

INSTITUTIONAL FORMULA RECOMMENDATIONS

The following are included in this document:

- Summary Table of Institutional Recommendations; and
- The written submissions from each institution outlining their suggestions for revising the NSHE funding formula.

The Summary Table was prepared in an effort to identify the common recommendations made across multiple institutions. The Summary Table also provides, where applicable, information on the availability of data, cost estimates, or other information pertinent to the recommendation. The Summary Table was shared with HCM Strategists as they reviewed and evaluated the institutional recommendations as part of their scope of work.

The Committee will discuss the recommendations included herein during the April 26, 2024, meeting.

Summary Table

**ad hoc COMMITTEE ON HIGHER EDUCATION FUNDING
Summary of Institutional Recommendations**

Rec # for Reference	Recommendation	Recommending Institution							Data Availability and Definition or Other Notes	
		UNLV	UNR	NSU	CSN	GBC	TMCC	WNC	Current Data Element Maintained by System Administration (Yes or No)	If yes, data definition and source
BASE FUNDING FORMULA										
<i>Student Attributes - to be used as weighting factors in base formula calculations</i>										
1	Part-Time Students GBC: additional weighting of .33 - .5 for each part-time student CSN/WNC: headcount consideration to capture part-time enrollment	x			x	x	x	x	yes	may be defined based on credit load or with headcount
2	College Readiness - Remedial Support [enrolled in remedial support course]							x	yes	students enrolled in corequisite math and/or English courses
3	College Readiness - Academically unprepared		x							requires further definition to determine data availability
4	College Readiness - Student College Readiness for mathematics - ACT math score less than 22	x			x				yes for recent h.s. grads only	SLDS -ACT math score for recent high school grads
5	College Readiness -Student College Readiness for English - ACT English score less than 18	x			x				yes for recent h.s. grads only	SLDS - ACT English score for recent high school grads
6	College Readiness -High School GPA - below 3.0	x							yes for institutions receiving h.s. transcripts only (primarily universities and NSU)	Community colleges open access institutions do not require students to submit GPA; therefore h.s. GPA is not available systemwide
7	College Readiness - Student enrolled in adult basic education and/or high school equivalency program				x				no	
8	Student Support Services utilized by the student (as a student attribute) - no specific services defined			x				x		requires further definition to determine data availability - currently, the only student service where System Admin collects data is for student registered with an institutional disability resource center or equivalent office
9	Work Study Participation			x					yes	included in financial aid data collection
10	Full-Time employment status			x					no	
11	Entry Levels - no point of entry specifically defined							x		requires further definition to determine data availability
12	Pell Grant Status (low income students) NSU: recommended removing metrics for Pell grant status from the Performance Pool and including in base as a student attribute	x	x	x	x				yes	recipient of Pell grant (currently included in Performance Pool metrics)
13	Dual/concurrent enrollment		x	x	x				yes	student enrolled in dual and/or concurrent courses

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14	First-Generation student	x	x	x					no	not consistently collected by all institutions
15	Under-represented minority students NSU: recommended removing metrics related to underrepresented students from the Performance Pool and including in the bases as a student attribute		x	x	x				yes	race/ethnic categories
16	Student from low-performing high school	x								requires further definition to determine data availability
17	Distance from campus - geographic location (e.g. zip code) and high school			x					yes	zip code and high school available
18	Program discipline - type of program student is enrolled in				x				yes	CIP code (classification of instructional programs)
19	Age (Adult Students) 25+ years old				x				yes	age calculated based on stored birthdate
20	"Risk Ratio" multiplier for WSCH based on risk factors so that institutions with higher risk students receive larger increment in funding UNLV: See UNLV proposal for example of "risk ratio"	x								requires further review to determine data availability
Other Base Formula recommendations including recommendations for Funding Formula Enhancements/Increased Funding										
21	New Funding (Enhancement Request): Provide state funding for all summer school courses Cost Estimate (per year): UNLV \$22.5 million UNR \$ 8.3 million NSU \$ 2.2 million CSN \$ 11.7 million GBC \$ 550.9k TMCC \$2.4 million WNC \$480.1k TOTAL: \$48.2 million			x	x	x			x	Currently, summer school courses in Nursing, science-based nursing prerequisites, and teacher preparation receive state funding Cost estimate for all other summer courses to receive state funding - based on Summer 2023 WSCH and FY2023 price/WSCH (\$166.90)
22	Factor into the formula allocation the rate of increase in degrees produced			x						Currently, the Performance Pool includes total awards conferred

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23	New Fundng (Enhancement Request): Include W's (withdrawals) in the WSCH Cost Estimate (per year): UNLV \$ 6.3 million UNR \$ 4.1 million NSU \$ 1.1 million CSN \$6.1 million GBC \$.97 million TMCC \$ 2.5 million <u>WNC \$.57 million</u> TOTAL: \$21.7 MILLION								x	Currently, W's, Incompletes, and F's for non-attendance are excluded from WSCH Cost estimate for Ws to receive state funding - based on 2021-22 weighted Ws and FY2023 price/WSCH (\$166.90)	
24	New Funding (Enhancement Request): Fund non-credit courses				x					x	no
25	New Funding (Enhancement Request): Increase the weight for CTE courses [Tech and Trades discipline cluster] to 4.0 The CTE or Tech/Trades cluster includes all courses in construction trades, mechanic repair technologies, precision production, and transportation & materials moving - all are currently weighted in the formula at 4.0 or higher (4.5 for upper division).				x	x			x		All CTE courses are currently weighted at 4.0 or 4.5 in the current funding formula. In 2017, the legislature approved an increase to the weights for CTE credit hours from 2.0 to 4.0 for lower division courses and 2.5 to 4.5 for upper division.
26	Fund non-resident and international students	x									Institutions retain non-resident tuition in lieu of receiving state support. 2024-25 non-resident tuition rates for full-time students: Universities: \$18,142/year NSU: \$15,068/year Comm Colleges: \$8,666/year
27	Input driven formula supplementation that includes financial support for headcount and student attributes and to attain 350:1 student-to-advisor ratio				x						
<u>Increase Small Institution Funding (GBC and WNC only)</u>											
28	Small Institution Factor - consider headcount (p/t students implications) in factor calculation							x		x	
29	Small Institution Factor - increase the current \$30 WSCH GBC: Increase small institution factor by an inflationary adjustment Cost Estimate (per year): adjusting the current SIF \$30 per WSCH to \$38.71 (adjusting by HEPI factor from 2015 through 2023) will result the following increases over the FY2025 SIF adjustments: GBC: \$160,142 <u>WNC: \$ 91,159</u> TOTAL: \$251,301							x		x	This recommendation could potentially come out of existing funding which would result in a decrease in the price per WSCH or it could be additional funds specific to this carve out.

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30	Small Institution Factor - increase the WSCH threshold to 150,000 WSCH Cost Estimate (per year): Increasing the credit threshold to 150,000 at the current \$30 per credit will cost \$3.0 million and up to \$4.1 million if the increase in credit threshold is combined with a cumulative HEPI adjustment to \$38.71 per credit							x	Currently, once an institutions' WSCH exceed 100,000 WSCH they are no longer eligible for the Small Institution Factor This recommendation could potentially come out of existing funding which would result in a decrease in the price per WSCH or it could be additional funds specific to this carve out.
<u>Review of Weights Assigned to Student Credit Hours (SCH)</u>									
31	Maintenance Request: Review weights of high cost programs like Nursing			x					
32	Maintenance Request: Review weights used in base formula	x		x					Currently, assigned weights by discipline cluster were established in the 2012 formula study. Weights for the CTE [Tech and Trades Cluster] were adjusted in 2017
<u>Create Incentives for Transfers, Completions, and Other</u>									
33	New Funding (Enhancement Request): Transfer Scholarships - award \$2,500 to community college graduates who transfer to 4-year institution							x	The state currently funds the Millennium Scholarship, Silver State Opportunity Grant, and Promise Program, which accounted for \$44.2 million in FY2022-23. Additional state dollars are allocated to the financial aid outside of these formal programs in the institution's state-supported operating budgets.
34	New Funding (Enhancement Request): \$500 to both the 2-year and 4-year institution for every student that transfers from 2-year to 4-year institution							x	
35	New Funding (Enhancement Request): Reward the successful transfer and completion of community college and university students	x							more specific information is needed, including how institutions would be rewarded
36	Direct funding toward comprehensive programs that engage [high school] students throughout the year, including summer initiatives	x							
37	New Funding (Enhancement Request): Incentivize industry apprenticeships through funding support for participating firms							x	
38	New Funding (Enhancement Request): Provide funding rewards for colleges that deliver completed internships							x	
39	New Funding (Enhancement Request): Reward institution for the value brought to the communities through research, economic development, and workforce	x							
40	Funding should shift towards institutions who have shown more success with producing degrees over time with extra funding allocated for 4-year degree completion			x					

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<u>Fee Waivers and Capacity Building - add and/or restore funding</u>										
41	New Funding (Enhancement Request): Fund fee waivers Cost Estimate based on 2022-23 actual costs: \$4.1 million annually	x	x						x	Currently, the state provides partial funding for fee waivers for certain Native American students - AB150 (2023 Session) appropriated \$457,449 for both FY24 and FY25 fee waivers for Native American students
42	New Funding (Enhancement Request): Fund discounted fees for dual/concurrent enrollment [established by NSHE]		x						x	The Board of Regents established discounted fees for dual/concurrent enrollment in an effort to ensure consistent pricing across the System - not a legislatively mandated discount
43	New Funding (Enhancement Request): Restore capacity funding to 2021 levels NSU: for 4-5 year plans in areas of high demand workforce need or areas designated by the GOED			x						
44	New Funding (Enhancement Request): Increase overall funding to allow for institutional innovation and capacity building (noting that "one-time funding, which has been used in the past, does not allow for the long-term efforts required to innovate and build capacity	x								
45	New Funding (Enhancement Request): Ensure institutions have sufficient resources to build capacity and drive innovation, funding per FTE benchmarks by institution type with reference to national averages	x								
<u>Student Services and related supports</u>										
46	New Funding (Enhancement Request): Address the cost of student support services via "risk profile" - applying extra weights to institutions with higher risk profiles	x								
47	Do not base funding for support services on utilization alone; funding should consider needs of expanding university			x						
48	New Funding (Enhancement Request): Provide funding for student support services using per student in 1,000 student headcount increments							x		
49	New Funding (Enhancement Request): Provide funding for supplemental instruction (e.g. tutoring and peer-learning for math)						x			
50	New Funding (Enhancement Request): Provide funding for early intervention programs - identifying at-risk students and offering personalized support						x			
51	New Funding (Enhancement Request): Provide funding for math anxiety workshops - provide students with strategies to manage anxiety and build confidence in math skills						x			
52	New Funding (Enhancement Request): Provide funding target for data-driven decision making - support colleges in collecting and analyzing data						x			

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53	New Funding (Enhancement Request): Provide funding target for dedicated advising - designated advisors specializing in part-time students							x		
54	New Funding (Enhancement Request): Provide funding target for enhanced counseling services for part-time students - expanded counseling hours and flexible appointment options							x		
55	New Funding (Enhancement Request): Provide funding target for targeted support groups for part-time students (e.g. veterans or student-parents)							x		
56	New Funding (Enhancement Request): Provide funding target for flexible learning resources - targeted online and hybrid learning options to accommodate diverse schedules and working hours							x		
57	New Funding (Enhancement Request): Provide funding targets for financial aid assistance - workshops and individual consultation to help p/t students navigate financial aid options							x		
58	New Funding (Enhancement Request): Provide funding to attain a 350:1 student-to-advisor ratio based on headcount				x					In 2019, the Board of Regents adopted a policy indicating that "by academic year 2023-24 all institutions shall maintain a student-to-advisor ratio of no greater than 350:1." (<i>Title 4, Chapter 14, Section 23</i>)
<u>Cost Study</u>										
59	Conduct cost study based on cost of delivery compared to peer institutions by Institution type	x								
60	Conduct a comprehensive cost study		x							
61	Reassess the 10% research factor for the universities - should be reassessed based on actual costs	x								
<u>Tailored Funding Models Based on Institution Type</u>										
62	Establish a separate funding formula for community colleges								x	
63	Establish tailored funding model for institution type that accounts for research infrastructure, faculty support, graduate education, and specialized programs		x							
64	To maintain Carnegie R1 status, methodically direct state resources based total research funding, total research expenditures, and research personnel AND earmark specific allocations for the upkeep and advancement of research infrastructure and equipment		x							
<u>Caseload Growth</u>										
65	Fund caseload growth			x					x	Every biennium the legislature considers caseload growth on a 2-year lag (e.g. the legislative budget for FY2024 included a caseload adjustment based on FY2022 growth)
66	Utilize a 3-year rolling average of WSCH to allocate funding					x	x			

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67	Similar to K-12, project student growth AND implement an annual "true-up" mechanism		x							True-up mechanism utilized by K-12 requires that funds be returned when projections are not met.
<u>Inflationary Adjustments to the Base</u>										
68	New Funding (Enhancement Request): Index the price per WSCH to HEPI (inflation factor) Cost Estimate (per year): \$20.2 million based on 2021-22 WSCH and increase the FY2023 price per WSCH (\$166.90) by the 2023 HEPI of 4.0% or \$6.68		x	x						This adjustment would be similar to the inflationary adjustment in the K-12 pupil-centered funding plan.
69	New Funding (Enhancement Request): Include inflation adjustments, including for utility increases	x								
PERFORMANCE POOL (PP)										
<u>General PP recommendations</u>										
70	Eliminate the Performance Pool funding carve-out and replace with new money	x	x	x	x	x	x	x		
71	Target new money for PP to expand successful programs and seed new initiatives		x							
72	Target new money for PP to provide incentive funding for faculty, postdoctoral researchers, and staff		x							
73	Performance oversight should be the responsibility of institutional leadership	x								
<u>PP Metrics Recommended</u>										
74	Graduation Rates NSU and WNC: Graduation Rates by ethnicity		x	x	x			x	x	yes IPEDS definition: 150% time to degree for first-time, full-time students
75	First-Year Retention Rates		x		x					yes Not available for all students in IPEDS, System Admin can calculate year-to-year and/or semester-to-semester
76	Persistence Rates				x					yes Not available for all students in IPEDS, System Admin can calculate year-to-year and/or semester-to-semester
77	Credit Momentum				x					yes requires definition on credit thresholds or momentum points for credits completed at NSHE institution only
78	Research Funding per Faculty		x							no
79	Time to Degree for Graduate Programs		x							no

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80	Awards conferred			x					yes	currently included in PP metrics
81	Transfer students			x					yes	currently included in PP metrics
82	Economic Development degrees			x					yes	currently included in PP metrics based on institution identified programs
83	Completion/Awards conferred by ethnicity							x	yes	NSHE data dashboard
84	Enrollment by ethnicity			x				x	yes	NSHE data dashboard
85	Graduates in high-cost/in-demand fields			x					yes	high-cost/in-demand fields need to be identified
86	Headcount enrollment							x	yes	NSHE data dashboard
87	Job placement							x	no	
88	Apprenticeships							x		requires further definition to determine data availability
89	Internships							x		requires further definition to determine data availability
90	Student Performance							x		requires further definition to determine data availability
91	Gateway math completion rates (increase the index weight by a factor of 2)							x	yes	needs to be defined in terms of limit for completion (e.g. within first year of enrollment)
92	Align PP performance metrics to institutional performance (See examples provided from states including IL, IN, MA, MO, OH, TN, TX, and WI from pages 4-6 of CSN recommendations)				x					
93	Remove Pell status and ethnicity from the Performance Pool and include in the weights for the base formula			x						
SPACE, MAINTENANCE, AND CAPITAL IMPROVEMENTS - Unrelated to Funding Formula										
94	New Funding (Enhancement Request): Allow institutions to evaluate space needs and request immediate funding as space is added	x								
95	Fund leased space	x								
96	Multi-year capital project funding commitments [from the state]							x		
97	Establish a separate revenue stream to support ongoing maintenance and capital improvement projects - revenue source not specified					x				
TAX INCREASE - Unrelated to Funding Formula										
98	Modified Business Tax - support NSHE via modified business tax to enhance higher education funding			x						

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99	Legislation to enable the board of county commissioners of each county housing an NSHE institution to levy additional taxes to fund capital projects, deferred maintenance, and campus infrastructure enhancements	x	x							
SALARIES AND COLA - Unrelated to Funding Formula										
100	Adequately fund COLA - guarantee full state funding for any COLA salary adjustments or other mandated salary increases		x							
101	New Funding (Enhancement Request): Provide market-driven salaries in difficult to recruit areas like nursing, engineering, and computer programming						x			
NON-FORMULA BUDGET ACCOUNTS - Unrelated to Funding Formula										
102	New Funding (Enhancement Request): Provide support for Business Center South's support for an expanding campus and athletics programs	x								

UNLV



Funding Formula Considerations
Submitted by the University of Nevada, Las Vegas
March 6, 2024

Recommendations requested by Chairman Hardesty for revising the NSHE funding formula, including the Performance Pool

As indicated during the vendor presentation, Nevada has a weighted enrollment formula based on cost (completed student credit hours weighted by discipline level). Many of you indicated that each institution and its student population is unique. Should the committee consider an enrollment-weighted formula based on student attributes? And if so, what specific student attributes would be most appropriate for your institution?

- We have identified the following factors that are associated with lower likelihood of persistence and graduation:
 - Graduated from low-performing high school
 - Pell status (receiving Pell)
 - First-generation (no parent has earned a bachelor's degree or higher)
 - Low core High School GPA (below 3.0)
 - Low Math ACT component score (below 22)
 - Low English ACT component score (below 18)
 - Below 15 credit hours enrolled
- The profile of the incoming class on these risk factors could be determined at the census point, which could then be used as a multiplier for the weighted student credit hour (WSCH) count, such that schools with higher-risk students receive a larger increment in funding. For example, dividing the total number of risk factors by the number of students will yield an average risk-per-student ratio ranging from 0 to 7. This “risk ratio” could form a risk weighting factor for each institution. For example, the risk ratio for the fall 2024 degree-seeking first-time, full-time (FTFT) student cohort was 2.47.
- Additionally, the cost of delivery should be assessed by comparing that of peer institutions. Separating out the average cost for Carnegie R1 universities, state, and community colleges would assist in understanding the cost differentials of our different institutions and funding accordingly. UNLV has higher costs for facilities, student support, and academics due to high research activity. Faculty contracts should also be considered differently and funded appropriately. In particular, research-intensive faculty members at R1 institutions command higher salaries in the national marketplace and teach fewer classes due to research responsibilities. Salary offers must align with the market to remain competitive and recruit top faculty.



If you recommend the inclusion of student attributes, your student attributes should be presented in the form of a data definition that could be used to identify student groups in the funding formula. For example, part-time students are defined as students who complete/enroll in fewer than 12 credit hours per semester. Also, provide recommendations for data sources, in addition to the data definitions.

Student Support Services – If you recommended that student support services be considered in the funding formula, how can the formula be adjusted to recognize the need for appropriate funding for student support services? How should the need for (or use of) student support services be measured so that such services can be appropriately considered in the funding distribution methodology?

- Addressing the costs of student support services via the student risk profile described above is preferable. By applying extra weighting to populations with higher risk profiles, we can allocate the necessary funds for the additional support services these higher-risk students require.
- The formula should also consider and reward the successful transfer and completion of community college and university students. Building strong relationships with our peer institutions to serve all students in the state with the best education possible for the career pathway benefits all.
- Building a strong pipeline between Clark County's K-12 students and UNLV is an important way to increase our pool of college-ready students. To achieve this, funding should be directed towards comprehensive programs that engage students throughout the year, including summer initiatives. These programs would offer young students a taste of university life, encouraging their interest in higher education from an early age. This approach differs from our dual enrollment initiatives because it targets everyone, even those who have not yet decided to attend college. This inclusive strategy aims to inspire and prepare a more diverse and larger pool of future college students.

Performance Pool – Provide your recommendations for revising the NSHE Performance Pool. If you recommend its elimination, please provide a detailed description of what should replace it. Further, if you recommend new metrics for the Performance Pool, please provide a data definition and source of data for each new metric.

- The performance pool should be eliminated because performance outcomes are heavily influenced by macro-societal forces outside the control of the institutions (e.g., population growth, economic conditions, national college attendance rates, etc.). The current structure of the performance pool effectively acts as a punitive measure, potentially trapping struggling institutions in a detrimental cycle due to external and internal factors. Instead, performance oversight should be the responsibility of institutional leadership through an accountability framework. Echoing the principle that "there are no bad teams, only bad leaders," we believe that institutions failing to achieve desired student outcomes should consider leadership changes.



Innovation/Capacity Building – Provide your recommendations for capturing innovative and/or capacity building efforts - either in the funding formula or as a direct appropriation, similar to the capacity building projects previously approved by the state legislature. Any recommendations should include specific data definitions and data sources. The timing of data availability should also be a consideration and noted in any recommendations.

- It is preferable to increase overall funding to allow for institutional innovation and capacity building than to offer targeted funding (e.g., bring funding up to national averages per FTE by institution type, which all NSHE institutions are currently well short of). One-time funding, which has been used in the past, does not allow for the long-term efforts required to innovate and build capacity. Targeted funding also increases compliance and reporting costs.
- To ensure institutions have sufficient resources to build capacity and drive innovation, funding per FTE benchmarks by institution type should be established with reference to national averages, including both state support and net registration fee revenue. Currently, Nevada institutions of higher education sit near the bottom of the nation in net funding per FTE.
- Tax Increment – We urge the committee to recommend to the Nevada Legislature the passage of legislation enabling the board of county commissioners in each county housing an NSHE institution to levy additional taxes. These funds would be dedicated to financing capital projects, deferred maintenance, and critical campus infrastructure enhancements, including technology infrastructure. This approach is modeled after the successful implementation of Assembly Bill 46 during the 2013 Session of the State Legislature, which facilitated similar funding mechanisms for K-12 capital projects.

Overall UNLV formula considerations

1. Implementing a weighting system that addresses the uniqueness of each institution.
 - a. We have identified the following factors that are associated with lower likelihood of persistence and graduation:
 - i. Graduated from low-performing high school
 - ii. Pell status (receiving Pell)
 - iii. First-generation (no parent has earned a bachelor's degree or higher)
 - iv. Low core High School GPA (below 3.0)
 - v. Low Math ACT component score (below 22)
 - vi. Low English ACT component score (below 18)
 - vii. Below 15 credit hours enrolled
 - b. The profile of the incoming class on these risk factors could be determined at census, which could then be used as a multiplier for the WSCH count, such that schools with higher-risk students receive a larger increment in funding. For example, dividing the total number of risk factors by the number of students will yield an average risk-per-student ratio ranging from 0 to 7. This “risk ratio” could form a risk weighting factor for



each institution. For example, the risk ratio for the fall 2024 degree-seeking first-time, full-time (FTFT) student cohort was 2.47.

- c. Weighting systems should be reviewed and enhanced to prevent cannibalization. For example, engineering programs have higher funding incentives, making them attractive offerings for state and community colleges. These programs are the most valuable to students when they include a robust research component that is only available at the university level. Therefore, programs at state and community colleges should be designed to complement, rather than compete with, those at universities. If we maintain a weight-by-discipline system, high-cost programs that are low weights, such as health care and business, should be reviewed and analyzed. Additionally, adding weights based on the institution's mission could be beneficial, acknowledging that universities often have lower teaching loads and faculty with higher salaries due to their research responsibilities. This would help align funding more closely with the actual needs and roles of different educational institutions. The current formula recognizes the research mission at UNLV and UNR by adding a 10% additional weighting factor applied to all upper-division undergraduate and graduate credit hours to account for research mission expenses. This 10% should be reassessed and based on an actual cost analysis of delivering programs at the university versus other institutions in the system.
2. Actual cost comparison between R1 universities, state colleges, and community colleges. The cost of delivery should be assessed by comparing that of peer institutions. Separating out the average cost for Carnegie R1 universities, state colleges, and community colleges would assist in understanding the cost differentials of our different institutions and funding accordingly. UNLV has higher costs for facilities, student support, and academics as a result of having high research activity. Faculty contracts should also be considered differently and funded appropriately. In particular, research-intensive faculty members at R1 institutions command higher salaries in the national marketplace and teach fewer classes due to research responsibilities. To remain competitive and recruit top faculty, salary offers must align with the market. The formula should support the missions of the different institutions.
3. Student Support Services
 - a. We believe it is preferable to address the costs of student support services via the student risk profile described above. By applying extra weighting to populations with higher risk profiles, we can allocate the necessary funds for the additional support services these higher-risk students require.
 - b. The formula should also consider and reward the successful transfer and completion of the community college and university students. Building strong relationships with our peer institutions to serve all students in the state with the best education possible for the career pathway benefits all.
 - c. Building a strong pipeline between Clark County's K-12 students and UNLV is an important way to increase our pool of college-ready students. To achieve this, funding should be directed towards comprehensive programs that engage students throughout the year, including summer initiatives. These programs would offer young students a



taste of university life, encouraging their interest in higher education from an early age. This approach differs from our dual enrollment initiatives because it targets everyone, even those who have not yet decided to attend college. This inclusive strategy aims to inspire and prepare a more diverse and larger pool of future college students.

4. Inflation adjustments, including utility increases. From 2008-2021, inflation and adjusted state appropriations have caused a decline in financial support for UNLV. This has significant impacts. It's shifted some of the financial burden to our students. They've seen a 1.8% annual increase in tuition and fees. We have fewer financial resources for academic, research, and student support and growing pressure to improve student outcomes with a shrinking and uncertain resource base. It's diminished our ability to invest in new programs and make critical investments in existing programs and necessary technological improvements.
5. Strengthen the relationships between community colleges and universities by rewarding for successful transfers and completions. Also, assessing the relationships of K-12 connections and ensuring as many of those students are ready to enter and successfully complete at an NSHE institution.
6. Setting aside the performance pool as a separate entity reduces the base budget by 20%, effectively functioning as a penalty if specific metrics are unmet. This can lead to budget shortfalls, negatively impacting student access and success. While it's important to have performance metric targets, they should serve as an incentive for budget enhancement rather than a separate carve-out, which can be punitive in nature and counterproductive to the intended goals.
7. Funding for fee waivers to prevent student fee increases to support the waivers. This includes professional schools.
8. Consider the economic impact of the university on the communities it serves. Rewarding for the value brought to the communities through research, economic development, and workforce.
9. Allocating resources to support infrastructure more dynamically will help alleviate substantial financial burdens over the course of the year. A comprehensive understanding of the needs, encompassing deferred maintenance, capital improvement projects, ADA accommodations, varying utility costs, lease funding, capital projects, and technology to support research, is crucial to distributing limited resources effectively. By prioritizing these requirements, the allocation formula can shift from a "something for everyone" approach to one that focuses on the most pressing needs. For example, utility costs have increased by \$5 million dollars over the last five years. As local municipalities approve rate increases, we don't have funding to keep up. Additionally, as ADA standards increase at the federal level, we lack funds for infrastructure improvements and student support resources to comply with these evolving standards. Staying in compliance with ADA requirements is crucial for maintaining our commitment to access, equity, and inclusion. UNLV is significantly below the square footage per student ratio of our R1 peers. To accommodate 40,000 students, UNLV would require more than a 50% increase in available space. We would like to have the ability to evaluate space needs and request



immediate funding as we add space. Leased spaces provide an alternative to building new structures to accommodate growth. At present, the state budget does not include funding for leases. Instead, institutions tend to construct intricate and costly infrastructure to meet their needs. However, leasing offers a "proof of concept" approach to asset acquisition, helping to ascertain the necessity of such infrastructure. Additionally, incorporating lease funding provides greater flexibility in adapting to changing requirements, as leases can be terminated more readily than divesting from owned assets.


10. The current funding formula does not provide financial benefits to the institution for the recruitment and completion of out-of-state and international students. Adjusting the formula to include funding for these students could demonstrate Nevada's potential to attract qualified and ambitious students seeking post-education opportunities, thereby cultivating a highly skilled and educated populace to meet the demand for advanced jobs. This approach not only builds a highly skilled and educated workforce to meet the demand for advanced jobs but also enhances the learning environment by bringing varied perspectives and experiences into classrooms, benefiting local students and the broader community. Approximately 70 percent of our graduates stay in Southern Nevada and continue to contribute to our local workforce in meaningful ways. This demonstrates that bringing the brightest minds to UNLV has long-term positive impacts on our city.
11. Other non-formula issues include Business Center South's support for an expanding campus and athletics programs that keep pace with student growth and the expansion of professional schools to meet the needs of the rapidly growing state population.

UNR



University of Nevada, Reno

TO: James Hardesty, Chairman
ad hoc Committee on Higher Education Funding

FROM: Brian Sandoval, President
University of Nevada, Reno 

DATE: March 6, 2024

RE: Recommendations for Revising the Nevada Higher Education Funding Formula

Thank you for the opportunity to present our recommendations for revising the Nevada System of Higher Education (NSHE) funding formula, including adjustments to the Performance Pool. The ad hoc Committee on Higher Education Funding stands at a pivotal juncture, with the potential to fundamentally shift the course of higher education in Nevada—and, by extension, the state's future for generations.

Following the state's recent unprecedented investments in K-12 education, this committee now has a unique chance to propose transformative changes to higher education funding. Such changes would not only parallel those made in K-12 but could also amplify their impact by ensuring a seamless educational pipeline from primary through higher education.

The University of Nevada, Reno, has a clear vision: to offer unparalleled access to affordable higher education, thereby equipping the workforce and leaders of tomorrow and acting as a beacon of innovation to address both local and global challenges. We are on the path to realizing this vision, yet with a substantial increase in state funding, we could accelerate our progress significantly.

We urge the consideration of a revised funding model that reflects the ambitious trajectory we envision for higher education in Nevada. Such an investment will not only transform the University of Nevada, Reno, but also serve as a cornerstone for the state's future prosperity.

I also want to extend my gratitude and recognition to the Faculty Senate, Staff Employees' Council, Associated Students of the University of Nevada, and the Graduate Student Association for their invaluable input and collaborative efforts in developing these critical recommendations for the funding formula.

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Below are ten recommended adjustments to the funding formula for the Nevada System of Higher Education (NSHE):

1. Funding Needs Considering Student Demographics:

The current funding model, which primarily focuses on student credit hours, inadvertently overlooks the nuanced needs and challenges encountered by a significant portion of our student body. This includes first-generation students, underrepresented minorities, low-income individuals, and those who may be academically underprepared. Such an approach, while straightforward, fails to capture the full spectrum of support required to ensure every student has an equal opportunity to succeed.

To address this oversight, we propose a revision to the funding formula that more accurately reflects the diversity of our student population and their varied needs. Specifically, we recommend a model that incorporates additional weighting factors for traditionally underserved communities, including minority groups, low-income families, first-generation college students, and academically underprepared students. This adjusted formula would allocate resources more equitably, enabling targeted initiatives and investment in technology that directly address these students' specific barriers to success.

2. Cost Disparities between Institution Types:

The Nevada System of Higher Education (NSHE) encompasses a diverse array of institutions, including R1 universities, a state university, and community colleges, each with unique missions, operational demands, and resource requirements. Acknowledging and accommodating the cost differences inherent to these institution types is imperative to ensure equitable and effective allocation of state funding.

We propose conducting a comprehensive study aimed at analyzing these cost disparities in detail. This study should evaluate a range of factors that contribute to the operational costs of each institution, including but not limited to:

- **Average Faculty Salaries:** Reflecting the market demands and specialization levels required by different institution types.
- **Teaching Load:** Considering the balance between teaching responsibilities and research obligations, particularly at R1 universities where faculty often engage in extensive research activities.
- **Facility Age and Maintenance Costs:** Assessing the impact of infrastructure age on maintenance and upgrade needs, which can vary significantly across institutions.
- **Research Responsibilities:** Specifically recognizing the additional costs associated with supporting faculty research activities at R1 universities, including laboratory space, equipment, and research support services.
- **Operating Costs:** Including utilities, which can vary widely based on campus size, location, and energy efficiency of facilities.

Identifying and quantifying these cost differences is crucial for developing a funding model that accurately reflects each institution's mission, operational needs, and resource requirements. Such a model would ensure that state funding is allocated in a manner that provides adequate, mission-aligned support to each type of institution within the NSHE.

3. Adjusting Funding for Inflation:

The existing NSHE funding formula does not currently account for inflation, a gap that threatens the financial stability and academic excellence of these institutions. Without adjustments for inflation, the real value of state funding diminishes over time, jeopardizing our ability to provide high-quality education and research opportunities. Inflation particularly affects operational essentials, such as the maintenance of facilities and equipment, utilities, software licensing, library acquisitions, and general supplies and services.

To address this challenge, we recommend a revision to the funding formula that includes a mechanism for adjusting state allocations in line with inflation. Specifically, we recommend adopting the Higher Education Price Index (HEPI) as the benchmark for these adjustments. The HEPI is specifically designed to measure the inflation rate applicable to the higher education sector, making it a more accurate gauge than general consumer price indexes.

Incorporating HEPI into the funding model would ensure that state funding reflects the true cost increases faced by NSHE institutions. This approach aligns with the NSHE's existing policy of adjusting student registration and tuition fees according to HEPI, promoting a consistent and equitable strategy for managing inflation across multiple sources of funding.

4. Tailored Funding Models for Institution Types:

The current one-size-fits-all funding model within the NSHE does not effectively accommodate the diverse roles, missions, and needs of its institutions. This generalized approach overlooks the specific requirements of research-intensive universities, state colleges, and community colleges, each of which plays a unique role in our higher education ecosystem.

To rectify this, we propose the development of tailored funding models that more accurately reflect and support the distinctive missions of these institutions. Such models should account for and prioritize funding for:

- **Research Infrastructure:** Essential for R1 universities like the University of Nevada, Reno and UNLV, which are at the forefront of innovation and discovery.
- **Faculty Support:** Including competitive salaries to attract and retain top talent, as well as professional development resources.
- **Graduate Education:** Supporting graduate students through funding for stipends, housing, and support services is critical for research institutions, as these students are integral to research productivity and teaching..
- **Specialized Programs:** Recognition of programs that are unique or particularly strong within each institution, which may require additional resources to maintain their excellence.

The comprehensive cost study mentioned above would provide the critical data needed to inform the development of these differentiated funding models. By understanding the specific financial needs associated with each institution's mission and operational scope, resources can be allocated more effectively and equitably.

5. Strategies to Maintain Carnegie R1 Status:

Maintaining the prestigious Carnegie designation ‘Research 1: Very High Spending and Doctorate Production’ requires the University of Nevada, Reno, to demonstrate a significant commitment to research. This status not only highlights our extensive range of doctoral programs but also our substantial investment in research endeavors. To ensure UNR continues to excel in these areas, a recalibrated funding formula is essential—one that unequivocally prioritizes support for research funding and graduate education.

We recommend a funding model that methodically directs state resources based on several key indicators:

- **Total Research Funding:** This metric should reflect UNR's success in obtaining external research grants, underscoring our capability to attract significant research investments.
- **Total Research Expenditures:** By accounting for the breadth and depth of our research activities, this measure ensures resources are matched to the scale of our efforts.
- **Research Personnel:** Recognizing the value of our human capital, allocations should consider the number of faculty, postdoctoral researchers, graduate students, and other research staff who are pivotal to driving our research forward.

Moreover, the funding model must earmark specific allocations for the upkeep and advancement of our research infrastructure and equipment. This focused investment is vital not just for preserving our R1 status but also for catalyzing growth areas, such as our role as a regional hub for technology and innovation. For instance, enhancing our research capacity and personnel through state support will significantly strengthen initiatives like our bid for \$75 million in federal funding to develop a technology and innovation hub.

The impact of this strategic investment transcends the university, delivering substantial benefits in terms of innovation, workforce development, and the creation of high-tech industries and jobs. By adjusting the funding formula to support these objectives, UNR will not only sustain its position as a leader in research excellence but also contribute more profoundly to Nevada's economic and social vitality.

6. Incentivizing Performance:

The current model, which necessitates earning back base-level funding, inadvertently positions essential funding as a recoverable rather than an earned additive benefit. This approach should be revised to promote additional funding opportunities that reward achievements and progress, thereby encouraging a culture of advancement rather than one of recovery.

In addition to the current metrics, we recommend the inclusion of metrics that reflect the goals of our institution:

- **Graduation Rates and First-Year Retention Rates:** These indicators will underscore our commitment to student success and persistence.
- **Research Funding per Faculty:** By measuring research grants and external funding attracted per faculty member, we highlight and incentivize research excellence and productivity.

- **Graduate Program Time to Degree:** Monitoring the average time to completion for graduate programs will ensure efficiency and support for graduate students' paths to degree attainment.

The additional performance-based funds should be strategically allocated to support a dual objective: expanding successful programs and seeding new initiatives in areas of strategic importance and identified need. Furthermore, a portion of these funds should be dedicated to providing incentive funding for faculty, postdoctoral researchers, and staff. For instance, establishing incentives for faculty who forge industry partnerships could serve as one model. Such incentives would not only reward current successes but also inspire continued excellence and innovation across all levels of the university.

7. Investment in Capital and Infrastructure:

There is an undeniable, critical need for substantial investment in capital and infrastructure at the University of Nevada, Reno, to address deferred maintenance and accommodate the increasing demand stemming from enrollment growth. A comprehensive study commissioned by the Nevada System of Higher Education (NSHE) in 2010, which examined buildings across all seven teaching institutions, revealed stark findings: the University of Nevada, Reno, required \$55 million annually just to maintain its buildings in fair condition. When adjusted for inflation, this figure escalates to approximately \$94.2 million per year, a calculation that does not even account for additional facilities due to enrollment growth.

Since 1985, the State of Nevada has allocated \$15 million per biennium for deferred maintenance for all NSHE institutions, an amount that, when adjusted for inflation, equates to \$26 million in today's dollars. Meanwhile, NSHE's enrollment has more than doubled since 1985, necessitating campus expansion to accommodate the increased demand for classroom and laboratory spaces.

To address these urgent needs, we recommend the establishment of a dedicated revenue source that not only keeps pace with enrollment growth but also adjusts with inflation rates. Specifically, we urge the committee to recommend to the Nevada Legislature the passage of legislation enabling the board of county commissioners in each county housing an NSHE institution to levy additional taxes. These funds would be dedicated to financing capital projects, deferred maintenance, and critical campus infrastructure enhancements, including technology infrastructure.

This approach is modeled after the successful implementation of Assembly Bill 46 during the 2013 Session of the State Legislature, which facilitated similar funding mechanisms for K-12 capital projects. As an example, a 1/8th percent increase in the sales tax in Washoe County is projected to generate approximately \$14.6 million annually, using sales tax data from the Department of Taxation's Fiscal Year 2023 Annual Report. Such a measure would provide a sustainable and scalable funding solution to meet the pressing infrastructure challenges faced by the University of Nevada, Reno, thereby ensuring our ability to continue delivering high-quality education and research.

8. Funding for Fee Waivers:

At-risk populations often face significant barriers to accessing higher education, including financial constraints, lack of adequate support systems, and historical underrepresentation. Fee waivers are a critical tool in mitigating these barriers, enabling more equitable access to higher education by reducing the financial burden on students who are most in need.

However, while fee waivers serve as an essential mechanism for promoting inclusivity and diversity, their provision also necessitates a corresponding adjustment in the funding formula. This adjustment is vital to ensure that the waiver programs do not inadvertently compromise the quality or availability of essential student support services. Such services, including advising, mentorship, and counseling, are indispensable to the success of all students, particularly those from at-risk backgrounds who may benefit the most from these programs.

Currently, the University of Nevada, Reno offers fee waivers to several groups, including Native American students, families and members of the National Guard, Nevada foster youth, and students enrolled in concurrent or dual credit courses. To maintain and potentially expand these beneficial programs, it is recommended that the state's funding formula for the Nevada System of Higher Education include a weighted factor specifically designed to cover the costs associated with both current and future fee waiver programs.

Incorporating state funding equivalent to the fees waived would not only guarantee that the university remains financially capable of offering these waivers but also ensure that it continues to provide high-quality support services. Such an adjustment acknowledges the real costs of fostering an inclusive educational environment and reinforces the commitment to equity and success for all students.

9. Projected Student Growth:

The current funding model for the Nevada System of Higher Education relies on a biennial adjustment based on enrollment, measured every two years and applied retrospectively. Specifically, weighted student credit hours are evaluated every even year, comparing them to figures from the previous measurement year to determine funding for future periods based on enrollment growth or decline. However, this method introduces a lag in funding relative to actual enrollment growth. For instance, fiscal year 2024 serves as a measurement year, and its data will be used to adjust funding for fiscal years 2026 and 2027, creating a gap where institutions must preemptively cover the cost of instruction and support services.

This lag poses challenges, especially for institutions experiencing rapid enrollment growth, as it forces them to allocate resources in advance without immediate state support. Consequently, the institution's ability to sustain and enhance the quality of education and student services is compromised. To address these challenges, we propose a shift to a forward-looking funding model, similar to K-12 and other state agencies, that anticipates student enrollment growth and adjusts funding accordingly in the same fiscal year the growth is projected. This approach would allow for immediate alignment of resources with needs, ensuring institutions are adequately equipped to handle enrollment increases without financial strain.

Moreover, to accommodate variations in actual versus projected enrollments, we recommend implementing an annual 'true-up' mechanism. This adjustment would correct for any discrepancies between projected and actual enrollment figures, ensuring that institutions are neither unduly penalized for overestimations nor unjustly rewarded for underperformance.

By adopting this revised funding formula, the state would not only provide a more responsive and equitable financial support system but also promote a more stable and predictable planning environment for higher education institutions. This proactive approach ensures that funding more accurately reflects current educational demands, enhancing the ability of institutions like the University of Nevada, Reno, to deliver high-quality education and support services.

10. Adequate State COLA Funding:

In the 2023 legislative session, a historic decision was made to implement cost-of-living adjustments (COLA) for state employees, including those within the Nevada System of Higher Education (NSHE). These adjustments, comprising a 12% increase for fiscal year 2024 and an 11% increase for fiscal year 2025, recognized the critical need to ensure that salaries kept pace with inflation and the rising cost of living. While these increases were both significant and well-deserved for NSHE's dedicated faculty and staff, the funding mechanism established by the Legislature, unfortunately, did not provide full coverage for these adjustments.

The Legislature's decision to allocate state funding based on each NSHE institution's proportionate share of state funding resulted in the University of Nevada, Reno, receiving only 60.53% of the necessary funds to cover these COLA increases. This shortfall has left the university facing a significant funding gap, necessitating difficult choices, including budget cuts and student fee increases, to manage the financial discrepancy.

To ensure that NSHE institutions can fully honor salary adjustments in the future without compromising their financial stability or shifting the burden onto students, we recommend the new model guaranteeing full state funding for any cost-of-living salary adjustments or other mandated salary increases. Such a change will not only uphold the Legislature's commitment to fairly compensating NSHE employees but also protect the financial integrity of institutions like the University of Nevada, Reno.

Implementing a funding formula that fully accommodates salary adjustments is essential for maintaining the quality of education and research that defines NSHE institutions. It ensures that our faculty and staff are adequately supported and that the institutions themselves remain competitive and attractive to top-tier talent.

Thank you for the opportunity to present our recommendations for revising the Nevada System of Higher Education (NSHE) funding formula. As we engage in this crucial dialogue, our goal is to collaborate closely with you, other members of the ad hoc Committee on Higher Education Funding, and the dedicated committee staff. Our collective vision is to refine the funding mechanism in a manner that not only meets the current needs of higher education in Nevada but also anticipates and supports its future growth and transformation.

NSU



To: The Honorable James Hardesty, Chairman, Committee on Higher Education Funding
From: Dr. DeRionne Pollard, President, Nevada State University
Date: March 6, 2024
Subject: Response to Request for Higher Education Formula Recommendations

Student Attributes

As indicated during the vendor presentation, Nevada has a weighted enrollment formula based on cost (completed student credit hours weighted by discipline level). Many of you indicated that each institution and its student population is unique. Should the committee consider an enrollment weighted formula based on student attributes? And if so, what specific student attributes would be most appropriate for your institution?

If you recommend inclusion of student attributes, your student attributes should be presented in the form of a data definition that could be used to identify student groups in the funding formula. For example, part-time students are defined as students that complete/enroll in less than 12 credit hours per semester. Also, provide recommendations for data sources, in addition to the data definitions.

The committee should consider a weighted enrollment formula based on student attributes in addition to student credit hours. The current formula effectively encourages enrollment in high demand areas and upper division courses through weighted student credit hours. However, adding weights from measurable student attributes, including Pell eligibility, dual/concurrent enrollment, first-generation, and inclusion in a racially marginalized group, would help ensure that funding is targeted at students who would benefit from it the most. Data on these attributes is currently collected (or could be collected) and reported/verified to NSHE Institutional Research or in IPEDS. In fact, two of these measures (Pell and Ethnicity) are already part of the performance pool. Our recommendation is to move those measures from the performance pool to formula funding with agreed upon weights. These attributes would need to be collected at a specific “snapshot” date by all institutions to ensure consistent reporting. Data definitions would need to be consistent across all institutions related to all attributes.

The formula should include full funding for all summer courses. This will allow all students – both full- and part-time – to have the opportunity to complete their educational goals faster. Graduates can then enter the workforce earlier. The overall funding/cost to the state per student would not significantly change; it would just be compressed into fewer years.

The budget formula should also incentivize degree attainment for institutions by factoring in the rate of increase of degrees produced. Initially, the formula should focus more heavily on promoting effective pathways to degree attainment, such as community colleges, dual credit, and transfer programs. As degree attainment increases, funding should shift towards institutions who have shown more success with producing degrees over time, with extra funding allocated for 4-year degree completion.



Student Support Services

If you recommended that student support services be considered in the funding formula, how can the formula be adjusted to recognize the need for appropriate funding for student support services? How should the need for (or use of) student support services be measured so that such services can be appropriately considered in the funding distribution methodology?

The unique needs of Nevada State's students need to be better reflected in an updated funding formula. Our students tend to live in communities, such as North Las Vegas, that are geographically far from campus or attended high schools in historically disadvantaged areas. As such, geographic location (e.g., zip codes) and high school should be considered as part of the funding formula. Students unfamiliar with a college prep program and expectations need additional coaching and attention. Other factors that should be considered include student services utilization, work-study program participation, and full-time employment. Students working full-time supporting themselves or their families should be considered because these students require a different time schedule for services beyond the traditional 8:00 am-5:00 pm.

However, the funding formula should not base support services funding solely on the number of students utilizing that assistance as that would disproportionately benefit larger schools. For Nevada State, a small but growing school, the fixed cost to set up these services can be prohibitively expensive. As such, the funding formula must be flexible enough to factor in the needs of our expanding university.

Performance Pool

Provide your recommendations for revising the NSHE Performance Pool. If you recommend its elimination, please provide a detailed description of what should replace it. Further, if you recommend new metrics for the Performance Pool, please provide a data definition and source of data for each new metric.

The performance pool should be eliminated in its current form and redesigned to be a true "bonus" for performance and not a carve-out of the base budget if targets are not met. Targets should be revised and aligned with the NSHE goals, such as closing the achievement gap and producing degrees in areas of critical need for the state. For the former, this should include metrics for degrees conferred, transfer students, economic development degrees, and student enrollment to graduation rates based upon ethnicity. These metrics can be pulled and verified by NSHE Institutional Research and/or IPEDs. Targets should be reviewed with each biennial cycle to ensure that they are still appropriate for the institution and the State of Nevada and encourage self-competition, not with each other. Any unearned funds would remain with the state and would not be appropriated to the institution.

Another consideration would be providing a bonus for promoting diversity in high cost/in-demand fields. This might also be factored into the formula itself as part of the reward system for producing graduates in high demand areas.



Innovation/Capacity Building

Provide your recommendations for capturing innovative and/or capacity building efforts - either in the funding formula or as a direct appropriation, similar to the capacity building projects previously approved by the state legislature. Any recommendations should include specific data definitions and data sources. The timing of data availability should also be a consideration and noted in any recommendations.

We should restore direct enhancement funding to NSHE institutions—and restore it to the 21 biennium enhancement funding. The enhancement requests for innovation/capacity building should be 4-5 year plans in sectors/areas of high demand workforce needs and/or areas designated by GOED as industry sectors for Nevada to grow in order to diversify the statewide economy. The funding should not be limited to programs that are short in nature; rather, it should have the flexibility to provide for all levels of academic degrees. The allows students the opportunities for advancement in the workforce and provides for a higher overall educated population in the state.

Tax Increment

UNR, please provide a detailed proposal for revenue sources to support infrastructure. The proposal should include recommended language for any statutory or similar revisions and revenue projections. If other institutions have similar recommendations intended to garner additional revenue for infrastructure, please submit them.

Support Higher Education via Modified Business Tax. Nevada is a growing state with low attainment in higher education and continued need for an educated workforce. Since employers benefit from an educated workforce, a percentage of the Modified Business Tax (MBT) revenue should be retained and redirected to enhance higher education funding. The MBT is currently assessed on all employers (other than financial institutions) subject to Unemployment Compensation in Nevada with gross wages above \$50,000 in a calendar quarter. When [first implemented in the 2003 special legislative session](#), the intention of the MBT was to be a temporary revenue generator, with a sunset planned for 2013. The MBT did not sunset and currently remains. The MBT is [currently allocated to the State General Fund](#) and is forecasted to have \$742 Million in revenue for FY25. In the past, several reductions to the MBT have been discussed, per NRS 360.203. As recently as 7/1/23, [the MBT was reduced by 1.17%](#) because the amount collected in FY22 exceeded the forecast by the Economic Forum. Of note, the aforementioned paragraph only describes the MBT for general business. Financial institutions and mining also have separate similar excise taxes.

Note: The Modified Business Tax already tangentially supports education through its approval of the redirection of tax liability for support of the scholarship programs such as the [Nevada Educational Choice Scholarship Program](#) and [529 College Savings Plans](#).



Any Other Recommendations

Please provide any other specific recommendations you may have to improve the NSHE funding formula.

- (1) **Funding Caseload Growth.** Caseload growth should result in additional funding for institutions instead of triggering a redistribution.
- (2) **Index Funding Formula to Higher Education Price Index.**
- (3) **Review Weights of High Cost Programs Like Nursing**
If weights of high cost programs like nursing were higher, it may mitigate the need for high differential fees to continually increase, which decreases affordability and, in turn, deters students from taking that career path.

CSN

College of Southern Nevada-Funding Formula Recommendations
Ad Hoc Committee on Higher Education Funding
By Dr. Federico Zaragoza, President

Recommendation #1 – Nevada Move from Equality to Equity in Higher Education Funding Policy.

- Explicitly address economic inequalities.
- Ensure institutions that are under-resourced or serve students from low-income backgrounds have the financial resources they need.
- Explicitly address racial/ethnic inequalities.
- Ensure institutions serving students of color have the financial resources they need to overcome historic disparities.
- Maintain fidelity to equity goals. Ensure funds are linked to institutional actions that positively affect economic or racial/ethnic inequities.

The concepts of equity and equality in education are well rooted in American society. However, equality and equity are two very different ideas. From the lens of financial policy, Nevada has a funding formula that focus on equality, in that it treats its higher education institutionally equally, but not equitably. The funding model, as adopted, consists of two basic components – a base formula driven primarily by course completions, measured by Weighted Student Credit Hours (WSCH), and a performance pool driven by performance metrics that align with the goals of the State (NSHE, 2019). The Nevada higher education funding formula focus on “equal” outcome-based funding, but does not consider, nor does it provide resources to its higher education institutions to address the well documented special needs of “students from low-income backgrounds and students of color who are disproportionately enrolled in open-access institutions (community colleges)” (Hillman, et al. 2024, p.4).

CSN is an open access “community college”. We welcome all students. At CSN, 73% of our students are part-time (fewer than 12 credits per semester), and we are a majority-Minority Serving Institution, and a Hispanic Serving Institution (HSI) with a diverse student body that includes 40% Hispanic, 10% African American, and 10% Asian students, reflecting the community we serve. Approximately, 70% of CSN students are minority students and many are from historically underserved low-income areas of the city. Many of our students are learning to be a part of a college-going culture; as a result, we know that our 30,000+ students require high-touch advising. We also know that they require assistance with student basic needs if we are to remove common barriers to success and completion: mental health counseling, transportation, food and housing security, and childcare. Additionally, small class sizes are a hallmark of community college success. The current formula, rewards course completers but does not provide resources to increase course completion rates for those students that require the most academic and related support.

Recommendation #2 – Allow for “input-driven formula supplementation that includes financial support for “headcount and student attributes” like, number of Pell-eligible students, underrepresented minority students, and type of program enrollments.

The committee should consider an enrollment weighted formula based on headcount and student attributes that account for individual student success variables including: “1.) discipline and 2.) student attributes. The WSCH approach to funding for “enrollment” based on discipline and the associated “cost” to deliver the instruction for that discipline is a good base. I would recommend that there be mechanism put into place for a biennial review of the weights associated with each discipline to ensure alignment is commensurate with instructional costs as well as to Nevada workforce development priorities.

The specific “student attributes” that would be most appropriate for the community colleges (CSN), would be the following:

- Student college readiness for mathematics
 - Metric and data definition: Percentage of FTIC students in fall and spring who are enrolled in co-requisite Mathematics
 - Data Source: NSHE Data Warehouse
- Student college readiness for English Composition
 - Metric and data definition: Percentage of FTIC students in fall and spring who are enrolled in co-requisite English
 - Data Source: NSHE Data Warehouse
- Student college readiness based on time since high school completion.
 - Metric and data definition: Percentage of FTIC students in fall and spring who are 25 years or older.
 - Data Source: NSHE Data Warehouse
- Student college readiness based on students are enrolled in non-credit adult basic education and/or HSE programs.
 - Metric and data definition: Number of students who enroll in and complete each year a non-college credit adult basic education and/or High School Equivalency Program
 - Data Source: Institution’s Institutional Research
- Dual and Concurrent Enrollment Students (High school students enrolled in college courses while still in high school)
 - Metric and data definition: Unduplicated number of students who enroll in a dual credit or concurrent enrollment course offered through the community college in fall and spring.
 - Data Source: NSHE Data Warehouse

Recommendation #3 - Student Support Services – Allow for “input-driven formula supplementation to attain a 350-to-1 student-to-advisor ratio, consider total headcount. The formula is favors institutions with greater Full Time Equivalent populations, CSN has close to 70% part attending part time student that require comparable wrap around services as full time students. It would require twice as many part time students taking an average of six credits, to generate the same number of course completers as a single full-time student taking twelve credits.

Recommendation #4 - Increase WSCH in CTE programs that cost more to deliver than registration and fees collected – while CSN has implemented differential fees in some limited entry programs (i.e., nursing), increasing the WSCH multiplier across all CTE programs would bring the funding closer to cost of instructional delivery. Immediately increase CIP 51 Health Cluster to formula weight from 2 to 4. Currently, the only options for higher education institutions are to pass on the cost to students via differential fees or to subsidize programs from revenues of other instructional programs.

Recommendation #5– Include non-credit student course completers in funding formula by utilizing an approach like the state of Texas that aligns CEUs to Credit equivalency. The current formula does not account for non-credit courses. CSN serves approximately 10,000 non-credit students per year. With proper funding, CSN could increase enrollments and accelerate its non-credit program to high demand technical areas and convert more of the non-credit students to credit students.

Recommendation # 6 - NV should continue to have a “true” performance pool. The performance pool should be ON TOP OF the base budget—not an “earn back.” In other words, the base budget should be 100% formula driven based upon WSCH course completion and student attributes. The performance pool should incentivize institutions (carrot vs. stick) whereas there is an ADDITIONAL pool of monies associated with actual performance that is tied to metrics not too far from what is in the current funding formula for Nevada. The current Performance Pool is a misnomer – it is a carve-out – there is no incentive for performance. Also, it is set up with an expectation of increased enrollment growth rather than a consideration of continuous improvement – as an example, CSN has improved year over year in terms of percentage of students completing one or more credentials of value; yet, since the pandemic, enrollment has dropped significantly – fewer students have resulted in fewer awards, but the percentage of students earning awards has continued to increase. Under the current performance pool funding model, CSN will be penalized in this most recent window of time. If the legislature chooses to revise the performance pool funding structure, the legislature should consider funding that is not tied to an institution’s base funding. Metrics to consider include based on percentage rather than raw numbers:

- Retention
- Persistence
- Completion/graduation
- Credit momentum.

Recommendation # 7 fund Summer School to accelerate time to completion- One challenge that impacts credit momentum and completion is the legislature’s funding fall and spring semesters ONLY – summer school is offered under a self-funded structure and falls to the students to cover the additional cost. There is little incentive for colleges to offer a robust, cyclical schedule in the summer that allows students to continue their course work year-round – in fact, CSN experiences a significant drop-off of fall-to-fall student enrollments (approx. 62% for FT and approx. 44% for PT).

Recommendation # 8 alignment of performance metrics to institutional performance. Some examples are provided below to be aligned with the mission of the Community Colleges in Nevada.

- The two-year college mandatory measures include four major categories: ▪ Course completion ▪ Progression ▪ Credential completion ▪ At-risk students relative to enrollment
At-risk students are considered a mandatory-compensatory category. Optional measures for two-year colleges include STEM credentials, high demand credentials, workforce training, transfer, adult credentials, minority credentials, and employment. (Source: Department of Higher Education performance funding website)
- Measures for two-year institutions: ▪ Degree and certificate completion ▪ Degree and certificate completion of “At Risk” students ▪ Transfer to a four-year institution ▪ Transfer to a community college ▪ Remedial and adult education advancement ▪ Momentum points ▪ Additional weight is provided for graduates who are low-income, adult, Hispanic, African American, majored in a STEM or health care field. (Source: Illinois - Public Act 97-320 Higher Education Performance Funding Steering Committee)
- Metrics for two-year and four-year institutions include: ▪ Degree completion ▪ At-risk degree completion ▪ High impact degree completion ▪ Persistence ▪ Remediation success ▪ On-time graduation ▪ Institution selected measure (Source: Indiana - Indiana Commission for Higher Education performance funding website)
- Metrics for the community college formula include: ▪ Certificate completions ▪ Associate completions ▪ Transfers ▪ 30 credits achieved ▪ First full math and English courses completed ▪ Degrees and certificates per 100 FTE students ▪ Degrees and certificates awarded to Pell Grant recipients and in high demand fields are weighted more (Source: Massachusetts)
- Metrics for two-year institutions ▪ Three-year completion rate for first-time, full-time entering students (includes students who complete a certificate or degree of at least one year or longer, or successfully transfer to a 4-year institution). ▪ Percent of developmental students who successfully complete their last developmental English course then successfully complete their first college level English course. ▪ Percent of developmental students who successfully complete their last developmental math course then successfully complete their first college- level math course. ▪ Percent of career/technical graduates who pass required licensure/certification examination. (Source: Missouri - Missouri Department of Higher Education Performance Funding Model 2014 SB 492)

- Two-year colleges in Ohio are funded as follows: 50% course completions 25% Completion Milestones—defined as
 - Associate degrees
 - Certificates over 30 credit hours approved by the Board of Regents
 - Students transferring to any four-year institution with at least 12 credit hours earned at that community college, state community college, or technical college
 25% Success Points—defined as:
 - Students earning their first 15 credit hours.
 - Students earning their first 30 credit hours.
 - Students earning at least one associate degree.
 - Students completing their first developmental course.
 - Students completing any developmental English in the previous year and attempting any college level English either in the remainder of the previous year on any term this year.
 - Students completing any developmental Math in the previous year and attempting any college level Math either in the remainder of the previous year on any term this year.
 - Students enrolling for the first time at a University System of Ohio campus or branch this year and have previously earned at least 15 college level credits at this community college.
 Additional weights are applied to students who are Pell Grant eligible, Native American, African American, or Hispanic, or are 25 years of age or older when they first enroll at a state institution of higher education. (Source: Ohio - main Ohio performance-based funding website Student Success Initiative 2014 HB 484)

- Community College Metrics
 - Student accumulating: 12, 24, and 36 hours
 - Dual enrolled students
 - Associated degrees
 - Graduates placed in jobs
 - Remedial and development success
 - Transfers out with 12 credit hours
 - Workforce training (contact hours)
 - Award per 100 FTEs (Source: Tennessee - 2010 Complete College Tennessee Act Tennessee Higher Education Commission Fiscal Affairs)

- For Community Colleges in Texas: Ten percent of formula funding is allocated based on points earned from a three-year average of student completion of the following metrics:
 - Number of students who successfully complete developmental education in mathematics, reading, and writing
 - Number of students who complete first college level course in mathematics, reading intensive, and writing intensive courses
 - Number of students who successfully complete 15 credit hours
 - Number of students who successfully complete 30 credit hours
 - Number of students transferring to a General Academic Institution after successfully completing at least 15 semester credit hours
 - Number of degrees and certificates awarded
 - Additional points are awarded for degrees in STEM or Allied Health fields (Source: Texas - 2011 HB 9 2013 SB 1 – See Section 24 under Public Community/ Junior Colleges Student Success Points)

- - Number of degrees and certificates awarded in high-demand fields
 - Number of programs or courses with industry-validated curricula
 - Transition of adult students from basic education to skills training
 - Number of adults served by basic education courses, adult high school, or English language learning courses, courses that combine basic skills and occupational training as a means of expediting basic skills remediation, and the success rate of adults completing such courses
 - Participation in dual enrollment programs
 - Workforce training provided to businesses and individuals
 - Participation in statewide or regional collaboration or efficiency initiatives
 - Training or other services

provided to special populations or demographic groups that can be considered unique to the district (Source: Wisconsin - Funding site 2013 Wisconsin Act 20)

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GBC

March 7, 2024

To: Chair Hardesty and ad hoc Committee on Higher Education Funding

Funding considerations for Great Basin College and recommendations to the funding formula.

Great Basin College (GBC) serves a diverse array of demographics across its expansive service area spanning 86,000 square miles. Quantifying the unique characteristics of each demographic group presents a challenge, making it impractical to accurately represent any single group effectively. Instead, we propose outlining key areas that would have the most significant impact on GBC with changes to the funding formula.

An area consistently affected by the current formula is our Part-Time student population:

- Part-Time students constitute approximately 68-71% of our overall student body.
- Despite this, our institution boasts a commendable graduation rate of 48%, indicating a high level of persistence among our Part-Time student cohort and effective retention efforts.
- It's worth noting that both Full-Time and Part-Time students require equivalent support resources.

Recommendation: we suggest incorporating a factor of 0.33-0.5 for each Part-Time student into the funding index, reflecting their substantial presence and the resources they necessitate.

By addressing the needs of our Part-Time student population through adjustments to the funding formula, we aim to ensure equitable support for all students and maintain our commitment to fostering academic success and retention across diverse demographic groups.

Small Institution Factor

The small institution factor has not been increased since 2013 and does not reflect the cost associate with running a small intuition. With the four campus locations throughout rural Nevada the increased cost of running multiple locations and the distance between each site is currently not reflected in the SIF. As a smaller institution we do not have the financial bandwidth to provide all required service to students but as a NSHE institution are required to. One way to measure this is looking at our part-time student that are part of the Fall 2023 headcount vs. the Fall WSCH as note below.

- Fall 2023 FTE: 1855
- Fall 2023 Headcount: 3049
- For each full-time student, we serve 2.1 part-time student.
- **Recommendations:**
 - **Option 1:** Add a second metric to calculation of the SIF that supports the high number of part time students.
 - **Option 2:** Adjust the \$30/ WCHE for the annual CPI increase dating back to the year it was established.

Workforce Development

Workforce development is a cornerstone of our mission, as we understand the critical role that education plays in preparing individuals for success in today's rapidly evolving CTE job market. Whether students are pursuing a career in a technical field or seeking to further education in an academic discipline, GBC offers a wide range of programs and resources to help you achieve your goals.

- **Equipment and Supplies:** Many CTE programs require specialized equipment, tools, and materials to provide hands-on training. These can include machinery, computers, software, lab supplies, and safety gear. Purchasing and maintaining this equipment can be a significant expense for institutions.
- **Facilities and Infrastructure:** Some CTE programs may require dedicated facilities such as workshops, labs, or simulation centers. Renovating or constructing these facilities to meet industry standards can incur substantial costs.
- **Faculty and Staff:** Hiring qualified instructors with industry experience is essential for delivering high-quality CTE programs. Salaries, benefits, professional development, and ongoing training for faculty and staff contribute to the overall cost of program delivery.
- **Certification and Accreditation:** Obtaining program accreditation and industry certifications may require additional expenses, including application fees, assessment costs, and compliance with regulatory standards.
- **Technology and Software:** CTE programs often rely on technology and software applications relevant to specific industries. Investing in licenses, updates, and training for these tools is essential for keeping curriculum current and aligned with industry standards.
- **Internships and Work-Based Learning:** Providing opportunities for internships, apprenticeships, and work-based learning experiences may involve expenses related to coordination, supervision, and support services for students and employers.
- **Marketing and Recruitment:** Promoting CTE programs to prospective students and employers through marketing materials, outreach events, and recruitment efforts can incur costs associated with advertising, travel, and promotional materials.
- **Recommendation:** Create a Funding Multiplier 4.0 on based on WSCH in all CTE disciplines.

Year-Round Funding

During the summer 2023 GBC had 682 student that enrolled in college courses. The nursing

program is the only GBC program that is funded year-round.

Funding college summer school on par with traditional college semesters is important for several reasons:

- **Accessibility:** Many students rely on summer sessions to accelerate their academic progress, catch up on credits, or focus on challenging courses without the distraction of a full course load during the regular academic year. Funding summer school ensures that all students, regardless of financial status, have equitable access to these opportunities for academic advancement.
- **Flexibility:** Summer sessions provide flexibility for students to customize their academic schedules and pursue internships, work opportunities, or other summer activities. By funding summer school at the same level as traditional semesters, institutions can offer a wider range of courses and support services, allowing students to make the most of their summer break while staying on track towards their educational goals.
- **Timely Graduation:** For many students, taking courses during the summer can help them stay on track for timely graduation, reducing overall time to degree completion and potentially lowering overall educational costs. Funding summer school ensures that students have access to the courses they need to fulfill degree requirements and graduate on schedule.
- **Academic Support:** Summer sessions often provide additional academic support services, such as tutoring, advising, and mentoring, to help students succeed in their courses. By funding summer school at the same level as traditional semesters, institutions can maintain these valuable support services year-round, ensuring that students receive the assistance they need to excel academically.
- **Revenue Generation:** Funding summer school at the same level as traditional semesters can also be financially beneficial for institutions, as it allows them to generate additional revenue through tuition and fees. This revenue can be reinvested into academic programs, facilities, and student services, enhancing the overall quality of education and student experience.

Recommendation: Funding college summer classes like traditional college semester courses promotes accessibility, flexibility, timely graduation, academic support, and revenue generation, benefiting both students and institutions alike.

Performance Pool

- Remove the Performance Pool as a carve out and make it part of the base.
- Implement a 3-Year Rolling Average Funding model of the WSCH instead of a 2-year average. This will allow for any single year to create drastic financial impacts.

Separate Revenue Stream to Support Preferred Maintenance and Capital Improvement Projects

Establishing a separate revenue stream to support ongoing preferred maintenance and capital improvement projects is essential for ensuring the long-term sustainability and functionality of our institution's infrastructure. Here are several justifications for this approach:

- **Infrastructure Preservation:** Regular maintenance and capital improvement projects are necessary to address wear and tear, prevent deterioration, and extend the lifespan of our buildings, equipment, and utilities.
- **Cost Efficiency:** By allocating dedicated funds to ongoing maintenance and capital projects, we can address issues before they escalate, minimize disruptions to campus operations, and avoid costly emergency repairs.
- **Enhanced Safety and Security:** Maintaining a safe and secure campus environment is paramount to the well-being of our students, faculty, staff, and visitors. Investing in infrastructure improvements, such as upgrading fire safety systems, enhancing building security measures, and repairing structural deficiencies, ensures that our facilities meet regulatory standards and mitigate potential risks.
- **Preservation of Asset Value:** By proactively maintaining and upgrading our facilities, we protect and enhance their value over time, contributing to the overall financial health and reputation of the institution.
- **Improved Student Experience:** A well-maintained and modern campus enhances the overall student experience and contributes to student success.
- **Sustainability and Energy Efficiency:** By dedicating resources to sustainability-focused capital projects, we can minimize our carbon footprint, conserve natural resources, and demonstrate leadership in sustainability initiatives.

Recommendations: Establishing a separate revenue stream to support ongoing preferred maintenance and capital improvement projects is essential for ensuring the long-term viability, safety, and functionality of our institution's infrastructure. By prioritizing investment in infrastructure preservation, we demonstrate our commitment to providing a high-quality learning environment, enhancing campus safety and security, and positioning our institution for continued success in the future.

TMCC



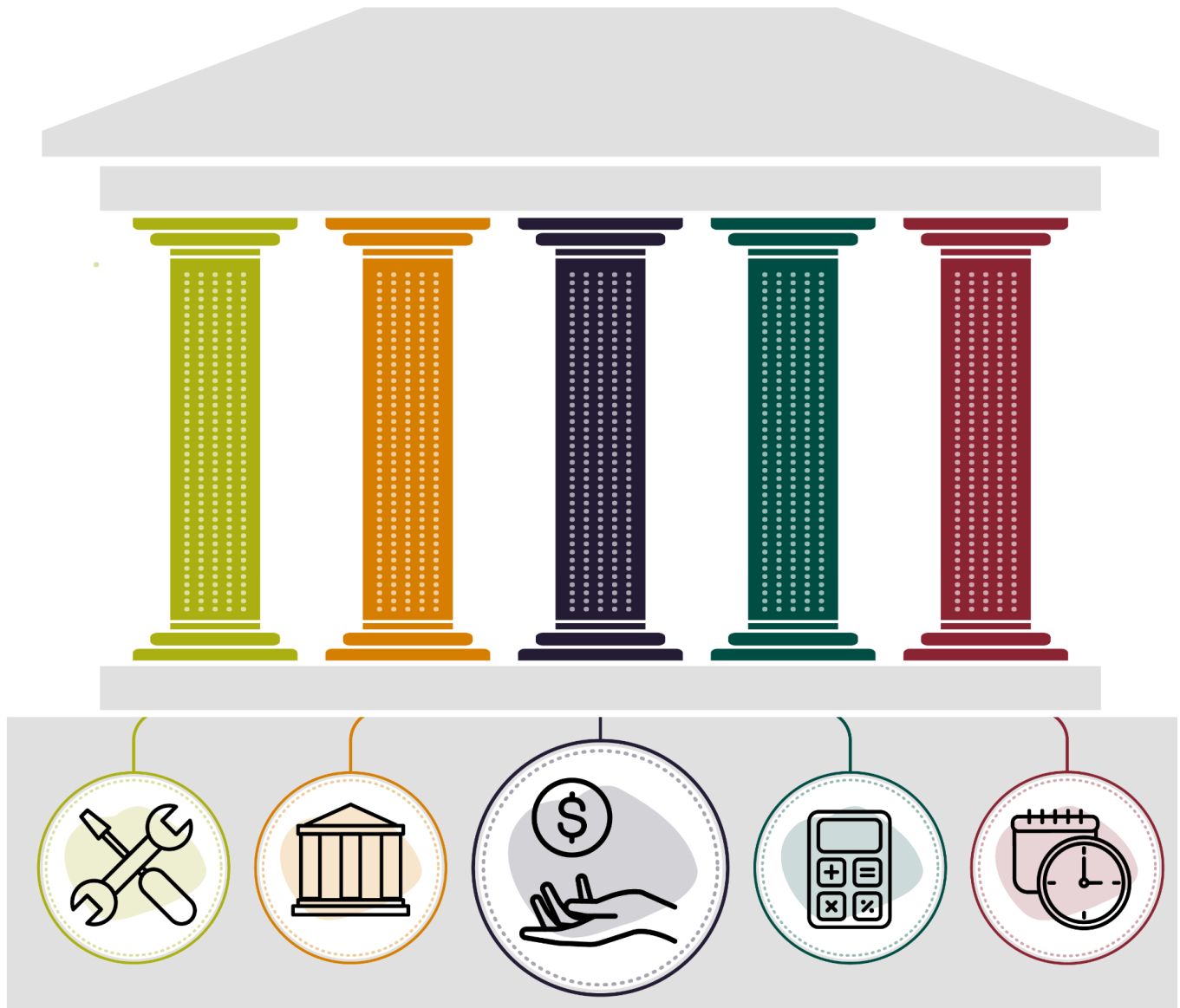
NSHE Funding Formula Concept

FIVE PILLARS for Community College Funding

Truckee Meadows Community College

March, 2024

TMCC proposes Five Pillars for modernizing the NSHE Funding Formula for Community Colleges:



Prioritizing Workforce Development
Championing Career & Technical Education (CTE)

Incentivizing Transfer
Rewarding and Supporting Transfer Student Success

Stabilizing the Budget
Achieving More Predictable College Budgets

Bridging the Math Gap
Supporting Improved Gateway Math Completion

Empowering Part-Time Success
Funding for Part-Time Student Support Initiatives

Pillar 1. Prioritizing Workforce Development: Championing Career & Technical Education (CTE)

Our nation faces critical skills gaps that hinder economic growth and individual opportunities. To address this challenge, this funding pillar prioritizes workforce development by championing Career & Technical Education (CTE) programs at NSHE colleges.

Funding Targets:

1. **4.0x Funding Multiplier:** Implement a funding multiplier of 4.0x on completed weighted student credit hours (WSCH) in all CTE disciplines, as CTE programs are considerably costlier to deliver than most General Education courses. This funding will enable NSHE colleges to better invest in CTE programs to attract qualified instructors, acquire vital equipment, expand course offerings, and support industry tours and work-based learning.
2. **Program Expansion:** The 4.0x funding multiplier will also enable colleges to develop and expand high-demand CTE programs that are aligned with local and regional workforce needs. This ensures that graduates possess the skills and knowledge eagerly sought by employers.
3. **Industry Collaboration:** Directly incentivizing industry apprenticeships through funding support for participating firms will strengthen partnerships between colleges and industry. This funding will cover employer costs for student registration in approved apprenticeship programs. Likewise, funding rewards for colleges that deliver completed internships will expand job placement opportunities for students and maximize their on-the-job learning opportunities.

Benefits:

- **Increased Graduate Employability:** CTE programs equip students with practical, in-demand skills and industry-recognized certifications, enhancing their job prospects and earning potential.
- **Reduced Skills Gap:** By increasing funding for CTE fields, colleges can more swiftly address the skills gap and better develop a qualified workforce to meet industry needs.
- **Economic Growth:** Expanding employers' ability to sponsor apprenticeships and to host student interns fosters work-based learning and more quickly develop skilled workers and graduates.

Summary:

Investing in CTE programs at NSHE colleges is a strategic approach to bridging the skills gap, preparing a future-ready workforce, and driving economic growth. Implementing a funding multiplier of 4.0x on completed WSCH in all CTE disciplines and directly incentivizing both apprenticeships and internships will boost the support for workforce development, benefiting students, employers, and our state as a whole.

Pillar 2. Incentivizing Transfer: Rewarding and Supporting Transfer Student Success

Encouraging seamless student transfer between two-year and four-year NSHE institutions is crucial for student success and strengthening our transfer pipeline. NSHE is fortunate to maintain robust transfer articulation agreements, but too few students matriculate or do so in a timely way. This funding pillar incentivizes the transfer of Associate degree graduates to NSHE universities.

Funding Targets:

1. **Transfer Scholarship:** Award a \$2,500 transfer scholarship to each graduate from a two-year college who successfully transfers to a four-year NSHE university. This financial assistance will help to improve two-year college retention and completion, and alleviate the financial burden of obtaining a bachelor's degree.
2. **Institutional Support:** Allocate a shared \$500 funding bridge to both the two- and four-year institution for every student who transfers successfully. This funding can be used to support initiatives such as enhanced recruitment efforts, dedicated transfer advisors, and streamlined transfer processes, ultimately facilitating a smoother transition for students.

Benefits:

- **Increased Associate Degree Completion:** The prospect of a transfer scholarship will help more Associate degree seekers to persist in their studies, retain to their final semester, and graduate.
- **Increased Transfer Rates:** The financial incentive of the scholarship and the additional institutional support can motivate more students to pursue four-year degrees, leading to higher transfer rates.
- **Improved Student Success:** The bridge funding for two- and four-year institutions will enhance the transfer student experience, leading to better academic outcomes and graduation rates.
- **Strengthened System Collaboration:** This funding pillar will foster and incentivize closer collaboration between two- and four-year institutions, promoting a more unified and efficient higher education landscape.

Summary:

By implementing this proposal, we can create a supportive environment that encourages and rewards successful transfers, ultimately benefiting students, institutions, and the state as a whole. This investment in our students' educational journeys will contribute to a more skilled and prepared workforce, driving economic growth and prosperity.

Pillar 3. Stabilizing the Budget: Achieving more Predictable College Budgets

Dramatic fluctuations in biennial state funding can create significant financial instability for colleges, hindering long-term planning, resource allocation, and overall institutional stability. This pillar supports a funding model that mitigates sharp swings in biennial state appropriations, promoting financial predictability and fostering long-term institutional stability.

Funding Targets:

- **3-Year Rolling Average Funding:** Allocate state funding based on a three-year rolling average of completed WSCH, thus smoothing out enrollment fluctuations and ensuring consistent funding levels. This will prevent sharp contractions in instructor ranks and enable program continuity.
- **Performance-Based Funding System:** Implement a performance-based funding system that rewards colleges for exceeding targets in areas like enrollment headcounts, apprenticeships, internships, job placement, student performance, and graduation rates.
- **Eliminate the Carve-Out:** The performance pool does not incentivize because it lacks the ability to fund performance above the 100% level.
- **Multi-Year Capital Project Funding Commitments:** Encourage multi-year funding commitments for special projects like capital construction, technology, and equipment needs, to give colleges greater financial certainty and enabling strategic planning for future initiatives.
- **Market-Driven Salaries:** Develop a responsive, market-driven salary structure to help NSHE colleges to attract and retain instructors in difficult-to-recruit areas like Nursing, Engineering, and Computer Programming.

Benefits:

- **Enhanced financial stability:** Predictable funding allows colleges to effectively manage temporary enrollment swings, invest in new programs, and sustain existing programs reliably.
- **Improved long-term planning:** Stable budgets enable colleges to develop and implement long-term strategic plans, fostering sustainable growth and program development.
- **Focus on academic excellence:** By minimizing financial uncertainty, colleges can concentrate on key academic priorities, such as improving student outcomes and overall institutional quality.

Summary:

Transitioning to a more predictable funding model is crucial for ensuring the long-term sustainability and success of colleges. This pillar supports a framework for achieving financial stability, enabling consistent delivery of workforce training and university transfer programs.

Pillar 4. Bridging the Math Gap: Supporting Improved Gateway Math Completion

Gateway Math (100-level) courses often serve as a major hurdle for students pursuing STEM fields and other quantitative disciplines. Low completion rates in these courses can hinder academic progress, cause students to drop out, and limit career opportunities. This pillar supports incentives for colleges to improve gateway Math completion rates through instructor development and student support initiatives.

Funding Targets:

- **Performance-Based Funding:** Allocate funding to colleges based on demonstrable improvement in gateway Math completion rates. This incentivizes colleges to develop and refine more effective strategies, including ongoing professional development for Math instructors. Increase the index weight by a factor of two.
- **Student Support Programs:** Offer funding for colleges to implement targeted support programs, such as:
 - **Supplemental instruction:** Provide additional tutoring and peer-learning opportunities for students struggling with Math concepts.
 - **Early intervention programs:** Identify at-risk students early and offer personalized support to address specific learning challenges.
 - **Math anxiety workshops:** Equip students with strategies to manage anxiety and build confidence in their math skills.
- **Data-driven decision-making:** Support colleges in collecting and analyzing data to track progress, identify areas for improvement, and refine their strategies over time.

Benefits:

By incentivizing colleges and providing them with resources to implement effective support programs, this program aims to achieve:

- **Increased gateway Math completion rates:** Improved student success in foundational Math courses opens doors to further STEM and quantitative studies.
- **Enhanced student confidence and motivation:** Targeted support programs to help students overcome challenges and build confidence in their Math abilities.
- **Reduced achievement gaps:** Providing additional support can help address equity concerns and ensure all students have the opportunity to succeed in Math.

Summary:

Investing in improved gateway Math completion rates is an investment in the future of STEM education and workforce development. This proposal offers a framework for collaboration between our legislature and NSHE institutions aimed at empowering students to achieve success and rewarding colleges that improve Math completion rates.

Pillar 5. Empowering Part-Time Success: Funding Proposal for Part-Time Student Support Initiatives

Part-time students represent a significant and growing demographic in higher education, and they often face more challenges than do full-time students -- chiefly added work and family obligations. However, these unique needs are often overlooked and under-supported, which leads to lower completion rates. This funding pillar aims to build a more comprehensive support system specifically designed for part-time students, enhancing their academic success and overall well-being.

Funding Targets:

- **Dedicated Advising:** Establish designated advisors specializing in the complexities of part-time student schedules, needs, and career goals. These advisors will provide personalized guidance on course selection, academic progress, and graduation planning, ensuring students stay on track. For each part time student add a factor of 0.33-.5 for the index.
- **Enhanced Counseling Services:** Offer expanded counseling hours and flexible appointment options to cater to part-time students' busy schedules. This will address challenges like time management, financial stress, and balancing work and school.
- **Targeted Support Groups:** Create support groups specifically for part-time students, such as Veterans or student-parents, to foster a sense of community and belonging. These groups can share experiences, offer peer-to-peer advice, and navigate common challenges together.
- **Flexible Learning Resources:** Develop targeted online and hybrid learning options to accommodate diverse schedules and working hours. This provides greater accessibility to educational materials and reduces time constraints faced by part-time students.
- **Financial Aid Assistance:** Offer workshops and individual consultations to help part-time students navigate financial aid options and maximize available resources. This can alleviate financial pressure and ensure access to necessary support.

Benefits:

Through these strategies, colleges can create a more inclusive and supportive environment for part-time students, leading to:

- **Increased graduation rates:** Improved academic support will equip students with the tools and resources needed to succeed.
- **Enhanced student satisfaction:** Addressing unique part-time student needs will foster a sense of belonging and improve overall student experience.
- **Strengthened institutional reputation:** Demonstrating commitment to part-time student success will attract a wider range of learners and enhance the college's reputation for active support.

Summary:

Investing in comprehensive support for part-time students is not just a workforce imperative, but also a strategic investment in the future of higher education. This pillar seeks to strengthen our support systems to aid part-time students and empower them to achieve their academic and career goals.

WNC



Western Nevada College

March 6, 2024

To: The Honorable James Hardesty
Chair, ad hoc Committee on Higher Education Funding
Nevada System of Higher Education

From: Dr. J. Kyle Dalpe
President
Western Nevada College

Per request, please find information and recommendations from Western Nevada College regarding the higher education funding formula research and discussion.

As indicated during the vendor presentation, Nevada has a weighted enrollment formula based on cost (completed student credit hours weighted by discipline level). Many of you indicated that each institution and its student population is unique. Should the committee consider an enrollment weighted formula based on student attributes? And if so, what specific student attributes would be most appropriate for your institution?

Mission Specific Funding

In light of the diverse missions and varied nature of higher education institutions, it's imperative to tailor funding formulas to address the specific needs of each type of institution. The current formula does not do this completely. Although there are some "carve outs" specific to institutional types - like the research carve out for universities - there are none specific to community college. To accommodate the specific needs of a community college like WNC, adjustments must be made to funding formulas to better align with the distinct elements inherent to community college missions and incorporate them into the funding criteria. This adjustment would involve revising the weighting or dollar amounts assigned to community colleges within the funding formula to accurately reflect their mission-specific requirements, or having a separate formula for community colleges.

Specific to the question "Should the committee consider an enrollment weighted formula based on student attributes?" the answer is yes. Because of the unique missions as presented by the presidents and the nature of higher education "institutional tiers," the formula should address the needs of each type (currently research, which is specific to universities for the most part, has a carve out for this mission element). More specifically, the formula should consider mission specific elements for community college.

Key factors to consider related to the community college mission and its students:

- Part-Time Students (enrolled in less than 12 credits per semester): Acknowledge the higher percentage of part-time students enrolled in community colleges (75% at WNC) and provide adequate funding to support their needs collegewide. Part-time students bring less revenue due to reduced course loads, but have the ability to access services at the same rate as full-time students.
 - Data source: Number of full- and part-time students enrolled
 - Here is a sample of enrollment levels for WNC students (fall 2023):
 - 0.5 - 5.9 Credits = 1690 students
 - 6-8.9 Credits = 723 students
 - 9-11.9 Credits = 502 students
 - 12-14.9 Credits = 756 Students
 - 15+ Credits = 568 Students
- Support Services: Ensure sufficient funding for essential student services and wrap-around programs that contribute to student success for all students (see above part-time student discussion as well).
- Entry Levels: Recognize the diverse entry points for students entering community colleges and college.
- Remedial Support: Ensure the remedial needs of students are addressed by allocating resources to support remedial education programs as community colleges do not have selective admission .

Student Support Services – If you recommended that student support services be considered in the funding formula, how can the formula be adjusted to recognize the need for appropriate funding for student support services? How should the need for (or use of) student support services be measured so that such services can be appropriately considered in the funding distribution methodology?

Student Services Carveout

Similar to the previous questions, part-time students can/may access student support services at the same rate as full-time students. However, these students are enrolled in less than 12 credits, meaning overall there is less revenue to help support services. Again, the economy of scale works against a community college but this is a community

college's mission. Former versions of the funding formula in Nevada contained an appropriation for student services per a determined headcount.

An option would be to provide funding per student in 1,000 student headcount increments using the IPEDS official enrollment data.

Performance Pool – Provide your recommendations for revising the NSHE Performance Pool. If you recommend its elimination, please provide a detailed description of what should replace it. Further, if you recommend new metrics for the Performance Pool, please provide a data definition and source of data for each new metric.

Eliminate the current “Performance Pool”

The current performance pool structure should be eliminated with the current funding being added to the base allocation. The current Performance Pool is an “earn twice” model and only offers incentive to get to 100% to ensure all state funding is achieved and 20% is not held back. For WNC, this represents about 14% of the state allocation. If this amount were held back any given year for not meeting the performance pool metrics, WNC would lose significant funding and likely not recover.

Going forward, there could be a true Performance Pool that includes metrics that align with the state's master plan to reward institutions that award credentials in career and technical programs that meet industry needs at the time, for example. So if 10% more credentials are awarded, an institution would get 10% more of a defined amount. Another option would be to provide a metric that supports closing the achievement gap such as enrollment and completion by underrepresented populations.

- Data source: defined NSHE performance drivers that match NSHE and State of Nevada master plans; student demographic information

Innovation/Capacity Building – Provide your recommendations for capturing innovative and/or capacity building efforts - either in the funding formula or as a direct appropriation, similar to the capacity building projects previously approved by the state legislature. Any recommendations should include specific data definitions and data sources. The timing of data availability should also be a consideration and noted in any recommendations.

Small Institution Factor (SIF)

Continue the Small Institution Factor to support capacity building across the state's 15

rural counties. Use one or both of the following structures, in preference order:

- Develop a small institution factor that is based on headcount, not WSCH. The number of students served is a better indicator of an institution's size, not the credits enrolled by any amount of students.
 - Data source: headcount
- The SIF recognizes that all institutions require a certain administrative structure to operate. Using the current SIF in the formula funding process, WNC requests that the minimum threshold be increased to 150,000 WSCH. WNC is projected to be at about 105,000 WSCH for the FY2024 academic year, yet is still very much a small institution. In addition, the dollar amount per credit hour for this adjustment, currently at \$30, should be increased from its 2013 value using inflationary or similar adjustments.
 - Data source: WSCH

Summer School Funding

Develop funding for Summer and Non Credit classes to maximize college operations to match 365/24/7 workforce needs. Currently, college's must ensure classes "pencil out" using registration fees only, resulting in a very minimal set of class offerings in the summer. To note, nursing and education classes are currently funded in the summer, demonstrating that there is a mechanism in place to accommodate this structure. By offering a robust summer schedule, students can keep their studies going and complete in a shorter time.

- Data source: number of WSCH of instruction during a defined summer term. For WNC, this would be approximately 2921 WSCH and \$487,807

Any other recommendations – Please provide any other specific recommendations you may have to improve the NSHE funding formula.

Funding for Withdrawals

Currently, institutions are not funded for Withdrawals (Ws), which often happen toward the end of the semester. Students who opt for a W have still taken up a seat and used college resources for the semester, yet the institution gets no state funding. Due to the part-time nature of community college students, these institutions feel this impact more than other institutional types. The solution is to fund colleges for W grades.

- Data source: Number of WSCH in which a W is selected by the student.
- For example, 4% of all grades were Ws in the 2023-2024 academic year at WNC. This represents 3,236 WSC equalling \$540,412.

Caseload Funding

Fund ALL higher education based on caseload rather than dividing a predetermined allocation amount by the caseload. This practice will fund higher education at an appropriate level.

- Data source: WSCH amount (if WSCH is to be continued) that is derived from institutional derived cost of instruction/services that adjusts with inflation.

Also, consider allocating funds for enrollment, in particular growth, in the semester in which that growth is attained to support immediate operational needs.

- Data source: College enrollment at end of semester

Fee Waivers

Support Fee Waivers/Dual Enrollment with a separate appropriation. Current, WNC is subsidizing \$242,500 in waiver programs and \$1,148,000 in dual enrollment program discounts in FY23 alone.

- Data source: Number of waivers by institution and the loss of registration fees associated with those waivers.
 - Fee waivers = credits waived x registration fee for institution