

TITLE 5 POST-SECONDARY EDUCATION
CHAPTER 3 POST-SECONDARY EDUCATIONAL INSTITUTION FINANCES
PART 12 INSTRUCTIONAL FUNDING

5.3.12.1 ISSUING AGENCY: State of New Mexico Higher Education Department
[3/16/51, 7/1/94; 5.3.12.1 NMAC - Rn & A, 5 NMAC 3.12.1, 11/30/01; A, 7/31/05]

5.3.12.2 SCOPE: All public post-secondary educational institutions operating within and receiving financial support from the State of New Mexico.
[9/30/96, 5.3.12.2 NMAC - Rn, 5 NMAC 3.12.2; 11/30/01]

5.3.12.3 STATUTORY AUTHORITY: Authority for 5.3.12 NMAC is found in NMSA 1978 Sections 21-1-26, 21-1-26.3, 21-2-5, and 21-2A-11 (1996 Repl. Pamph.).
[7/1/73, 7/1/86, 7/1/94, 6/16/95, 5.3.12.3 NMAC - Rn, 5 NMAC 3.12.3; 11/30/01]

5.3.12.4 DURATION: Permanent.
[9/30/96, 5.3.12.4 NMAC - Rn, 5 NMAC 3.12.4; 11/30/01]

5.3.12.5 EFFECTIVE DATE: September 30, 1996.
[1/10/91, 9/30/96, 5.3.12.5 NMAC - Rn, 5 NMAC 3.12.5; 11/30/01]

5.3.12.6 OBJECTIVE AND PURPOSE:

A. The objective of 5.3.12 NMAC is to identify and define on- and off-campus instruction that is eligible to receive funding through New Mexico's higher education funding formulae.

B. The purpose of 5.3.12 NMAC is to provide public higher education institutions with adequate and equitable funding in support of on-campus instruction as well as with the resources to enhance educational opportunities for the many New Mexico citizens who can not readily attend on-campus courses or programs. It is also anticipated that this funding will better enable post-secondary educational institutions to quickly respond to changing community and workforce educational needs. The New Mexico higher education department believes that the delivery of instructional programming to students via alternative delivery modes will not only provide them improved educational opportunities, but will also provide the state a cost-effective alternative to the development of additional new campuses and facilities.

C. Department policy encourages the evolution of existing campuses and the development of new models of delivery that take advantage of the opportunities offered by technology. Use of the internet to deliver instruction has revealed that students participating in web-based courses may be located on-campus or off-campus. In order to recognize and support the increased use of technology, the department has adopted a policy that regards web-based courses as on-campus instruction for reporting purposes.
[9/30/96, 5.3.12.6 NMAC - Rn & A, 5 NMAC 3.12.6, 11/30/01; A, 7/31/05]

5.3.12.7 DEFINITIONS:

A. "**Academic credit**" means student credit hours for courses that through institutional policy and academic convention are determined to have the academic resources and support to meet traditional expectations for certificate and degree credit in academic and vocational programs.

B. "**Department**" means the New Mexico higher education department.

C. "**Course file**" is the department's data file containing one record for each course-section at a given public post-secondary educational institution per academic term.

D. "**Developmental credit**" means student credit hours for courses which provide preparatory work (basic skills) that is prerequisite to the level of work expected for college.

E. "**Extended learning**" means the full range of available and developing modes for bringing instruction to learners, including live instructor delivery, instructional television, computer conferencing, video conferencing, audio conferencing, etc.

F. "**Extension, correspondence, or self-study credits**" are student credit hours for courses that are limited in academic content, academic resources and/or setting (such as formal and regular student-instructor contact), or are so specialized that they do not meet traditional standards of applicability to degree program requirements. These courses are marked by the label, "extension," "correspondence," "self-study," or "home

study” so that their special nature is considered in evaluation for degree credit.

G. **“Off-campus credits”** are student credit hours earned from courses offered that do not meet the definition of on-campus credits but are offered for regular academic credit and are applicable to an approved degree or certification program, taught by regular faculty or equivalent and delivered via extended learning instruction. Off-campus credits are reported in separate extended services data files to generate funding and include additional data fields to indicate the delivery location(s) of the instruction.

H. **“On-campus credits”** are student credit hours earned from courses that are offered within the geographical boundaries of the campus or via institutional web-based delivery systems for academic credit and for which regular main campus tuition is charged.

I. **“Registrar file”** is the department’s data file containing summary data of enrollments and residency of students at a given public post-secondary educational institution for fall term only.

J. **“Restricted credits”** are student credit hours earned in a course offered for academic credit for which the expenses of delivery are covered by funds from restricted sources (i.e., grants or contracts), by direct third-party payment (e.g., ROTC), or by the pooling of tuition and fees (i.e., self support).

K. **“Right of first refusal”** means that an institution assigned a service area must first decline to provide requested educational services before another New Mexico public post-secondary institution may offer those services in that service area.

L. **“Service area”** is an assigned geographic region where the local two-year higher education institution has the exclusive right to meet the lower division post-secondary educational needs of the area, subject only to limitations imposed by its enabling legislation, and consistent with the provisions of this policy. An institution may utilize its right of first refusal to allow other public higher education institutions to deliver offerings within its designated service area.

M. **“Student file”** is the department’s data file containing one record for each student taking courses at a given public post-secondary educational institution per academic term.

N. **“Student-course file”** is the department’s data file containing one record for each course that each student at a given public post-secondary educational institution is enrolled in each academic term.

O. **“Student credit hours”** are instructional time units derived from the structure of academic degrees and programs. Generally, one student credit hour is considered to require no less than fifteen contact hours between the student and instructor and thirty hours of independent effort by the student in course preparations per academic term.

P. **“Tuition credit base”** means the base revenue anticipated to be available from tuition sources to assist in funding the cost of instruction at New Mexico’s public post-secondary educational institutions.

Q. **“Unrestricted credits”** are student credit hours earned in a course offered for academic credit for which the faculty salary is paid by funds from the regular instruction and general sources and for which the student cost is the regular, on-campus tuition.

R. **“Web-based courses”** are courses offered for academic credit and delivered synchronously or asynchronously over the Internet to students located at sites other than the classroom, including sites that may be off-campus. A web-based course may include the requirement that a student meet in a physical setting for lecture, laboratory, examination or other purposes as long as the required student presence in the physical setting does not exceed 25% of the total course time.

[2/27/85, 1/10/91, 9/30/96, 5.3.12.7 NMAC - Rn & A, 5 NMAC 3.12.7, 11/30/01; A, 7/31/05]

5.3.12.8 GENERAL PRINCIPLES GUIDING INSTRUCTIONAL FUNDING:

A. **Funding priorities:** The department is committed to ensuring equitable access to quality educational services to give all citizens the opportunity to fulfill their potential, regardless of their place of residence. Therefore, a major objective of the department’s annual funding recommendations will be to encourage the most effective and efficient means of delivering higher education services to citizens throughout New Mexico.

B. **Academic quality:** Quality is an essential component of the department’s agenda for higher education in New Mexico.

(1) By reporting student credit hours earned for state support, an institution concurs and agrees that all credits are derived from courses and programs that meet generally accepted principles of quality as used by the appropriate regional accrediting association, including, but not limited to:

(a) Each program of study results in learning outcomes appropriate to the rigor and breadth of the degree or certificate awarded.

(b) Degree or certificate programs are coherent and complete.

- students.
- (c) The program provides for appropriate interaction between faculty and students and among students.
 - (d) Qualified faculty provide appropriate oversight of each course and program.
 - (e) The program is consistent with the institution's role and mission.
 - (f) Institutional review and approval processes ensure that each course and program is appropriate for the learning delivery system being used.
 - (g) The institution provides appropriate training and support services for faculty.
 - (h) The program ensures that appropriate learning resources are available to students.
 - (i) The program provides students with clear, complete and timely information on the curriculum, course and degree requirements, nature of faculty/student interaction, assumptions about technological competence and skills, technical equipment required, availability of support services and financial aid resources, and cost and payment policies.
 - (j) Students accepted for the course or program have the background, knowledge and technical skills needed to undertake the program.
 - (k) Students enrolled in the course or program have reasonable and adequate access to the range of student services appropriate to support their learning.
 - (l) The institution evaluates the program's educational effectiveness, including assessment of student learning outcomes, student retention, and student and faculty satisfaction. Students have access to such program evaluation data.
 - (m) Policies for faculty evaluation include appropriate consideration of teaching and scholarly activities related to various learning delivery systems.
 - (n) The institution demonstrates a commitment to ongoing support, both financial and technical, and to continuation of the program for a period sufficient to enable students to complete a degree/certificate.

(2) In implementing regular enrollment audit and program review processes, the department has both a right and a responsibility to test credits to ensure these standards are met.

C. Funding mechanisms: The department affirms its expectation that educational services provided to students be of the highest quality regardless of where or when instruction is offered. Therefore, in order to provide an adequate and equitable distribution of state funds to public higher education institutions in support of both on- and off-campus instruction, all eligible student credit hours will be used in the calculation of the recommended instructional and general appropriation.

D. Tuition credit: While the governing boards of New Mexico's public higher education institutions are assigned the responsibility for setting tuition and fee charges at their respective institutions, as part of its statutory responsibility the department is concerned with the adequate financing of these institutions and with the equitable distribution of funds among them. Because it is the policy of the department that every New Mexico citizen who desires public post-secondary education should have access to these educational opportunities, tuition credit for off-campus instruction shall be established for the sponsoring institutions at the same level as that set for resident and nonresident students on-campus.

E. Funding eligibility: To meet its responsibility to ensure access to high quality education for New Mexico's residents in a manner that promotes the effective and efficient use of available public tax dollars, the department recognizes that it is necessary to define types of instruction eligible for state funding. Therefore, the department asserts as a matter of public policy, that courses and programs provided by public institutions of higher education in New Mexico that are received within the geographic boundaries of the state are eligible for state funding if they meet the following criteria:

(1) Courses and programs must demonstrate academic quality, consistent with the expectations stated in Subsection B of 5.3.12.8 NMAC.

(2) Courses must be offered for academic credit, or for developmental credit at non-doctoral institutions.

(3) Courses typically must be accessible to members of the general public who meet admissions standards and prerequisites. However, this paragraph is not intended to preclude state funding for course sections offered to specialized audiences or at locations inaccessible to the general public (e.g., secure areas on military reservations).

(4) In order to promote the responsible use of public resources and build upon existing institutional strengths, courses available off-campus must be related to educational programs offered by the institution to students on-campus. Likewise, programs available off-campus must fall within program areas offered on-campus and

degrees available off-campus may not be at a level higher than offered on-campus.

F. **Geographic service areas:** The department acknowledges that rapidly evolving information technologies can deliver instructional services to many individuals without regard to their geographic location. However, the department also acknowledges that public two-year post-secondary institutions are provided supplemental funding through local tax levies, and are thus expected to meet the local taxpayers' educational needs. The department is committed to responding to the changing needs of the state and will examine alternative means of ensuring access and local accountability. At this time the department maintains that each two-year higher education institution's local taxing district shall constitute its geographic service area for the direct provision of lower division instruction, subject only to limitations imposed by its enabling legislation, and consistent with the provisions of Subsection C of 5.3.12.9 NMAC until June 30, 2006.

[1/10/91, 9/30/96, 5.3.12.8 NMAC - Rn & A, 5 NMAC 3.12.8; 11/30/01; A, 7/31/05]

5.3.12.9 IMPLEMENTATION: In order to ensure uniformity and equity in the implementation of this policy, it is necessary to clarify and make formal certain concepts described in Section 8 that determine differences in the fundability of certain types of credits.

A. **Types of credit:** Generally courses offered for academic credit are also eligible to count toward certificate and degree requirements; however, in some cases the special nature of the courses and their purpose make them inappropriate for degree credit, and thus ineligible for certain types of state funding.

(1) Academic credit: Credits for these courses are eligible for reporting to generate regular funding, as long as they meet all eligibility criteria contained in this policy.

(2) Developmental credit: Developmental course credits are not eligible for funding credit at the doctoral institutions, nor for degree or certificate credit at any institution.

(3) Extension, correspondence, self-study credit: Credits for courses that do not award credit applicable to a certificate or degree, or courses that do not include formal and regular contact between a student and instructor but are delivered through self-study, are not eligible for reporting to generate regular funding and must be supported by restricted or self-support funding.

B. **Sources of revenue:** The sources of revenue used to generate current instructional credits affect the state's interest in funding future activities based upon this record of past credits. In particular, the state may choose not to generate new funding levels from past activity that was compensated by a non-state source, thus avoiding double support for the same activity. For this reason, concepts of unrestricted and restricted credits are delineated within this policy. See also 5.3.12.7 NMAC for definitions.

(1) Unrestricted credit: Unrestricted credits are counted by the department as credits in the regular state funding process. Tuition for unrestricted credits is estimated as a revenue credit in developing the Instruction and general funding recommendations.

(2) Restricted credit: Restricted credits do not count as credits in the regular state funding process and are not considered by the department when determining instruction and general funding recommendations.

C. **Boundaries of a campus:** In order to differentiate between on-campus and off-campus instruction, it is necessary to define the limits of a campus. This policy provides such definitions, noting the differences between two-year and four-year boundaries relating to the unique circumstances of local supplementary funds for two-year institutions.

(1) On-campus credits: These are earned from courses that are offered within the defined boundaries of the campus for academic or developmental credit, including credits generated from institutional web-based delivery systems, and for which regular main campus tuition is charged.

(a) For four-year institutions: The geographic boundaries of the campus are the limits of the municipality or metropolitan statistical area where the university is located.

(b) Special and arranged on-campus credits: Because of the special nature of some courses, there are circumstances which of necessity require that they be taught, either in whole or in part, beyond the geographical boundaries of the campus and yet be classified as on-campus credit. These courses include those listed below or those arranged through timely, written agreement with the commission and the chief academic officer of the institution. The approved special on-campus programs include:

- (i) student teaching;
- (ii) internships;
- (iii) cooperatives;
- (iv) practica;
- (v) field instruction;

- (vi) physical education and recreation activity courses;
- (vii) study abroad; and
- (viii) thesis and dissertation courses.

(c) For two-year institutions: The geographic boundaries of the campus are the geographic boundaries of their taxing district or approved service area.

(d) Service areas - enabled: The department hereby assigns service areas to the public two-year higher education institutions consistent with the geographic boundaries of their taxing districts and subject only to limitations imposed by their enabling legislation. One institution will not deliver courses in another institution's service area without contacting that institution in a timely manner and obtaining concurrence in writing from that institution's chief academic officer, copy to the commission. Subparagraph (d), Paragraph 1, Subsection C of 5.3.12.9 NMAC shall expire on June 30, 2006.

(e) For areas of the state without local taxing districts, both four-year and two-year post-secondary institutions may offer educational services on a free-market basis.

(f) Right of first refusal - general provision: Two-year post-secondary institutions assigned a service area shall have a right of first refusal to meet lower division instructional needs within their service area and have an obligation to assist that area's citizens in obtaining appropriate institutional services where financially, programmatically, and otherwise feasible. See also 5.3.12.7 NMAC for definitions.

(g) Right of first refusal - overlapping campus boundaries: No lower division offerings of any main campus of a four-year post-secondary institution that is located within a two-year higher education institution's local taxing district shall be subject to the provisions of Subparagraphs (d) or (f), Paragraph 1, Subsection C of 5.3.12.9 NMAC of this policy with regard to that two-year institution.

(h) Right of first refusal - branch campuses and educational centers: While branch campuses and educational centers have the right of first refusal with regard to the offerings of other post-secondary institutions within their service area, the right of first refusal does not extend to the offerings of their own main campuses. Such offerings are subject only to internal institutional decision making.

(2) Off-campus credits: These are earned from courses offered that do not meet the above definitions of on-campus credits but are offered for academic or developmental credit and are part of an approved degree or certification program, taught by regular faculty or equivalent and/or delivered via extended learning. Tuition for off-campus credits reported for formula funding is estimated as a revenue credit in the calculation of the instruction and general funding recommendations.

(a) Types of off-campus instruction credit: Public post-secondary educational institutions should use any appropriate form of instruction and/or delivery mode to meet the needs of students and programs, consistent with the provisions of Subsection B of 5.3.12.8 NMAC of this policy.

(b) Two-year institutions may offer course work for off-campus credits at sites remote from their defined service area that are not in another designated service area, or where the two-year institution has obtained concurrence from another two-year institution to provide the course within the latter's service area. Such course work will be at the lower division level, subject only to limitations imposed by their enabling legislation, provided that main campus academic expectations for staff and support are met.

(c) Four-year institutions may offer course work for off-campus credits at sites remote from the main campus provided that they meet main campus academic expectations for staff and support. Generally, such course work will be at the upper division or graduate levels, except where there is no designated two-year institutional service area or where the four-year institution has obtained concurrence from the two-year institution to provide the course within the latter's service area.

(d) Any public post-secondary institution offering off-campus instruction in the vicinity of another public post-secondary institution will notify and seek the cooperation of that institution.

(e) The department has the authority to resolve disputes between or among higher education institutions regarding the delivery of instruction both within or outside of designated service areas.

D. Collaborative efforts, consortia, and extended learning instruction: The department supports efforts to promote the sharing of resources by existing public post-secondary educational institutions to provide quality educational services. Where appropriate, the development of collaborative approaches to deliver courses and programs to students is encouraged. In order to ensure the efficient and effective provision of such services, public post-secondary institutions engaging in such joint ventures must have written agreements clarifying the various responsibilities and benefits of the collaborating parties. These agreements must address, but need not be limited to, the following points:

- (1) cost and revenue sharing arrangements;

- (2) student credit hour reporting arrangements;
- (3) accommodations for alternative delivery methods at the receiving site;
- (4) arrangements and responsibilities for evaluating the effectiveness of the joint venture;
- (5) provision of student support services; and
- (6) provision of academic support services.

[9/21/84, 1/10/91, 9/30/96, 5.3.12.9 NMAC - Rn & A, 5 NMAC 3.12.9; 11/30/01; A, 7/31/05]

5.3.12.10 REPORTING: In order to ensure uniformity and equity in the implementation of this policy, it is necessary to clarify and make formal certain concepts and credit reporting procedures. Institutions must report the student credit hours that they generate in categories according to enrollment and data reporting policies and procedures promulgated by the commission. Eligibility for funding will be determined by the commission and may require a combination of categorization from these definitions. Credits from courses offered at reporting institutions are to be categorized according to the classifications below. In some cases, this policy defines credits that are ineligible for funding. In other cases, credits are to be reported and their use in or eligibility for funding depends on formulae and other calculations that are used in the annual recommendation process.

A. **Credits:** Enrollments that are eligible for funding are defined by counting student credit hours or “credits.” See also 5.3.12.7 NMAC for definitions.

B. **Level:** Generally, courses are structured in a pattern of increasing levels of difficulty, preparation and specificity in the following pattern:

(1) Lower division: Courses designed primarily for freshman (100's) and sophomore (200's) level students and for high school students enrolled under advanced placement agreements or under concurrent enrollment agreements.

(2) Upper division: Courses designed primarily for junior (300's) and senior (400's) level students.

(3) Graduate division: Courses designed primarily for master's (500's) and doctoral (600's, 700's) level students.

C. **Source of revenue:** Student credit hours from a course are designated by their revenue sources.

(1) Unrestricted credits are reported in the commission’s course file and counted as credits in the regular funding formulae.

(2) Restricted credits are reported in the commission’s course file but are coded so that they do not count as credits for the regular funding formulae.

D. **Data file submission requirements for off-campus instruction:** Institutions must report the student credit hours that they generate from off-campus instruction in accordance with the commission’s enrollment and data reporting policies and procedures.

(1) Course file: Courses offered for off-campus credit must be reported in an extended services course file. This file uses a special campus code of 61. The point of delivery fields in this data file must have valid values for extended services file submissions. Students enrolled in these courses should be included in the extended services student and student-course files. See also 5.3.12.7 NMAC for definitions.

(2) Student file: Students enrolled in courses offered for off-campus credit must be included in an extended services student file. This file uses a special campus code of 61. See also 5.3.12.7 NMAC for definitions.

(3) Student-course file: Students enrolled in courses offered for off-campus credit must be included in an extended services student-course file. This file uses a special campus code of 61. See also 5.3.12.7 NMAC for definitions.

(4) Registrar file: If there is an extended services student file then a registrar file also must be generated. This file uses a special campus code of 61. See also 5.3.12.7 NMAC for definitions.

[1/10/91, 9/30/96, 5.3.12.10 NMAC - Rn, 5 NMAC 3.12.10; 11/30/01]

HISTORY OF 5.3.12 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives:

CHE Rule 640, Policy for On and Off-Campus Instructional Funding, Including Extended Service, Instructional Television, and Military Bases, 1/10/91.

History of Repealed Material: [RESERVED]