



September 16, 2021

Adopting and Defining Guiding Principles

- Reward student success while remaining focused on equity and attainability for all New Mexicans
 - Motivate and advance interest in student success
 - Idea that money can both improve equity or make it worst
 - Past approaches to equity funding can make it worst
 - Selectivity goes up and low-income students goes down
- Encourage attainment in high-demand and high-reward disciplines
 - There is a movement and a trend towards looking at completions within different disciplines and occupational fields
 - Recent research on the effect on including such measures
 - High reward credentials
 - Institutions respond by ramping up short term certificates
 - Huge variance in quality and be cognize in that
- Use clearly defined, currently available data (and identify short- and long-term data changes)
 - Can only measure what you have data for
 - Careful assessment on what data we have and how they connect to the component to the data is critical
- Maintain clarity, simplicity, and stability
 - Any organization that does work in this area makes recommendations would include this on this list
 - Universities and colleges take time to change their practices and to take hold in students and their outcomes
 - Complex formulas make it difficult for university and college to identify response to formula and hard to guard clarity and simplicity

Questions & Answers

- Kathy Ulibarri- no problem with wording or the measure that's in principle #1. Helpful to have a better understanding of the base line around some of the equity issues. I think we intuitively feel like this is an issue and a state like NM we need to address. To be quite honest, we don't look at the data regularly and I can't say whether the formula historically with the focus on increasing the numbers has led to an increase in equity issues. We suspect and want to address but we don't know that.



- David Tandberg- we can look at the data and identify equity gaps right and those data are out there, I'm sure other groups like entrust have parse those data at the state level across the country and shared on to empirically link your past formula to those outcomes. it would require a rather sophisticated research design and that's been done in other states I'm just not aware, maybe Dustin knows if there's been any of that published research looking at New Mexico. I'm not aware of it so where were left is at this point because it would take a long time to conduct that study is to be very aware of where the equity gaps exist in New Mexico and understand that there is the risk based on what we've observed in other states that an improperly designed funding formula can have negative externalities that we ought to be concerned about act
- Stephanie Rodriguez- very valuable point and its how are we linking our data to those successes of our students and how did that look in the sphere of race and ethnicity gender etc. so I think that's definitely a homeowner point that we need to work on and be better about it in agency and collecting that data and identify those gaps for our leaders so thank you for that I appreciate it
- Marc Saavedra- I agree with Kathy in terms of we can all work together on the baseline and something I don't think we'll be able to identify tomorrow or today so I understand that. I guess maybe it could be part of the short term or the longer part of that. We just got our data from public ed department on graduation rates from last year that have gone up but our economically disadvantage students percentage has been slightly going up or staying around 64% of that population and we have the Martinez Yazzi case here in New Mexico which is putting more money in public ed towards these economically disadvantage students or other district for other reasons, just wondering if other states within their formula, there some relationship with public ed and funding whether it's dual credit whether it's following these disadvantage students through into higher ed, not just getting the graduate from public schools but to give them better prepared for Community College for years so there's any models or anything that you might be able to find or that you know of because there's a lot of money going to our public schools under Martinez Yazzi, not all that I think is able to use it all but I still think you're going to graduate those kids specially economic development which is the largest percentage of the population and then they're not ready to go to college from there. Any models or examples to try to tie the public Ed better into higher Ed when it comes to funding formulas
- David Tandberg- you know there's no doubt that inputs or outputs in higher education and then it is a complex thing as you noted and one thing that there's much longer history of research within K12 on the role of funding on outcomes and the appropriate design of formula and they've advanced to and notion of trying to quantify. What does it cost to successfully graduate different types of students and designing, for me on these are adequacy based formula. we're not at that point in higher Ed, it's a more complex question, what is an institution need to fulfill



its mission but what we know, what we're finding is that there is a movement, and this is kind of outside the formula to better connect the expectations. postsecondary has an incoming student relative to the expectations that high school, half of their graduating students and the more we can align those the better when it comes to the formula for funding at postsecondary, frankly we have to deal with the world as it is now and so once a student is admitted and the college then quote and this is not the right word but their preparedness, their lack of preparedness now as the problem of the college and whether they're coming in with a history of being raised in a low income family in a rural area. We need to understand and serve them properly and getting to taking steps towards a funding formula that recognizes some of the challenges that are unique to different students I think it's probably a good first step all the while working on those larger longer term issues that Marc highlighted

- Marc Saavedra-I think we need to really consider in this formula is that cause you're right, that student and an in terms of maybe having something in that formula when we're talking about retaining equity and attain ability is that's the student. I feel like that's stand right so thank you very much for explaining that and finishing up the way you did
- Tracy Hartzler- I appreciate President Anderson's comments about how the principles are connected and should reflect the state goals for these objectives and so I have two questions and because I'm filling in I don't know where this fits in the short term, long term discussion that this committee is having but I ask, what the state goals are for equity attain ability and I don't want to jump the next principle but I'd also say for the next principle related to high demand, I guess hyper word discipline, so where are those state goals, how will those be developed and then are they, how will they bury some guide assume that they will vary based on the sector because attain ability and accessibility at a four year R1 is different than an Open Access to your institution so I'm I want to make sure that we're connected or the formula connects to the state goals because just doing better I don't think gets us to where we want to be, so how is that part of this conversation thank you and thank you for revisiting the topic if you are and I appreciate that
- Stephanie Rodriguez-at this point in time I know the governor and the legislature have a leadership meeting next week and they are going to discuss what's the overall vision going into this legislative session, what do we want to accomplish and I think that would be a very telling point for us to know what is that statewide vision from both the executive and the legislative branch and how does that apply to the New Mexico higher education formula so I don't have the response right now. A lot of conversations happening with the executive and legislative branch from what I'm understanding, and I think that's something that we can definitely address in the next meeting to have that statewide goal, how does that encompass our funding formula and how will we reach that. I can tell you now I know work force is a great component of that, we're going to touch on that, not only in our principles but also in our short-term goals. Another



principle is making sure we're supporting our economic development sector through research as well and what industries are coming to New Mexico so those are some of the baselines that know they're working with but will have a clear vision at our next meeting so thank you for bringing it up

- Stephanie Rodriguez- maybe this (principle #2) is something that we moved to the short term goal discussion but it is mentioned in there as well and I just wanted to note that
- Marc Saavedra-stop this is on the second principle so the one thing I see the high reward disciplines statement we got to be careful that it doesn't backfire on the student, not the worst situation they were just with a GD or high school diploma so I just think this formula I think it's possible where we can create an institution high demand is reward this but that may not be something that they work for systematic so formulas I think it's important that we try to protect the integrity of the formula and that we're not out there creating a bunch of degrees and really are helpful for the student and tie into this in terms of that accountability with this person
- David Tandberg-really good point it's in other states it's a far more complex and difficult to complete then governors and legislators often think so you know the data properly assess find that some credentials have a lower return early on but then catch up and surpass other ones later on and that's particularly true in the local arts over a lifetime there some of the best credentials but in the short run you'll find some of the more stem ones are more immediate return but then the growth is slower over bit in later years anyways that's why that's more of a measurement question. We're going to have to carefully assess your data and your ability to properly document this and it's not that easy, it can be done, you run into some issues, often the research universities are more concerned about this cause their graduates tend to go to Graduate School more frequently and they often run the national job market, not a state job market so there could be some data constraints some things to think about
- Joseph Shepard- I want to go back about equity because as we go through creating and focusing on economic development, if we fail to understand the type of populations that were serving as in the predominantly Hispanic populations, the African American populations, the Native American populations our goals can actually lead us toward more of the Anglo populations in the success rates would be favored toward those institutions that have predominantly more white students and some of those other ethnicities that I mentioned and I don't think that can be over stated too much given the type of statement we had in the impoverished nature of our state and within that of course non ethnic would be first generation which often times correlate with them but as we look at our inner measurements, I think understanding our baseline is very important because otherwise we could create a situation where the funding formula benefits a certain class of people in there by a certain type of institution no really
- David Tandberg- I really appreciate the emphasis you put on that and the you could imagine that rewarding completions even rewarding you know workforce outcomes could exacerbate



inequality as we know that white upper class students often are rewarded more generously in the job market find employment more easily and paid more, likewise you have to be concerned about gender differences in in workforce outcomes where frankly our public service and some portions of our healthcare areas that pay less are predominant, you find it over representation of women in those areas so really complex a lot of equity questions that have to be addressed. I believe there are ways of doing that through bonuses equity metrics and the like that can help us avoid some of those negative outcomes that can come with rewarding performance

- Kathy Ulibarri- I really appreciated Secretary Rodriguez comment around the planning, this upcoming is how we tie and correlate relate to the work of the economic development department in our state it's well known that we have an economy in New Mexico, that's very public sector focused and we have this robust oil and gas industry but we struggle to get traction around efforts to really diversify our economy particularly private sector growth in various areas and so we get into this chicken and egg conversation that leads us the outcasts of perceptions about brain drain and I want us to really think that through and be intentional in saying we might be creating high demand programs our prospective in nature but demand might not be immediate, it might not be in our community immediately but if it ties to something that we hope to cultivate in and that's really important and in the short run we may see students graduate from programs at all levels who ultimately take jobs in other states but you know if we maintain our strong alumni networks then yes those positions do come to New Mexico can attract those individuals back. I just want to be really careful and thoughtful
- Stephanie Rodriguez- you know Kathy what I really loved about what you said is the perspective nature right not only addressing our immediate needs but being thoughtful of what we need in the future. I think the economic development department strategic plan is really going to hit on some of those industries that we're going to see published later this fall so thank you for that point because I think that is integral to this conversation
- Stephanie Rodriguez- conversation with one of my colleagues about the types of data we're collecting and what it is demonstrating to us, and I do recognize that some of the data we're collecting we need to be better stewards of that data and how that data is collected but also simplified and one of them is transferred. I think we all know transfer is something we need to address. I'll be touching on that in some of my goals in the future presentation here but I just wanted to throw that out there is an integral piece but how we're collecting that data is equally important and how we're showing that data we're trying to demonstrate is just as important as the full picture so we talk about momentum points and that's the most reliable measure of transfer we have right now but how can we take that a step further to show what we need to show that movement in the higher education sector that's accurate in our student populations
- Tracy Hartzler- question about longitudinal goes back to Marc's comments about K12 but I also touch on the high demand, there's an element about information coming to us, how do we track



really individual student, how do we really show progress among our students who are coming to us and those were leaving for work, so I think what you touched on here are important points clearly and clearly define available data. I want to make sure we're also focused on how do we know we're successful and often that's trend data and particularly as we talk about work, how do we know what's in demand so there are external sources. I guess our external data sources would be helpful in this process to identify as helping us as institutional remove the state identify what benchmarks we want to look at or guideposts and that could be industry leaders or the economic development for me it really could be broader than this so what you touched on seems to be very internal right HED data that we left here but what are the other sources that we want to be inclusive and thoughtful of as we talked about equity, as we talk about high demand or high value because ultimately that's probably how we're going to be measured. I certainly heard that from legislators at least on the workforce side

- Stephanie Rodriguez- thank you president, you know who's been doing a process that's really been fantastic at their institution on collecting the data and showing it long term is Dona Ana Community College been demonstrating that what happens to her students through the system but outside of the system as well and that I think it could be a really good marker what we shoot for and then you're absolutely right how is this going to be integrated into the longitudinal data system status needed so thank you for those points
- David Tandberg- recent I think we could even call it a trend states partnering with US Census Bureau to use their microdata, individual data which allows for really cool connections between their student data systems and then being able to track the workforce outcomes their students across the country which is really neat. I mean obviously we would want all this data within New Mexico but we recognize that your colleges and universities do an excellent job preparing your students and therefore they're attractive all over the country but my point is not necessary that that's a partnership you absolutely need to engage in, maybe you already have those conversations but just to reinforce the point that I was making which is there are a lot of data sources out there and thinking critically about those, that you want to use to supplement your internal data systems is probably a good idea
- Marc Saavedra- I just want to thank you for simplifying in terms of that that's the equity issues when you have 65% of disadvantage students then you have remedial students it's important that we know what types of the students we admit then that what type of student are we committing and so I do think there's a lot of support for looking at this underserved population of students. Whether you have students that are having to test and then the GPA. I just think we do have data with the public ed department and then in this state Martinez Yazzi is really highlighted a lot of that and so I just hope we consider that there's some way this is more for us Secretary or in the institutions and I've been saying this for a couple sessions now there's a way that we can try to tie that Martinez Yazzi data funding and like you said David you've seen this



but we do develop a measure or another so population. I think we definitely start with those cohorts in the public ed data

- Stephanie Rodriguez- census partnership that David had mentioned I just want to let you know that Mark C. put in the chat that our agency is engaging with the Census Bureau on some of that work and we're really excited to see that progression as it moves forward
- David Abbey- it might relate to the 4th point about stability but it's how do you make a transition from the old funding methodology to the new on and are there principles because in fact in New Mexico we have probably one of the biggest problems with the formula we work with almost had a base plus so we started up whatever funding we had once carried forward and only funded new amounts and also relates to the first one about equity because you talked about equity in terms of cost of educated students with different needs but what about the experience with a base plus formula, how do transitions happen
- David Tandberg- I think there's three common approaches one is the implement the formula but do a hold harmless so they guarantee that you can be rewarded but not punish so that you will not go below last year's appropriation or say a certain percentage above last year's appropriation, so let's say absolute formula you would have gotten this much you're guaranteed to get that much, you can do better or ease into it and so it'll only amount for this percentage of funding in year one, this larger percentage in year two, this percentage in year three, and then wherever you ultimately want to be in your 100%, 50% or whatever of the funding will be determined by the formula, the third is just to say we're doing it and you go all in year one and you let it take full effect in year one with no bold harmless and there's reasons theory behind all three approaches but I think there appears, I don't know that we have any empirical research to justify whether one is better than the other. I would say that it seems that most organizations that consult in this area in most states are going with one of the first two, either a hold harmless or an onboarding process
- David Abbey- the first principle focuses on equity and inclusion what about equity and how do you measure equity among institutions not equity but cost of serving different kinds of students but equity among institutions. We got big variations in dollars per student. I got some background in tax policy and treating people the same or similar tax rates are same for similar circumstances and we might look for funding for students and struggle with big disparities for students to fund non-formula adjustments to narrow those gaps but it's been small and neglected. We want to agree on principles that will allow us to go forward but it's a real challenge to figure out. I agree with historically implementing close to item 1 and over time some amount of funding have been implemented as we grow but I think my point is we can agree on all these principals but we also need to agree on how to deal with inequity funding for students that we start with.



- David Tandberg-I used to be an academic researcher studying performance funding and my early research raised lots of questions about its viability as just a completion based approach that it wasn't increasing completions and there were some real equity considered questions and concerns and one of the big things that brought up is that when you implement a new performance funding program it's set on top of whatever funding existed in the previous decades and they're not fair starting points and research since mine is shown that highly resourced institutions do better. They come in and they take advantage of the inequity of the previous and then those inequities between institutions are exacerbated by performance funding, makes complete sense you have more resources you'll do better. Your question of looking at equity between institutions we definitely recommend it and starting with dollars per student makes sense but it's not where it should end because we know that research universities mission demands of lot of money frankly right upper junior senior year, fifth year students cost more to educate smaller classrooms more there's a whole research enterprise so you need to zero down on education dollars per student and then make an allowance for type of degrees that are offered and then I think it's reasonable to assume that students who come in facing historic barriers structural barriers may cost more to educate appropriately, this goes back to what Marc and I were talking about you have to serve the students you get into properly, we shouldn't think that cost the same amount for every demographic of students and so that's where it gets a little more complex but it's worth considering those things and then thinking about how you can account for them in your funding formula and their ways of doing that through bonuses and metrics
- David Abbey- are there any principles that could apply to tuition policy funding formula. How does tuition factor into this discussion
- David Tandberg- we haven't seen metrics related to tuition but understanding tuition as a revenue source is important from the state's perspective, they most directly address funding and funding equity as far as the state appropriations per student recognizing of course that there's the alternative revenue stream of tuition and local funding that's the thing is as complex as K12 is K12 finance is so much easier than hiring finance it just gets so complex so quickly
- Stephanie Rodriguez- no my answer was along the same lines as yours David thank you

Short-Term and Long-Term Goals

- Keeping formula simple while utilizing reliable data metrics and clear definitions
- Redistribution of the base causes some unintended equity amongst NM Higher Education Institutions
- Short-term goals
 - Eliminate redistribution of the base
 - Add additional workforce measures



- Develop a mechanism to support improving higher education institutions without redistribution
- Address research measure, which is no longer performance based
- Long-term goals
 - Dual credit
 - Simplification, coding, and weighing of matrices
 - Redefine at-risk students

Questions & Answers

- Marc Saavedra-the weighing part that would need to be a thoughtful process in terms of long-term goals may be something that could be ambitious or maybe not but it's something to think about
- Stephanie Rodriguez- I agree with you weighing is too ambitious and that's why we have it in the long term but it was something mentioned multiple times in our last meeting that we need to make visits so I agree definitely a long term not short term
- David Abbey- I want to appeal for the short-term goals adding 2 items; 1 is increasing the weigh for at risk students and we talked a lot about equity, it is so important and we know what the outcomes are and I don't know in increasing the weigh is if adding a new measure it can be hard and I would challenge the technical group to look at it. If they determine it's impossible, I don't know, but let's try because I think it's important for us and we're losing ground on the achievement gap in NM. The second, I talked about this before and I don't think its that hard but to increase the weight for outcomes that are product of collaboration in other words somebody got a degree where NMSU and UNM combine to produce the degree in the medical field or community college we want to incentivize that articulation. Also, I don't think that's that hard for either. I mean I don't know how hard that is. I think it's worth a try and work has been done before. I mention that Bill Taylor who was the Dean at Highlands worked on that before for the funding formula group but if we can revisit that might be a starting point but again let's try and if it's not achievable let's push it back.
- Harrison Rommel- so that's something I would want to explore with Mark Chisholm and the rest of the colleagues probably involved would be technical perspective flagging a student that was identifying students that had a momentum that were flagged for momentum points and then achieved an outcome that may be a little tricky in terms of you know when did they get the outcome, when did they transfer over, a simple proxy will be did a student transfer as flagged by momentum point and then they get a degree that's a possibility but I don't think I want to commit to that today until I've had a sidebar
- David Abbey- just to clarify, I'm just proposing the technical group looking at these 2 items and try to see if it's feasible



- Stephanie Rodriguez- definitely consider these in the technical group and you have members that are in that technical group Director Abbey
- Monica Torres- can you tell me a little bit about short, what we're thinking short term and long term then I have a question following that
- yeah so the presentation I just had short term let's take a look at this so you heard director Abbey in his to integrations of things that we should look laugh which is the at risk and then also coordination and collaboration amongst institution but eliminate the redistribution of the base add additional workforce measures on top of the existing stem age develop a mechanism to support improving higher Ed institutions without redistribution and address the research measure
- Monica Torres- I misspoke, I was asking is in terms of time frames
- Stephanie Rodriguez- I apologize we're actually going to go through the timeline after this conversation with Director Rommel. Short term we definitely want to get this done by next month so we know what we want to integrate into the funding formula that's an adjustment and as far as long term it will be in the interim after the legislative session for us to go ahead and reconvene and start talking about those more intricate details such as matrices
- Joseph Shepard- I agree that we should not redistribute the base but that's very different with equalizing the base. To me it seems difficult to come up with equal measurements when we have institutions that get different bases for roughly the same populations or even variances in base but when you're asking an institution to run a marathon and you require some to start at 36 mile mark to get to the finish line and there's another at the 26 mile mark, talk about outcomes and so forth and then you layer on that the particular rule oftentimes institutions have with traditional and nontraditional and so forth, you're not much different than the whole court case as the Yazzi vs Martinez in terms of comparing reserve high school to Albuquerque high school and right now I believe we have that and for quite some time and I think on the short term side if you're going to talk about funding formula you also have to talk about equity
- Kathy Ulibarri- weigh in and support David Abbey's idea that we have the technical committee at least examine whether there can be some short-term improvement and the definition of that at risk while we talked about equity in terms of race ethnicity, socioeconomic status, I also like to put on the table and appreciate if the technical committee could also look at what's happening with gender equity as well. There's so much national literature about the rapid decline with males participating in higher education and I'm just curious what the technical committee sees
- Harrison Rommel- we can look at gender as a particular risk factor and again its going to be sitting down and seeing what we can accomplish in the next month to present a recommendation



- Mark Chisholm- of those students we identified with the current at-risk major which is basically an income expected family contribution. We never have looked with the distribution over time by ethnicity and gender of that group of students and we might be able to go back and look over the last 5-6 years and see if that distribution has changed in ways that we're concerned about and if it has then that would suggest possible ways that we can modify the major to take into account of those changes. I know one thing that Harry has noticed is the total number of dollars awarded last year has dropped which does support the concept that maybe we are not equitably serving low income students or it might be that the economy in NM is a lot better than we thought it was if you had fewer students. In terms of the collaboration, I think identifying a momentum student point and seeing if they graduate or not could be very complicated but what we could look at is students who are receiving a credential and then look to see how many credits they got from various institutions and explore whether there would be some way giving institutions who contributed more some threshold number of credits for complete and it might be more than what we can get done in the next month but we can at least try talking about that. We all agreed that first generation students might be important and might not have that collected until next year. It takes time to collect these data from institution.
- Harrison Rommel- the current momentum point code is about 1600 lines so its not a trivial exercise to just go and say I'm going to replace the code to make those changes
- Tracy Hartzler- I appreciate that there's the discussion about what can be done in 2-3 weeks and appreciate Director Abbey's comments about equity and the focus on equity and at risk and have these points about gender. What I'm intrigued by though is we are talking about making adjustments for 2023 based on historic data and we are going to re run data and what I want to be helpful about is helpful with HED budget request, LFC volume documents and if we make changes for 2023 knowing it's historical data, we're not changing behavior we're coming up with a different funding mechanism to recognize where we are today and to help us do better maybe next year as an institution with certain students. Because we are talking about definitional changes which are sensitive, it's really important to say if this happens in the next couple of weeks and you're able to reconfigure ways maybe not adjust definitions but if we adjust definitions and the department considers that please put in some documentation and reference that as a placeholder to be able to look at that because our best intention are always present and not that they have consequences but they are sensitive when we look at them and it's not changing behavior yet because as David noted we won't be looking at change behavior for the next year or two or three if you're looking for institutions to change behavior what are you looking to incent and incentivize.
- Stephanie Rodriguez- we do have to pay attention to definitions and changing them in 2 weeks is maybe not the answer but doing some adjustments of looking at the definitions long term and making sure we're all aware of these definitions, we agree with these definitions is critical



- Marc Saavedra- we don't want to rush this and we don't want to try and fit something in so quickly and I know the chair of LFC has been included and also wants us to be very thoughtful and no rush and lets get this right and think about what we are trying to accomplish here and enrollments have been a big factor a big discussion in terms of funding higher education and we implemented legislation without thinking of how it's going to impact the formula. The gap for example the 15 credit hour requirement or when we decided on the executive orders to take hours. One thing to look at is that cohort that is on the website that breaks down the type of graduate and identify it's possible to work with PED, where those students are going. That's something that is getting attention and are they going to school or not and how successful they are doing and all those other cohorts. We have all these dynamics within high schools. I push for a research president or have someone to be involved.
- Stephanie Rodriguez- I know this isn't an immediate answer to what you just brought up about where our high schoolers going but the longitudinal data system is our hope that we can start to really monitor that coordination and collaboration with our school districts and colleges and universities to start tracking where those students are going on the completion of those programs
- Mark Chisholm- we do have data on what students from what high school are going to colleges because we collect NM graduation but what we don't currently have is how many students from that high school are available to go to college. We get graduation rates but having difficulty getting the actual number of graduates and then of course we don't have the demographic information about academic course work they took.

Technical Group Presentation

- Review Technical Group duties and schedule
 - Institutional review of awards- 9/15, correction to NMHED 9/23
 - STEM-H+Workforce awards for technical committee review- 9/20
 - First draft of I&G funding formula 9/25
 - First technical group scenario review- 10/1-10/8
 - Second draft of I&G formula with at-risk awards 10/1
 - Technical group finalizes recommendations 10/8
 - Steering committee review 10/15
 - Technical committee incorporates any additional changes requested by Steering committee 10/28
 - Submission of FY23 formula recommendation to DFA and LFC 11/1

Sincerely,

**NEW MEXICO
HIGHER EDUCATION
DEPARTMENT**



Fostering Student Success from Cradle to Career

Michelle Lujan Grisham, Governor
Stephanie M. Rodriguez, Cabinet Secretary
Patricia Trujillo, Deputy Secretary

Edna Quinonez
Executive Administrative Coordinator, NMHED