Higher Education Funding Formula Summary

1/22/2015

The Legislative Committee to Study the Funding of Higher Education (Chapter 375, *Statutes of Nevada 2011*) provided the 2013 Legislature with a recommendation for a new funding formula that fairly and equitably distributes State funding among Nevada's public higher education institutions. Taking into account the comments from the interim committee, the public testimony, the reports of SRI International and the National Governors' Association (NGA), the Nevada System of Higher Education (NSHE) believes the funding formula as approved by the 2013 Legislature, and continued by Governor Sandoval in the 2015-17 Executive Budget, fully captures the deliberations and final decisions of the interim committee, and strongly supports the funding formula that incorporates these concepts.

The new funding model is based upon the belief that state funding must be equitable to all institutions, simpler and more transparent than the previous formula, aligned with the goals of the State, and based upon national best practices in higher education financing and the commitment of Nevada to the goals of Complete College America.

The new funding model as adopted consists of two basic components – a base formula driven primarily by course completions and a performance pool driven by performance metrics that align with the goals of the State. Each is summarized below.

The Base Formula. The base formula allocates state resources (General Fund dollars) to teaching institutions based upon completed courses as measured by student credit hours. Student credit hours are weighted by discipline cluster in an expanded matrix that is cost informed and independently developed by the National Center for Higher Education Management Systems (NCHEMS). As a result of Committee and Legislative deliberations, the working definition of completion evolved to exclude F grades that result from non-attendance. Because all institutions did not have complete data on F's for non-attendance, the 2013-15 biennium budgets included all F grades. However, as directed by the 2013 Legislature and consistent with the NSHE budget request, the 2015-17 Executive Budget removes F grades for non-attendance in determining the number of course completions for each teaching institution. Similarly, as a result of the deliberations of the Committee, upper-division and graduate courses were given an additional weighting to support the research missions of UNR and UNLV.

Funding is determined by measuring completed course work, with funding set-aside to support small community colleges and the operations and maintenance of dedicated research space at UNLV and UNR. A fundamental premise of the new formula remains the campus retention of student fees and out of state tuition collected without offset to state general fund appropriations. Completions for nonresidents are therefore excluded from the tally of completed student credit hours and are not funded by the state.

The complex set of drivers from the old formula for administrative support, institutional support, libraries, operations and maintenance and the like are compressed into the single driver of work completed, measured by weighted student credit hours (WSCH). State support, when combined with student fee revenues generated by an institution, represents the total funding available to an institution in a given fiscal year. Each institutional President is responsible for recommending to the Board of Regents for approval the allocation of these resources to the various functional areas (instruction, academic support, student services, etc.) within the college or university budget. Institutional Presidents have flexibility in establishing a budget plan and institutional priorities, but also are held accountable for final performance outcomes as measured by student success, increased grant funding, alignment with state goals and the like.

See **Appendix A** for the weighting matrix based on the above principles.

Performance Pool. The adoption of the NSHE's Performance Pool came about as part of the funding formula study. The interim committee was specifically charged with considering methods for rewarding institutions for graduating students, which ultimately resulted in this performance-driven initiative.

Throughout the funding formula study, it was understood that there would be no additional state funding allocated to NSHE institutions through the Performance Pool. Therefore, the Performance Pool is based on a carve-out of state funds over an initial four-year implementation period. In the first year (FY2015) the carve-out from base state funding is 5 percent, 10 percent in the second year, 15 percent in the third year, and finally 20 percent in the fourth year (FY2018). The carve-out percentage will be set aside and depending on an institution's performance in a defined year they can "earn back" the set aside funds.

Institutions compete against themselves in separate institutional pools, and an institution's performance is measured based on seven metrics (two of which have sub-metrics for under-served populations). The majority of the metrics are based on the number of students graduating, including metrics for students graduating in defined populations (underserved populations, STEM, allied health, etc.). Each institution selected one field (based on a two digit Classification of Instructional Program (CIP) code) that supports economic development for which it may receive additional points. For Year 3 and 4 of the Performance Pool, the community colleges agreed to include skills certificates (less than 30 credits) in lieu of a specific program determined by a CIP code. These types of programs are often developed in concert with local employers and clearly align with the economic development efforts of the State and NSHE.

A factor (percent) is applied to each metric. The factors for the metrics are intended to signify importance or priority of the metrics. From the application of the factors, the Performance Pool sends a clear message that the top priority is graduating students. In addition, increasing sponsored project activity, transfer and articulation, and general efficiency are encouraged.

Institutions will earn the performance funds for any given fiscal year based on performance in a prior academic year. The first year of the Performance Pool considered performance in the defined metrics in academic year 2012-13, which determined the amount of the carve-out earned for FY2015. During the first year all institutions achieved their point targets, except GBC and TMCC who fell short at 97.6 percent and 99.2 percent of the defined targets, respectively. The second year of the Performance Pool considered performance in academic year 2013-14. All institutions achieved their respective point targets except UNLV who fell short at 97.8 percent. In addition, GBC and TMCC exceeded their Year 2 targets by the amount needed to earn the unearned funds from Year 1.

The following table indicates the performance year of measure and the respective fiscal year when the earned performance pool funds will be distributed for Year 3 and Year 4 of the Performance Pool.

	Baseline Year	Performance Year	Funding/Distribution Year (Carve-Out Percentage)
Year 3	2012-13	2014-15	FY2017 (15%)
Year 4	--	2015-16	FY2018 (20%)

The performance year of measure is prior to the distribution year to ensure that institutions know in advance of the fiscal year what performance funds will be available for their budget.

Institutions that do not earn 100 percent of their performance funds in the first year of the performance cycle will be given the opportunity to earn back those funds 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 it over-performs in year two. In other words, the institution would have to exceed its year two target. 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. Because there are many "working poor" in Nevada who do not qualify for Title IV Federal Student Aid the institutions may determine students of need independent of Title IV guidelines.

See **Appendix B** for the Performance Pool metrics by institution and the respective targets for Year 3 and Year 4 of the Performance Pool.

Formula Set-Asides. The funding formula includes two areas of funding that are outside the primary WSCH calculation. First is the small institution factor. Recognizing that all institutions have certain fixed administrative costs regardless of size, the formula model includes a direct appropriation for small institutions to offset these fixed costs. The small institution factor decreases as WSCH increases between 50,000 and 100,000. When WSCH exceeds 100,000 funding for the small institution factor is eliminated. Great Basin College and Western Nevada College currently receive funding through the small institution factor.

While research infrastructure is a critical component of the universities' missions and related instructional activity, it is does not directly generate WSCH in the same way traditional instruction does (which is reflected in the additional research mission weightings for university upper-division and graduate course WSCH). The second set-aside provides funding for university operation and maintenance (O&M) of research infrastructure space.

Implementation. Implementation of the new formula, effective July 1, 2013, within existing appropriation levels necessarily triggered reallocation of resources. With the new funding model, the resource reallocation resulted in significant budget reductions to all northern institutions that could have impacted the viability of northern community colleges to continue to serve their respective service areas. As a result, the 2013 Legislature approved additional state support to hold harmless the institutions losing significant funding during the 2013-15 biennium. These funds were made available and reflected as mitigation funding. No funding is recommended by the Governor for this purpose during the 2015-17 biennium.

See **Appendix C** for the updated distribution based on the Executive Budget Recommendation for both FY2015-16 and FY2016-17.

Summary. This funding model effectively shifts the focus of formula funding from inputs (enrollments) to outputs (course completions and performance). It is intended to motivate institutional behavior that will increase degree productivity and contribute to the State's economy, and encourage and reward entrepreneurial actions. Recognizing the public and private benefits of higher education, the proposed formula assumes that the State (in the form of appropriations) and the students (in the form of tuition and fees) each assume a reasonable portion of the total funding for public higher education in Nevada.

Importantly, the NSHE worked closely with the interim committee, Governor Sandoval's Office and the 2013 Legislature to achieve a formula that was equitable and simple. The funding formula as summarized in the preceding pages clearly meets that goal.

Funding Model for the Desert Research Institute. During the interim study committee meetings, there was considerable discussion of the difference in mission and operation of DRI and the teaching institutions. For that reason DRI was not included in the formula models which had generally dealt with the teaching institutions and been based on their teaching function. However, the interim committee did find that DRI's state supported operating budget should be funded, in part, through a funding formula. Thus, recognizing the important role that DRI plays in the economic development goals of the State, and understanding that DRI leverages a portion of its budget to grow its research capacity, NSHE proposed a new formula model for the institutional support and research administration functions. The new model is a sliding scale calculation based on the level of grants and contracts activity and replaces current line item funding for these two functions. A summary of the model is included as **Appendix D**.

NSHE Course Taxonomy
Weights by Discipline Clusters

COMMUNITY COLLEGES AND STATE COLLEGE

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

NSHE Course Taxonomy
Weights by Discipline Clusters

UNIVERSITIES

Discipline Clusters	Lower Division	Upper Division	Masters	Doctoral
Liberal Arts, Math, Social Science, Languages, Other	**1.0**	**2.2**	**4.4**	**5.5**
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
Basic Skills Cluster	**1.5**			
32. Basic Skills	1.5			
Business Cluster (*Business, Public Administration*)	1.0	2.2	4.4	6.6
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
Education Cluster	1.5	2.2	2.75	5.5
13. Education	1.5	2.2	2.75	5.5
Services Cluster *(Personal, Protective, Recreation)*	1.5	2.2	3.3	4.4
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
Visual and Performing Arts Cluster	1.5	2.75	5.5	5.5
50. Visual & Performing Arts	1.5	2.75	5.5	5.5
Trades/Tech Cluster *(Construction, Mechanic Tech, Precision Production*	2.0	2.75		
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		
Sciences Cluster *(Agriculture, Computer, Biology, Physical)*	2.0	3.3	5.5	8.8
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
Law Cluster	2.0	2.2	4.4	4.4
22. Legal Professions and Studies	2.0	2.2	4.4	4.4
Engineering/Architecture Cluster	2.0	3.3	5.5	8.8
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
Health Cluster	2.0	2.2	5.5	6.6
51. Nursing, Allied Health, Health Professions	2.0	2.2	5.5	6.6

The instructional matrix is divided into eleven discipline clusters that are assigned weights for various course levels (e.g. lower division, upper division, master's, doctoral) using relative cost data from studies conducted in Texas, Illinois, Ohio and Florida. These are states that have successfully used cost studies in formula funding. The matrix is then applied to completions using the NSHE course taxonomy. This matrix assigns weights based on a student's progression to degree completion (e.g. upper division is weighted more than lower division, etc.) and will further provide for funding based on the discipline cluster as recommended by NCHEMS (e.g. clinical and science, technology, engineering and math (STEM) fields will have greater weights than liberal arts).

The completed student credit hours are multiplied by the weight assigned in the instructional matrix to determine the weighted student credit hours for each institution. Weighted student credit hours (WSCH) for each institution will be multiplied by an average *price* that will initially be determined based on the current state appropriation less the cost of any adjustments for small institutions and O&M costs directly related to university research facilities. This average *price* is the amount the formula will generate for each weighted student credit hour – effectively establishing a system-wide price for course completions. The average *price* will be applied to the institutional WSCH to determine base funding for each institution.

NSHE PERFORMANCE POOL -- YEAR 3 AND 4 TARGETS

UNLV	Factors	2012-13 Baseline Outcomes/ Points	2012-13 Baseline Weighted Pts.	YEAR 3 2014-15 Target Outcomes/ Points	YEAR 3 2014-15 Target Weighted Pts.	YEAR 4 2015-16 Target	YEAR 4 2015-16 Target Weighted Pts.
Bachelor's Degrees	0.30	3,857	1,157.1				
Minority Bachelor's Graduates (IPEDS) (1,616 x .4)	0.30	646.4	193.9				
Pell-Eligible (non-Minority) Bachelor's Graduates (801 x .4)	0.30	320.4	96.1				
Master's & Doctoral Degrees	0.10	1,166	116.6				
Minority Master's and Doctoral Graduates (IPEDS) (350 x .4)	0.10	140	14.0				
Pell-Eligible (non-Minority) Master's and Doctoral Graduates (182 x .4)	0.10	73	7.3				
Sponsored/External Research Expenditures in $100,000's	0.15	437.3	65.6				
Transfer Students w/a transferable associate's degree	0.05	1,727	86.4				
Efficiency - Awards per 100 FTE (New Method)	0.20	27.5	5.5				
Economic Development (STEM and Allied Health) Graduates	0.20	852	170.4				
Economic Development (business and management) Graduates	0.20	1,587	317.4				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	2,230.3	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**2,274.9**	--	**2,320.4**

UNR	Factors	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.
Bachelor's Degrees	0.30	2,744	823.2				
Minority Bachelor's Graduates (IPEDS) (640 x .4)	0.30	256	76.8				
Pell-Eligible (non-Minority) Bachelor's Graduates (642 x .4)	0.30	257	77.0				
Master's & Doctoral Degrees	0.10	732	73.2				
Minority Master's and Doctoral Graduates (IPEDS) (126 x .4)	0.10	50.4	5.0				
Pell-Eligible (non-Minority) Master's and Doctoral Graduates (173 x .4)	0.10	69.2	6.9				
Sponsored/External Research Expenditures in $100,000's	0.15	1,017.3	152.6				
Transfer Students w/a transferable associate's degree	0.05	1,234	61.7				
Efficiency - Awards per 100 FTE (New Method)	0.20	27.2	5.4				
Economic Development (STEM and Allied Health) Graduates	0.20	1,176	235.2				
Economic Development (psychology) Graduates	0.20	189	37.8				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	1,554.9	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**1,586.0**	--	**1,617.8**

NSC	Factors	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.
Bachelor's Degrees	0.50	303	151.5				
Minority Bachelor's Graduates (IPEDS) (117 x .4)	0.50	47	23.4				
Pell-Eligible (non-Minority) Bachelor's Graduates (56 x .4)	0.50	22	11.2				
Gateway Course Completers	0.05	709	35.5				
Transfer Students w/a transferable associate's degree	0.05	336	16.8				
Efficiency - Awards per 100 FTE (New Method)	0.20	15.4	3.1				
Economic Development (STEM and Allied Health) Graduates	0.20	134	26.8				
Economic Development (business and management) Graduates	0.20	35	7.0				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	275.2	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**286.2**	--	**297.7**

CSN	Factors	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.
1 to 2 Year Certificate	0.10	235	23.5				
Minority Certificate Recipients (IPEDS) (111 x .4)	0.10	44.4	4.4				
Pell-Eligible (non-Minority) Certificate Recipients (61 x .4)	0.10	24.4	2.4				
Associate's and Bachelor's Degrees	0.30	2,506	751.8				
Minority Associate's and Bachelor's Graduates (IPEDS) (1170 x .4)	0.30	468	140.4				
Pell-Eligible (non-Minority) Associate's and Bachelor's Graduates (625 x .4)	0.30	250	75.0				
Transfer Students	0.10	3,254	325.4				
Efficiency - Awards per 100 FTE (New Method)	0.20	24.4	4.9				
Gateway Course Completers	0.10	12,604	1,260.4				
Economic Development (STEM and Allied Health) Graduates (New Method)	0.20	2,380	476.0				
Economic Development: Skills Certificates (New)	0.20	1,489	297.8				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	3,362.1	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**3,429.3**	--	**3,497.9**

NSHE PERFORMANCE POOL -- YEAR 3 AND 4 TARGETS

GBC	Factors	2012-13 Baseline Outcomes/ Points	2012-13 Baseline Weighted Pts.	YEAR 3 2014-15 Target Outcomes/ Points	YEAR 3 2014-15 Target Weighted Pts.	YEAR 4 2015-16 Target Outcomes/ Points	YEAR 4 2015-16 Target Weighted Pts.
1 to 2 Year Certificate	0.10	135	13.5				
Minority Certificate Recipients (IPEDS) (36 x .4)	0.10	14	1.4				
Pell-Eligible (non-Minority) Certificate Recipients (27 x .4)	0.10	11	1.1				
Associate's and Bachelor's Degrees	0.30	285	85.5				
Minority Associate's and Bachelor's Graduates (IPEDS) (53 x .4)	0.30	21	6.4				
Pell-Eligible (non-Minority) Associate's and Bachelor's Graduates (82 x .4)	0.30	33	9.8				
Transfer Students	0.10	63	6.3				
Efficiency - Awards per 100 FTE (New Method)	0.20	39.6	7.9				
Gateway Course Completers	0.10	1,215	121.5				
Economic Development (STEM and Allied Health) Graduates (New Method)	0.20	400	80.0				
Economic Development: Skills Certificates (New)	0.20	171	34.2				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	367.6	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**375.0**	--	**382.5**

TMCC	Factors	2012-13 Baseline Outcomes/ Points	2012-13 Baseline Weighted Pts.	YEAR 3 2014-15 Target Outcomes/ Points	YEAR 3 2014-15 Target Weighted Pts.	YEAR 4 2015-16 Target Outcomes/ Points	YEAR 4 2015-16 Target Weighted Pts.
1 to 2 Year Certificate	0.10	70	7.0				
Minority Certificate Recipients (IPEDS) (20 x .4)	0.10	8	0.8				
Pell-Eligible (non-Minority) Certificate Recipients (25 x .4)	0.10	10	1.0				
Associate's Degrees	0.30	950	285.0				
Minority Associate's Graduates (IPEDS) (265 x .4)	0.30	106	31.8				
Pell-Eligible (non-Minority) Associate's Graduates (331 x .4)	0.30	132	39.7				
Transfer Students	0.10	1,281	128.1				
Efficiency - Awards per 100 FTE* (New Method)	0.20	27.7	5.5				
Gateway Course Completers	0.10	4,350	435.0				
Economic Development (STEM and Allied Health) Graduates (New Method)	0.20	871	174.2				
Economic Development: Skills Certificates (New)	0.20	534	106.8				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	1,215.0	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**1,239.3**	--	**1,264.0**

WNC	Factors	2012-13 Baseline Outcomes/ Points	2012-13 Baseline Weighted Pts.	YEAR 3 2014-15 Target Outcomes/ Points	YEAR 3 2014-15 Target Weighted Pts.	YEAR 4 2015-16 Target Outcomes/ Points	YEAR 4 2015-16 Target Weighted Pts.
1 to 2 Year Certificate	0.10	20	2.0				
Minority Certificate Recipients (IPEDS) (4 x .4)	0.10	2	0.2				
Pell-Eligible (non-Minority) Certificate Recipients (6 x .4)	0.10	2	0.2				
Associate's and Bachelor's Degrees	0.30	502	150.6				
Minority Associate's and Bachelor's Graduates (IPEDS) (103 x .4)	0.30	41	12.4				
Pell-Eligible (non-Minority) Associate's and Bachelor's Graduates (182 x .4)	0.30	73	21.8				
Transfer Students	0.10	354	35.4				
Efficiency - Awards per 100 FTE (New Method)	0.20	38.7	7.7				
Gateway Course Completers	0.10	1,684	168.4				
Economic Development (STEM and Allied Health) Graduates (New Method)	0.20	404	80.8				
Economic Development: Skills Certificates (New)	0.20	293	58.6				
TOTAL WEIGHTED POINTS - ACTUAL	--	--	538.1	--	0.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET	--	--	--	--	**548.9**	--	**559.9**

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. General Studies certificates are excluded. (Source: preliminary IPEDS reporting)
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. (Source: preliminary IPEDS reporting)
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. (Source: preliminary IPEDS reporting)
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. (Source: preliminary IPEDS reporting)
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. (Source: preliminary IPEDS reporting)
Awards to Minority Students	Minority categories include all categories EXCEPT white, unknown, and non-resident alien. General Studies certificates excluded. (Source: preliminary IPEDS reporting)
Awards to Pell-Eligible Students	An additional weight of .4 is applied for each degree or certificate awarded to non-minority Pell eligible student (minority and Pell-eligible awards are mutually exclusive and awards to minority students are captured in the minority awards so are excluded from the Pell-eligible awards). General Studies certificates excluded. (Source: Data submitted by institutions identifying students who were included in the awards reported to IPEDS [preliminary reports] and were Pell-eligible at any point during their academic career)
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 (for degree-seeking students only) at 4-year institutions and the number of certificates (including skills certificates), associate's and bachelor's (where applicable) per 100 FTE (for degree-seeking students only) at the 2-year institutions. (Source: preliminary IPEDS reporting and Official FTE [less non-degree seeking students])
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: NSHE Sponsored Programs Office)
Gateway Course Completers	The total number of students (unduplicated) who successfully completed a college-level English or mathematics course (grade C- and above) in the reporting year (fall and spring only). (Source: NSHE Data Warehouse)
Economic Development - STEM and Allied Health Graduates	Total number of certificates (including skills 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; 51 - health professions and related clinical sciences; 46 - construction trades; 47 - mechanic repair technologies/technicians; 48 - precision production; and 49 - transportation and materials moving) (Source: preliminary IPEDS reporting)
Economic Development - Institution Selected Discipline (4-Year Institutions only)	Total number of 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) (Source: preliminary IPEDS reporting)
Economic Development - Skills Certificates (Community Colleges only)	Certificates of 9 to 29 credits that that provide preparation necessary to take state, national and/or industry recognized certification or licensing examinations. (Source: preliminary IPEDS reporting)

Nevada System of Higher Education
Reconmmended State Support by Institution
Fiscal Year 2016 as Recommended in the 2015-17 Executive Budget

	Fiscal Year 2016 as Recommended in the 2015-17 Executive Budget							
Funding Component	**UNLV**	**UNR**	**NSC**	**CSN**	**TMCC**	**WNC**	**GBC**	**Total**
FY 2014 Resident Weighted Student Credit Hours (WSCH) - (1)	915,704	655,013	94,470	578,716	198,251	72,151	62,209	2,576,514
Times amount recommended per WSCH	**$153.09**	**$153.09**	**$153.09**	**$153.09**	**$153.09**	**$153.09**	**$153.09**	**$153.09**
State Support via WSCH (2)	$140,181,386	$100,273,266	$14,462,027	$88,593,269	$30,349,436	$11,045,302	$9,523,322	$394,428,008
Funding Formula Amounts Approved Outside WSCH								
Small Institution Factor (3)						$835,470	$1,133,730	$1,969,200
Research O&M (4)	$5,008,199	$4,102,076						$9,110,275
Total State Support (5) & (6)	$145,189,585	$104,375,342	$14,462,027	$88,593,269	$30,349,436	$11,880,772	$10,657,052	$405,507,483
Total State Support per WSCH	$158.56	$159.35	$153.09	$153.09	$153.09	$164.67	$171.31	$157.39

(1) Resident weighted student credit hours do not include F grades for non-attendance.Figures represent FY 2014 actual data.

(2) State support via WSCH at UNLV and UNR represents funding provided to each of the university's main instructional budget accounts. Does not include other budget accounts administered by each of the universities which do not utilize the higher education funding formula to determine state support.

(3) To account for increased costs due to economies of scale, the funding formula provides additional funding to institutions that generate under 100,000 weighted student credit hours.

(4) The funding formula provides research universities Operation and Maintenance (O&M) funding for space allocated exclusively for research purposes since these activities do not directly produce weighted student credit hours.

(5) Amounts include state support that is transferred to the Performance Pool (10% in FY 2016) that must be earned by achieving the number of targeted points as outlined for each institution.

(6) In addition to state support, the funding formula provides that institutions retain 100% of the student tuition and fee revenues generated by that institution with no General Fund offset.

Nevada System of Higher Education
Recommended State Support by Institution
Fiscal Year 2017 as Recommended in the 2015-17 Executive Budget

	Fiscal Year 2017 as Recommended in the 2015-17 Executive Budget							
Funding Component	**UNLV**	**UNR**	**NSC**	**CSN**	**TMCC**	**WNC**	**GBC**	**Total**
FY 2014 Resident Weighted Student Credit Hours (WSCH) - (1)	915,704	655,013	94,470	578,716	198,251	72,151	62,209	2,576,514
Times amount recommended per WSCH	**$153.33**	**$153.33**	**$153.33**	**$153.33**	**$153.33**	**$153.33**	**$153.33**	**$153.33**
State Support via WSCH (2)	$140,402,870	$100,431,695	$14,484,876	$88,733,245	$30,397,388	$11,062,753	$9,538,368	$395,051,195
Funding Formula Amounts Approved Outside WSCH								
Small Institution Factor (3)	$0	$0	$0	$0	$0	$835,470	$1,133,730	$1,969,200
Research O&M (4)	$5,008,199	$4,102,076	$0	$0	$0	$0	$0	$9,110,275
Amounts Recommended Outside the Funding Formula								
UNLV Hotel College Construction (5)	$500,000	$0	$0	$0	$0	$0	$0	$500,000
Total State Support (6) & (7)	$145,911,069	$104,533,771	$14,484,876	$88,733,245	$30,397,388	$11,898,223	$10,672,098	$406,630,670
Total State Support per WSCH	$159.34	$159.59	$153.33	$153.33	$153.33	$164.91	$171.55	$157.82

(1) Resident weighted student credit hours do not include F grades for non-attendance. Figures represent FY 2014 actual data.

(2) State support via WSCH at UNLV and UNR represents funding provided to each of the university's main instructional budget accounts. Does not include other budget accounts administered by each of the universities which do not utilize the higher education funding formula to determine state support.

(3) To account for increased costs due to economies of scale, the funding formula provides additional funding to institutions that generate under 100,000 weighted student credit hours.

(4) The funding formula provides research universities Operation and Maintenance (O&M) funding for space allocated exclusively for research purposes since these activities do not directly produce weighted student credit hours.

(5) The 2015-17 Executive Budget recommends state support of $24.65 million for construction of the UNLV Hotel College building. A total of $24.15 million is recommended in the Capital Improvement Program and $500,000 is recommended in the UNLV operating budget (FY 2017).

(6) Amounts include state support that is transferred to the Performance Pool (15% in FY 2017) that must be earned by achieving the number of targeted points as outlined for each institution.

(7) In addition to state support, the funding formula provides that institutions retain 100% of the student tuition and fee revenues generated by

Formula Model for the Desert Research Institute (DRI)

Current Operations & Maintenance (O&M)/NSHE New Space Formula

In the funding formula for teaching institutions, facilities are treated as a means of building capacity for student success and therefore Operations & Maintenance (O&M) is included in the weighted student credit hour concept. Because DRI facilities will not produce greater student capacity, a different treatment is indicated. Funding physical plant O&M includes both non-formula components and new space formula components. Allocations for utilities, insurance, and rental or lease costs are not formula driven and are budgeted separately based on consumption, rate changes, contractual agreements, and addition or subtraction of any facilities. The existing new space formula provides O&M support for operating, personnel, equipment, and utility costs based upon new facility square footage and new improved acreage. Operating costs are determined by applying the current cost per maintained square foot of existing facilities against new facility space and personnel and equipment costs are based upon salary and equipment costs approved by the Legislature for use in the NSHE funding formula for O&M support.

Institutional and Research Administration Formula

This second aspect of DRI funding is a new step function model which acknowledges the complexity and cost associated with the growth of the research function and encourages DRI to maximize its efforts in that regard. This driver replaces current line item funding of DRI infrastructure on a revenue neutral basis. See following chart:

Institutional and Research Administration Formula
(based on Sponsored Projects Expenditures)

Formula Calculation	Revenues
12%	0 - $25,000,000
7.5%	$25,000,001 - $30,000,000
6.0%	$30,000,001 - $35,000,000
5.0%	Above $35,000,000

The two components together were designed to approximate the FY 2012-13 State base budget funding to DRI and provided the basis for the funding calculation in future biennial budgets.