

BOARD OF REGENTS

BRIEFING PAPER

1. AGENDA ITEM TITLE: NSHE Target Funding Model

MEETING DATE: October 16, 2026

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

At its August 27, 2026 meeting, the Board of Regents received an overview of the proposed NSHE Target Funding Model ([Ref. BOR5](#)). The proposed framework would retain institutional baseline funding and allocate new funding based on each institution's distance from an appropriate funding target, with the objective of improving funding adequacy across NSHE's teaching institutions.

Since that presentation, System Administration, Applied Analysis, and institution leadership have continued evaluating the proposal through working group discussions, review of campus analyses, and identification of technical and policy questions. Campus feedback has helped clarify the areas requiring further work, including target selection, recognition of enrollment growth, treatment of high-cost programs, student affordability, and preservation of institutional funding stability.

Preliminary modeling produced targets below current funding levels for some institutions, raising concerns about whether the proposed targets adequately reflect institutional needs. Reassessing the targets and underlying assumptions is a priority. The model's objectives remain to preserve baseline funding from one biennium to the next and allocate new funding to help all teaching institutions progress toward appropriate targets.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Chief Financial Officer Brody Leiser will provide an informational update on the proposed NSHE Target Funding Model, including campus feedback, outstanding technical and policy considerations, and next steps in the model's evaluation. No Board action is requested.

Ongoing work by System Administration, institutional leadership, Chief Business Officers, and Applied Analysis is focused on the following priorities:

- **Validating funding targets:** Reassess peer selection and target levels to reflect institutional missions, student populations, program offerings, and funding needs, consistent with the objective that no institution's target fall below its existing funding level.
- **Addressing enrollment and program costs:** Evaluate recognition of enrollment growth, the implications of using full-time-equivalent (FTE) enrollment rather than weighted student credit hours, and treatment of high-cost workforce programs, small institutions, and research operations and maintenance.
- **Refining state and student funding responsibilities:** Develop options for the relationship between General Fund support and student-derived revenues, including which revenues would be included, affordability implications, and coordination with existing tuition and fee policies.
- **Testing institutional and transition impacts:** Rerun analyses using revised assumptions and clearly distinguish preservation of existing funding from differences in future funding growth under alternative approaches.
- **Returning with recommendations:** Present revised modeling, remaining policy choices, institutional feedback, and proposed implementation milestones for subsequent Board consideration.

Any proposal to adopt a final model, amend funding policy, or change tuition and fees would be presented separately for future Board consideration and action.

4. IMPETUS (WHY NOW?):

Continued analysis is needed to determine whether the proposed framework appropriately addresses institutional funding needs and concerns identified through campus review. Preparations for the 2027 Legislative Session

provide context for this work, but the timing of any recommendation will depend on technical validation, resolution of significant policy questions, and available state resources.

With preparations underway for the 2027 Legislative Session, the above-referenced priorities will guide the remaining analysis and stakeholder engagement. The timing and scope of any proposal should reflect the readiness of the model, resolution of material concerns, and available state resources.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- ☒ Access (Increase access to higher education)
- ☒ Success (Improve student success)
- ☒ Close Institutional Performance Gaps
- ☒ Workforce (Meet workforce needs in Nevada)
- ☒ Research (Increase solutions-focused research)
- ☒ Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)
- ☐ Not Applicable to NSHE Strategic Plan Goals

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

A funding framework that appropriately recognizes institutional missions, students served, and program costs would strengthen institutions' capacity to support access, student success, workforce development, and research. Continued evaluation would also support coordination, accountability, and transparency by establishing clear assumptions, identifying institutional impacts, and presenting policy choices for Board consideration.

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Makes campus feedback and independent institutional analyses central to further refinement.
- Reinforces the objective of preserving baseline funding while improving funding adequacy at every teaching institution.
- Prioritizes credible targets, student affordability, and recognition of differing institutional missions and costs.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Outstanding concerns include the adequacy of funding targets, recognition of enrollment growth and program costs, potential reliance on student revenues, and differences in future funding growth compared with the current methodology. Preserving baseline funding does not, by itself, resolve these concerns. Additional analysis and consultation are needed to assess institutional support and readiness for a potential proposal during the 2027 Legislative Session.

9. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

This item provides an informational update; no Board action is requested.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

This item is presented for information only. No Board action is requested. Any recommendations concerning model adoption or implementation would be presented at a future meeting.

11. COMPLIANCE WITH BOARD POLICY:

- ☐ Consistent With Current Board Policy: Title #____ Chapter #____ Section #____
- ☐ Amends Current Board Policy: Title #____ Chapter #____ Section #____
- ☐ Amends Current Procedures & Guidelines Manual: Chapter #____ Section #____
- ☐ Other: _____
- ☒ Fiscal Impact: Yes____ No__X__
Explain: _____