

Nevada System of Higher Education

**2025-27 Governor's
Recommended Budget**

Board of Regents
January 31, 2025

Revised 1/30/25 for GFO Budget Amendments



Today's Presentation

- **Overview Governor's Recommended Budget**
- **Maintenance Adjustments**
- **Enhancements**
- **One-Shot Appropriations**
- **Items of Interest in Other Agency Budgets**



Maintenance: Fringe Benefit Rate Adjustments

	FY25	FY26	% Change	FY27	% Change
Health Insurance Assessment (monthly/employee)	\$758.60	\$991.00	30.6%	\$943.00	(4.8%)
Retired Group Insurance Assessment (% Payroll)	3.18%	2.59%	(0.59%)	2.50%	(0.09%)
Retirement – General (% Payroll)	17.50%	19.25%	1.75%	19.25%	0.0%
Retirement – Police/Fire (% Payroll)	25.75%	30.00%	4.25%	30.00%	4.25%

These benefit increases are funded in the State Supported Operating Budget, but institutions will have to budget for these increases for non-state-funded positions



NSHE State Budget: Revenue Summary

	Legislatively Approved FY25 ¹	Governor Recommends FY26	% Chg.	Governor Recommends FY27	% Chg.	Total 2025-27 Biennium
State Appropriation	\$ 862,080,124	\$ 978,392,135	13.5%	\$ 970,682,145	(0.8%)	\$1,949,074,280
Registration Fees	306,947,840	337,463,631	9.9%	356,528,501	5.6%	693,992,132
Non-resident Tuition	68,712,941	66,795,737	(2.8%)	70,364,158	5.3%	137,159,895
Other Fees	3,989,169	3,034,605		3,038,832		6,073,437
Federal Revenue	3,469,751	4,052,043		4,052,043		8,104,086
Other Revenue²	1,701,183	29,111,143		29,134,187		58,245,330
Total	\$1,246,901,008	\$1,418,849,294	13.8%	\$1,433,799,866	1.1%	\$2,852,649,160

1. FY25 State Appropriation includes Cost of Living Adjustment, continuity of service, and 2-grade increase for sworn police officer positions appropriated to the Board of Examiners for comparability.
2. FY26 and FY27 other revenue includes contractual revenue from clinical partner academic support agreements in the UNR School of Medicine budget consistent with FY24 and FY25 work programs approved by the Interim Finance Committee.



NSHE State Budget: Appropriation Summary

	Legislatively Approved FY25 ¹	Governor Recommends FY26	% Chg.	Governor Recommends FY27	% Chg.	Total 2025-27 Biennium
UNLV	\$ 341,089,251	\$ 393,933,510	15.5%	\$ 388,487,890	(1.4%)	\$ 782,421,400
UNR	244,907,660	270,474,631	10.4%	269,053,249	(0.5%)	539,527,880
NSU	34,627,161	39,015,309	12.7%	38,960,218	(0.1%)	77,975,527
CSN	115,599,246	133,786,731	15.7%	133,143,032	(0.5%)	266,929,763
GBC	17,469,524	18,780,503	7.5%	18,996,114	1.1%	37,776,617
TMCC	41,847,350	51,638,274	23.4%	51,415,387	(0.4%)	103,053,661
WNC	18,226,233	22,148,208	21.5%	22,154,971	1.0%	44,523,020
DRI	10,277,558	11,094,670	8.0%	11,060,301	(0.3%)	22,154,971
SA/SCS/Scholarships	38,036,041	37,520,299	(1.4%)	37,191,142	(0.9%)	74,711,441
Total	\$ 862,080,124	\$ 978,392,135	13.5%	\$ 970,682,145	(0.8%)	\$1,949,074,280

1. FY25 State Appropriation includes Cost of Living Adjustment, continuity of service, and 2-grade increase for sworn police officer positions appropriated to the Board of Examiners for comparability.



Maintenance and Enhancements Summary

Adjustment Description	Governor Recommends FY26	Governor Recommends FY27	Total 2025-27 Biennium
M102 Utility Inflation	\$ 11,923,520	\$ 11,923,520	\$ 23,847,040
M200 thru 204 Caseload Adjustments	30,531,117	30,525,344	61,056,461
M300-Fringe Benefit Rate Adjustments	30,138,798	25,079,005	55,217,803
E145-Small Institution Factor Adjustment	436,787	932,605	1,369,392
E146-Formula Implementation Funds	4,108,799	8,807,913	12,916,712
E685-2023 COLAs funded to 80%	28,743,725	28,743,725	57,487,450
E125/E600 Special Projects Adjustment	(4,550)	(5,150)	(9,700)
NSHE Total	\$106,046,661	\$106,158,774	\$212,205,435



Maintenance: Utility Inflation

Utility Inflation Maintenance adjustment was determined by comparing actual FY24 utility expenses to budgeted utility expenses.

Budget Account	Governor Recommends FY26	Governor Recommends FY27	Total 2025-27 Biennium
UNLV ¹	\$ 4,760,827	\$ 4,760,827	\$ 9,521,654
UNR ²	3,931,427	3,931,427	7,862,854
NSU	324,201	324,201	648,402
CSN	1,748,749	1,748,749	3,497,498
GBC	284,822	284,822	569,644
<u>TMCC</u>	283,452	283,452	566,904
WNC	237,935	237,935	475,870
SA/SCS	59,708	59,708	119,416
NSHE Total	\$11,923,520	\$11,923,520	\$23,847,040

1 Includes UNLV Law and UNLV Dental

2 Includes UNR Medical School, Ag Experiment Station, and UNR Cooperative Extension



Maintenance: Caseload Adjustments FY26

Budget Account	WSCH FY24 v FY22	Caseload Adj WSCH Value Adj for COLA*	Dedicated Research Space O&M	Non-Formula Dedicated Research Space O&M	Small Institution Factor	Total Fiscal Year 2026
UNLV	\$10,497,796	\$ 2,162,683	\$ 803,582	-	-	\$13,464,061
UNR	(192,213)	(39,598)	356,585	2,107,569	-	2,232,343
NSU	729,472	152,544	-	-	-	882,016
CSN	4,765,215	981,696	-	-	-	5,746,911
GBC	(644,223)	(132,718)	-	-	97,530	(679,411)
<u>TMCC</u>	5,347,643	1,101,684	-	-	-	6,449,327
WNC	2,280,788	469,062	-	-	(313,980)	2,435,870
NSHE Total	\$22,784,478	\$ 4,695,353	\$ 1,160,167	\$ 2,107,569	(\$ 216,450)	\$30,531,117

*Caseload adjustment to per-WSCH value of FY24/FY25 COLA on the caseload increase was amended to one-shot funds for FY26 and FY27 for the increases only.



Maintenance: Caseload Growth-WSCH

**Actual
FY24 v FY22
Weighted
Student
Credit Hours
(WSCH)**

Note: FY22 and FY24 include summer teaching WSCH consistent with the enhancement approved by the 2023 Legislature

Institution	2022 WSCH	2024 WSCH	WSCH Change	Funding at FY25 General Fund / WSCH	Funding incl. FY25 Leg. Approved COLA*
UNLV	1,150,059	1,210,638	60,579	\$10,497,796	\$2,162,683
UNR	764,757	763,647	(1,109)	(192,213)	(39,598)
NSU	179,730	183,813	4,083	707,543	145,763
CSN	565,222	592,720	27,499	4,766,215	981,696
GBC	82,081	78,363	(3,718)	(644,223)	(132,718)
TMCC	204,001	234,861	30,860	5,347,643	1,101,684
WNC	89,534	102,673	13,139	2,276,857	469,062
Total	3,035,382	3,166,714	131,333	\$22,758,618	\$4,688,572

*Caseload adjustment to per-WSCH value of FY24/FY25 COLA on the caseload increase was amended to one-shot funds for FY26 and FY27 for the increases only.



Maintenance: Caseload-Research O&M

- UNLV and UNR receive O&M funding for dedicated research space square footage
- The FY26 & FY27 adjusted amount is based on FY24 actual state funded O&M expenditures and maintained gross square feet and is institution specific

	FY24 & FY25 Research O&M (Annual)	FY24 Actual State Funded O&M/GSF	Dedicated Research GSF	FY26 & FY27 Research O&M (Annual)	Research O&M Adjustment
UNLV	\$4,493,978	\$12.45	425,500	\$5,297,560	\$803,582
UNR	\$5,575,112	\$9.94	596,809	\$5,931,697	\$356,585
Total	\$10,069,090			\$11,229,257	\$1,160,167
UNR – non-formula space*		\$9.94	212,050	\$2,107,569	\$2,107,569

Formula Space

Non-Formula Space

*Note: non-formula dedicated research space has not previously been included in the Research O&M adjustment; however, non-formula budgets have not had adjustments to reflect dedicated research space/mission. UNLV non-formula budgets do not have dedicated research space in their space inventory.



Maintenance: Caseload-Small Institution

- Great Basin College and Western Nevada College receive a direct allocation to address an economy of scale funding issue
- Current small institution factor is calculated at \$30 per WSCH difference between actual and 100,000 WSCH threshold
- WNC exceeded 100,000 WSCH in FY24 resulting in no SIF under the 2013 Higher Education funding formula

	FY22 SIF	FY24 WSCH	FY26 & FY27 SIF	SIF Adjustment
GBC	\$551,580	78,363	\$649,110	\$ 97,530
WNC	\$313,980	102,673	-	\$(313,980)
Total	\$865,560		\$649,110	\$(216,450)



Note: Formula Committee recommendation to increase SIF rate and threshold included later in presentation with formula recommendations



Enhancement: Cost of Living Funding

Amended by GFO to One-Shot Funding for FY26 and FY27

This enhancement provides additional funds for FY24 and FY25 Cost of Living Adjustments where funding approved in 2023 was less than 80%.

This will allow institutions to fill budgeted positions and maintain current service levels.

Budget Account	FY26	FY27	Total 2025-27 Biennium
UNLV*	\$13,286,812	\$13,286,812	\$26,573,624
UNR**	11,416,313	11,416,313	22,832,626
NSU	536,113	536,113	1,072,226
CSN	2,666,316	2,666,316	5,332,632
GBC	204,369	204,369	408,738
<u>TMCC</u>	521,629	521,629	1,043,258
WNC	110,685	110,685	221,370
Prison Education	1,488	1,488	2,976
NSHE Total	\$28,743,725	\$28,743,725	\$57,487,450

← Biennial total

* Includes UNLV Law and UNLV Dental
 ** Includes UNR Ag Experiment Station and UNR Cooperative Extension



Governor Recommends: Phase-In New Formula

FY2026 – Governor recommends funding new formula revisions at 20% for the community colleges and NSU without an offset to the research universities

FY2027 – Governor recommends funding new formula revisions at 40% for the community colleges and NSU without an offset to the research universities



Small Institution Factor

Direct Allocations for GBC and WNC

Current SIF calculated: $(100,000 - \text{actual WSCH}) \times \30

This calculation, including the \$30 value has not been updated since implementation in 2013.

Recommendation: Increase SIF threshold from 100,000 to 125,000 WSCH and increase per-WSCH value from \$30 to \$40 + HEPI beginning FY26 (\$40 value derived by applying HEPI to \$30 rate since inception to FY25)

WSCH = weighted student credit hours



Enhancement: Increase the Small Institution Factor

Increase the SIF threshold to 125,000 and per WSCH value from \$30 to \$40 + HEPI

	HEPI	Per WSCH Amount
FY25		\$40.00
FY26	2.70%	\$41.08
FY27	5.20%	\$43.22



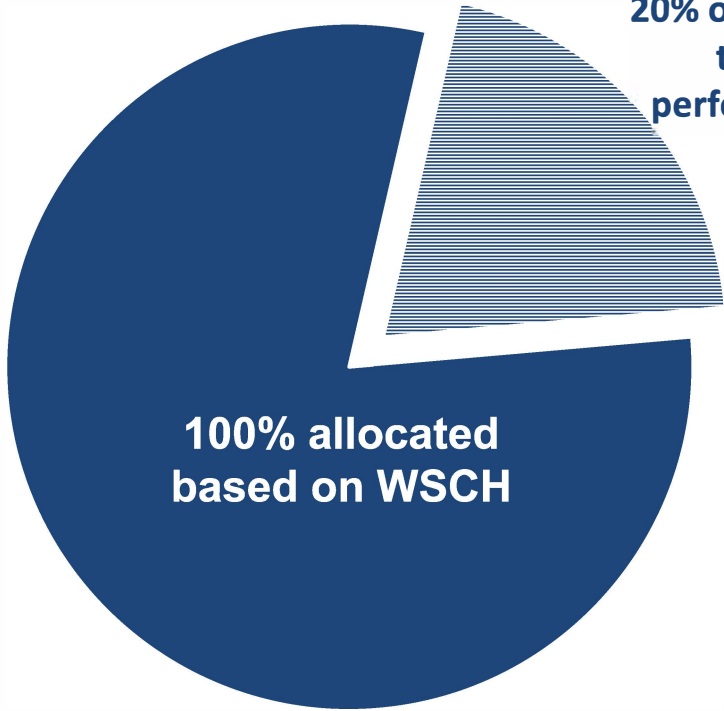
FY26	WSCH	Current	Proposed	Change	FY26 @20%
GBC	78,363	\$ 649,110	\$ 1,915,848	\$ 1,266,738	\$ 253,348
WNC	102,673	\$ -	\$ 917,193	\$ 917,193	\$ 183,439
Total		\$ 649,110	\$ 2,833,041	\$ 2,183,931	\$ 436,787

FY27	WSCH	Current	Proposed	Change	FY27@40%
GBC	78,363	\$ 649,110	\$ 2,015,651	\$ 1,366,541	\$ 546,616
WNC	102,673	\$ -	\$ 964,973	\$ 964,973	\$ 385,989
Total		\$ 649,110	\$ 2,980,624	\$ 2,331,514	\$ 932,605



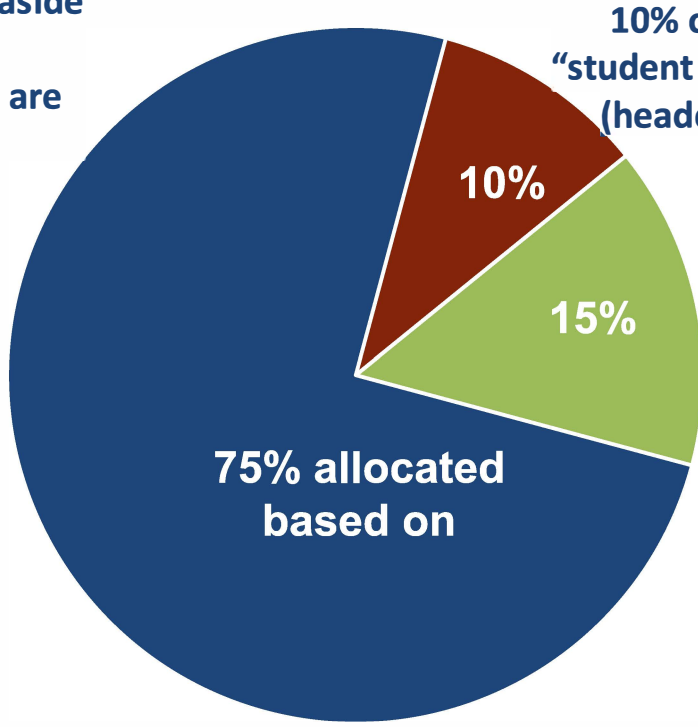
General Fund Allocation

Current Formula



20% of allocation set-aside to “earn back” if performance targets are achieved

Recommended Formula



10% of allocation “student based” funding (headcount & FTE)

15% of allocation earned up-front based on “relative performance” (outcome-based funding)

NOTE: 100% of the Leg. Approved General Fund appropriation is distributed based on WSCH after direct allocations for the small institution factor (SIF) and research O&M are made.

Source: NSHE



Enhancement: Formula Implementation

Agency Request and Governor Recommend funding formula allocations without offset to R1 Universities.

Budget Account	New Formula Adjustment FY26	New Formula Adjustment FY27	Governor Recommends FY26 (20%)	Governor Recommends FY27 (40%)	Total 2025-27 Biennium
UNLV	\$(9,563,653)	\$(9,602,220)	\$ -	\$ -	\$ -
UNR	(10,980,349)	(12,417,562)	-	-	-
Summary R1	\$(20,544,002)	\$(22,019,782)	\$ -	\$ -	\$ -
NSU	4,815,602	5,444,532	963,120	2,177,813	3,140,933
CSN	9,956,185	10,815,869	1,991,237	4,326,348	6,317,585
GBC	1,195,037	1,252,812	239,007	501,125	740,132
TMCC	3,134,132	3,199,791	626,826	1,279,916	1,906,742
WNC	1,443,046	1,306,777	288,609	522,711	811,320
NSU and 2 YR	\$20,544,002	\$22,019,782	\$4,108,799	\$8,807,913	\$12,916,712



One-Shot Recommendation – Safety and Security

\$11 Million: Facility, Equipment and Technology Investments

To enhance the safety/security of the NSHE campuses for our students, faculty, staff, and visitors, one-time funds for equipment and supplies are recommended. These funds will be used for equipment and facility enhancements such as additional security cameras, traffic control, lighting improvements, emergency phones, and other priorities as identified by the Chancellor's Safety Council.



One-Shot Recommendation – Nursing Expansion

\$10 million annually: Nursing Expansion

This recommendation continues funding authorized by Senate Bill 375 from the 2023 Legislation to increase capacity in nursing programs across NSHE. Expansion plans have been put in place resulting in increased cohorts and student enrollment; however, the capacity enhancement and increased enrollments are not to a level to be fully sustainable without additional state support. The additional two years of funding will allow NSHE to fully complete the planned capacity enhancements and move to a self-sustaining status with enrollments, students and General Fund appropriations through the formula.



State Capital Improvement Program

Deferred Maintenance Funds

\$15 million

NSHE capital allocation included in the Governor’s Recommended Budget was limited to the biennial allocation of deferred maintenance funds commonly referred to as ‘HECC/SHECC’ funds or the Higher Education Capital Construction funds and Special Higher Education Capital Construction Funds.



Graduate Medical Education

**Nevada Health Authority –
Nevada Medicaid**

\$24.8 million per year

The Governor's Executive Budget requests leveraging new federal Medicaid funds to improve access to care through new reimbursement strategies in support of facilities and clinics that host Graduate Medical Education programs and other health care workforce initiatives in Nevada.



Workforce Development - GOED

Workforce Innovations For a new Nevada (WINN) \$5 million per year

The Workforce Innovations for the New Nevada account was established by Assembly Bill 1 of the 29th Special Session of the Nevada Legislature. The legislation requires the Governor’s Office of Economic Development to engage industry and educational partners to create, customize or expand programs to provide responsive workforce development training opportunities in targeted skill areas needed by companies in the state. The legislation was inspired by the need for workforce training infrastructure and solutions in Nevada's emerging sectors such as advanced manufacturing and technology.

Knowledge Fund \$14.7 million per year

The Knowledge Account was created with the passage of Assembly Bill 449 (2011) as part of the restructuring of Nevada's Economic Development Agency. The Knowledge Account spurs research and the commercialization of research in areas the state has targeted for economic growth. Commercialization in knowledge-based industries creates high-paying jobs and generates tax revenue in addition to strengthening research and development in targeted industries. The Account provides grants in five allowable areas: establishing technology outreach programs throughout the state; recruiting, hiring, and retaining research teams and faculty; funding research laboratories and related equipment; constructing research facilities; and matching funds for federal and private sector grants and contract opportunities.



Teacher Education - NDE

Incentivizing Pathways to Teaching

\$6.8 million per year

This NDE enhancement request continues the Incentivizing Pathways to Teaching program which provides stipends to support pre-service educators as they complete coursework and student teaching



NSHE State Budget: Amended Summary

	Original Governor's Recommended Budget 2025-27 Total	Amendment Transfers Caseload Adj WSCH Value*	Amendment Transfers COLA Minimum 80%*	Amended 2025-27 Biennium
UNLV	\$ 782,421,400	(\$ 4,325,366)	(\$ 26,573,624)	\$ 751,522,410
UNR	539,527,880	-	(22,832,626)	516,695,254
NSU	77,975,527	(303,836)	(1,072,226)	76,599,465
CSN	266,929,763	(1,963,392)	(5,332,632)	259,633,739
GBC	37,776,617	-	(408,738)	37,367,879
TMCC	103,053,661	(2,203,368)	(1,043,258)	99,807,035
WNC	44,523,020	(938,124)	(221,370)	43,363,526
DRI	22,154,971	-	-	22,154,971
SA/SCS/Scholarships	74,711,441	-	(2,976)	74,708,465
Total	\$1,949,074,280	(\$ 9,734,086)	(\$ 57,487,450)	\$1,881,852,744

*As of 1/30/25, the Governor's Recommended budget has been amended to transfer the above referenced items from proposed base funding to 2025-27 biennium one-shot funds.



