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## MEMORANDUM

DATE: April 10, 2013

TO: Mo Denis, Senate Majority Leader  
Debbie Smith, Chair Senate Finance Committee  
Michael Roberson, Senate Minority Leader  
Ben Kieckhefer, Senator

Marilyn Kirkpatrick, Speaker of the Assembly  
William Horne, Assembly Majority Leader  
Maggie Carlton, Chair Assembly Ways & Means Committee  
Pat Hickey, Assembly Minority Leader

FROM: Daniel J. Klaich, Chancellor

RE: Formula Funding Summary

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As requested at our meeting this past Wednesday, I have prepared and enclose a summary of how the revised model for formula funding works. I hope that you will find this useful in analyzing the updated numbers which we delivered to you. For your convenience, those schedules, which include a minor change, are also included in this package.

I have copied your staff on these documents.

I look forward to discussing these documents with you

C: Alex Haartz  
Mark Krmpotic  
Cindy Jones  
Mike Chapman

# A NEW FUNDING FORMULA FOR HIGHER EDUCATION

University of Nevada, Las Vegas ▪ University of Nevada, Reno ▪ Nevada State College ▪  
College of Southern Nevada ▪ Great Basin College ▪ Truckee Meadows Community College ▪  
Western Nevada College ▪ Desert Research Institute

## *Executive Summary*

The goal of the formula revisions recommended by the Interim Legislative Committee is to fund NSHE institutions equitably based on their success in students' completion of courses. State funding is allocated through a base formula and a performance pool. Through the base formula, each institution receives funding according to the number of credit hours that its students complete, with a weighting of those hours based on the expense to the institution in providing the instruction.

The research mission of UNLV and UNR is addressed by adding 10 percent additional weighting for credit hours completed in upper-division and graduate level courses. Small institutions (those that generate less than 100,000 weighted credit hours) receive a fixed amount for administrative costs, recognizing that the formula generates insufficient funds to cover basic campus administration. Building space dedicated to research receives funding for the operations and maintenance of those buildings. All other functions associated with running the institution are funded through the weighted student credit hour completion model.

Each institution retains all student tuition and registration fees they generate, and must cover the cost of non-resident students from those sources. The State provides support for Nevada residents only.

In addition, a portion of the operating budget is funded based upon performance measured by defined metrics including the number of certificates and degrees granted that align with the educational and economic goals of the State.

## *What is the goal of the new funding formula for higher education?*

- The new funding formula was designed to allocate state support for the seven teaching institutions based on what they produce in terms of courses completed by students. Institutions are equitably funded for the course work students' complete.
- All of the examples contained in this document are based on the assumption of flat General Fund support for FY 2014 and FY 2015 and use General Fund appropriations approved for the Nevada System of Higher Education for FY 2013.

## *How is that goal accomplished through the new funding formula?*

- Equitable funding is accomplished by appropriating state funds to institutions based on weighted student credit hours completed.
  - State support across the Nevada System of Higher Education is determined as follows:
    - ❖ The seven teaching institutions are allocated funds through the new formula.
    - ❖ Non-formula budget accounts (e.g. Intercollegiate Athletics, School of Medicine, Law School) are funded outside of the formula on a line-item basis based on FY 2013 General Fund amounts.
    - ❖ The Desert Research Institution is addressed in a separate performance formula that is summarized later in this document.

- All student tuition and registration fees generated are retained by the institutions with no General Fund offset. In other words, total revenue for the teaching institutions is equal to tuition and registration fees (which are retained by the institution where the fees are generated) plus state support generated under the new funding formula.

***How are weighted student credit hours determined?***

- Completed student credit hours are determined based on course completions that are then weighted based on relative cost of the course. An entry-level undergraduate English course is weighted lower relative to an upper-division Chemistry course because it costs less to teach. For example:
  - A three credit lower division English course that is completed by a student will generate 3.0 student credit hours times the weight of 1.0 generating 3.0 weighted student credit hours.
  - A three credit upper-division Chemistry class that is completed by a student will create 3.0 student credit hours times the weight of 3.0 generating 9.0 weighted student credit hours.
- The research mission of the universities is addressed by increasing the weights associated with all upper-division and graduate level courses by a factor of ten percent.
- Student credit hours used in the funding formula include resident credit hours only.
- Since institutions retain 100 percent of their out of state tuition with no General Fund offset, credit hours associated with non-resident students are not provided state General Fund support.
- All weights are established in a matrix that was recommended by the National Center for Higher Education Management Systems (NCHEMS) based on cost studies in other states and approved by the interim study committee.
- **Supporting Documentation** - The approved matrix of weights is included as **Appendix A**.

***Are “F” grades included in the weighted student credit hours?***

- All grades other than W (withdrawals) or grades that are not reported by the instructor are included in the weighted student credit hours.
- All “F” grades are included through FY 2014, because students who fail a course often require more attention and resources than those students who complete a course. In addition, potential grade inflation would be a continual concern if “F” grades were excluded.
- Beginning in Fall 2015, based on the interim study committee’s recommendation, “F” grades given to students due to not attending class (non-attendance) will be excluded from the calculation of weighted student credit hours. Fiscal Year 2015 was chosen as a starting date, since all institutions do not currently record the last date of attendance for all “F” grades.
- The “F” grades for non-attendance will be identified in accordance with the methodology used for Federal Student Aid guidelines for Return to Title IV for purpose of consistency with an already existing business practice.
- The Executive Budget modifies the treatment of “F” grades whereby all “F” grades are excluded at the universities, 25 percent of earned “F” grades at the state college and 50 percent of earned “F” grades at the community colleges are included in the weighted student credit hours.

### ***What does the funding per weighted student credit hour cover?***

- Funding per weighted student credit hour covers the costs and expenses associated with the various functional areas of the budget (e.g. instruction, academic support, student services, operations and maintenance of facilities, etc.), except for two carve-outs:
  - The **small institution factor** recognizes that every institution has a base amount of fixed administrative costs that exist regardless of student body size, and small colleges do not have sufficient student credit hours to cover this overhead cost and provide instruction. This funding provides a base amount of fixed administrative costs for institutions that have under 100,000 weighted student credit hours (GBC and WNC). Once an institution reaches 100,000 weighted student credit hours, the small institution factor is eliminated.
  - **Supporting Documentation** - The calculation for the small institution factor is included as **Appendix B**.
  - **Research O&M** provides direct funding for operations and maintenance for university building space dedicated solely to research that does not produce student credit hours as identified according to the U.S. Department of Education – Facilities Information and Classification Manual (FICM). Since the building space is not associated with instruction, the funding formula does not allocate funding for this purpose.
  - **Supporting Documentation** - The calculation of research O&M is included as **Appendix C**.

### ***How is the price per weighted student credit hour established?***

- A price per weighted student credit hour is determined initially by using FY 2013 General Fund appropriations (\$361.4 million for the seven teaching institutions) less funding for the small institution factor (\$1.9 million) and research Operations and Maintenance (O&M) (\$6.8 million). That amount (\$352.66 million) is divided by the total weighted student credit hours generated Systemwide (2.64 million weighted student credit hours) – resulting in a price per weighted student credit hour (\$133.55 per weighted student credit hour).
- **Supporting Documentation** – **Appendix D** includes the calculation of the price per weighted student credit hour and the distribution of state support to the seven teaching institutions under the new formula.

### ***How is the price per weighted student credit hour applied to determine an institution's state support?***

- **State support** for the teaching institutions is basically determined by multiplying the weighted student credit hours by the price per weighted student credit hour. For UNLV, UNR and the other institutions any additional funds associated with factors appropriate to the institution (e.g. research O&M or small institution factor) are then added to the total. For example, UNLV generated 902,674 weighted student credit hours (Summer 2012 actual, Fall 2012 actual and Spring 2013 projected) times the price per weighted student credit hour (\$133.55) resulting in an allocation of \$120.56 million plus the research O&M (\$3.21 million) for a total state support of \$123.77 million for FY 2014. (See **Appendix D**.)
- **Total Funding:** State support allocated under the funding formula plus the student fee revenues generated by an institution represents the total funding available to an institution for a given fiscal year.

### ***Performance Pool – Why is it necessary?***

- While the base funding formula described above is driven by course completions, the primary focus of the Performance Pool is to insure that higher education is responding to the needs of the State and is aligned with the State's economic development and diversification goals.
- This is achieved primarily by increasing the number of students completing degrees and certificates of value.
- The Performance Pool also rewards success with underserved populations and encourages institutions to work together by providing rewards to transfer students.

### ***When will the Performance Pool be implemented?***

- Performance funding will be implemented in FY 2015 based on performance in FY 2013. This timeline ensures that institutions know in advance of the fiscal year what performance funds will be available for their budget.

### ***How will the Performance Pool be funded?***

- The Performance Pool is funded through a carve-out (e.g. hold back) of a portion of the state funding allocated in the base formula. The performance funding must be earned back by the institutions based on performance under defined metrics.
- **Supporting Documentation** - The individual institutional Performance Pools, the corresponding metrics and metric definitions are included as **Appendix E**.
- The carve-out for the initial year (FY 2015) will be 5 percent and will increase by 5 percent each succeeding year until it reaches 20 percent in FY 2018.

### ***How does an institution earn back its Performance Pool dollars?***

- Institutions will earn back the carved-out Performance Pool dollars based on performance in defined metrics. A separate Performance Pool is established for each institution which will measure year over year progress in performance of each institution.
- Weights are assigned to each metric included in the Performance Pool. The individual weights for each metric total 100 percent and are intended to signify importance or priority of the metrics. (See the grey box in the example below for the assigned weights.)
- The weights are multiplied by the metric outcome for a weighted point amount for each metric that is then totaled.
- Performance in FY 2013 will determine Performance Pool funding earned in FY 2015. For example, UNLV must achieve at least 2,200.8 weighted points based on performance in FY 2013 to receive 100 percent of the Performance Pool funds carved out in FY 2015.

UNLV	Weights	2011-12 Actual		2012-13 Target	
		Points	Weighted Pts.	Points	Weighted Pts.
Bachelor's Degrees	30%	3,670	1,101.0	To Be Determined	To Be Determined
At-Risk Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	912	273.7		
Master's and Doctoral Degrees	10%	1,370	137.0		
At-Risk Master's and Doctoral Graduates ( Minority + Pell-Eligible x .4)	"	185	18.5		
Sponsored/External Research Expenditures in \$100,000's	15%	426.4	64.0		
Transfer Students w/a transferable associate's degree	5%	1,628	81.4		
Efficiency - Awards per 100 FTE	20%	27.2	5.4		
Economic Development (STEM and Allied Health) Graduates	20%	879	175.8		
Economic Development (business and management) Graduates	"	1,504	300.8		
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	--	<b>2,157.6</b>		

***Why are the Performance Pool targets conservative?***

- Performance Pool targets are conservatively set in the initial two years given the institutions are recovering from several years of budget cuts and it is not the intent to further reduce budgets in initial years of measuring performance.
- The first year of measure for the Performance Pool will be FY 2013, which will determine the Performance Pool dollars earned by the institution in FY 2015. Fiscal year 2013 was half over by the time the Performance Pool metrics were finalized. Therefore, for the initial year of measuring institutional performance, the institutions did not have the benefit of knowing the targets before the year started; hence conservative performance targets were established.
- Every two years the performance metrics and targets will be reviewed and adjusted by the Board of Regents and subject to review by the Governor and the Legislature.

***How will unexpended Performance Pool funds be allocated?***

- Institutions who do not earn 100 percent of their performance funds in the first year of the two year performance cycle will be given the opportunity to earn back those funds by over performance in the second year of the cycle. For example, for an institution who fails to meet its point targets in the first year, the unearned performance funds would carry forward to the second year where the institution could earn those funds back if they over-perform by a sufficient amount in year two.
- Likewise, if an institution exceeds its year one target, the additional points earned in year one would carry-forward and count towards year two goals.
- In the event that there are performance funds that are unearned at the end of the second year of the performance cycle, unearned funds will be distributed to all institutions for need-based financial aid.

***The Desert Research Institute***

- DRI is addressed through a separate performance formula that is based on the level of grants and contracts generated by the institution.
  - State support for DRI is provided for institutional and research administrative support. The new formula links the level of grants and contracts produced by DRI to the level of state support provided for administration.

# APPENDIX A

## NSHE Course Taxonomy Weights by Discipline Clusters

### COMMUNITY COLLEGES AND STATE COLLEGE

Discipline Clusters	Lower Division	Upper Division	Masters	Doctoral
<b>Liberal Arts, Math, Social Science, Languages, Other</b>	<b>1.0</b>	<b>2.0</b>	<b>4.0</b>	<b>5.0</b>
05. Area, Ethnic, Cultural & Gender Studies	1.0	2.0	4.0	5.0
09. Communication, Journalism and related programs	1.0	2.0	4.0	5.0
16. Foreign Languages, Literature and Linguistics	1.0	2.0	4.0	5.0
19. Family and Consumer Sciences/Human Sciences	1.0	2.0	4.0	5.0
23. English Language & Literature/Letters	1.0	2.0	4.0	5.0
24. Liberal Arts & Sciences, General Studies and Humanities	1.0	2.0	4.0	5.0
25. Library Science	1.0	2.0	4.0	5.0
27. Mathematics & Statistics	1.0	2.0	4.0	5.0
28. Reserve Officer Training Corps	1.0	2.0	4.0	5.0
29. Military Technologies	1.0	2.0	4.0	5.0
30. Multi/Interdisciplinary Studies	1.0	2.0	4.0	5.0
38. Philosophy & Religious Studies	1.0	2.0	4.0	5.0
42. Psychology and Applied Psychology	1.0	2.0	4.0	5.0
45. Social Sciences	1.0	2.0	4.0	5.0
54. History	1.0	2.0	4.0	5.0
99. Honors Curriculum and Other	1.0	2.0	4.0	5.0
<b>Basic Skills Cluster</b>	<b>1.5</b>			
32. Basic Skills	1.5			
<b>Business Cluster</b>	<b>1.0</b>	<b>2.0</b>	<b>4.0</b>	<b>6.0</b>
44. Public Administration & Social Service Professions	1.0	2.0	4.0	6.0
52. Business Management, Marketing & related support services	1.0	2.0	4.0	6.0
<b>Education Cluster</b>	<b>1.5</b>	<b>2.0</b>	<b>2.5</b>	<b>5.0</b>
13. Education	1.5	2.0	2.5	5.0
<b>Services Cluster</b>	<b>1.5</b>	<b>2.0</b>	<b>3.0</b>	<b>4.0</b>
31. Parks, Recreation, Leisure & Fitness Studies	1.5	2.0	3.0	4.0
12. Personal & Culinary Services	1.5	2.0	3.0	4.0
43. Security and Protective Services	1.5	2.0	3.0	4.0
<b>Visual and Performing Arts Cluster</b>	<b>1.5</b>	<b>2.5</b>	<b>5.0</b>	<b>5.0</b>
50. Visual & Performing Arts	1.5	2.5	5.0	5.0
<b>Trades/Tech Cluster</b>	<b>2.0</b>	<b>2.5</b>		
46. Construction Trades	2.0	2.5		
47. Mechanic Repair Technologies/Technicians	2.0	2.5		
48. Precision Production	2.0	2.5		
49. Transportation & Materials Moving	2.0	2.5		
<b>Sciences Cluster</b>	<b>2.0</b>	<b>3.0</b>	<b>5.0</b>	<b>8.0</b>
01. Agricultural, Agriculture Operations & related sciences	2.0	3.0	5.0	8.0
03. Natural Resources & Conservation	2.0	3.0	5.0	8.0
11. Computer & Information Sciences & Support Services	2.0	3.0	5.0	8.0
26. Biological & Biomedical Sciences	2.0	3.0	5.0	8.0
40. Physical Sciences	2.0	3.0	5.0	8.0
<b>Law Cluster</b>	<b>2.0</b>	<b>2.0</b>	<b>4.0</b>	<b>4.0</b>
22. Legal Professions and Studies	2.0	2.0	4.0	4.0
<b>Engineering/Architecture Cluster</b>	<b>2.0</b>	<b>3.0</b>	<b>5.0</b>	<b>8.0</b>
04. Architecture	2.0	3.0	5.0	8.0
14. Engineering	2.0	3.0	5.0	8.0
15. Engineering Technologies/Technicians	2.0	3.0	5.0	8.0
<b>Health Cluster</b>	<b>2.0</b>	<b>2.0</b>	<b>5.0</b>	<b>6.0</b>
51. Nursing, Allied Health, Health Professions	2.0	2.0	5.0	6.0

# APPENDIX A

## NSHE Course Taxonomy Weights by Discipline Clusters

### UNIVERSITIES

Discipline Clusters	Lower Division	Upper Division	Masters	Doctoral
<b>Liberal Arts, Math, Social Science, Languages, Other</b>	<b>1.0</b>	<b>2.2</b>	<b>4.4</b>	<b>5.5</b>
05. Area, Ethnic, Cultural & Gender Studies	1.0	2.2	4.4	5.5
09. Communication, Journalism and related programs	1.0	2.2	4.4	5.5
16. Foreign Languages, Literature and Linguistics	1.0	2.2	4.4	5.5
19. Family and Consumer Sciences/Human Sciences	1.0	2.2	4.4	5.5
23. English Language & Literature/Letters	1.0	2.2	4.4	5.5
24. Liberal Arts & Sciences, General Studies and Humanities	1.0	2.2	4.4	5.5
25. Library Science	1.0	2.2	4.4	5.5
27. Mathematics & Statistics	1.0	2.2	4.4	5.5
28. Reserve Officer Training Corps	1.0	2.2	4.4	5.5
29. Military Technologies	1.0	2.2	4.4	5.5
30. Multi/Interdisciplinary Studies	1.0	2.2	4.4	5.5
38. Philosophy & Religious Studies	1.0	2.2	4.4	5.5
42. Psychology and Applied Psychology	1.0	2.2	4.4	5.5
45. Social Sciences	1.0	2.2	4.4	5.5
54. History	1.0	2.2	4.4	5.5
99. Honors Curriculum and Other	1.0	2.2	4.4	5.5
<b>Basic Skills Cluster</b>	<b>1.5</b>			
32. Basic Skills	1.5			
<b>Business Cluster</b>	<b>1.0</b>	<b>2.2</b>	<b>4.4</b>	<b>6.6</b>
44. Public Administration & Social Service Professions	1.0	2.2	4.4	6.6
52. Business Management, Marketing & related support services	1.0	2.2	4.4	6.6
<b>Education Cluster</b>	<b>1.5</b>	<b>2.2</b>	<b>2.75</b>	<b>5.5</b>
13. Education	1.5	2.2	2.75	5.5
<b>Services Cluster</b>	<b>1.5</b>	<b>2.2</b>	<b>3.3</b>	<b>4.4</b>
31. Parks, Recreation, Leisure & Fitness Studies	1.5	2.2	3.3	4.4
12. Personal & Culinary Services	1.5	2.2	3.3	4.4
43. Security and Protective Services	1.5	2.2	3.3	4.4
<b>Visual and Performing Arts Cluster</b>	<b>1.5</b>	<b>2.75</b>	<b>5.5</b>	<b>5.5</b>
50. Visual & Performing Arts	1.5	2.75	5.5	5.5
<b>Trades/Tech Cluster</b>	<b>2.0</b>	<b>2.75</b>		
46. Construction Trades	2.0	2.75		
47. Mechanic Repair Technologies/Technicians	2.0	2.75		
48. Precision Production	2.0	2.75		
49. Transportation & Materials Moving	2.0	2.75		
<b>Sciences Cluster</b>	<b>2.0</b>	<b>3.3</b>	<b>5.5</b>	<b>8.8</b>
01. Agricultural, Agriculture Operations & related sciences	2.0	3.3	5.5	8.8
03. Natural Resources & Conservation	2.0	3.3	5.5	8.8
11. Computer & Information Sciences & Support Services	2.0	3.3	5.5	8.8
26. Biological & Biomedical Sciences	2.0	3.3	5.5	8.8
40. Physical Sciences	2.0	3.3	5.5	8.8
<b>Law Cluster</b>	<b>2.0</b>	<b>2.2</b>	<b>4.4</b>	<b>4.4</b>
22. Legal Professions and Studies	2.0	2.2	4.4	4.4
<b>Engineering/Architecture Cluster</b>	<b>2.0</b>	<b>3.3</b>	<b>5.5</b>	<b>8.8</b>
04. Architecture	2.0	3.3	5.5	8.8
14. Engineering	2.0	3.3	5.5	8.8
15. Engineering Technologies/Technicians	2.0	3.3	5.5	8.8
<b>Health Cluster</b>	<b>2.0</b>	<b>2.2</b>	<b>5.5</b>	<b>6.6</b>
51. Nursing, Allied Health, Health Professions	2.0	2.2	5.5	6.6



## APPENDIX B

### Small Institution Factor

The inclusion of a small institution factor intends to address certain administrative fixed costs which exist at any institution regardless of its size. Generally speaking, these would include functions like a President’s Office, Chief Academic Officer/ Provost’s Office, Controller/ Finance Office, etc. In preparing the model, it became apparent that the smaller community colleges (GBC and WNC) did not have adequate weighted student credit hours to fully distribute these fixed overhead costs.

The figure of \$1.5 million approximates the amount of overhead otherwise not distributed. As a point of reference, it is approximately one half of the smallest FY 12 community college institutional support budget. By intention, it does not correlate to specific line items, and NSHE would generally recommend against any line item calculation forming the basis for this number as to avoid creating any artificial expenditure plan that would otherwise restrict institutional flexibility.

As indicated in the footnote of the model, the proposed \$1.5 million phases out between 50,000 and 100,000 weighted student credit hours (WSCH). In other words, every additional WSCH above 50,000 results in a reduction of \$30.00 in the small institution factor. Note that the cap of 100,000 is weighted student credit hours. Using the projected FY 12 WSCH and projected FY 12 FTE from those two smaller institutions, it was determined that every FTE generated an average of 32.13 WSCH. In the existing Formula, 3,000 FTE is the point at which an institution loses its small institution weighting. This number, times 32.13 equals 96,390 WSCH, which was rounded to 100,000.

	FY12 Projected WSCH	FY12 Projected FTE	WSCH/ FTE
GBC	63041	1853	34.02
WNC	72985	2381	30.65
<b>Total</b>	<b>136026</b>	<b>4234</b>	<b>32.13</b>

Specifically, the calculation shown on the formula worksheet is:

(1)	(2)	(3)	(4)	(5)	(6)
	Small Inst. Factor Base Amount	FY 14/15 Projected WSCH	Amount in Excess of 50,000	#4 x -\$30	Small Inst. Factor Funding Amount #2 - #5
GBC	\$ 1,500,000	56,553	6,553	\$(196,590)	\$ 1,303,410
WNC	\$ 1,500,000	80,050	30,050	\$(901,500)	\$ 598,500

APPENDIX C

**Nevada System of Higher Education  
Calculation of O&M Research Factor**

**University of Nevada, Las Vegas**

Total Square Footage	3,704,072
Square Footage assigned to Other Budget Accounts (1)	<u>-730,940</u>
Square Footage Assigned to UNLV main budget account	2,973,132
UNLV Operation & Maintenance (O&M) of Plant budget	\$34,862,948
Average dollar amount per square foot	\$11.73 (\$34,862,948 divided by 2,973,132 square feet = \$11.73)
Square footage dedicated solely for research (2)	<u>274,499</u>
Amount allocated for Research O&M	\$3,218,775 (\$11.73 per square foot multiplied by 274,499 sq. ft. = \$3,218,775)

**University of Nevada, Reno**

Total Square Footage	4,039,355
Square Footage assigned to Other Budget Accounts (3)	<u>-671,774</u>
Square Footage Assigned to UNR main budget account	3,367,581
UNR Operation & Maintenance (O&M) of Plant budget	\$26,812,610
Average dollar amount per square foot	\$7.96 (\$26,812,610 divided by 3,367,581 square feet = \$7.96)
Square footage dedicated solely for research (2)	<u>449,926</u>
Amount allocated for Research O&M	\$3,582,891 (\$7.96 per square foot multiplied by 449,926 sq. ft. = \$3,582,891)

(1) Represents square footage assigned to the Law School, Dental School, Intercollegiate Athletics and Statewide Programs

(2) Building space dedicated solely to research utilizing the U.S. Department of Education - Facilities Information and Classification Manual (FICM).

(3) Represents square footage assigned to the School of Medicine, Agriculture Experiment Station, Cooperative Extension Service, Intercollegiate Athletics and Statewide Programs

APPENDIX D

**Nevada System of Higher Education  
Application of New Funding Formula**

	<b>FY 2013 General Fund</b>	<b>Weighted Student Credit Hours(3)</b>	<b>Amount per Weighted Student Credit Hour</b>	<b>Sub-total</b>	<b>Small Institution Factor</b>	<b>O&amp;M Research Space</b>	<b>Total General Fund Allocated by New Funding Formula-FY 2014</b>	<b>Difference from FY 2013</b>
<u>NSHE Budgets</u>								
<u>Teaching Institutions</u>								
University of Nevada, Reno	\$91,404,757	657,356	\$133.55	\$87,792,162		\$3,582,891	\$91,375,053	-\$29,704
University of Nevada, Las Vegas	\$123,590,871	902,674	\$133.55	\$120,555,227		\$3,218,775	\$123,774,002	\$183,131
College of Southern Nevada	\$77,587,864	619,594	\$133.55	\$82,748,916			\$82,748,916	\$5,161,052
Great Basin College	\$14,031,554	56,553	\$133.55	\$7,552,848	\$1,303,410		\$8,856,258	-\$5,175,296
Truckee Meadows Comm College	\$30,603,292	222,027	\$133.55	\$29,652,472			\$29,652,472	-\$950,820
Western Nevada College	\$15,029,964	80,050	\$133.55	\$10,690,954	\$598,500		\$11,289,454	-\$3,740,510
Nevada State College	\$9,111,439	102,308	\$133.55	\$13,663,586			\$13,663,586	\$4,552,147
Sub-total	<b>\$361,359,741</b>	2,640,562		\$352,656,165	\$1,901,910	\$6,801,666	<b>\$361,359,741</b>	\$0
Non-Formula Budgets (1)	<u>\$111,008,276</u>							
Total NSHE	\$472,368,017	(2)						
Teaching Institutions-Gen Fund	<b>\$361,359,741</b>							
Less:								
Small Institution Factor	-\$1,901,910							
O&M Research Factor	<u>-\$6,801,666</u>							
Gen Fund allocated by WSCH	\$352,656,165							
Weighted Student Credit Hours (WSCH)	2,640,562							
Average Amount per WSCH	\$133.55							

(1) Includes the Desert Research Institute budget that is recommended to be funded utilizing a separate funding formula

(2) FY 2013 General Fund appropriations for NSHE reduced by \$889,953 to account for the transfer of the Fire Sciences Academy from the University of Nevada, Reno to the Office of the Military, as approved by the Interim Finance Committee in June 2012.

(3) Weighted Student Credit Hours based on courses completed by resident students only for the Summer and Fall 2012 semester (actual data) and Spring 2013 semester (projected data) - Includes all F grades.

**APPENDIX E**

**NSHE PERFORMANCE POOL MODEL FOR CONSIDERATION (FINAL - v23)**

<b>UNLV (2% Target)</b>		<b>2011-12 Actual</b>		<b>2012-13 Target</b>		<b>2013-14 Target</b>	
		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
Bachelor's Degrees	30%	3,670	1,101.0				
At-Risk Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	912	273.7				
Master's and Doctoral Degrees	10%	1,370	137.0				
At-Risk Master's and Doctoral Graduates ( Minority + Pell-Eligible x .4)	"	185	18.5				
Sponsored/External Research Expenditures in \$100,000's	15%	426.4	64.0				
Transfer Students w/a transferable associate's degree	5%	1,628	81.4				
Efficiency - Awards per 100 FTE	20%	27.2	5.4				
Economic Development (STEM and Allied Health) Graduates	20%	879	175.8				
Economic Development (business and management) Graduates	"	1,504	300.8				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	<b>--</b>	<b>2,157.6</b>	<b>--</b>	<b>2,200.8</b>	<b>--</b>	<b>2,244.8</b>
<b>UNR (2% Target)</b>		<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>
Bachelor's Degrees	30%	2,603	780.9				
At-Risk Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	398	119.5				
Master's and Doctoral Degrees	10%	774	77.4				
At-Risk Master's and Doctoral Graduates ( Minority + Pell-Eligible x .4)	"	93	9.3				
Sponsored/External Research Expenditures in \$100,000's	15%	888.3	133.2				
Transfer Students w/a transferable associate's degree	5%	1,260	63.0				
Efficiency - Awards per 100 FTE	20%	24.9	5.0				
Economic Development (STEM and Allied Health) Graduates	20%	1,133	226.6				
Economic Development (psychology) Graduates	"	165	33				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	<b>--</b>	<b>1,447.9</b>	<b>--</b>	<b>1,476.9</b>	<b>--</b>	<b>1,506.4</b>
<b>NSC (4% Target)</b>		<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>
Bachelor's Degrees	50%	270	135.0				
At-Risk Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	72	36.2				
Gateway Course Completers	5%	802	40.1				
Transfer Students w/a transferable associate's degree	5%	331	16.6				
Efficiency - Awards per 100 FTE	20%	13.1	2.6				
Economic Development (STEM and Allied Health) Graduates	20%	119	23.8				
Economic Development (business and management) Graduates	"	31	6.2				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	<b>--</b>	<b>260.5</b>	<b>--</b>	<b>270.9</b>	<b>--</b>	<b>281.7</b>
<b>CSN (2% Target)</b>		<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>
1 to 2 Year Certificate	10%	236	23.6				
At-Risk Certificate Recipients ( Minority + Pell-Eligible x .4)	"	56	5.6				
Associate's and Bachelor's Degrees	30%	2,112	633.6				
At-Risk Associate's and Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	492	147.6				
Transfer Students w/24 credits or associate's degree	10%	2,876	287.6				
Efficiency - Awards per 100 FTE	20%	11.7	2.3				
Gateway Course Completers	10%	12,236	1,223.6				
Economic Development (STEM and Allied Health) Graduates	20%	736	147.2				
Economic Development (business and management) Graduates	"	454	90.8				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	<b>--</b>	<b>2,561.9</b>	<b>--</b>	<b>2,613.1</b>	<b>--</b>	<b>2,665.4</b>
<b>GBC (2% Target)</b>		<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>	<b>Points</b>	<b>Weighted Pts.</b>
1 to 2 Year Certificate	10%	107	10.7				
At-Risk Certificate Recipients ( Minority + Pell-Eligible x .4)	"	23	2.3				
Associate's and Bachelor's Degrees	30%	321	96.3				
At-Risk Associate's and Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	67	20.0				
Transfer Students w/24 credits or associate's degree	10%	48	4.8				
Efficiency - Awards per 100 FTE	20%	24.6	4.9				
Gateway Course Completers	10%	1,065	106.5				
Economic Development (STEM and Allied Health) Graduates	20%	174	34.8				
Economic Development (mechanic and repair technologies) Graduates	"	39	7.8				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	<b>--</b>	<b>288.2</b>	<b>--</b>	<b>293.9</b>	<b>--</b>	<b>299.8</b>

**APPENDIX E**

**NSHE PERFORMANCE POOL MODEL FOR CONSIDERATION (FINAL - v23)**

		2011-12 Actual		2012-13 Target		2013-14 Target	
<b>TMCC (2% Target)</b>		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
1 to 2 Year Certificate	10%	135	13.5				
At-Risk Certificate Recipients ( Minority + Pell-Eligible x .4)	"	36	3.6				
Associate's Degrees	30%	1,035	310.5				
At-Risk Associate's Graduates ( Minority + Pell-Eligible x .4)	"	249	74.6				
Transfer Students w/24 credits or associate's degree	10%	989	98.9				
Efficiency - Awards per 100 FTE	20%	18.4	3.7				
Gateway Course Completers	10%	4,230	423.0				
Economic Development (STEM and Allied Health) Graduates	20%	273	54.6				
Economic Development (precision production) Graduates	"	5	1.0				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	--	983.4	--	1,003.0	--	1,023.1
<b>WNC (2% Target)</b>		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
1 to 2 Year Certificate	10%	30	3.0				
At-Risk Certificate Recipients ( Minority + Pell-Eligible x .4)	"	8	0.8				
Associate's and Bachelor's Degrees	30%	465	139.5				
At-Risk Associate's and Bachelor's Graduates ( Minority + Pell-Eligible x .4)	"	114	34.1				
Transfer Students w/24 credits or associate's degree	10%	213	21.3				
Efficiency - Awards per 100 FTE	20%	21.0	4.2				
Gateway Course Completers	10%	1,549	154.9				
Economic Development (STEM and Allied Health) Graduates	20%	122	24.4				
Economic Development (construction trades) Graduates	"	9	1.8				
<b>TOTAL WEIGHTED POINTS</b>	<b>100%</b>	--	383.9	--	391.6	--	399.5

**APPENDIX E**  
Performance Pool Outcomes - Data Definitions

Outcome	Definitions
1 to 2 year Certificate	The total number of certificates requiring 30 or more credit hours granted during an academic year. Students earning multiple certificates in an academic year will have each earned certificate count as a separate outcome. An additional weight of .4 per certificate awarded to a minority or Pell eligible student is applied. (Source: IPEDS and institutional data to identify low income graduates)
Associate's Degrees	The total number of associate's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome. An additional weight of .4 per associate's degree awarded to a minority or Pell eligible student is applied. (Source: IPEDS and institutional data to identify low income graduates)
Bachelor's Degrees	The total number of bachelor's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome. An additional weight of .4 per bachelor's degree awarded to a minority or Pell eligible student is applied. (Source: IPEDS and institutional data to identify low income graduates)
Master's Degrees	The total number of master's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome. An additional weight of .4 per master's degree awarded to a minority student is applied. (Graduate students are not Pell eligible.) (Source: IPEDS and institutional data to identify low income graduates)
Doctoral Degrees	The total number of doctoral degrees conferred during an academic year. First-professional degrees (medical, dental, law) are not included. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome. An additional weight of .4 per doctoral degree awarded to a minority student is applied. (Graduate students are not Pell eligible.) (Source: IPEDS and institutional data to identify low income graduates)
Transfer Students w/a Transferable Associate's Degree	Total number of students transferred to a 4-year institution with a transferable associate's degree from an NSHE community college. (Source: NSHE Data Warehouse)
Transfer Students w/24 credits or Associate's Degree	The total number of students who enrolled at a four -year institution during the fall or spring semester of a given reporting year who had earned at least 24 credits or a transferable associate's degree at a community college prior to the reporting year. Students are excluded if they are co-enrolled at a 4-year institution and a 2-year institution during the term in which they otherwise would have been included as a transfer student. (Excludes courses from the 24 credit count if the grades are AU, AD, NR, ND, X, I, F, U, W.) (Source: NSHE Data Warehouse)
Efficiency - Awards per 100 FTE	The number of bachelor's, master's and doctoral awards per 100 FTE at 4-year institutions and the number of certificates, associate's and bachelor's (where applicable) per 100 FTE at the 2-year institutions. (Source: IPEDS and Official FTE)
Sponsored/External Research Expenditures	The total amount expended on sponsored programs/projects of research and other scholarly activities for the fiscal year. This amount includes federal, federal pass-through, State of Nevada, other state and local government, private for-profit, private non-profit. Other scholarly activity includes the instructional, public service, student services, and "other" functional grant categories, including workforce development. The figures exclude the scholarship/fellowship category. (Source: Sponsored Projects)
Gateway Course Completers	The total number of students (unduplicated) who successfully completed a college-level English or mathematics course (grad C- and above) in the reporting year. (Source: NSHE Data Warehouse)
Economic Development - STEM and Allied Health Graduates	Total number of certificates, associate's, bachelor's, master's, or doctoral degrees awarded (first professional awards are excluded) in an academic year based on CIP codes for STEM and health professionals as identified by NCHEMS for the NGA metrics. (CIPs: 4 - architecture and related services; 11 - computer and information sciences and support services; 14 - engineering; 15 - engineering technologies/technicians; 26 - biological and biomedical sciences; 27 - mathematics and statistics; 40 - physical sciences; 41 - science technologies/technicians; and 51 - health professions and related clinical sciences) (Source: IPEDS)
Economic Development - Institution Selected Discipline	Total number of certificates, associate's, bachelor's, master's, or doctoral degrees awarded (first professional awards are excluded) in an academic year based on CIP code selected by the institution which aligns with the state's economic development plan. (UNLV- 52 Business, Management, and Related Support Services; UNR- 42 Psychology; NSC- 52 Business, Management, and Related Support Services; CSN- 52 Business, Management, and Related Support Services; GBC - 47 Mechanic and Repair Technologies/Technician; TMCC- 48 Precision Production; WNC- 46 Construction Trades.) (Source: IPEDS)