

The National Observer Higher Education Edition

By Hilary Burns | April 26, 2021

[HIGHER ED SALVATION IN THE LAND OF ENCHANTMENT](#)

[New Mexico colleges join forces to lower costs, eye opportunities in other states](#)

Five public colleges and universities in New Mexico are teaming up to start a nonprofit organization to share back-office services, academic programs and technology — and ideally lower each school's operating costs.

The plan is in the early stages, however participating school leaders say they see a growth opportunity in eventually rolling in other colleges and universities serving underrepresented students. The benefits, they say, can potentially accrue to other New Mexico schools as well as colleges in other states.

The effort follows a grueling period for higher education, as the vast majority of the nation's colleges and universities were financially staggered by the pandemic. For many schools, particularly less-competitive colleges lacking endowment reserves or revenue diversity, the effects from Covid-19 only compounded budget problems linked to falling enrollment and aggressive investments in campus facilities and amenities for students.

In short, thousands of the nation's colleges and universities are in desperate need to save money.

The New Mexico effort began a few years ago when Becky Rowley, president of Santa Fe Community College, started calling presidents at other community colleges to discuss ways to share programs and consolidate expenses. Peers at four other schools — Clovis Community College, Central New Mexico Community College, Northern New Mexico College and San Juan College — joined the campaign, and together they secured \$3.1 million from the state to purchase software pairing the schools' back-office functions such as finance, human resources and admissions.

New Mexico school spending by category

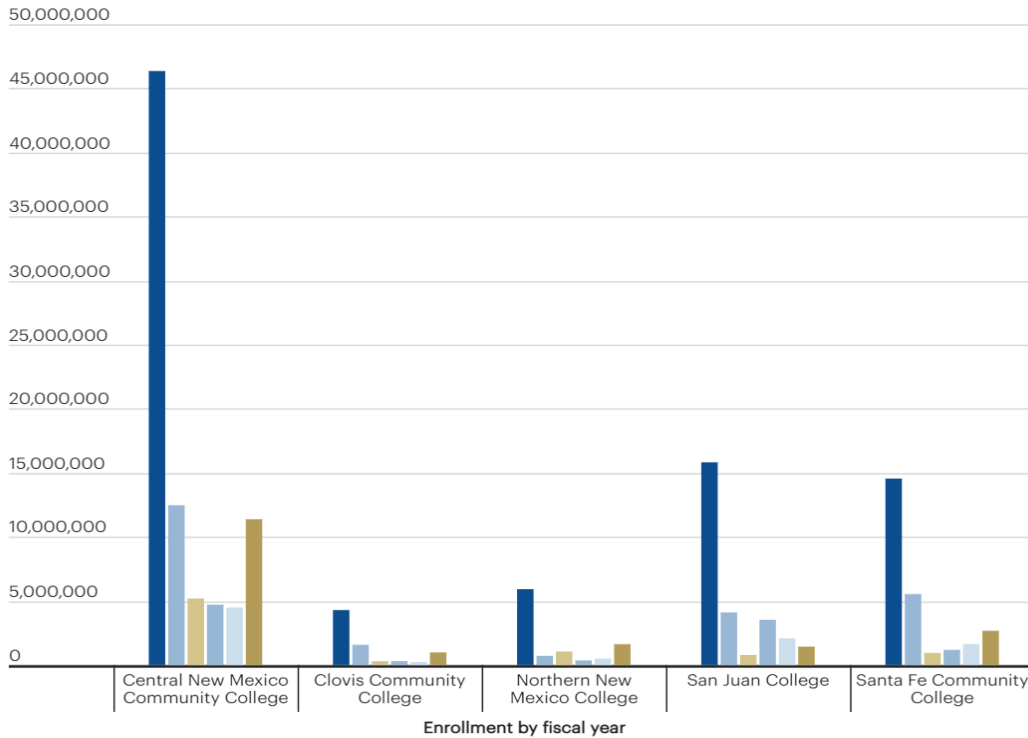
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SOURCE: U.S. Department of Education; Benedict College

New Mexico is different. The Boston Consortium, comprised of 20 private colleges, started 25 years ago, while the Massachusetts Higher Education Consortium for public schools started in 1977. Both groups have for decades shared best practices for a range of services touching transportation, library access and internal accounting.

Where the New Mexico group differs is in its interest in taking the concept national. It's a blueprint that should resonate with plenty of schools, especially schools with limited resources, according to education experts interviewed for this story.

“Just about every imaginable activity has been or is shared among these various organizations,” said Rick Bailey, president of Northern New Mexico College in Española, New Mexico.

What is unique about the New Mexico initiative is the plan to focus on student service processing and institutional record-keeping, said Larry Ladd, senior consultant with the Association of Governing Boards Universities & Colleges. He said the challenges in blending all five schools into a single record-keeping and financial system will be significant, but so too will be the cost savings if they can pull it off.

“The way we have always done it’ will go by the wayside,” Ladd said. “And, of course, if this collaboration works they will discover other areas for shared services. In public higher

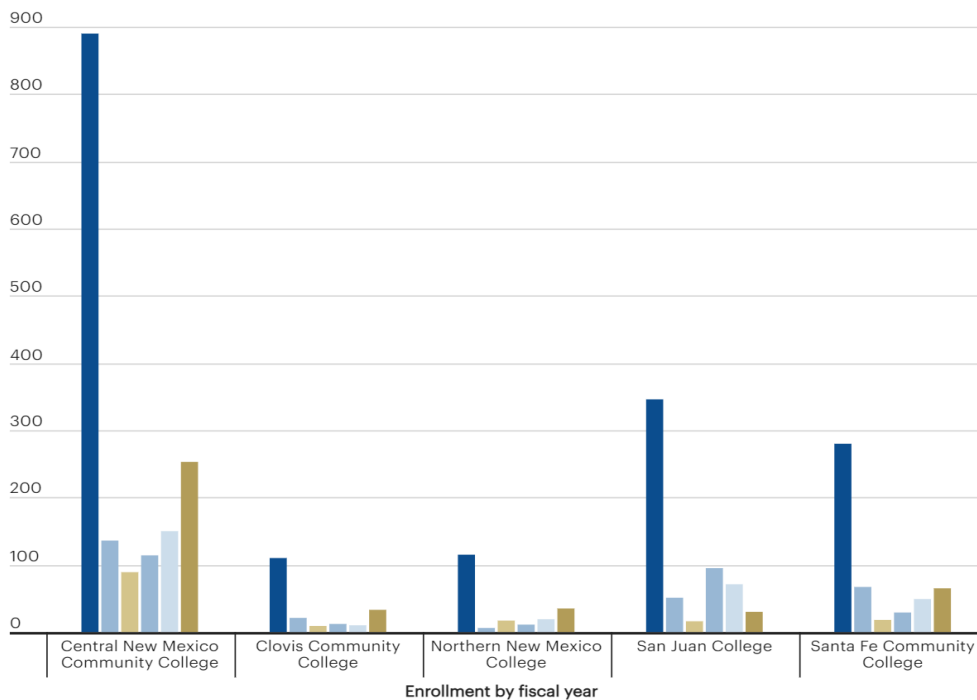
education, it's smart to be proactive. If you aren't proactive, the governor or state legislature can step in and try their own version of consolidation and efficiency."

Leaders at the New Mexico schools saw the potential for state intervention and opted to take a more proactive approach in rightsizing their finances, Rowley said. The group hired CampusWorks, a higher-ed consulting company out of Bradenton, Florida, to assist selecting vendors for a new technology platform. The schools do not expect layoffs to result from the planned collaboration.

New Mexico school headcount, by category



Among the five CHES schools, Central New Mexico Community College employed more people than its peers combined. Approximately two thirds of total employment was for noninstructional staff among all five schools prior to the pandemic.



SOURCE: U.S. Department of Education

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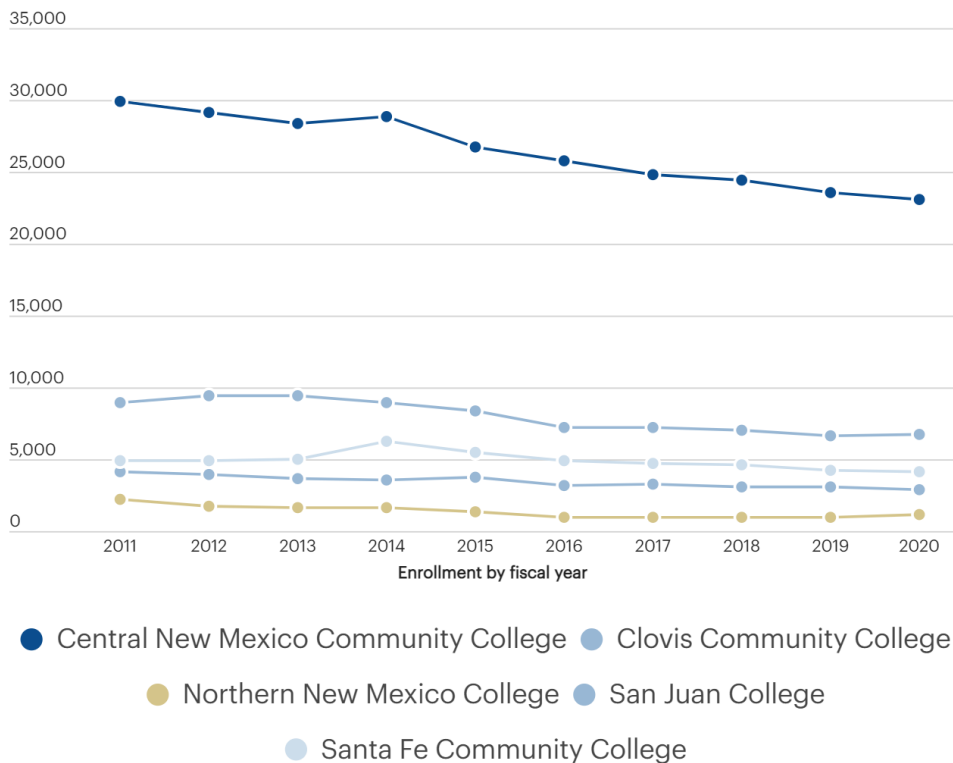
The nonprofit, operating as the Collaborative for Higher Education Shared Services (CHES), expects the project to take three to four years to implement. Once a shared software platform is in place, the five school presidents will address ways to consolidate human resources and finance functions. Then, the board members will take on merging student-facing processes, including admissions, financial aid, advising and recruiting, Rowley said.

Bailey of Northern New Mexico College in Española, New Mexico, predicted the project in the long-run will save the school between \$100,000 and \$500,000 per year in operating costs. The school’s budget for nonacademic payroll alone was about \$4.3 million prior to the pandemic.

“We have five institutions voluntarily coming together, not to form a system, but to continue to celebrate our independence and our specialties,” Bailey said. “But now we’re going to speak a common language.”

Slow slide in enrollment, by school

All five CHESS schools had struggled to maintain enrollment heading into the pandemic. Below is a 10-year breakdown of total FTE enrollment for the fall semester, by fiscal year.



SOURCE: U.S. Department of Education; fiscal year enrollment as of fall semester

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The collaboration also will enable students to apply to any of the participating schools and have access to programs or courses offered by all five campuses. The common system will also simplify student transfers and eliminate the need for multiple admission applications and registration, Rowley and Bailey said.

Bailey said the plan will help maintain programs that, depending on enrollment each semester, were not sustainable financially under the existing system.

Bailey and Rowley said that they intend to make the project transparent and, when ready, accessible to other schools.

“I think all of us are coming into this recognizing that there are things that we can learn from each other to make our own institutions better,” Bailey said. “We think this likely will be a model that can help other institutions around the country.”