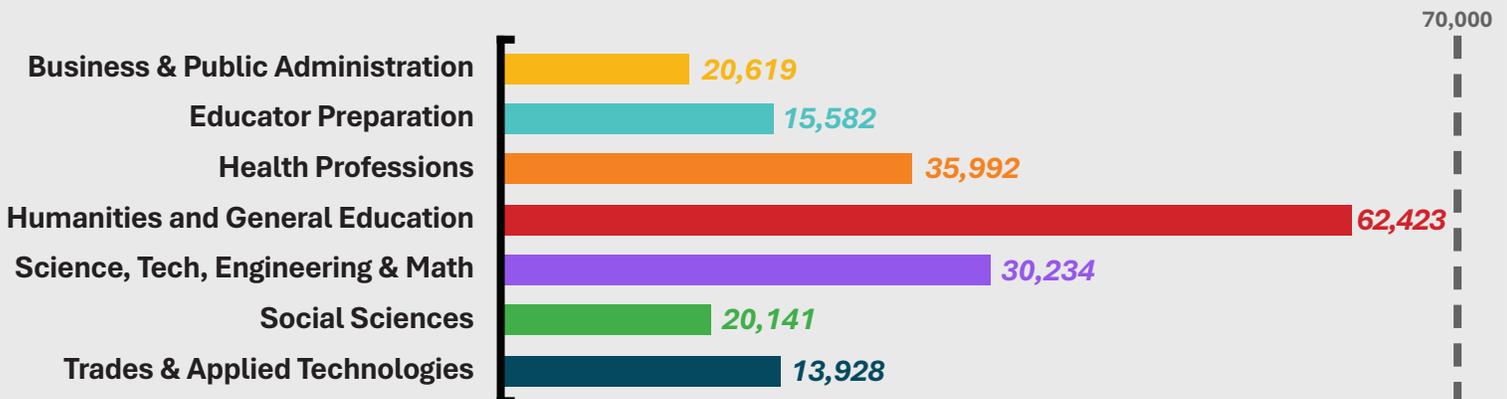
of New Mexico college graduates achieve a positive return on investment (ROI) over 10 years

#20

in national rankings for state higher education systems, up from over 40 six years ago

CUMULATIVE DEGREE PRODUCTION

Academic Years 2018-19 to 2024-25



Source: eDEAR System Data (HED, 2025)

Total Awards: 198,191

NEW MEXICO'S HIGHER EDUCATION SECTOR

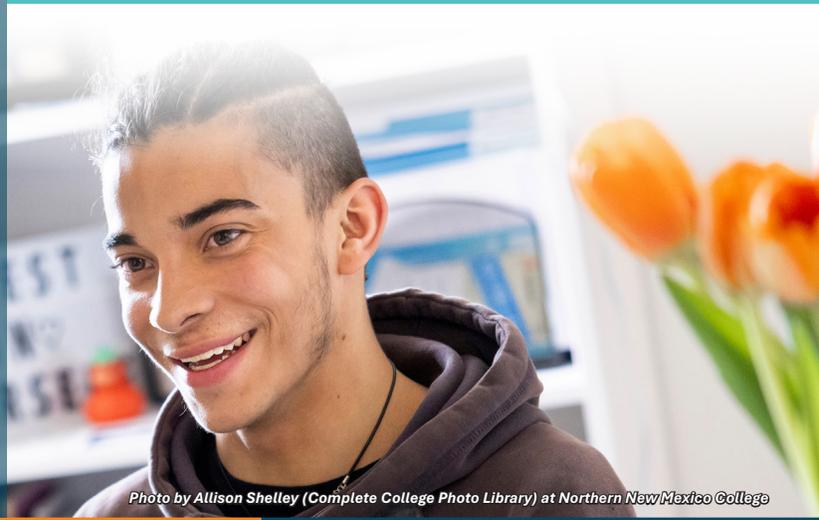


Photo by Allison Shelley (Complete College Photo Library) at Northern New Mexico College

Governor Michelle Lujan Grisham and the Higher Education Department announced this fall that nearly 114,000 New Mexicans are pursuing career training certificates, associate, bachelor's and graduate degrees at formula-funded public colleges and universities across New Mexico, an increase of 3.6% over last year. Over 11,000 New Mexicans are pursuing higher education for the first time and as full-time students. Since 2022, all formula-funded colleges and universities submitted a Strategic Enrollment Management Plan to the agency and the Legislative Finance Committee. While enrollment and graduation rates take several years to stabilize as students move through the system, many key indicators project sustained progress in New Mexico. Enrollment has increased statewide for each of the past four years, as have graduation rates. New Mexico is one of only two states in the nation to see these types of enrollment gains since 2020.

AT A GLANCE: FISCAL YEAR 2027

The Higher Education Department recommends a three percent statewide increase to the higher education funding formula in addition to a \$15 million increase to base funding, allocated using the Higher Education Funding Sustainability Study's adequacy-based proportional formula. Completion is incentivized in the formula, however, adjustments were made surrounding momentum points and the research measure to award colleges and universities for enrollment increases.

Overall Higher Education Funding: **\$1,480,961,300**

- Higher Education Institutions: **\$1,275,651,700**
 - Instruction & General Funding: **\$950,372,900***
 - 1.75% in new money
 - \$15 million added to the base
 - Research & Public Service Projects: **\$117,366,800****
- Higher Education Department: **\$187,907,200**

* Formula-funded schools only

** University of New Mexico Health Sciences Center included

Adjustments to the base allow for colleges and universities to accommodate for some federal losses in programs and research.



Photo by Allison Shelley (Complete College Photo Library)

Current federal impacts to public colleges and universities in canceled grants, decreases in project budget, program suspensions, project delays, project terminations, and stop work orders:

\$123M

UPDATE: SAVING NEW MEXICO'S PUBLIC BROADCASTING STATIONS

Federal funding for Public Broadcasting Stations (PBS) was completely cut across the nation, forcing states to find additional funds to make up the difference. In New Mexico, PBS is a lifeline for emergency communications in rural, frontier, and tribal communities in addition to educational television for people of all ages. During the first special session this past year, Governor Lujan Grisham and the Legislature appropriated over \$6 million to support PBS across the state, including stations at public colleges and universities. The Executive requests a special appropriation to the New Mexico Department of Finance and Administration in the amount of \$5,561,000 to support programs at higher education institutions, local education agencies, and non-profits that host stations in their local communities, including Albuquerque, Farmington, Las Cruces, Portales, and Santa Fe.

Photo courtesy of KNME Channel 5 (NMPBS), University of New Mexico



Photo by Allison Shelley (Complete College Photo Library) at Northern New Mexico College

HIGHER EDUCATION DEPARTMENT BUDGET REQUEST

Investments in individual student success pay off as benefits to the larger community. Providing education and trainings to people who want a better life for themselves and their families ultimately boosts the function of our cities, industries, and government. These principles are particularly efficacious in a state where so many students are working not only to get ahead for themselves but also their families, and with the help of the Opportunity and Lottery scholarships, higher education is a transformative choice for so many New Mexicans.

DATA HIGHLIGHTS

The Opportunity and Lottery Scholarships: New Mexico's Tuition-Free College Programs

Over 65,000 jobs annually will require a postsecondary credential in 2031. Fortunately, New Mexico leads the nation in college access and affordability and has received national recognition and awards in addition to being cited as a gold standard for tuition-free college programs to meet this demand.



This past year, **42,479 New Mexicans benefited from the Opportunity Scholarship** and **15,962 received the Lottery Scholarship**.



As of Spring 2025, **22,939 New Mexicans completed their undergraduate credentials with the help of the Opportunity Scholarship**, ranging from certificates to bachelor's degrees.

Students receiving the Opportunity Scholarship were more likely to be retained from fall to spring than their peers by nine percentage points.

Opportunity Scholarship awardees are most likely to be Pell Grant recipients, Hispanic students, or female students

First-time, full-time, degree-seeking enrollment is surging in New Mexico.

2015-2021: **-21.0%**
2021-2025: **+18.2%**

FISCAL YEAR 2027

Recurring Agency Budget Request

For recurring operating expenses for the New Mexico Higher Education Department, the agency is requesting a relatively **flat budget** for FY2027, with the exception of \$118,900 for state health benefits. Additionally, to support its fiscal operations and responsibilities, the following BAR language is requested to properly utilize and deploy appropriations.

500 Category Transfer Authority

To allow for flow-through transfers between critical financial divisions – Administrative Services Division and Institutional Finance (P505) and Financial Aid (P506)

Additional Scholarship Revenue Authority

To allow for budget transfers from the Higher Education Trust Fund and Legislative Lottery Tuition Fund to support the Opportunity and Lottery scholarships

Non-Recurring Special Appropriation Requests

- **Adult Education**
 - \$5,000,000 increase
 - \$1,250,000 for High School Equivalency tests
- **New Mexico Longitudinal Data System**
 - \$500,000 for Maintenance and Operations
- **Loan Repayment Programs**
 - \$25,000,000 for Health Professionals
 - \$5,000,000 for Teachers
- **School of Medicine Endowment: \$50,000,000**

Photo courtesy of Central New Mexico Community College

HIGHER EDUCATION APPROPRIATIONS FISCAL YEAR 2026 STATUS REPORT



ADULT EDUCATION

TANF Transfer from HCA

\$5,000,000

Integrated Education & Training

GRO, FY26: \$2,000,000

Status: Temporary Assistance for Needy Families (TANF) funding was distributed to adult education programs for the first time in 2023 with a \$2 million increase in the 2025 legislative session. The majority of these funds are used to increase teacher pay, improve professional development programming, support enrollment increases and student outcomes, develop high-quality curriculum, and set up career navigation services for students. Additionally, there was a 50% percent increase in the number of IET participants in FY25, with students attaining 487 industry-recognized credentials.

#26

New Mexico's adult education system is ranked 26th in the nation, the highest ranking it has ever achieved, and the state exceeds every federal performance benchmark.

SB48: Community Benefits Fund

FY2026-FY2028: \$10,000,000

Status: Since the beginning of this fiscal year, funding from the Community Benefit Trust has been used to expand the state's Integrated Education and Training Program with an emphasis on building the climate mitigation, clean energy, and infrastructure workforces; providing tuition and other wraparound supports to students participating in these programs; and support adult literacy programming. The three-year implementation plan also includes expanding access to adult and family literacy services statewide, raising awareness regarding free programs to increase utilization, and creating an adult educator credential to support high-quality services and retention.



FINANCIAL AID

STEM Graduate Scholarships

\$10,000,000

Status: New Mexico residents who are enrolled in graduate STEM programs have the opportunity to access state funds up to \$7,200 per academic year. A guidance memo was sent to financial aid directors at eligible colleges and universities on July 1, 2025, for disbursement in Academic Year 2025-2026.



CAPITAL INVESTMENTS

Building Renewal & Replacement

\$30,000,000

Status: A memo with the distribution methodology for Building Renewal and Replacement (BR&R) was sent to all public higher education institutions in the Spring. This funding is distributed based on a reimbursement process in which colleges and universities must expend their funds, and then submit a draw request to be reimbursed. To date, the entirety of the appropriation has been encumbered via purchase orders.

Equipment Renewal & Replacement

\$3,000,000

Status: A memo with the distribution methodology for Equipment Renewal and Replacement (ER&R) was sent to all public higher education institutions in the Spring. To date, all this funding has been distributed.

New Mexico STEM Institute

\$20,000,000

Status: In partnership with the Public Education Department, a Request for Proposals (RFP) will be published in December 2025 via the General Services Department.



WORKFORCE TRAINING & INTERNSHIPS

GRO, FY26: \$20,000,000

Status: A total of \$60 million over a three-year period in funding was appropriated in the 2024 legislative session and must support students in pursuing workforce training courses, apprenticeships, and internships at New Mexico's public community colleges and regional universities. A guidance memo for FY2026 funds was sent to all eligible higher education institutions on July 2, 2025. For this year's funding, the Higher Education Department required an implementation plan and recently published a report of findings from the first year of implementation.

GRO DATA SPOTLIGHT

224

programs supported across 19 New Mexico public colleges and universities serving

6,249

students

94%

program completion rate and average participant age

35

years old

\$14.1M

spent for Fiscal Year 2026 by

19

colleges and universities