

2015—2017 Biennial Budget Request



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MEMORANDUM

DATE: August 14, 2014

TO: NSHE Board of Regents

FROM: Daniel J. Klaich, Chancellor 

COPY: NSHE Presidents

RE: 2015-2017 Biennial Budget Recommendation

The Base Budget.

The budget book, delivered with this memorandum, outlines the biennial budget request that will be discussed at the Board's Special Meeting on August 22, 2014. While more detail is presented, the information in the budget book for the NSHE's 2015-17 biennial budget request sets forth in monetary form the major budgetary decisions the Board has made over the past few months. We have summarized those decisions on a spreadsheet which you have received for the past number of meetings. That spreadsheet is attached as Appendix A to this memorandum, slightly reformatted for your convenience to conform to the formatting in this memorandum. Most of the items in this presentation have been discussed on a number of occasions, and I will primarily focus in this memorandum on matters that have not been discussed extensively in previous public sessions.

The 2015-17 budget request represents the first time NSHE has utilized the new funding formula approved by the 2013 Legislature as the basis for the budget request of each of the seven teaching institutions and DRI. Therefore, we have copied in the budget book a brief explanation of the how the formula is designed to work under the tab "Formula Funding" for your reference. The remaining budgets within NSHE do not utilize the new funding formula and have been constructed in much the same manner as has been the case in the past. Also, under the "Formula Funding" tab in the budget book, there is a spreadsheet summarizing the biennial budget request as generated by the formula. Various significant decision points are captured in that spreadsheet and references are included in this memorandum to the lettered columns on this spreadsheet for your convenient reference.

The total amount requested from all funding sources totals \$843.0 million in FY 2016 which represents an increase of 10.4 percent over FY 2015. In FY 2017, the amount requested totals \$889.6 million, an additional increase of 5.5 percent over FY 2016.

State support totals \$561.2 million in FY 2016 which represents an increase of 12.4 percent over FY 2015. In FY 2017, total state support totals \$596.3 million, an increase of 6.3 percent over FY 2016. If enhancement requests are excluded, state support in FY 2016 increases by 6.6 percent over FY 2015, with an additional increase of 2.4 percent in FY 2017.

An explanation of each major budget area is provided below.

1. Budget items that impact all NSHE accounts:

- In compliance with the Governor's budget instructions, for FY 2016 and FY 2017 NSHE professional and classified salaries reflect elimination of the six day per year furlough requirement, the additional funds needed for classified salary step increases and longevity costs and professional merit costs of 2.5% for eligible positions as well as rent/lease and other contractual adjustments. (See, column "i" in the "Formula Funding" spreadsheet)
- Costs related to employee/tort insurance, increases or decreases in active and retiree health insurance assessments, and state personnel assessments have not been included. Funds will be added to NSHE budget accounts during the Governor's recommend phase of the budget process once the exact assessment rates are finalized.

2. Budget items that impact the seven teaching institutions that utilize the new funding formula:

- F grades for non-attendance – When the 2013 Legislature approved the new funding formula, it was also decided that the primary driver of the formula, Weighted Student Credit Hours (WSCH), would not include F grades for non-attendance when the 2015-17 budget request was developed. This required WSCH in FY 2012 to be reduced based on the average of F grades for non-attendance generated at each institution in FY 2013 and FY 2014. The lower number of WSCH resulted in the average amount per WSCH being increased from \$141.50 to \$148.59 to prevent NSHE from incurring an unintended reduction in state support. (See, column "f" in the "Formula Funding" spreadsheet)

State support for NSHE as a whole does not change due to this adjustment. However, based on the level of F grades for non-attendance generated at each of the institutions in FY 2013 and FY 2014, the base level of state support for three institutions in FY 2016 and FY 2017 was increased compared to FY 2015 (UNLV, UNR and NSC), while state support was decreased in four institutions (CSN, TMCC, GB and WNC).

- Increase in number of WSCH - The new funding formula provides more or less funding to an institution dependent on whether WSCHs are increased or decreased in FY 2014 compared to FY 2012. This "caseload adjustment" is similar to increases that occur in other budget accounts, for example, K-12 or Human Services. Overall, NSHE institutions generated approximately 3.5 percent more WSCHs in FY 2014 compared to FY 2012, which results in a request of approximately \$12.8 million in additional state support for both FY 2016 and FY 2017. Five institutions generated more WSCH hours in FY 2014

compared to FY 2012, while two institutions had slight reductions in the WSCH generated. (See, column “e” in the “Formula Funding” spreadsheet)

It is important to briefly explain how funding for O&M Research and the small institution factor is displayed in the budget request. Funding for O&M Research and small institution funding approved in FY 2015 is contained in the base budget for each institution that receives this funding. That is, after the appropriation it is not separately identified. The increase or decrease in funding for these two factors in FY 2016 and FY 2017 is identified in the NSHE budget request in a separate decision unit. (See, columns “g” and “h” in the “Formula Funding” spreadsheet). For example, at UNLV a total of \$4,944,173 is included in the base budget in FY 2016 and FY 2017 for O&M Research. An additional \$64,026 is requested in each year of the biennium based on changes in the formula drivers for O&M Research. Total funding requested for O&M Research at UNLV in each year of the biennium is \$5,008,199 (\$4,944,173 in UNLV’s base budget + \$64,026 in additional appropriations for this biennium). Total Research O&M at UNR for each year of the biennium is \$4,102,076. Funding for the small institution factor at GBC for each year of the biennium is \$1,133,730 per year and \$835,470 per year at WNC.

Enhancement Requests.

We have discussed budget enhancement requests and priorities for the last three meetings of the Board. To assist that discussion as indicated above, I have attached that spreadsheet showing the enhancement category and amount as Appendix A. I will refer to that same format here, detailing the nature of each request and the amount.

As indicated above, our budget instructions were to include funding for furloughs, longevity and merit for the upcoming biennium. Given those instructions and the Boards’ clearly stated support of faculty and the need for this adjustment it does not seem to me that further discussion on this point is necessary.

My recommendations to the Board for enhancement requests in priority order are as follows:

Priority No. 1 – Increased WSCH Funding. The highest priority for new funding remains an increase in the price per or value of a weighted student credit hour. We have consistently highlighted in every budget discussion that we would request the State to begin to reinvest the losses of the last five to six years by increasing the WSCH driver by \$5.00.

State support for NSHE was reduced from legislative approved levels from FY 2009 to FY 2013 by slightly over 30 percent. During the 2013-15 biennium this trend changed with additional state support being provided to NSHE. It is important for this trend to continue so institutions can maintain and expand the education offered to Nevadans and to continue support for the state’s economic development goals. An increase in the amount per WSCH by \$5 is being requested which would provide additional state support of \$12.9 million per year to NSHE’s seven teaching institutions. (See, column “k” in the “Formula Funding” spreadsheet)

The Desert Research Institute had the same negative budget impacts described above for other NSHE institutions. DRI instituted formula funding for the first time, predicating administrative support upon the level of grant activity. In order to increase its formula by an amount proportionate to the \$5 per WSCH requested for the teaching institutions, a total of \$125,312 is being requested in enhancement funding for DRI.

Priority No. 2 – Bridge Funding for GBC and WNC. In all presentations, we have included bridge funding to partially offset the negative impact of implementation of the new formula for our rural colleges at an amount to be determined. I believe that it is time to list this amount as a very high priority to send these colleges the message that we value what they do and the mission they serve. As you consider this recommendation, I would ask you to remember that even with the mitigation funding provided in the current biennium (some from the State and some from the NSHE) that each college sustained budget reductions of 5% in the first year of the biennium and an additional 5% in the second (current) year of the biennium. In addition each college has presented strategic plans that have been accepted by the Board to grow out of the current formula deficit and both are making substantial progress in that growth. However, as you know, growth now will not impact the formula funding for another biennium. In addition, GBC and WNC are active participants in the Nevada College Collaborative and have realized savings already and mapped out a strategy for even greater savings through a collaborative business model with other NSHE institutions. In short, the colleges have done what we have asked them to do (See, memoranda from Presidents Curtis and Burton attached as Appendices B and C, respectively) and I think it is appropriate to respond with a statement of tangible support by providing bridge funding through this biennium as growth strategies accelerate and savings are realized. The amounts recommended below will not be enough to hold the colleges harmless which I believe is an important point. Both have significant amounts to cover through growth, savings and budget reductions. My recommendation is to provide the following bridge funding:

	<u>FY 2016</u>	<u>FY 2017</u>
GBC	\$1,500,000	\$1,500,000
WNC	\$1,100,000	\$850,000

Priority No. 3 – Bridge Funding for DRI. [NEW]

The 2013 Legislature approved a new funding formula for DRI that determines state support based on the level of grants and contracts generated by DRI. Initial implementation of the formula was designed to be revenue neutral with the ability to generate additional state support as grants awarded to DRI increased over time. Due to a number of negative events that occurred during the current biennium including the shutdown of the federal government in October 2013, consequences of the federal sequestration, and related budget constraints at the federal level, grant and contract activity has decreased compared to previous years in a manner that could not have been foreseen during our formula discussions. Based on the new formula, state support for DRI would decrease by approximately \$1 million per year, representing almost 14% of its state supported budget. In response to what could be a permanent change in levels of federal grant funding available, DRI has developed a business model and approach that will emphasize greater participation with private business through activities such as the Applied Innovation Center and the NV Center of Excellence. A total of \$352,000 in bridge funding is being requested in each year of the biennium to partially offset this loss of state support for DRI during this transition to a new business model.

Priority No. 4 – Boyd School of Law.

Enrollments at law schools nationally are experiencing a significant decline. Responding to this national trend by maintaining the excellence upon which it was founded, the entering classes at the Boyd School of Law have decreased from 150 to 110 students. The resulting revenue shortfall totals approximately \$900,000 in FY 2014 and is estimated to increase to \$2.8 million in FY 2016 and \$2.9 million in FY 2017. This funding shortfall is recommended to be met with a combination of expenditure reductions, reasonable fee increases and additional state support.

(The detail on this plan is outlined in a memorandum from Dean Hamilton under the “UNLV Law School” tab in the budget book.) A total of \$1.5 million each year in state support is being requested to finance a portion of the funding shortfall which would enable the Boyd School of Law to maintain its status as a top public law school.

Fiscal Impacts – Other State Budgets and Interim Activity.

Except as mentioned below for public medical education, the remainder of the items enumerated for biennial funding on Appendix A represent actions over the interim that may be included in other agency budgets, committee or legislator bill drafts. None of these items have changed since the last meeting of the Board. All represent important requests that will allow the NSHE to better serve and reach students, discharge its mission, and align with the State economic development plan. These items consist of:

1. Maintaining funding to the Knowledge Fund
2. Establishing a Workforce Development Fund for Community Colleges
3. Establishing a STEM Challenge Grant Program for Community Colleges
4. Establishing a State supported need based financial aid program for the Community Colleges and State College
5. Revising the statutory provisions of the Governor Guinn Millennium Scholarship to increase the maximum funding amount from 12 to 15 credits per semester and phasing in over two years an increase in the minimum credit load for community college students from 6 to 12 credits.

Public Medical Education Expansion.

In response to the crisis in public health in Nevada and the shortage of physicians, the Nevada System of Higher Education has developed a comprehensive plan for expanding public medical education in the State. The plan includes strengthening the current School, expanding graduate medical education, and establishing a full allopathic School of Medicine at UNLV. (Included under the tab for “Medical Education Expansion” in this budget book are complete descriptions of the business plan and timeline for this expansion together with budget summaries for the upcoming biennium and the period of planning, establishment and ultimate maturity of both medical schools. Also attached is a summary of expected economic impact from this expansion plan and the return to the state general fund from that expansion of Nevada’s economy.)

Detailed in the attached planning documents, the request for the biennium includes:

1. Operating funds of approximately \$31.7 million to provide for the establishment of a new medical school in Las Vegas and the expansion of UNSoM pursuant to the plan directed by the Board.
2. Operating funds of approximately \$9.9 million to support enhancement of graduate medical education; and
3. One-time funding of approximately \$4.3 million.

The enhancement of public medical education is a significant but necessary undertaking for the State in order to help provide Nevadans with greater access to sufficient high quality health care they require and deserve. In doing so, not only will the State be making a significant statement to all Nevadans, but will be expected to significantly increase the quality of life in the State that

will allow us to attract business to the State and develop and diversify our economy. However, the initial investment in public medical education is significant and cannot be made from funding now available to higher education. For this reason, this funding request is considered stand alone and must be a new and additional commitment of funding from the State.

APPENDIX A

BIENNIAL BUDGET SUMMARY

2015-2017 NSHE Budget Building Process

The Base Budget

	2016 (millions)	2017 (millions)
Furlough restoration, including benefits	\$10.27	\$10.27
Professional Merit & Classified Step Increases, including benefits	\$14.19	\$26.73
Change in WSCH FY14 over FY12 - Case Load Growth	\$12.78	\$12.78

Enhancement Requests

Increase in the \$WSCH - reinvest in higher education*	\$12.88	\$12.88
DRI - Percentage increase in the \$5 WSCH applied to DRI formula step percentages	\$0.125	\$0.125
Bridge funding for GBC and WNC	\$2.60	\$2.35
Bridge funding for Desert Research Institute	\$0.352	\$0.352
Law School	\$1.50	\$1.50

Fiscal Impacts - Other State Budgets and Interim Activity

Knowledge Fund	\$10.0
Workforce Development Fund	\$6.0
STEM Workforce Challenge Grant Program	\$3.5
Need based financial aid	\$5.0
Enhance Millennium Scholarship funding to cover 15 credits	\$5 to \$6.5

*\$2.58M per one dollar increase in WSCH

Public Medical Education Expansion

UME Request	\$8.61	\$23.14
GME Request	\$2.43	\$7.45
One-Time Expenditures	\$0.58	\$3.73

APPENDIX B

MEMORANDUM FROM PRESIDENT CURTIS



MEMORANDUM

DATE: August 11, 2014

TO: Dan Klaich, Chancellor, Nevada System of Higher Education

FROM: Mark A. Curtis, President

SUBJECT: Great Basin College Efficiency and Effectiveness Efforts 2010-Date:

1. GBC cut and or moved to self-funding 58 fulltime State Operating Budget positions moving from approximately 220 position down to 161.5 (a 26.6% reduction in staff). Such drastic cuts hurt more in a small institution and force several positions to have split responsibilities.
2. The operating and travel budgets have been cut twice, first 25% and more recently an additional 20%. Given our vast service area, travel is a necessity making these cuts hurt and placing restrictions on faculty development activities.
3. Five fulltime technical faculty are funded entirely through gifts and grants.
4. Energy costs have been reduced via three externally funded Solar Panel Array projects in Elko and Winnemucca.
5. GBC has been an ongoing partner in four TAACCCT Grant Consortium proposals taking the lead in TAACCCT III, winning an \$8,700,000 award for Nevada, \$4,000,000 of which went to GBC.
6. Through the GBC Foundation, Campaign Vision 2020 concluding this summer, over \$15,000,000 in gifts, grants and scholarships has been raised helping us to fulfill our mission with designated funds.
7. Faculty overload and adjunct costs have been reduced as course enrollment numbers have been raised.
8. We have reached out to our Veterans, NNRDA and DETR opening offices for each on the Elko campus.
9. GBC has entered into several consortium agreements:
 - Library collections
 - Learning management system (Canvas)
 - Student notification/alert system
 - Various software licenses
10. We are an active participant in the Nevada College Collaborative (i.e., shared services)
 - IR function is shared between WNC and GBC
 - Working diligently on 6 other functional areas under the direction of Frank Woodbeck
11. Like others in the system we deal with furloughs and for several years no raises/COLA.
12. GBC has adopted a self-help growth vision for the future that involves an increased service area , more upper division degree options and increased penetration in our distance delivery to the citizens of rural Nevada.
13. Even in the face of huge cuts and increased reporting requirements on every level, we received a clear seven full year accreditation renewal from the Northwest Commission on Colleges and Universities, have provided increased dual enrollment options to high school students and graduated record numbers of students each of the past 5 years.

Note: In a manner of speaking all this has been done cheerfully, but additional cuts at this critical time of planned growth, workforce development and developing shared services would do real damage to the college and its critical rural postsecondary education provider mission. Bridge funding during this biennium is essential.

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APPENDIX C

MEMORANDUM FROM PRESIDENT BURTON




OFFICE OF THE PRESIDENT

MEMORANDUM

Date: August 12, 2014

To: Daniel Klaich, Chancellor, Nevada System of Higher Education

From: Chet Burton, President 

Subject: Western Nevada College Actions in Relation to Budget Trends 2010 to Present

WNC has seen the funding received from the State of Nevada General Fund reduced by 37% or over \$6.3M, since 2010. To partially mitigate the impact of these cuts, bridge or mitigation was provided in 2014 and 2015 in the amounts of \$3.3M in fiscal year 2014 and \$2.57M in the current fiscal year (2015). This bridge funding was invaluable in assisting the college in the full implementation of the new NSHE Formula Funding Model. Despite the mitigation or bridge funding, significant budget reductions have been absorbed and the following efficiency and effectiveness efforts have been implemented in response to these reductions:

1. Since 2010 WNC has eliminated 82 Full Time Equivalent (FTE) positions reflecting a reduction of Faculty, Administrative and Classified jobs. This reflects 25% of the total workforce going from 299 down to 217 FTE. An ongoing hiring freeze on non-academic positions will continue to reduce employee headcount. WNC has also held vacant or downgraded the following Executive positions: Vice President Finance and Administration, Vice President Development and External Affairs, Dean of Instruction and Dean of Fallon Campus/Rural Development.
2. Since 2011, WNC has installed 4 solar arrays on the Carson Campus and 1 on the Douglas Campus representing 580 KW of capacity. The latest installation just came on line in July 2014 generating 180 KW annually for a savings of over \$25K a year. An ongoing project has also been converting grass to native plants and landscaping resulting in significant water savings
3. Campus-wide operating budgets were cut by 25% in 2011 and have taken an additional 10% cut in each of 2014 and 2015. Staff development and travel budgets have also been significantly reduced.
4. From having virtually no grant management infrastructure, WNC took the lead on the preparation of the TAACCCT IV grant. The request was the largest TAACCCT grant to date for NSHE, requesting nearly \$10M. The WNC share would be over \$4M if awarded. The college also just received an approved overhead rate for grant indirect costs and hired an outside grant consultant.
5. A committee was convened in the fall 2013 representing all college stakeholders to develop a plan for full implementation of the Formula Funding model. A significant number of actions were reviewed and approved. While many of the recommendations were small individually, collectively they represented over \$600K annually in savings that are being realized beginning in FY 2015.
6. WNC has been at the forefront of the Shared Services Initiative. Current initiatives include:
 - a. Sharing an Institutional Research Director with GBC

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- b. Having a MOU with TMCC for Distance Education Support and sharing resources in this area
 - c. Recently signing an MOU with TMCC for Financial Aid support between the two colleges
 - d. Kicking off an in-depth review of the IT area laying the groundwork for additional savings through the iNtegrate II project.
7. In the interest of better facility utilization and serving the communities in our service area, we have partnered with the Douglas School District to allow them to use the Douglas campus a portion of the day for their alternative High School. DCSD is essentially now funding the annual operating cost of the campus in a partnership that is a win/win for both parties.
 8. For each of the last 3 academic years WNC has graduated a record number of students. Reflecting this success the college earned over 108% of the performance pool goals for 2014.
 9. WNC is not just focusing in reductions, but also looking to the future for growth and expansion. A significant initiative will kick off this academic year with all 5 school districts in our region called "Jump Start", allowing HS Juniors and Seniors to get dual credit for WNC classes. In the initial year of the program over 200 students are participating. Through Jump Start and the 15 to finish initiative, WNC is projecting enrollment to be up between 4 and 5% for the upcoming academic year. This initiative was rolled out in the face of the significant budget cuts and done by transferring resources and external grants. Jump Start has the potential to grow significantly as the first year enrollment was intentionally capped to ensure a smooth rollout.

While actions have been taken and other actions are ongoing or planned, the manner in which the Funding Formula is calculated results in a time lag from the student success and enrollment initiative kickoff to when the growth is reflected in the formula. Therefore, additional bridge funding will be crucial to WNC to continue with the initiatives we have ongoing and planned in order to further our shared services capability as well as increase revenue through a strategy of diversification and growth.

**Nevada System of Higher Education
2015-2017 Biennial Budget Request
Funding Sources**

Source	Budget 2013-2015 (millions)	% of Total	Request 2015-2017 (millions)	% of Total	Percent Change
State	\$986.49	65.22%	\$1,157.54	66.81%	17.34%
Student	\$514.05	33.99%	\$564.08	32.56%	9.73%
Other	\$12.00	0.79%	\$11.01	0.64%	-8.25%
Total System	\$1,512.55	100.00%	\$1,732.63	100.00%	14.55%

⁽¹⁾ Figures may not total due to rounding

⁽²⁾ Figures include all Base, Maintenance, and Enhancements

**Nevada System of Higher Education
2015-2017 Biennial Budget Request
By Institution**

Area	Budget 2013-2015 (millions)	Request 2015-2017 (millions)	Percent Change
UNLV & Related Appropriations	\$539.09	\$633.51	17.51%
UNR & Related Appropriations	\$448.96	\$548.64	22.20%
DRI	\$15.39	\$15.21	-1.12%
CSN	\$263.66	\$277.92	5.41%
TMCC	\$86.75	\$90.37	4.17%
GBC	\$32.72	\$33.99	3.89%
WNC	\$39.10	\$37.77	-3.40%
NSC	\$36.45	\$42.24	15.90%
SCS	\$33.64	\$35.72	6.17%
All Others (SA, UP, SP, NFPL, WICHE)	\$16.80	\$17.26	2.76%
NSHE Total	\$1,512.55	\$1,732.63	14.55%

⁽¹⁾ Figures may not total due to rounding

⁽²⁾ Figures include all Base, Maintenance, and Enhancements

**NEVADA SYSTEM OF HIGHER EDUCATION
2015-17 BIENNIAL BUDGET REQUEST
BUDGET NARRATIVES**

ADJUSTED BASE, MAINTENANCE, AND ENHANCEMENT

ADJUSTED BASE BUDGET:

The NSHE adjusted base budget extends current expenditures into the upcoming biennium. For the 2015-17 biennial budget, NSHE is requesting adjustment to the fiscal year 2015 budget in the amount of \$17.66 million in fiscal year 2016 and \$30.48 million in fiscal year 2017 (compared to FY 2015). Adjustments to the base are included to account for professional merit, classified merit-based step increases, known modifications to existing contractual obligations, interim allocations approved by the Interim Finance Committee, and to restore to the NSHE budgets furlough savings authorized by the 2013 Legislature that sunsets on June 30, 2015. A summary of the significant adjustments to the base budget follows.

Vacancy Savings

Biennial Budget Request \$ 1.24 million

In compliance with the Governor's budget instructions, vacancy savings is included in the 2015-17 budget request. The adjusted base budget was increased by \$666,053 in FY 2016 and \$578,701 in FY 2017 to reflect the mandated calculation of vacancy savings.

Restore Professional/Classified Salary Furlough Savings

Biennial Budget Request \$ 20.54 million

The adjusted base budget restores funding for the required six-day furlough applied to professional and classified salaries authorized by the 2013 Legislature. For the biennium, the base will increase by \$10.27 million in each year of the biennium for the restoration of professional and classified salaries.

Professional Merit Adjustments/Classified Merit-based Step Increases and Longevity

Biennial Budget Request \$ 39.67 million

In compliance with the Governor's budget instructions, the NSHE is requesting an appropriation from the State General Fund to provide performance-based salary increases for professional employees. Professional employee salary adjustments for annual merit increases are \$28.56 million over the biennium and are calculated at 2.5 percent of the total fiscal year 2015 professional salaries, excluding positions at and above the Assistant Dean's level, non-instructional salaries at or above the maximum point of the salary scale, as well as the portion of academic salaries above the range maximum.

The NSHE seeks state funds to support longevity and merit-based step increases for employees in the classified service of the state. The salary adjustment requested for the classified employees will finance the regularly scheduled step increases, of which approximately 50 percent of the classified staff is eligible to receive during the course of the biennium. For the classified

employees, the salary adjustments for longevity and merit based step increases total \$7.91 million over the biennium.

Additional fringe funding of \$3.20 million over the biennium is requested to pay the fringe cost for professional and classified merit.

Remove State Assessment

Biennial Budget Request \$ -2.26 million

Tort insurance, employee bond insurance, and state personnel assessment are removed from the NSHE request. These items are re-calculated and added to the NSHE budget by the Governor.

Rent/Lease and Other Contractual Agreements

Biennial Budget Request \$ 0.72 million

The adjusted base budget includes the funding necessary to support known modifications to existing contractual agreements (i.e. office rent and leases, software/ hardware maintenance contracts).

Carry Forwards and Mitigation

Biennial Budget Request \$ -11.82 million

NSHE institutions have authority to carry forward revenues from FY 2014 in FY 2015. These carry forward amounts of \$653,813 in each year of the biennium are removed from NSHE's base request. NSHE institutions also received formula mitigation funding in their FY 2015 budgets. Mitigation funding of \$5.26 million in each year of the biennium was also removed from the base.

MAINTENANCE:

M-105 Lease Inflation

Biennial Budget Request \$ 0.04 million

NSHE seeks state funds to cover lease cost increases at facilities operated by the School of Medicine. NSHE is requesting increases in funding by \$17,005 and \$22,990 for FY 2016 and FY 2017 respectively.

M-200 O&M Research Space

Biennial Budget Request \$ 1.17 million

The 2013 Legislature approved funding for a separate component within the new funding formula that provides Operations and Maintenance (O&M) funding for dedicated research space at UNLV and UNR. This decision unit requests incremental funding for O&M Research totaling \$583,211 in FY 2016 and FY 2017. This request represents funding over amounts approved by the 2013 Legislature for this purpose based on the amount and operational costs of building space dedicated for research activities at these two institutions during the 2015-17 biennium.

M-201 Small Institution Factor

Biennial Budget Request \$ 0.05 million

This decision unit requests funding for the small institution factor at GBC and WNC and represents the net difference between the amounts approved by the 2013 legislature in FY 2014 and FY 2015 and the amounts requested in FY 2016 and FY 2017. A reduction of \$43,200 is requested in each year for GBC and an increase of \$67,890 is requested in each year for WNC and is based on the number of Weighted Student Credit Hours generated by each institution in FY 2014.

M-202 Restore Formula Funding at CSN and NSC

Biennial Budget Request \$ 3.45 million

A total of \$1.725 million in additional O&M research funding over and above amounts generated through the new funding formula was approved by the 2013 Legislature for UNLV in FY 2014 and FY 2015 which was temporarily financed on a one-time basis through a reduction in formula funding at CSN and NSC. This decision unit restores formula funding of \$1.725 million in each year of the biennium at CSN (\$1,158,782) and NSC (\$566,616) that was reduced on a one-time basis in each year of the 2013-15 biennium.

M-203 Case Load Adjustment

Biennial Budget Request \$ 25.56 million

The new funding formula provides more or less funding to an institution dependent on whether WSCH have increased or decreased in FY 2014 compared to FY 2012. Overall, WSCH institutions generated approximately 3.5 percent more WSCH in FY 2014 compared to FY 2012. This results in a request of \$12.78 million in additional state support in each year of the biennium. Five institutions generated more WSCH in FY 2014 compared to FY 2012, while two institutions had slight reductions in the WSCH generated.

M-204 F's for Non-Attendance Adjustment

Biennial Budget Request \$ 0.00 million

When the 2013 Legislature approved the new funding formula, it was also decided that the primary driver of the formula, Weighted Student Credit Hours (WSCH), would not include F grades for non-attendance when the 2015-17 budget request was developed. Since all institutions did not track this information until FY 2013, this required WSCH in FY 2012 to be reduced based on the average of F grades for non-attendance generated at each institution in FY 2013 and FY 2014. The lower number of WSCH resulted in the average amount per WSCH being increased from \$141.50 to \$148.59 to prevent NSHE from incurring a reduction in state support.

State support for NSHE as a whole does not change due to this adjustment. However, this decision unit does impact the base level of state support for individual institutions. Increased state support is requested in FY 2016 and FY 2017 compared to FY 2015 for three institutions (UNLV, UNR, NSC) due to the removal of F grades for non-attendance from the WSCH utilized for formula purposes, while state support is decreased at four institutions (CSN, TMCC, GBC, WNC).

M-207 DRI Formula

Biennial Budget Request \$ -2.01 million

NSHE is requesting funding based on the new formula model for the institutional support and research administration functions at DRI. The new model is a sliding scale calculation based on the level of grants and contracts. NSHE is requesting decreases in funding by \$0.96 million and \$1.05 million for FY 2016 and FY 2017 respectively.

M-210 Non General Fund Revenue Augmentation

Biennial Budget Request \$ 47.67 million

An important component in the new funding formula is the ability to retain 100 percent of student fees and other revenues generated at each institution, without an offset to state General Fund support. NSHE is requesting the use of additional projected non-state revenues of \$18.13 million and \$29.53 million for FY 2016 and FY 2017 respectively.

M-215 New Space Rental

Biennial Budget Request \$ 0.43 million

NSHE seeks state funds to cover increases of existing leased facilities operated by the School of Medicine and the Desert Research Institute. NSHE is requesting increases in funding by \$205,692 and \$226,724 for FY 2016 and FY 2017 respectively.

M-216 New Space

Biennial Budget Request \$ 0.10 million

NSHE seeks state funds to cover the cost of O&M expenses to operate new facilities owned by the Desert Research Institute. NSHE is requesting increases in funding by \$51,516 and \$50,209 for FY 2016 and FY 2017 respectively.

ENHANCEMENTS:

E-275 Increase Amount per Weighted Student Credit Hour (WSCH) by \$5.00

Biennial Budget Request \$ 25.77 million

State support for NSHE was reduced from legislative approved levels from FY 2009 to FY 2013 by slightly more than 30 percent. During the 2013-15 biennium this trend changed with additional state support being provided to NSHE. It is important for this trend to continue so institutions can maintain and expand the education offered to Nevadans and to continue support for the state's economic development goals. A total of \$12.88 million is requested in FY 2016 and FY 2017 to increase the amount per WSCH by \$5.00.

E-276 Western Interstate Commission on Higher Education (WICHE)
Biennial Budget Request \$ 0.07 million

As approved by the WICHE commission a structural change to the Health Care Access Program (HCAP) is requested to target major statewide health workforce shortages. WICHE's funding priorities would primarily shift from its tuition assistance and loan repayment programs to a new "Mental Health Expansion" stipend program supporting the fields of behavioral mental health and postgraduate nursing. A total of \$73,650 over the 2015-17 biennium is requested to support the change to the HCAP program.

E-277 Boyd School of Law
Biennial Budget Request \$ 3.00 million

Enrollments at law schools nationally have been experiencing significant declines. Responding to this trend, entering classes at UNLV have been reduced from 150 to 110 students. The resulting revenue shortfall totals \$900,000 in FY 2014 and is estimated to increase to \$2.9 million in FY 2017. This funding shortfall is recommended to be met with a combination of expenditure reductions, reasonable fee increases and additional state support. A total of \$1.5 million in each year of the biennium is requested to partially offset the revenue shortfall due to reducing the entering class of law students.

E-278 Bridge Funding for Western Nevada College
E-279 Bridge Funding for Great Basin College
Biennial Budget Request \$ 4.95 million

Bridge funding of \$1.5 million is requested in each year of the biennium for Great Basin College and \$1.1 million in FY 2016 and \$850,000 in FY 2017 is being requested for Western Nevada College. The bridge funds would assist these two institutions in adjusting to the lower level of state support provided by the new funding formula.

E-280 Desert Research Institute
E-281 Desert Research Institute
Biennial Budget Request \$ 0.95 million

Two items are being requested for the Desert Research Institute (DRI).

- The 2013 Legislature approved a new funding formula for DRI that determines state support based on the level of grants and contracts generated by DRI. Initial implementation of the formula was designed to be revenue neutral with the ability to generate additional state support as grants awarded to DRI increase over time. Due to a number of negative events that occurred during the current biennium including budget constraints at the federal level, grant and contract activity has decreased compared to previous years. Based on the new formula, state support for DRI would be reduced by approximately \$1 million in each year of the biennium. In response to this issue, DRI has developed a new business model that will emphasize greater participation with private business. A total of \$352,000 in bridge funding is requested in each year of the biennium

to partially offset the loss of state support for DRI during this transition to a new business model.

- A total of \$125,312 is requested for DRI in each year of the biennium which is designed to equal the funding being requested for the seven teaching institutions by increasing the value per WSCH by \$5.00.

Public Medical Education Expansion (E-282, E-283, E-284, E-285)
Biennial Budget Request \$ 45.94 million

In response to the crisis in public health in Nevada and the shortage of physicians, the Nevada System of Higher Education has developed a comprehensive plan for expanding public medical education in the State. The plan includes strengthening the current Medical School, expanding graduate medical education, and establishing a full allopathic School of Medicine at UNLV. Please see the Medical Expansion tab of this book for more information. The funding request is broken into four decision units:

E-282	UNLV School of Medicine - \$26.67 million
E-283	University of Nevada School of Medicine (UNSOM) Undergraduate Medical Education - \$5.09 million
E-284	Graduate Medical Education - \$9.88 million
E-285	UNSOM one-time expenditures - \$4.30 million (all funding sources)

NEVADA SYSTEM OF HIGHER EDUCATION
2015-2017 Biennial Budget Request
Adjusted Base/Maintenance/Enhancement Budget

	FY15	FY16	FY17	TOTAL
<u>Base Budget</u>	763,674,015	763,674,015	763,674,015	1,527,348,030
<u>Base Budget Adjustments</u>				
Change in Vacancy Savings	-	666,053	578,701	1,244,754
Restore Furlough Savings	-	10,271,355	10,271,355	20,542,710
Professional - 2-1/2% Merit & Fringe	-	9,441,295	19,118,613	28,559,908
Classified - Longevity and Step Increases	-	2,737,074	5,168,779	7,905,853
Changes in Fringe	-	1,339,266	1,862,404	3,201,670
TMCC Carryforward - Removed	-	(232,813)	(232,813)	(465,626)
UNR Carryforward - Removed	-	(421,000)	(421,000)	(842,000)
WNC Mitigation - Positions Removed	-	(288,935)	(288,935)	(577,870)
WNC Mitigation - Operating Removed	-	(2,009,995)	(2,009,995)	(4,019,990)
GBC Mitigation - Positions Removed	-	(2,512,645)	(2,512,645)	(5,025,290)
GBC Mitigation - Operating Removed	-	(445,239)	(445,239)	(890,478)
M150 - Remove AG Tort, Pers Assess, Bond	-	(1,127,750)	(1,127,750)	(2,255,500)
M150 - SYS ADMIN - Audit	-	18,500	18,500	37,000
M150 - SYS ADMIN - Insurance	-	9,221	9,221	18,442
M150 - SCS - Hardware and Software Maint	-	193,654	326,498	520,152
M150 - SCS - Software Maint Fees	-	26,211	54,519	80,730
M150 - SCS - Increased O&M Costs	-	15,000	15,000	30,000
M150 - SCS - Internet Usage Fees	-	-	33,185	33,185
M150 - TMCC - Loss of UNR Recharge Support	-	42,000	42,000	84,000
M150 - WICHE - LOAN - Reflect Commission Request	-	(68,413)	19,615	(48,798)
M150 - WICHE - ADMIN - Increase in WICHE Fees	-	4,000	8,000	12,000
Subtotal Adjusted Base	763,674,015	781,330,854	794,162,028	1,575,492,882
<u>Maintenance/Growth:</u>				
<u>Caseload Changes:</u>				
M-105 Lease Inflation	-	17,005	22,990	39,995
M-200 O&M Research Space	-	583,211	583,211	1,166,422
M-201 Small Institution Factor	-	24,690	24,690	49,380
M-202 Restore Formula Funding - CSN and NSC	-	1,725,398	1,725,398	3,450,796
M-203 Case Load Adjustment	-	12,778,639	12,778,639	25,557,278
M-204 F's For Non-Attendance Adjustment	-	-	-	-
M-207 DRI Formula	-	(963,325)	(1,045,489)	(2,008,814)
M-210 Non General Fund Revenue Augmentation	-	18,133,364	29,534,694	47,668,058
M-215 New Space Rental	-	205,692	226,724	432,416
M-216 New Space	-	51,516	50,209	101,725
Subtotal Maintenance/Growth	-	32,556,190	43,901,066	76,457,256
<u>Enhancement:</u>				
E-275 Increase In WSCH \$ 5.00	-	12,882,570	12,882,570	25,765,140
E-276 WICHE Commission Recommendation	-	77,050	(3,400)	73,650
E-277 Boyd School of Law	-	1,500,000	1,500,000	3,000,000
E-278 Bridge Funding WNC	-	1,100,000	850,000	1,950,000
E-279 Bridge Funding GBC	-	1,500,000	1,500,000	3,000,000
E-280 DRI Formula Increase	-	125,312	125,312	250,624
E-281 DRI Formula Adjustment	-	352,000	352,000	704,000
E-282 UNLV School of Medicine	-	7,097,569	19,567,702	26,665,271
E-283 UNSOM Undergraduate Medical Education	-	1,513,656	3,571,568	5,085,224
E-284 Graduate Medical Education Expansion	-	2,428,703	7,450,884	9,879,587
E-285 UNSOM One-Time Expenditures	-	575,000	3,733,000	4,308,000
Subtotal Enhancements	-	29,151,860	51,529,636	80,681,496
TOTAL BASE, MAINTENANCE & ENHANCEMENT	763,674,015	843,038,904	889,592,730	1,732,631,634

**NEVADA SYSTEM OF HIGHER EDUCATION
2015-2017 Biennial Budget Request
Adjusted Base/Maintenance/Enhancement Budget**

	OTHER (SA, UP, SP, WICHE, SFPL)	SCS	UNR & RELATED	UNLV & RELATED	DRI	TMCC	CSN	WNC	GBC	NSC	TOTAL
Base Budget	16,594,058	33,945,298	454,549,224	543,039,938	15,464,102	87,738,514	266,047,464	39,979,764	33,169,614	36,820,054	1,527,348,030
Base Budget Adjustments											
Change in Vacancy Savings	13,412	59,531	570,446	457,910	47,802	(88,001)	(97,768)	178,911	156,989	(54,478)	1,244,754
Restore Furlough Savings	184,770	390,872	5,568,462	8,015,268	239,364	1,212,130	3,337,344	598,936	444,506	551,058	20,542,710
Professional - 2-1/2% Merit & Fringe	237,881	588,995	8,420,546	11,389,944	196,368	1,572,199	4,479,995	619,631	488,962	565,387	28,559,908
Classified - Longevity and Step Increases	12,406	79,936	1,600,994	3,114,593	176,685	454,444	1,625,789	486,294	329,201	25,511	7,905,853
Changes in Fringe	2,532	24,746	1,608,964	1,064,260	29,398	138,651	338,856	(48,565)	(15,957)	58,785	3,201,670
TMCC Carryforward - Removed	-	-	-	-	-	(465,626)	-	-	-	-	(465,626)
UNR Carryforward - Removed	-	-	(842,000)	-	-	-	-	-	-	-	(842,000)
WNC Mitigation - Positions Removed	-	-	-	-	-	-	-	(577,870)	-	-	(577,870)
WNC Mitigation - Operating Removed	-	-	-	-	-	-	-	(4,019,990)	-	-	(4,019,990)
GBC Mitigation - Positions Removed	-	-	-	-	-	-	-	-	(5,025,290)	-	(5,025,290)
GBC Mitigation - Operating Removed	-	-	-	-	-	-	-	-	(890,478)	-	(890,478)
M150 - Remove AG Tort, Pers Assess, Bond	(7,898)	(44,068)	(511,996)	(899,714)	(22,874)	(133,596)	(393,768)	(81,660)	(107,166)	(52,760)	(2,255,500)
M150 - SYS ADMIN - Audit	37,000	-	-	-	-	-	-	-	-	-	37,000
M150 - SYS ADMIN - Insurance	18,442	-	-	-	-	-	-	-	-	-	18,442
M150 - SCS - Hardware and Software Maint	-	520,152	-	-	-	-	-	-	-	-	520,152
M150 - SCS - Software Maint Fees	-	80,730	-	-	-	-	-	-	-	-	80,730
M150 - SCS - Increased O&M Costs	-	30,000	-	-	-	-	-	-	-	-	30,000
M150 - SCS - Internet Usage Fees	-	33,185	-	-	-	-	-	-	-	-	33,185
M150 - TMCC - Loss of UNR Recharge Support	-	-	-	-	-	84,000	-	-	-	-	84,000
M150 - WICHE - LOAN - Reflect Commission Request	(48,798)	-	-	-	-	-	-	-	-	-	(48,798)
M150 - WICHE - ADMIN - Increase in WICHE Fees	12,000	-	-	-	-	-	-	-	-	-	12,000
M150 - UNR - Recharge Schedule	11,158	9,220	75,610	-	(11,988)	(84,000)	-	-	-	-	-
M150 - UNLV - Recharge Schedule	-	-	-	-	-	-	-	-	-	-	-
Subtotal Adjusted Base	17,066,963	35,718,597	471,378,532	566,363,593	16,118,857	90,308,311	274,990,230	37,124,671	28,577,845	37,845,283	1,575,492,882
Maintenance/Growth:											
Caseload Changes:											
M-105 Lease Inflation	-	-	39,995	-	-	-	-	-	-	-	39,995
M-200 O&M Research Space	-	-	1,038,370	128,052	-	-	-	-	-	-	1,166,422
M-201 Small Institution Factor	-	-	-	-	-	-	-	135,780	(86,400)	-	49,380
M-202 Restore Formula Funding - CSN and NSC	-	-	-	-	-	-	2,317,564	-	-	1,133,232	3,450,796
M-203 Case Load Adjustment	-	-	12,743,722	12,933,914	-	(841,598)	(2,371,154)	649,920	913,810	1,528,664	25,557,278
M-204 F's For Non-Attendance Adjustment	-	-	3,785,154	3,815,588	-	(1,940,086)	(5,098,654)	(592,598)	(15,710)	46,306	-
M-207 DRI Formula	-	-	-	-	(2,008,814)	-	-	-	-	-	(2,008,814)
M-210 Non General Fund Revenue Augmentation	117,708	-	33,444,241	11,442,886	-	864,489	2,292,249	(2,218,741)	980,086	745,140	47,668,058
M-215 New Space Rental	-	-	384,416	-	48,000	-	-	-	-	-	432,416
M-216 New Space	-	-	-	-	101,725	-	-	-	-	-	101,725
Subtotal Maintenance/Growth	117,708	-	51,435,898	28,320,440	(1,859,089)	(1,917,195)	(2,859,995)	(2,025,639)	1,791,786	3,453,342	76,457,256
Enhancement:											
E-275 Increase In WSCH \$ 5.00	-	-	6,550,130	9,157,040	-	1,982,510	5,787,160	721,510	622,090	944,700	25,765,140
E-276 WICHE Commission Recommendation	73,650	-	-	-	-	-	-	-	-	-	73,650
E-277 Boyd School of Law	-	-	-	3,000,000	-	-	-	-	-	-	3,000,000
E-278 Bridge Funding WNC	-	-	-	-	-	-	-	1,950,000	-	-	1,950,000
E-279 Bridge Funding GBC	-	-	-	-	-	-	-	-	3,000,000	-	3,000,000
E-280 DRI Formula Increase	-	-	-	-	250,624	-	-	-	-	-	250,624
E-281 DRI Formula Adjustment	-	-	-	-	704,000	-	-	-	-	-	704,000
E-282 UNLV School of Medicine	-	-	-	26,665,271	-	-	-	-	-	-	26,665,271
E-283 UNSOM Undergraduate Medical Education	-	-	5,085,224	-	-	-	-	-	-	-	5,085,224
E-284 Graduate Medical Education Expansion	-	-	9,879,587	-	-	-	-	-	-	-	9,879,587
E-285 UNSOM One-Time Expenditures	-	-	4,308,000	-	-	-	-	-	-	-	4,308,000
Subtotal Enhancements	73,650	-	25,822,941	38,822,311	954,624	1,982,510	5,787,160	2,671,510	3,622,090	944,700	80,681,496
TOTAL BASE, MAINTENANCE & ENHANCEMENT	17,258,321	35,718,597	548,637,371	633,506,344	15,214,392	90,373,626	277,917,395	37,770,542	33,991,721	42,243,325	1,732,631,634

NSHE Formula Funding Request 2015-17 Biennium

General Fund Only State Budget with adjs for small Institution factor, univs O&M research space, elimination of F grades for non-attendance, case load changes, retain salary & fringe changes, and \$5 per WSCH enhancement.

WSCH for Resident Credit Hours only

F's for non-attendance not included in WSCH

	(a)	(b)	(c)	(d)	(e) (c)x(d)	(f)	(g)	(h)	(i)	(j) (e)+(f)+(g)+ (h)+(i)	(k)	(l) (j)+(k)	(m) (b)+(l)	(n) (m)-(a)
	FY15 Oper Budget	FY 16 Base Request	FY 16 WSCH	FY 16 Case Load	FY 16 M-203 Adjustment	FY 16 M-204 F's For NA Adjustment	FY 16 M-201 Small Instit Factor	FY 16 M-200 O&M Research Space	FY 16 B-000 Compensation Adjustments	FY 16 Base/Maint Gen Fund Distribution	FY 16 E-200 \$5/WSCH Adjustment	FY 16 Gen Fund Distribution	FY 16 Total Formula Gen. Fund	FY 16 GF Incr/Decr over FY15 GF
<u>Formula Budgets</u>	<u>Gen Fund</u>	<u>Gen Fund</u>	<u>FY14 ov FY12</u>	<u>\$/WSCH</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Research Space</u>	<u>Adjustments</u>	<u>Distribution</u>	<u>Adjustment</u>	<u>Distribution</u>	<u>Gen. Fund</u>	<u>over FY15 GF</u>
UNR	92,644,904	92,225,303	42,883	\$148.59	6,371,861	1,892,577		519,185	4,849,803	13,633,426	3,275,065	16,908,491	109,133,794	16,488,890
UNLV	132,631,171	132,044,571	43,523	\$148.59	6,466,957	1,907,795		64,026	8,170,262	16,609,040	4,578,520	21,187,560	153,232,131	20,600,960
CSN	88,565,861	89,353,918	(7,979)	\$148.59	(1,185,577)	(2,549,327)			3,807,807	72,903	2,893,580	2,966,483	92,320,401	3,754,540
GBC	12,914,182	9,916,447	3,075	\$148.59	456,905	(7,855)	-43,200		584,056	989,906	311,045	1,300,951	11,217,398	(1,696,784)
TMCC	30,836,296	30,709,296	(2,832)	\$148.59	(420,799)	(970,043)			1,282,097	(108,745)	991,255	882,510	31,591,806	755,510
WNC	13,758,564	11,413,414	2,187	\$148.59	324,960	(296,299)	67,890		793,116	889,667	360,755	1,250,422	12,663,836	(1,094,728)
NSC	12,682,992	13,189,091	5,144	\$148.59	764,332	23,153			452,667	1,240,152	472,350	1,712,502	14,901,593	2,218,601
	384,033,970	378,852,040	86,001		12,778,641	0	24,690	583,211	19,939,808	33,326,351	12,882,570	46,208,921	425,060,961	41,026,991

	FY15 Oper Budget	FY 17 Base Request	FY 17 WSCH	FY 17 Case Load	FY 17 M-203 Adjustment	FY 17 M-204 F's For NA Adjustment	FY 17 M-201 Small Instit Factor	FY 17 M-200 O&M Research Space	FY 17 B-000 Compensation Adjustments	FY 17 Base/Maint Gen Fund Distribution	FY 17 E-200 \$5/WSCH Adjustment	FY 17 Gen Fund Distribution	FY 17 Total Formula Gen. Fund	FY 17 GF Incr/Decr over FY15 GF
<u>Formula Budgets</u>	<u>Gen Fund</u>	<u>Gen Fund</u>	<u>FY14 ov FY12</u>	<u>\$/WSCH</u>	<u>Adjustment</u>	<u>Adjustment</u>	<u>Factor</u>	<u>Research Space</u>	<u>Adjustments</u>	<u>Distribution</u>	<u>Adjustment</u>	<u>Distribution</u>	<u>Gen. Fund</u>	<u>over FY15 GF</u>
UNR	92,644,904	92,225,303	42,883	\$148.59	6,371,861	1,892,577		519,185	7,600,812	16,384,435	3,275,065	19,659,500	111,884,803	19,239,899
UNLV	132,631,171	132,044,571	43,523	\$148.59	6,466,957	1,907,795		64,026	12,350,563	20,789,341	4,578,520	25,367,861	157,412,432	24,781,261
CSN	88,565,861	89,353,918	(7,979)	\$148.59	(1,185,577)	(2,549,327)			5,876,409	2,141,505	2,893,580	5,035,085	94,389,003	5,823,142
GBC	12,914,182	9,916,447	3,075	\$148.59	456,905	(7,855)	-43,200		819,645	1,225,495	311,045	1,536,540	11,452,987	(1,461,195)
TMCC	30,836,296	30,709,296	(2,832)	\$148.59	(420,799)	(970,043)			2,007,326	616,484	991,255	1,607,739	32,317,035	1,480,739
WNC	13,758,564	11,413,414	2,187	\$148.59	324,960	(296,299)	67,890		1,042,091	1,138,642	360,755	1,499,397	12,912,811	(845,753)
NSC	12,682,992	13,189,091	5,144	\$148.59	764,332	23,153			693,596	1,481,081	472,350	1,953,431	15,142,522	2,459,530
	384,033,970	378,852,040	86,001		12,778,641	0	24,690	583,211	30,390,442	43,776,985	12,882,570	56,659,555	435,511,595	51,477,625

WSCH - Weighted Student Credit Hours

Resident students credit hours only

WSCH projection methodology - FY14 actual WSCH projected flat to FY16 and FY17

Small Institution Factor - \$1.5M Cap phased out between 50K to 100K WSCH

O&M Carve out - State funded dedicated research space

Research factor of 1.10 applied against university's upper division and graduate course level discipline weights

NA - Non Attendance

	Small Institution Factor		FY 16	FY 17
	WSCH FY 14	WSCH FY 14	Small Instit Factor	Small Instit Factor
UNR	655,013	655,013		
UNLV	915,704	915,704		
CSN	578,716	578,716		
GBC	62,209	62,209	1,133,730	1,133,730
TMCC	198,251	198,251		
WNC	72,151	72,151	835,470	835,470
NSC	94,470	94,470		
Total	2,576,514	2,576,514	1,969,200	1,969,200

Nevada System of Higher Education
Desert Research Institute
Funding Formula
2015-2017 Biennium

	FY 2015-2016			FY 2016-2017		
	Step	Current	Current	Step	Current	Current
	<u>Breaks</u>	<u>%</u>	<u>Calculation</u>	<u>Breaks</u>	<u>%</u>	<u>Calculation</u>
		<u>Per Step</u>	<u>By Step</u>		<u>Per Step</u>	<u>By Step</u>
	\$ 868,929	5.00%	\$ 43,446	\$ 868,929	5.00%	\$ 43,446
	\$ 5,000,000	6.00%	\$ 300,000	\$ 5,000,000	6.00%	\$ 300,000
	\$ 5,000,000	7.50%	\$ 375,000	\$ 5,000,000	7.50%	\$ 375,000
	<u>\$ 25,000,000</u>	<u>12.00%</u>	<u>\$ 3,000,000</u>	<u>\$ 25,000,000</u>	<u>12.00%</u>	<u>\$ 3,000,000</u>
Resch Revs	\$ 35,868,929		\$ 3,718,446	\$ 35,868,929		\$ 3,718,446
O&M*			<u>\$ 3,161,720</u>			<u>\$ 3,214,459</u>
General Fund Revenue			\$ 6,880,166			\$ 6,932,905
Other Revenue			<u>\$ 148,486</u>			<u>\$ 148,486</u>
Total Revenue Budget			\$ 7,028,652			\$ 7,081,391



Higher Education Funding Formula Summary

The Legislative Committee to Study the Funding of Higher Education (Chapter 375, *Statutes of Nevada 2011*) provided the 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 NSHE believes the new formula, as recommended by Governor Sandoval and approved by the 2013 Legislature fully captures the deliberations and final decisions of the interim committee, and strongly supports the new formula that incorporates these concepts.

The new model is based upon the belief that state funding must be equitable to all institutions, simpler and more transparent than the old 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 was 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. This will be applied prospectively in Fall 2013 for future biennial budgets (this treatment is consistent with the treatment of completions for veterans by the U.S. Department of Veterans Affairs). Because all institutions did not have complete data on F's for non-attendance, the 2013-15 biennium budgets include all F grades. Similarly, as a result of the deliberations of the Committee, upper-division and graduate courses were given an additional weighting to support the research mission of UNR and UNLV.

Funding is determined by measuring work completed, 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 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 will have flexibility in establishing a budget plan and institutional priorities, but will also be 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 (FY 2015) 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 prior 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 is allowed to select one field (based on a two digit Classification of Instructional Program (CIP) code) that supports economic development for which it may receive additional points.

A weight (percent) is applied to each metric. The individual weights for the metrics total 100 percent and are intended to signify importance or priority of the metrics. From the application of the weights, 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. For all existing data outcomes the data for any given academic year is available in late November of the following fiscal year. The following table indicates the performance year of measure and the respective fiscal year when the earned performance pool funds will be distributed.

Base Year	Year of Measure	Distribution Year
2011-12	2012-13 (FY2013)	FY2015
	2013-14 (FY2014)	FY2016

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. Metrics and point targets will be revisited by the Board of Regents at the end of every two-year performance cycle.

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 a report of actual performance for FY 2012-13 & performance pool funding for FY 2014-15.

Formula Set-Asides. The new 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 phases out as WSCH grows between 50,000 and 100,000 WSCH, when it reaches zero and is eliminated completely.

The second set-aside is for university operation and maintenance (O&M) of research infrastructure space. While research infrastructure is a critical component of the universities' missions and related instructional activity, it 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). As such, the 2013 Legislature approved direct funding for research infrastructure O & M at both research universities, including a permanent augmentation of \$1.7 million for UNLV. For the 2013-15 biennium only, a portion of this set-aside was funded through a temporary reduction to state support at CSN and NSC.

Implementation. Implementation of a new formula, effective July 1, 2013, within existing appropriation levels necessarily triggered reallocation of resources. With the new model, the resource reallocation resulted in significant budget reductions to all northern institutions which could have impacted the viability of northern community colleges to continue to serve their respective service areas. As a result, the Committee recommended to the Governor, Board of Regents, and ultimately the 77th Session of the Nevada Legislature that general funds be appropriated to hold the institutions losing significant funding harmless for the 2013-15 biennium. These funds were made available and are reflected as mitigation funding.

See **Appendix C** for the updated distribution effective FY 2013-14.

Summary. This new model will effectively shift 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 new 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 other System 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 would replace 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	Masters	Doctoral
Liberal Arts, Math, Social Science, Languages, Other	1.0	2.0	4.0	5.0
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
Basic Skills Cluster	1.0			
32. Basic Skills	1.5			
Business Cluster	1.0	2.0	4.0	6.0
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
Education Cluster	1.5	2.0	2.5	5.0
13. Education	1.5	2.0	2.5	5.0
Services Cluster	1.5	2.0	3.0	4.0
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
Visual and Performing Arts Cluster	1.5	2.5	5.0	5.0
50. Visual & Performing Arts	1.5	2.5	5.0	5.0
Trades/Tech Cluster	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	2.0	3.0	5.0	8.0
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
Law Cluster	2.0	2.0	4.0	4.0
22. Legal Professions and Studies	2.0	2.0	4.0	4.0
Engineering/Architecture Cluster	2.0	3.0	5.0	8.0
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

**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	1.5			
32. Basic Skills	1.5			
Business Cluster	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	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	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	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

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 (2012-13 Actuals)

UNLV (2% Target)		2011-12 Baseline		2012-13 Actual/Target		2013-14 Target	
		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
Bachelor's Degrees	30%	3,670	1,101.0	3,857	1,157.1		
At-Risk Bachelor's Graduates (Minority + Pell-Eligible x .4)	"	912	273.7	970	290.9		
Master's and Doctoral Degrees	10%	1,370	137.0	1,166	116.6		
At-Risk Master's and Doctoral Graduates (Minority + Pell-Eligible x .4)*	"	231	23.1	235	23.5		
Sponsored/External Research Expenditures in \$100,000's	15%	426.4	64.0	437.3	65.6		
Transfer Students w/a transferable associate's degree	5%	1,628	81.4	1,727	86.4		
Efficiency - Awards per 100 FTE	20%	27.2	5.4	27.2	5.4		
Economic Development (STEM and Allied Health) Graduates	20%	879	175.8	852	170.4		
Economic Development (business and management) Graduates	"	1,504	300.8	1,587	317.4		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	2,162.2	--	2,233.2	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	2,205.4	--	2,249.6
FY 2015 Performance Funding Curve-Out					\$6,521,597		
Percent of Target Achieved					101.3%		
FY2015 Performance Pool Funds Earned Back					\$6,521,597		
*2011-12 points corrected due to error in original institutional file submission							
UNR (2% Target)		Points		Points		Points	
		Weighted Pts.		Weighted Pts.		Weighted Pts.	
Bachelor's Degrees	30%	2,603	780.9	2,759	827.7		
At-Risk Bachelor's Graduates (Minority + Pell-Eligible x .4)	"	398	119.5	513	154.0		
Master's and Doctoral Degrees	10%	774	77.4	790	79.0		
At-Risk Master's and Doctoral Graduates (Minority + Pell-Eligible x .4)	"	93	9.3	120	12.0		
Sponsored/External Research Expenditures in \$100,000's	15%	888.3	133.2	1,017.3	152.6		
Transfer Students w/a transferable associate's degree	5%	1,260	63.0	1,234	61.7		
Efficiency - Awards per 100 FTE	20%	24.9	5.0	25.9	5.2		
Economic Development (STEM and Allied Health) Graduates	20%	1,133	226.6	1,217	243.4		
Economic Development (psychology) Graduates	"	165	33	189.0	37.8		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	1,447.9	--	1,573.3	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	1,476.9	--	1,506.4
FY 2015 Performance Funding Curve-Out					\$4,565,358		
Percent of Target Achieved					106.5%		
FY2015 Performance Pool Funds Earned Back					\$4,565,358		
NSC (4% Target)		Points		Points		Points	
		Weighted Pts.		Weighted Pts.		Weighted Pts.	
Bachelor's Degrees	50%	270	135.0	303	151.5		
At-Risk Bachelor's Graduates (Minority + Pell-Eligible x .4)	"	72	36.2	69	34.6		
Gateway Course Completers	5%	802	40.1	709	35.5		
Transfer Students w/a transferable associate's degree	5%	331	16.6	336	16.8		
Efficiency - Awards per 100 FTE	20%	13.1	2.6	14.4	2.9		
Economic Development (STEM and Allied Health) Graduates	20%	119	23.8	134	26.8		
Economic Development (business and management) Graduates	"	31	6.2	35	7.0		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	260.5	--	275.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	270.9	--	281.7
FY 2015 Performance Funding Curve-Out					\$628,433		
Percent of Target Achieved					101.5%		
FY2015 Performance Pool Funds Earned Back					\$628,433		
CSN (2% Target)		Points		Points		Points	
		Weighted Pts.		Weighted Pts.		Weighted Pts.	
1 to 2 Year Certificate	10%	236	23.6	235	23.5		
At-Risk Certificate Recipients (Minority + Pell-Eligible x .4)	"	56	5.6	69	6.9		
Associate's and Bachelor's Degrees	30%	2,112	633.6	2,506	751.8		
At-Risk Associate's and Bachelor's Graduates (Minority + Pell-Eligible x .4)	"	492	147.6	718	215.4		
Transfer Students w/24 credits or associate's degree	10%	2,876	287.6	3,254	325.4		
Efficiency - Awards per 100 FTE	20%	11.7	2.3	14.3	2.9		
Gateway Course Completers	10%	12,236	1,223.6	12,604	1,260.4		
Economic Development (STEM and Allied Health) Graduates	20%	736	147.2	780	156.0		
Economic Development (business and management) Graduates	"	454	90.8	520	104.0		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	2,561.9	--	2,846.2	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	2,613.1	--	2,665.4
FY 2015 Performance Funding Curve-Out					\$4,375,933		
Percent of Target Achieved					108.9%		
FY2015 Performance Pool Funds Earned Back					\$4,375,933		

NSHE PERFORMANCE POOL (2012-13 Actuals)

GBC (2% Target)	Weights	2011-12 Baseline		2012-13 Actual/Target		2013-14 Target	
		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
1 to 2 Year Certificate	10%	107	10.7	135	13.5		
At-Risk Certificate Recipients (Minority + Pell-Eligible x .4)	"	23	2.3	25	2.5		
Associate's and Bachelor's Degrees	30%	321	96.3	285	85.5		
At-Risk Associate's and Bachelor's Graduates (Minority + Pell-Eligible x .4)	"	67	20.0	54	16.2		
Transfer Students w/24 credits or associate's degree	10%	48	4.8	63	6.3		
Efficiency - Awards per 100 FTE	20%	24.6	4.9	25.3	5.1		
Gateway Course Completers	10%	1,065	106.5	1,215	121.5		
Economic Development (STEM and Allied Health) Graduates	20%	174	34.8	138	27.6		
Economic Development (mechanic and repair technologies) Graduates	"	39	7.8	44	8.8		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	288.2	--	287.0	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	293.9	--	299.8
FY 2015 Performance Funding Curve-Out					\$636,694		
Percent of Target Achieved					97.6%		
FY2015 Performance Pool Funds Earned Back					\$621,611		

GBC's adjusted 2013-14 target is 306.7. It must over perform by 6.9 weighted points in 2013-14 in order to earn back the 2.4 percent of funding not earned in 2012-13.

TMCC (2% Target)	Weights	2011-12 Baseline		2012-13 Actual/Target		2013-14 Target	
		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
1 to 2 Year Certificate*	10%	51	5.1	70	7.0		
At-Risk Certificate Recipients (Minority + Pell-Eligible x .4)*	"	21	2.1	18	1.8		
Associate's Degrees	30%	1,035	310.5	950	285.0		
At-Risk Associate's Graduates (Minority + Pell-Eligible x .4)	"	249	74.6	238	71.5		
Transfer Students w/24 credits or associate's degree	10%	989	98.9	1,281	128.1		
Efficiency - Awards per 100 FTE*	20%	17.1	3.4	16.1	3.2		
Gateway Course Completers	10%	4,230	423.0	4,350	435.0		
Economic Development (STEM and Allied Health) Graduates	20%	273	54.6	248	49.6		
Economic Development (precision production) Graduates	"	5	1.0	18	3.6		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	973.3	--	984.8	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	992.7	--	1,012.6
FY 2015 Performance Funding Curve-Out					\$1,518,361		
Percent of Target Achieved					99.2%		
FY2015 Performance Pool Funds Earned Back					\$1,506,270		

* revised 10/11/13 - certificate of general studies removed from base - targets adjusted accordingly

TMCC's adjusted 2013-14 target is 1,020.5. It must over perform by 7.9 weighted points in 2013-14 in order to earn back the 1 percent of funding not earned in 2012-13.

WNC (2% Target)	Weights	2011-12 Baseline		2012-13 Actual/Target		2013-14 Target	
		Points	Weighted Pts.	Points	Weighted Pts.	Points	Weighted Pts.
1 to 2 Year Certificate	10%	30	3.0	20	2.0		
At-Risk Certificate Recipients (Minority + Pell-Eligible x .4)	"	8	0.8	4	0.4		
Associate's and Bachelor's Degrees	30%	465	139.5	502	150.6		
At-Risk Associate's and Bachelor's Graduates (Minority + Pell-Eligible x .4)	"	114	34.1	114	34.2		
Transfer Students w/24 credits or associate's degree	10%	213	21.3	354	35.4		
Efficiency - Awards per 100 FTE	20%	21.0	4.2	23.3	4.7		
Gateway Course Completers	10%	1,549	154.9	1,684	168.4		
Economic Development (STEM and Allied Health) Graduates	20%	122	24.4	138	27.6		
Economic Development (construction trades) Graduates	"	9	1.8	9	1.8		
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	383.9	--	425.1	--	0.0
TOTAL WEIGHTED POINTS - TARGET		--	--	--	391.6	--	399.5
FY 2015 Performance Funding Curve-Out					\$679,820		
Percent of Target Achieved					108.5%		
FY2015 Performance Pool Funds Earned Back					\$679,820		

NOTE: For all data where the defined source is IPEDS, the 2012-13 data is from institutional IPEDS submissions - final data will be public through IPEDS in the spring.

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. (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. (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)

**Nevada System of Higher Education
State Support Approved by Institution
Fiscal Year 2014 State Supported Operating Budget**

<u>Institution</u>	<u>UNLV</u>	<u>UNR</u>	<u>NSC</u>	<u>CSN</u>	<u>TMCC</u>	<u>WNC</u>	<u>GBC</u>	<u>Total</u>
FY 2012 Resident Weighted Student Credit Hours (WSCH)	886,813	619,941	92,826	626,677	214,603	74,414	60,769	2,576,043
Times amount approved per WSCH	<u>\$137.69</u>	<u>\$137.69</u>	<u>\$137.69</u>	<u>\$137.69</u>	<u>\$137.69</u>	<u>\$137.69</u>	<u>\$137.69</u>	<u>\$137.69</u>
State Support via WSCH (1)	\$122,104,753	\$85,359,306	\$12,781,157	\$86,286,782	\$29,548,559	\$10,246,019	\$8,367,247	\$354,693,823
<u>Funding Formula Amounts Approved Outside WSCH</u>								
Small Institution Factor (2)	\$0	\$0	\$0	\$0	\$0	\$767,580	\$1,176,930	\$1,944,510
Research O&M (3)	\$3,218,775	\$3,582,891	\$0	\$0	\$0	\$0	\$0	\$6,801,666
<u>Legislative Actions Outside the Funding Formula</u>								
Salary Restoration (4)	\$2,187,456	\$1,330,455	\$113,889	\$1,041,051	\$479,206	\$161,453	\$194,497	\$5,508,007
Mitigation (5)						\$2,305,787	\$2,737,776	\$5,043,563
Research O&M-One-time reallocation from CSN/NSC (6)	<u>\$1,725,398</u>	<u>\$0</u>	<u>(\$566,616)</u>	<u>(\$1,158,782)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Support (7)	\$129,236,382	\$90,272,652	\$12,328,430	\$86,169,051	\$30,027,765	\$13,480,839	\$12,476,450	\$373,991,569
Total State Support per WSCH	\$145.73	\$145.61	\$132.81	\$137.50	\$139.92	\$181.16	\$205.31	\$145.18

(1) 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.

(2) 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.

(3) 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.

(4) The 2013 Legislature approved partial restoration of previous salary reductions. A portion of these funds were distributed to the Board of Examiners on an actual cost basis, not through the funding formula. These funds will be re-distributed through the funding formula on a WSCH basis in the NSHE 2015-17 biennial budget request.

(5) The 2013 Legislature approved mitigation funds for WNC and GBC to offset the loss of General Fund support due to the impact of implementing the new funding formula.

(6) The 2013 Legislature augmented amounts allocated for Research O&M at UNLV and temporarily financed the additional costs through reductions in state support for CSN and NSC.

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

Formula Model for DRI

Current O&M/NSHE New Space Formula

In the new formula for teaching institutions, facilities are treated as a means of building capacity for student success and therefore 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 operations and maintenance 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. Institutional and research administration support would equal 12% of the first \$25,000,000 of grants and contracts. Plus 7.5% of the next \$5 million in grants and contracts (from \$25,000,001 to \$30,000,000 million). Plus 6% of the next \$5 million in grants and contracts (from \$30,000,001 to \$35,000,000 million). Plus 5% of any grants and contracts of \$35,000,001 or more. See following example:

Institutional and Research Administration Formula				
(based on Sponsored Projects Expenditures)				
		Total	Formula	
Percentage	Step	Revenue	Calculation	Total by
Per Step	Breaks	by Step	By Step	Step
5.0%	4,000,000	39,000,000	200,000	3,876,697
6.0%	5,000,000	35,000,000	300,000	3,676,697
7.5%	5,000,000	30,000,000	376,697	3,376,697
12.0%	25,000,000	25,000,000	3,000,000	3,000,000
	Cumulative Amount		3,876,697	

The two components together have been designed to approximate the current (FY 2012-13) State base budget funding to DRI and will provide the basis for the funding calculation in future biennial budgets.

**Nevada System of Higher Education
2015-2017 Biennial Budget Request
Revenue By Source**

Revenue by Source	2013-14 Operating Budget	2014-15 Operating Budget	2015-2016 Base Request	2015-2016 Maintenance Request	2015-2016 Enhancement Request	2015-2016 Total Request	FY 16 Request Over FY 15 Budget	
							\$	%
<u>STATE APPROPRIATION</u>								
General Fund	480,643,898	473,832,497	517,618,306	14,422,826	29,151,860	561,192,992	87,360,495	18.44%
AB 511 Salary Restoration	6,540,144	6,576,135	0	0	0	0	-6,576,135	-100.00%
E-900 Performance Fund	0	18,899,022	0	0	0	0	-18,899,022	-100.00%
Total State Appropriation	487,184,042	499,307,654	517,618,306	14,422,826	29,151,860	561,192,992	61,885,338	12.39%
<u>OTHER REVENUE SOURCES</u>								
Registration Fees	199,336,391	199,982,314	199,982,314	10,889,265	0	210,871,579	10,889,265	5.45%
Non-Resident Tuition	54,434,377	55,808,497	55,808,497	6,763,736	0	62,572,233	6,763,736	12.12%
Miscellaneous Student Fees	2,248,108	2,244,084	2,244,084	665,234	0	2,909,318	665,234	29.64%
Discretionary Funds	165,560	165,560	165,560	0	0	165,560	0	0.00%
County Funds	571,164	571,164	571,164	19,991	0	591,155	19,991	3.50%
Federal Funds	3,009,979	3,015,459	3,015,459	-167,987	0	2,847,472	-167,987	-5.57%
Operating Capital Investment	1,477,119	1,477,119	1,477,119	-77,086	0	1,400,033	-77,086	-5.22%
Miscellaneous	154,386	154,386	154,386	-4,284	0	150,102	-4,284	-2.77%
WICHE Loan Payments	87,435	87,626	87,626	28,477	0	116,103	28,477	32.50%
WICHE Stipend Repayments	95,377	95,539	95,539	-533	0	95,006	-533	-0.56%
WICHE Interest on Loans	84,607	84,750	84,750	16,551	0	101,301	16,551	19.53%
WICHE Fines & Penalties	1,050	1,050	1,050	0	0	1,050	0	0.00%
WICHE Early Loan Repayments	25,000	25,000	25,000	0	0	25,000	0	0.00%
Balance Forward from '14	0	653,813	0	0	0	0	-653,813	-100.00%
Total Other Revenue Sources	261,690,553	264,366,361	263,712,548	18,133,364	0	281,845,912	17,479,551	6.61%
TOTAL REVENUE	748,874,595	763,674,015	781,330,854	32,556,190	29,151,860	843,038,904	79,364,889	10.39%

**Nevada System of Higher Education
2015-2017 Biennial Budget Request
Revenue By Source**

Revenue by Source	2013-15 Operating Budget	2014-15 Operating Budget	2016-2017 Base Request	2016-2017 Maintenance Request	2016-2017 Enhancement Request	2016-2017 Total Request	FY 17 Request Over FY 16 Request	
							\$	%
STATE APPROPRIATION								
General Fund	480,643,898	473,832,497	530,449,480	14,366,372	51,529,636	596,345,488	35,152,496	6.26%
AB 511 Salary Restoration	6,540,144	6,576,135	0	0	0	0	0	0.00%
E-900 Performance Fund	0	18,899,022	0	0	0	0	0	0.00%
Total State Appropriation	487,184,042	499,307,654	530,449,480	14,366,372	51,529,636	596,345,488	35,152,496	6.26%
OTHER REVENUE SOURCES								
Registration Fees	199,336,391	199,982,314	199,982,314	20,387,006	0	220,369,320	9,497,741	4.50%
Non-Resident Tuition	54,434,377	55,808,497	55,808,497	8,560,353	0	64,368,850	1,796,617	2.87%
Miscellaneous Student Fees	2,248,108	2,244,084	2,244,084	744,363	0	2,988,447	79,129	2.72%
Discretionary Funds	165,560	165,560	165,560	0	0	165,560	0	0.00%
County Funds	571,164	571,164	571,164	19,991	0	591,155	0	0.00%
Federal Funds	3,009,979	3,015,459	3,015,459	-167,987	0	2,847,472	0	0.00%
Operating Capital Investment	1,477,119	1,477,119	1,477,119	-76,245	0	1,400,874	841	0.06%
Miscellaneous	154,386	154,386	154,386	-6,000	0	148,386	-1,716	-1.14%
WICHE Loan Payments	87,435	87,626	87,626	40,539	0	128,165	12,062	10.39%
WICHE Stipend Repayments	95,377	95,539	95,539	7,528	0	103,067	8,061	8.48%
WICHE Interest on Loans	84,607	84,750	84,750	25,146	0	109,896	8,595	8.48%
WICHE Fines & Penalties	1,050	1,050	1,050	0	0	1,050	0	0.00%
WICHE Early Loan Repayments	25,000	25,000	25,000	0	0	25,000	0	0.00%
Balance Forward from '14	0	653,813	0	0	0	0	0	0.00%
Total Other Revenue Sources	261,690,553	264,366,361	263,712,548	29,534,694	0	293,247,242	11,401,330	4.05%
TOTAL REVENUE	748,874,595	763,674,015	794,162,028	43,901,066	51,529,636	889,592,730	46,553,826	5.52%

Nevada System of Higher Education
2015-2017 Biennial Budget Request
General Fund Allocation by Appropriation Area

Appropriation Area	2013-14 Operating Budget	2014-15 Operating Budget	2015-2016 Base Request	2015-2016 Maintenance Request	2015-2016 Enhancement Request	2015-2016 Total Request	% of Total
System Administration	4,635,840	4,364,818	4,525,016	0	0	4,525,016	0.81%
System Computing Services	16,668,995	16,972,649	17,650,902	0	0	17,650,902	3.15%
University Press	401,950	411,728	428,156	0	0	428,156	0.08%
NSHE Special Projects	1,965,646	1,982,314	2,012,212	0	0	2,012,212	0.36%
WICHE LOAN FUND	724,451	757,357	688,944	0	77,050	765,994	0.14%
WICHE ADMIN	329,523	339,594	349,728	0	0	349,728	0.06%
University of Nevada, Reno	90,272,652	92,644,904	97,075,106	8,783,623	3,275,065	109,133,794	19.45%
University of Nevada Medical School	31,040,487	31,515,247	32,928,692	198,697	2,088,656	35,216,045	6.28%
State Health Laboratory	1,502,190	1,519,568	1,561,628	0	0	1,561,628	0.28%
Intercollegiate Athletics - UNR	4,965,230	4,985,520	5,194,292	0	0	5,194,292	0.93%
Statewide Programs - UNR	7,098,116	7,779,237	8,135,723	0	0	8,135,723	1.45%
Cooperative Extension Service	3,447,035	3,535,951	3,766,618	0	0	3,766,618	0.67%
Agricultural Experiment Station	4,810,874	4,919,136	5,150,869	0	0	5,150,869	0.92%
University of Nevada, Las Vegas	129,236,382	132,631,171	140,214,833	8,438,777	4,578,520	153,232,130	27.30%
Law School	7,377,009	7,526,036	8,000,691	0	1,500,000	9,500,691	1.69%
Dental School	7,326,825	7,587,719	8,271,946	0	0	8,271,946	1.47%
Intercollegiate Athletics - UNLV	7,038,125	7,066,740	7,342,475	0	0	7,342,475	1.31%
Statewide Programs - UNLV	2,862,214	2,878,825	3,015,319	0	0	3,015,319	0.54%
College of Southern Nevada	86,169,051	88,565,861	92,002,943	-2,576,122	2,893,580	92,320,401	16.45%
Great Basin College	12,476,450	12,914,182	10,500,503	405,850	1,811,045	12,717,398	2.27%
Truckee Meadows Community College	30,027,765	30,836,296	31,991,393	-1,390,842	991,255	31,591,806	5.63%
Western Nevada College	13,480,839	13,758,564	12,206,530	96,551	1,460,755	13,763,836	2.45%
Business Center North	1,826,295	1,850,323	1,914,510	0	0	1,914,510	0.34%
Business Center South	1,628,993	1,661,564	1,734,851	0	0	1,734,851	0.31%
Desert Research Institute	7,506,882	7,583,565	7,843,491	-887,809	477,312	7,432,994	1.32%
State Funded Perkins Loans	35,793	35,793	35,793	0	0	35,793	0.01%
Nevada State College	12,328,430	12,682,992	13,075,142	1,354,101	472,350	14,901,593	2.66%
UNLV School of Medicine	0	0	0	0	7,097,569	7,097,569	1.26%
Graduate Medical Education Expansion	0	0	0	0	2,428,703	2,428,703	0.43%
SYSTEMWIDE TOTAL	487,184,042	499,307,654	517,618,306	14,422,826	29,151,860	561,192,992	100.00%

Nevada System of Higher Education
2015-2017 Biennial Budget Request
General Fund Allocation by Appropriation Area

Appropriation Area	2013-14 Operating Budget	2014-15 Operating Budget	2016-2017 Base Request	2016-2017 Maintenance Request	2016-2017 Enhancement Request	2016-2017 Total Request	% of Total
System Administration	4,635,840	4,364,818	4,580,064	0	0	4,580,064	0.77%
System Computing Services	16,668,995	16,972,649	18,067,695	0	0	18,067,695	3.03%
University Press	401,950	411,728	437,395	0	0	437,395	0.07%
NSHE Special Projects	1,965,646	1,982,314	2,029,621	0	0	2,029,621	0.34%
WICHE LOAN FUND	724,451	757,357	776,972	0	-3,400	773,572	0.13%
WICHE ADMIN	329,523	339,594	356,419	0	0	356,419	0.06%
University of Nevada, Reno	90,272,652	92,644,904	99,826,115	8,783,623	3,275,065	111,884,803	18.76%
University of Nevada Medical School	31,040,487	31,515,247	33,518,799	225,714	7,304,568	41,049,081	6.88%
State Health Laboratory	1,502,190	1,519,568	1,584,204	0	0	1,584,204	0.27%
Intercollegiate Athletics - UNR	4,965,230	4,985,520	5,221,155	0	0	5,221,155	0.88%
Statewide Programs - UNR	7,098,116	7,779,237	8,238,594	0	0	8,238,594	1.38%
Cooperative Extension Service	3,447,035	3,535,951	3,856,377	0	0	3,856,377	0.65%
Agricultural Experiment Station	4,810,874	4,919,136	5,245,134	0	0	5,245,134	0.88%
University of Nevada, Las Vegas	129,236,382	132,631,171	144,395,134	8,438,777	4,578,520	157,412,431	26.40%
Law School	7,377,009	7,526,036	8,236,555	0	1,500,000	9,736,555	1.63%
Dental School	7,326,825	7,587,719	8,626,105	0	0	8,626,105	1.45%
Intercollegiate Athletics - UNLV	7,038,125	7,066,740	7,373,252	0	0	7,373,252	1.24%
Statewide Programs - UNLV	2,862,214	2,878,825	3,040,939	0	0	3,040,939	0.51%
College of Southern Nevada	86,169,051	88,565,861	94,071,545	-2,576,122	2,893,580	94,389,003	15.83%
Great Basin College	12,476,450	12,914,182	10,736,092	405,850	1,811,045	12,952,987	2.17%
Truckee Meadows Community College	30,027,765	30,836,296	32,716,622	-1,390,842	991,255	32,317,035	5.42%
Western Nevada College	13,480,839	13,758,564	12,455,505	96,551	1,210,755	13,762,811	2.31%
Business Center North	1,826,295	1,850,323	1,953,264	0	0	1,953,264	0.33%
Business Center South	1,628,993	1,661,564	1,775,665	0	0	1,775,665	0.30%
Desert Research Institute	7,506,882	7,583,565	7,978,394	-971,280	477,312	7,484,426	1.26%
State Funded Perkins Loans	35,793	35,793	35,793	0	0	35,793	0.01%
Nevada State College	12,328,430	12,682,992	13,316,071	1,354,101	472,350	15,142,522	2.54%
UNLV School of Medicine	0	0	0	0	19,567,702	19,567,702	3.28%
Graduate Medical Education Expansion	0	0	0	0	7,450,884	7,450,884	1.25%
SYSTEMWIDE TOTAL	487,184,042	499,307,654	530,449,480	14,366,372	51,529,636	596,345,488	100.00%

Nevada System of Higher Education
2015-2017 Biennial Budget Request
Allocation of Resources by Appropriation Area

Appropriation Area	2013-14 Operating Budget	2014-15 Operating Budget	2015-2016 Base Request	2015-2016 Maintenance Request	2015-2016 Enhancement Request	2015-2016 Total Request	% of Total
System Administration	4,747,300	4,476,278	4,636,476	0	0	4,636,476	0.5%
System Computing Services	16,668,995	16,972,649	17,650,902	0	0	17,650,902	2.1%
University Press	401,950	411,728	428,156	0	0	428,156	0.1%
NSHE Special Projects	1,965,646	1,982,314	2,012,212	0	0	2,012,212	0.2%
WICHE LOAN FUND	1,017,920	1,051,322	982,909	44,495	77,050	1,104,454	0.1%
WICHE ADMIN	329,523	339,594	349,728	0	0	349,728	0.0%
University of Nevada, Reno	158,291,216	161,656,927	165,666,129	23,442,850	3,275,065	192,384,044	22.8%
University of Nevada Medical School	36,164,251	37,441,327	38,854,772	-97,607	2,088,656	40,845,821	4.8%
State Health Laboratory	1,502,190	1,519,568	1,561,628	0	0	1,561,628	0.2%
Intercollegiate Athletics - UNR	4,965,230	4,985,520	5,194,292	0	0	5,194,292	0.6%
Statewide Programs - UNR	7,098,116	7,779,237	8,135,723	0	0	8,135,723	1.0%
Cooperative Extension Service	5,377,641	5,472,037	5,702,704	-207,720	0	5,494,984	0.7%
Agricultural Experiment Station	6,461,411	6,569,673	6,801,406	59,724	0	6,861,130	0.8%
University of Nevada, Las Vegas	228,410,562	231,805,351	239,389,013	12,758,337	4,578,520	256,725,870	30.5%
Law School	12,470,902	12,690,988	13,165,643	-1,082,050	1,500,000	13,583,593	1.6%
Dental School	15,155,607	15,416,501	16,100,728	782,373	0	16,883,101	2.0%
Intercollegiate Athletics - UNLV	7,038,125	7,066,740	7,342,475	0	0	7,342,475	0.9%
Statewide Programs - UNLV	2,862,214	2,878,825	3,015,319	0	0	3,015,319	0.4%
College of Southern Nevada	130,631,359	133,023,732	136,460,814	-2,380,018	2,893,580	136,974,376	16.2%
Great Basin College	16,134,737	16,584,807	14,171,128	819,792	1,811,045	16,801,965	2.0%
Truckee Meadows Community College	42,884,699	43,869,257	44,791,541	-1,216,525	991,255	44,566,271	5.3%
Western Nevada College	19,109,668	19,989,882	18,437,848	-1,102,890	1,460,755	18,795,713	2.2%
Business Center North	1,826,295	1,850,323	1,914,510	0	0	1,914,510	0.2%
Business Center South	1,628,993	1,661,564	1,734,851	0	0	1,734,851	0.2%
Desert Research Institute	7,655,368	7,732,051	7,991,977	-887,809	477,312	7,581,480	0.9%
State Funded Perkins Loans	35,793	35,793	35,793	0	0	35,793	0.0%
Nevada State College	18,038,884	18,410,027	18,802,177	1,623,238	472,350	20,897,765	2.5%
UNLV School of Medicine	0	0	0	0	7,097,569	7,097,569	0.8%
Graduate Medical Education Expansion	0	0	0	0	2,428,703	2,428,703	0.3%
SYSTEMWIDE TOTAL	748,874,595	763,674,015	781,330,854	32,556,190	29,151,860	843,038,904	100.0%

Nevada System of Higher Education
2015-2017 Biennial Budget Request
Allocation of Resources by Appropriation Area

Appropriation Area	2013-14 Operating Budget	2014-15 Operating Budget	2016-2017 Base Request	2016-2017 Maintenance Request	2016-2017 Enhancement Request	2016-2017 Total Request	% of Total
System Administration	4,747,300	4,476,278	4,691,524	0	0	4,691,524	0.5%
System Computing Services	16,668,995	16,972,649	18,067,695	0	0	18,067,695	2.0%
University Press	401,950	411,728	437,395	0	0	437,395	0.0%
NSHE Special Projects	1,965,646	1,982,314	2,029,621	0	0	2,029,621	0.2%
WICHE LOAN FUND	1,017,920	1,051,322	1,070,937	73,213	-3,400	1,140,750	0.1%
WICHE ADMIN	329,523	339,594	356,419	0	0	356,419	0.0%
University of Nevada, Reno	158,291,216	161,656,927	168,417,138	28,357,582	3,275,065	200,049,785	22.5%
University of Nevada Medical School	36,164,251	37,441,327	39,444,879	29,065	7,304,568	46,778,512	5.3%
State Health Laboratory	1,502,190	1,519,568	1,584,204	0	0	1,584,204	0.2%
Intercollegiate Athletics - UNR	4,965,230	4,985,520	5,221,155	0	0	5,221,155	0.6%
Statewide Programs - UNR	7,098,116	7,779,237	8,238,594	0	0	8,238,594	0.9%
Cooperative Extension Service	5,377,641	5,472,037	5,792,463	-207,720	0	5,584,743	0.6%
Agricultural Experiment Station	6,461,411	6,569,673	6,895,671	59,724	0	6,955,395	0.8%
University of Nevada, Las Vegas	228,410,562	231,805,351	243,569,314	15,706,994	4,578,520	263,854,828	29.7%
Law School	12,470,902	12,690,988	13,401,507	-944,319	1,500,000	13,957,188	1.6%
Dental School	15,155,607	15,416,501	16,454,887	1,099,105	0	17,553,992	2.0%
Intercollegiate Athletics - UNLV	7,038,125	7,066,740	7,373,252	0	0	7,373,252	0.8%
Statewide Programs - UNLV	2,862,214	2,878,825	3,040,939	0	0	3,040,939	0.3%
College of Southern Nevada	130,631,359	133,023,732	138,529,416	-479,977	2,893,580	140,943,019	15.8%
Great Basin College	16,134,737	16,584,807	14,406,717	971,994	1,811,045	17,189,756	1.9%
Truckee Meadows Community College	42,884,699	43,869,257	45,516,770	-700,670	991,255	45,807,355	5.1%
Western Nevada College	19,109,668	19,989,882	18,686,823	-922,749	1,210,755	18,974,829	2.1%
Business Center North	1,826,295	1,850,323	1,953,264	0	0	1,953,264	0.2%
Business Center South	1,628,993	1,661,564	1,775,665	0	0	1,775,665	0.2%
Desert Research Institute	7,655,368	7,732,051	8,126,880	-971,280	477,312	7,632,912	0.9%
State Funded Perkins Loans	35,793	35,793	35,793	0	0	35,793	0.0%
Nevada State College	18,038,884	18,410,027	19,043,106	1,830,104	472,350	21,345,560	2.4%
UNLV School of Medicine	0	0	0	0	19,567,702	19,567,702	2.2%
Graduate Medical Education Expansion	0	0	0	0	7,450,884	7,450,884	0.8%
SYSTEMWIDE TOTAL	748,874,595	763,674,015	794,162,028	43,901,066	51,529,636	889,592,730	100.0%

**Nevada System of Higher Education
2015-2017 Biennial Budget Request
Allocation of Resources by Budget Function**

Budget Function	2013-14 Operating Budget	2014-15 Operating Budget	2015-16 Request Budget	% of Total	2015-16 Over 2014-15		2016-17 Request Budget	% of Total	2016-17 Over 2015-16	
					\$	%			\$	%
INSTRUCTION	365,322,021	374,426,440	380,291,422	45.1%	5,864,982	1.6%	387,499,060	43.6%	7,207,638	1.9%
RESEARCH	16,783,064	16,874,234	17,147,530	2.0%	273,296	1.6%	17,417,135	2.0%	269,605	1.6%
PUBLIC SERVICE	8,917,478	8,813,748	8,968,566	1.1%	154,818	1.8%	9,122,459	1.0%	153,893	1.7%
ACADEMIC SUPPORT	86,534,476	89,435,384	90,462,033	10.7%	1,026,649	1.1%	91,673,026	10.3%	1,210,993	1.3%
STUDENT SERVICES	56,972,874	56,610,232	57,224,116	6.8%	613,884	1.1%	58,155,052	6.5%	930,936	1.6%
INSTIT'L SUPPORT	109,512,242	109,960,850	111,683,610	13.2%	1,722,760	1.6%	113,428,655	12.8%	1,745,045	1.6%
O & M OF PLANT	105,885,521	105,537,103	106,596,147	12.6%	1,059,044	1.0%	107,709,613	12.1%	1,113,466	1.0%
SCHOLARSHIPS	21,347,208	21,740,000	21,740,622	2.6%	622	0.0%	21,741,207	2.4%	585	0.0%
RESERVES	(13,098,801)	(10,271,355)	-	0.0%	10,271,355	-100.0%	-	0.0%	-	0.0%
VACANCY SAVINGS	(9,301,488)	(9,452,621)	(8,786,568)	-1.0%	666,053	-7.0%	(8,873,920)	-1.0%	(87,352)	1.0%
M-150 BASE BUDGET ADJUSTMENTS	-	-	(3,996,624)	-0.5%	(3,996,624)	100.0%	(3,710,259)	-0.4%	286,365	-7.2%
MAINTENANCE	-	-	32,556,190	3.9%	32,556,190	100.0%	43,901,066	4.9%	11,344,876	34.8%
ENHANCEMENT	-	-	29,151,860	3.5%	29,151,860	100.0%	51,529,636	5.8%	22,377,776	76.8%
	748,874,595	763,674,015	843,038,904	100.0%	79,364,889	10.4%	889,592,730	100.0%	46,553,826	5.5%

Nevada System of Higher Education
2015-2017 Biennial Budget Request
Allocation of Resources By Expenditure Object

Expenditure Object	2013-14 Operating Budget	2014-15 Operating Budget	2015-16 Request Budget	% of Total	2015-16 Over 2014-15 Difference		2016-17 Request Budget	% of Total	2016-17 Over 2015-16 Difference	
					\$	%			\$	%
Professional	353,578,122	366,096,936	382,315,551	45.3%	16,218,615	4.4%	390,567,784	43.9%	8,252,233	2.2%
Graduate Assistant	15,515,510	16,013,789	16,013,789	1.9%	0	0.0%	16,013,789	1.8%	0	0.0%
Resident Physicians	656,001	556,014	556,014	0.1%	0	0.0%	556,014	0.1%	0	0.0%
Teaching Assistant	331,602	331,602	331,602	0.0%	0	0.0%	331,602	0.0%	0	0.0%
Classified	81,942,113	80,989,256	84,486,672	10.0%	3,497,416	4.3%	86,825,562	9.8%	2,338,890	2.8%
Wages	7,690,461	7,666,035	7,666,035	0.9%	0	0.0%	7,666,035	0.9%	0	0.0%
Fringe	133,719,903	137,247,805	139,185,237	16.5%	1,937,432	1.4%	141,138,923	15.9%	1,953,686	1.4%
Operating	155,440,883	154,772,578	212,484,004	25.2%	57,711,426	37.3%	246,493,021	27.7%	34,009,017	16.0%
Total System Budget	748,874,595	763,674,015	843,038,904	100.0%	79,364,889	10.4%	889,592,730	100.0%	46,553,826	5.5%

TUITION & FEES
2015-2017 BIENNIUM
AS APPROVED BY THE BOARD OF REGENTS, JUNE 2014

Category/ Institution	2015-16	2016-17
<u>Registration Fee (per credit)</u>		
Universities - Undergraduate	\$ 199.25	\$ 207.25
Universities - Graduate	264.00	264.00
NSC - Undergraduate	141.75	146.75
Community Colleges, Upper Division	143.75	149.50
Community Colleges	88.00	91.50
<u>Non Resident Tuition - Full Time Annual</u>		
Universities	13,910.00	13,910.00
NSC	10,686.00	11,113.00
Community Colleges	6,645.00	6,645.00
<u>Non Resident Tuition - Part Time</u>		
Universities - Undergraduate	219.25	228.00
Universities - Graduate	290.50	290.50
NSC - Undergraduate	156.00	161.50
Community Colleges, Upper Division	158.25	164.50
Community Colleges	96.75	100.75
<u>Good Neighbor Tuition</u>		
Universities - Undergraduate	219.25	228.00
Universities - Graduate	290.50	290.50
NSC - Undergraduate	85.00	88.00
Community Colleges, Upper Division	86.25	89.75
Community Colleges	52.75	55.00
<u>Children of Alumni Tuition ⁽¹⁾</u>		
Universities - Undergraduate	119.50	124.25
<u>Distance Education Tuition ⁽¹⁾</u>		
Universities - Undergraduate	99.75	103.75
Universities - Graduate	132.00	132.00
NSC - Undergraduate	71.00	73.50
Community Colleges, Upper Division	72.00	74.75
Community Colleges	44.00	45.75

⁽¹⁾ Effective Fall 2011, the Good Neighbor Tuition and Children of Alumni Tuition was discontinued. Students receiving the discount at that time may continue to receive the discount so long as they are continuously enrolled.

**NEVADA SYSTEM OF HIGHER EDUCATION
2015 Capital Improvement Program Proposals**

AppID SPWB	Institution	Project Title	2015 Priority Rec	2015 CIP Proposed Expenditure Approved by BOR 6/12/14			2015 SPWD CIP Cost Estimate as of 8/12/14		
				State	Other	Total	State	Other	Total
Two Percent Replacement Value Projects									
Priority #1 Deferred Maintenance Projects by Institution									
5226	CSN	Mechanical Projects	1-A	\$ 4,836,000	\$ -	\$ 4,836,000	\$ 5,818,796	\$ -	\$ 5,818,796
5329	DRI	SNSC HVAC Heat Pump and Piping Replacement	1-A	\$ 1,565,591	\$ -	\$ 1,565,591	\$ 2,686,616	\$ -	\$ 2,686,616
5219	GBC	Paving and ADA Access Improvements	1-A	\$ 550,000	\$ -	\$ 550,000	\$ 1,496,912	\$ -	\$ 1,496,912
5497	NSC	Building Renewal/Laboratory Build Out and Conversion	1-A	\$ 297,066	\$ -	\$ 297,066	\$ 618,824	\$ -	\$ 618,824
TBD	NSHE SA	Reno Office Structural Repair Planning	1-A	\$ 258,000	\$ -	\$ 258,000	\$ -	\$ -	\$ -
5242	TMCC	Red Mountain Building Envelope Restoration	1-A	\$ 1,643,862	\$ -	\$ 1,643,862	\$ 3,061,770	\$ -	\$ 3,061,770
5447	UNLV	Carlson Educational Building Infrastructure	1-A	\$ 6,800,000	\$ -	\$ 6,800,000	\$ 7,350,771	\$ -	\$ 7,350,771
5044	UNR	Lincoln Hall Building Renovations	1-A	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ 4,000,000
5489	WNC	Aspen Building HVAC Renovation	1-A	\$ 198,784	\$ -	\$ 198,784	\$ 494,321	\$ -	\$ 494,321
Priority #2 Deferred Maintenance Projects by Institution									
5330	DRI	Maxey Science Center Fume Hood Replacement	1-B	\$ 612,082	\$ -	\$ 612,082	\$ 1,109,696	\$ -	\$ 1,109,696
5409	GBC	Leonard Center (Community Center) and Theater HVAC Upgrade	1-B	\$ 316,250	\$ -	\$ 316,250	\$ 809,684	\$ -	\$ 809,684
5454	TMCC	Red Mountain Building Mechanical Shaft Fire Protection Assessment and Code Renovations	1-B	\$ 500,000	\$ -	\$ 500,000	\$ 295,911	\$ -	\$ 295,911
5448	UNLV	Frank and Estella Beam Building Infrastructure Improvement and Capital Renewal, Phase I	1-B	\$ 7,000,000	\$ -	\$ 7,000,000	\$ 6,314,853	\$ -	\$ 6,314,853
5223	UNR	Replace Multiple Chillers	1-B	\$ 2,500,000	\$ -	\$ 2,500,000	\$ 2,459,065	\$ -	\$ 2,459,065
5491	WNC	Pinion Hall HVAC Replacement	1-B	\$ 321,900	\$ -	\$ 321,900	\$ 321,483	\$ -	\$ 321,483
Priority #3 Deferred Maintenance Projects by Institution									
5331	DRI	Power Quality Improvements - 25 kV Feed (Reno)	1-C	\$ 300,000	\$ -	\$ 300,000	\$ 357,356	\$ -	\$ 357,356
5389	GBC	Berg Hall HVAC	1-C	\$ 404,800	\$ -	\$ 404,800	\$ 419,459	\$ -	\$ 419,459
5274	TMCC	Vista Building and Child Center HVAC Renovation	1-C	\$ 1,350,000	\$ -	\$ 1,350,000	\$ 2,736,876	\$ -	\$ 2,736,876
2449	UNLV	Campus Water Line Replacement and Building Isolation Valve	1-C	\$ 6,000,000	\$ -	\$ 6,000,000	\$ 569,759	\$ -	\$ 569,759
5210	UNR	4kV Electrical Distribution System Replacement, Phase II	1-C	\$ 6,984,873	\$ -	\$ 6,984,873	\$ 9,072,789	\$ -	\$ 9,072,789
5490	WNC	Sage Hall HVAC Replacement	1-C	\$ 488,400	\$ -	\$ 488,400	\$ 135,531	\$ -	\$ 135,531
Other Deferred Maintenance Projects by Institution									
5217	GBC	McMullen and Lundberg Hall Roof Replacement	1-D	\$ 537,750	\$ -	\$ 537,750	\$ 846,446	\$ -	\$ 846,446
5248	UNR	Roofing (Roof Replacement for Nine Buildings)	1-D	\$ 3,021,828	\$ -	\$ 3,021,828	\$ 2,532,379	\$ -	\$ 2,532,379
5224	UNR	Replace High Temperature Hot Water Lines	1-D	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 1,755,927	\$ -	\$ 1,755,927
Total, Two Percent Projects				\$ 55,487,186	\$ -	\$ 55,487,186	\$ 55,265,224	\$ -	\$ 55,265,224
2015 Proposed CIP Projects									
5222	CSN	Cheyenne Campus Renovation	2	\$ 6,930,000	\$ -	\$ 6,930,000	\$ 14,322,054	\$ -	\$ 14,322,054
5332	DRI	SNSC Phase III Facility Project Planning	6	\$ 6,100,000	\$ -	\$ 6,100,000	\$ 4,593,934	\$ -	\$ 4,593,934
5212	GBC	Welding Lab Expansion	4	\$ 1,382,800	\$ 600,000	\$ 1,982,800	\$ 3,503,305	\$ 600,000	\$ 4,103,305
5479	NSC	Water Tower	8	\$ 5,250,000	\$ -	\$ 5,250,000	\$ 10,281,262	\$ -	\$ 10,281,262
5384	TMCC	IGT Applied Technology Building Renovation Completion	3	\$ 1,869,382	\$ -	\$ 1,869,382	\$ 2,765,368	\$ -	\$ 2,765,368
5441	UNLV	Hotel College Academic Building Construction and FF&E	1	\$ 26,780,000	\$ 18,274,539	\$ 45,054,539	\$ 31,263,784	\$ 20,842,522	\$ 52,106,306
5123	UNR	Planning for new Engineering/Science Building	7	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,685,773	\$ -	\$ 5,685,773
5481	WNC	WNC Campuses ADA Life Safety Retrofit Barrier Removal	5	\$ 1,071,971	\$ -	\$ 1,071,971	\$ 844,929	\$ -	\$ 844,929
Other CIP Projects For Consideration									
5225	CSN	Henderson Campus Renovation		\$ 7,575,000	\$ -	\$ 7,575,000	\$ 1,259,066	\$ -	\$ 1,259,066
5333	DRI	Boulder City Laboratory Renovation		\$ 1,240,115	\$ -	\$ 1,240,115	\$ 1,203,924	\$ 240,000	\$ 1,443,924
5482	NSC	Dawson Building Remodel		\$ 1,200,000	\$ -	\$ 1,200,000	\$ 5,490,806	\$ -	\$ 5,490,806
5442	UNLV	Shadow Lane Campus Nursing and Physical Therapy Building: Limited Interior Planning and Site Preparation/Limited Construction		\$ 2,650,000	\$ 850,000	\$ 3,500,000	\$ 314,366	\$ 850,000	\$ 1,164,366
5487	WNC	Aspen Chem (and Cadaver Lab) ADA Remodel		\$ 1,226,884	\$ -	\$ 1,226,884	\$ 1,367,674	\$ -	\$ 1,367,674
5488	WNC	Wurster Building Addition		\$ 3,061,971	\$ -	\$ 3,061,971	\$ 2,976,026	\$ -	\$ 2,976,026
Total, 2015 Proposed CIP Projects				\$ 71,338,123	\$ 19,724,539	\$ 91,062,662	\$ 85,872,271	\$ 22,532,522	\$ 108,404,793
Statewide Deferred Maintenance									
	NSHE	Deferred Maintenance, HECC/SHECC Projects		\$ 10,000,000	\$ 5,000,000	\$ 15,000,000	\$ 10,000,000	\$ 5,000,000	\$ 15,000,000
Total, Statewide Deferred Maintenance				\$ 10,000,000	\$ 5,000,000	\$ 15,000,000	\$ 10,000,000	\$ 5,000,000	\$ 15,000,000
Total, 2015 CIP Projects						\$ 161,549,848			\$ 178,670,017

Updated 8/7/14 (Remove Thompson Hall; Add Lincoln Hall)
Updated 8/14/14 (Add SPWD Cost Estimates)

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

April 10, 2014

Chancellor Daniel Klaich
Nevada System of Higher Education
4300 S. Maryland Pkwy.
Las Vegas, NV 89119

Dear Chancellor Klaich:

For our meeting on Monday I want to send you a description of the law school's financial situation. The UNLV William S. Boyd School of Law is one of the signature successes of higher education in the state of Nevada. In fifteen years we have become one of the top public law schools in the country, reflected in various national rankings. While not long ago every Nevadan had to leave the state to go to law school, we now keep our top students in the state. Eighty-five percent of our students come from Nevada and they stay here after graduation to improve the practice of law and serve the community in Las Vegas, Reno and all across the state. Yet this history of excellence is at risk. As part of a national crisis confronting law schools everywhere, Boyd is facing a severe decline in applications and enrollment over several years, creating a shortfall in revenue that threatens the standing we have achieved as a first-rate law school. The entering class of the Boyd School of Law decreased from about 150 students to about 110 students consistent with national trends in legal education and in order to maintain student quality. This decrease in student enrollment creates a loss of revenue of approximately \$23,900 per student (\$23,900 is the full time resident tuition). As we enroll subsequent classes at roughly 110 students, the tuition revenue loss to the school increases substantially.

We will do all we can to meet this shortfall:

- We will cut costs.
- We will raise tuition by 4% in 2015 and 2016. This increase is consistent with our competitors.
- We will create new programs in addition to the J.D. program (e.g. Executive Education, an LL.M. program, and an M.L.S. program) as our competitors have already done.
- We will reach out to our friends and supporters of the law school to raise money for Boyd.

These efforts will achieve increased revenue of roughly \$1.4 million a year. That will still leave us short of the amount of revenue necessary to maintain our quality and we would like to ask the legislature for a \$1.5 million increase a year in funding. This will enable us to maintain our hard-earned status as one of the state's success stories.

I appreciate very much your support of the UNLV Boyd School of Law. I look forward to working with you in these challenging but still exciting times.

Sincerely,

Daniel W. Hamilton
Dean
Richard J. Morgan Professor of Law

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

Maintaining Success at the William S. Boyd School of Law Financial Summary

Revenue Shortfall

The entering class of the Boyd School of Law decreased from about 150 students to about 110 students consistent with national trends in legal education and in order to maintain student quality. This decrease in student enrollment creates a loss of revenue of approximately \$23,900 per student (\$23,900 is the full time resident tuition). As we enroll subsequent classes at roughly 110 students, the tuition revenue loss to the school increases substantially. The following chart illustrates the cumulative effect of enrolling 110 students in each class.

	FY14 114 1Ls	FY15 110 1Ls	FY16 110 1Ls	FY17 110 1Ls	FY18 110 1Ls	FY19 110 1Ls
First year student revenue shortfall	\$860K	\$956K	\$956K	\$956K	\$956K	\$956K
Second year student revenue shortfall	----	\$860K	\$956K	\$956K	\$956K	\$956K
Third year student revenue shortfall	----	----	\$860K	\$956K	\$956K	\$956K
Revenue loss each year	\$860K	\$1.8M	\$2.8M	\$2.9M	\$2.9M	\$2.9M

The ongoing annual revenue shortfall for the law school, therefore, will rise to **\$2.9 million** beginning in FY17. This projection is conservative because it does not include additional losses from non resident students paying non resident tuition.

Going Forward

We can fill the gap, but we will need to address the shortfall with a combination of self help, working with our students to implement fee increases, and by working with NSHE and the Nevada legislature to request an increase in general fund revenue beginning FY16. The Law School's plan for self help consists of expense reductions, registration fee increases, and the addition of new programs as outlined below. The Law School would need to address this shortage with bridge funding and/or additional expense cuts in the short term. The budget assumptions are:

- (1) We need to right size the law school through attrition. Over time, we will reduce the faculty by three resulting in approximately \$500,000 in savings. Reducing faculty numbers any further will threaten the continuation of our part time evening program.
- (2) We will raise tuition by 4% each year in the first biennium (resulting in a projected increase of \$210,649 in revenue in FY16 and \$419,094 in FY17). We would continue to allocate 30% of all fee increases to financial aid. Some significant portion of the net increased funding could be allocated to this need.
- (3) We will create new programs in addition to the J.D. program (e.g. Executive Education, an LL.M. program, and an M.L.S. program) as our competitors have already done. These new programs will generate net funds, outside of the state budget, to supplement the law school budget. We anticipate generating approximately \$350,000 from these programs.

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

Background: Student Fees and State Funding

Fees at Boyd have increased from \$10,300 in FY09 to \$23,900 in FY12. Fees remain at \$23,900 from FY12 through FY15.

The total cut in state general fund for Boyd is 32% or about \$3 million from FY09 to FY13.

Our proposal to cover the law school shortfall is a partnership between the school, the students, and the state.

- Legal education is facing severe challenges.
 - Fewer students are applying nationally and regionally. Applications are down nationally 31% over the last four years and roughly 45% over the last nine years. Last year, 187 law schools out of 202 experienced a decline in applications. This year, registrations for the Fall 2013 LSAT are down roughly 13%.
 - These declines in application numbers are likely to be long-term and are part of structural shifts in legal education and legal practice. This decline leaves Boyd with only two choices. The school can admit fewer students and maintain the law school's first-rate student body. Alternatively, Boyd can lower its standards for admission resulting in a dramatic decline in our reputation and our ranking.
 - Once a school drops significantly its ability to move back up is almost nil which, in turn, affects its graduates' employment prospects, and student and faculty recruitment.
- The Boyd School of Law is a great success story for UNLV and for the state of Nevada.
 - It is one of the very few nationally highly ranked programs in Nevada. In only 15 years Boyd has become a first-tier law school, and was most-recently ranked 68th out of 200 law schools by U.S. News and World Report.
 - Boyd is consistently among the top-ranked programs in legal writing, dispute resolution, clinical education, and our part time program.
 - Boyd is a great asset to UNLV, the city, and the state. We have strong community service programs providing free legal advice to those in need. Our graduates are public servants who have taken on leadership roles in the legislature, the judiciary, as prosecutors, and as public defenders. And we produce outstanding lawyers for an increasingly sophisticated legal market as part of a growing economy. The state's investment in the law school is paying off.
- The Boyd School of Law serves the community.
 - We have strong community service programs providing free legal advice to those in need. Boyd students have taught free legal education classes to close to 50,000 Nevada residents.
 - Our graduates are public servants who have taken on leadership roles in the legislature, the judiciary, as prosecutors, and as public defenders. The law school has had eight current students or graduates serve as members of the Nevada Legislature.
 - We produce outstanding lawyers for an increasingly sophisticated legal market as part of a growing economy. Boyd has produced over 1500 graduates since enrolling the first 1L class in 1998. Since 2006, over 83% of our employed graduates worked in Nevada nine months after graduation. Our most distinguished graduates remain in Nevada - of 15 recipients of the Outstanding Graduate Award, 13 live and work in Nevada. Similarly, of the 17 award winners of the Barbara Buckley Community Service Award, 12 alumni live and work here in Nevada.

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

- The Boyd School of Law is at risk.
 - The national trend in applications has hit Boyd and will continue to do so. Applications to Boyd were down 18% from 2012 to 2013, and down 51% from 2009 to 2013. Boyd's original state budget was based on a projected entering class of 150 students (including the evening program). In order to maintain the quality of our student body, this year's entering class was 114. We project entering class sizes in the same range (105-115) for the foreseeable future.
 - This decline in enrollment brings a decline in revenue at a time when the state appropriation to the law school was cut 32% (from \$9,638,374 in FY09 to \$6,570,754 in FY13). That said, the backfill at the end of the last legislative session (\$248,988 in FY14 and \$177,929 in FY15) helped make this shortfall smaller than it otherwise would have been.
 - The law school's position as one of the signature successes in higher education in Nevada is at risk. Our revenue shortfall is close to \$1 million this year and will reach close to \$3 million in FY16. We are presently covering this shortfall with private money and money saved in years past but we will not be able to cover the shortfall through all of FY2016.
 - This crisis, however, presents Boyd with an opportunity to maintain its rise. Because Boyd is the law school for the whole state, 84% of this year's entering class is from Nevada, and has a strong student body and faculty, it can achieve gains in this downturn that many other good law schools cannot.

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

Distinguished Alumni in Nevada

Stephanie Allen
Class of 2003
Kaempfer Crowell

Lucy Flores
Class of 2010
Nevada State Legislature

Catherine Ramsey
Class of 2002
North Las Vegas Municipal Court
Judge

Paola Armeni
Class of 2003
Gordon Silver
State Bar of Nevada Board of Governors

Adriana Fralick
Class of 2003
State Gaming Control Board and
Nevada Gaming Commission

Megan Salcido
Class of 2009
City of Reno

Samuel Bateman
Class of 2002
City of Henderson City Council

Jason Frierson
Class of 2001
Nevada State Legislature Assistant
Majority Leader

Brandon Sendall
Class of 2013
Supreme Court of Nevada, Justice
Gibbons

Christine Brady
Class of 2008
Washoe County Public Defender's
Office

Christopher Hicks
Class of 2001
Washoe County District Attorney Elect

Elda Sidhu
Class of 2001
UNLV General Counsel

Sarah Boudreau
Class of 2006
Supreme Court

William Home
Class of 2002
Nevada State Legislature Majority
Leader

Quinton Singleton
Class of 2008
Cantor Gaming

Justin Carley
Class of 2006
Snell & Wilmer

Brian Irvine
Class of 2001
Gordon Silver

Janet Trout
Class of 2001
Office of the Attorney General

Kelly Dove
Class of 2007
Snell & Wilmer

Brandi Jensen
Class of 2001
Fernley City Attorney's Office

Nicholas Vaskov
Class of 2002
System Counsel, Nevada System of
Higher Education

Sandra Douglass Morgan
Class of 2003
North Las Vegas City Attorney

Terry Johnson
Class of 2011
State Gaming Control Board

Melissa Waite
Class of 2007
Jolley Urga Woodbury & Little

Venicia Considine
Class of 2008
Legal Aid Center of Southern Nevada

John Ocegueda
Class of 2003
Former Nevada Assembly Speaker

Thomas Wilczek
Class of 2001
Nevada Governor's Office of Economic
Development

Matthew Christian
Class of 2002
Clark County District Attorney – Civil
Division

James Ohrenschall
Class of 2010
Nevada State Legislature

Ryan Works
Class of 2004
McDonald Carano Wilson

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

Alumni Clerkships

Supreme Court of Nevada

Justice James W. Hardesty

Darren Lemieux 2005
Denise Balboni 2007
Maria DaVee 2008
Kristen Schumacher 2008
Megan Nunn 2009
Seth Floyd 2010
Shannon Rowe 2010
Chandeni Gill 2012

Justice Michael A. Cherry

Phil Trenchak 2006
Elizabeth Naccarato 2007
Eva Segerbloom 2007

Justice Nancy M. Saitta

Gilbert Garcia 2005
Jackie Gilbert 2007
Howard Kim 2007
Dawn Gearhart 2008

Justice Michael L. Douglas

Jill Hiatt 2003
Darcy Johnson 2004
Will Sykes 2005
Puneet Garg 2006
Philip Trenchak 2006
Krystal Gallagher 2009
Kimberly Delmonico 2011
Randolph Westbrook 2012

Justice Mark Gibbons

Miranda Mahe 2010
Ryan Henry 2012
Ashley Nikkel 2012
Bryan Schwartz 2013
Brandon Sendall 2013

Justice Kristina Pickering

Holly Cheong 2010
Kathleen Wilde 2011
Kammi Rencher 2012

UNLV | WILLIAM S. BOYD SCHOOL OF LAW

UNIVERSITY OF NEVADA, LAS VEGAS

Supreme Court of Nevada (Retired Justices)

Justice Nancy Becker	Heidi Nagel 2001 Cari Waters 2003
Justice Myron Leavitt	Jason Frierson 2001 Rosa Solis-Rainey 2001 Marvin Longabaugh 2002 Lisa Parker 2002 James Kelly 2004
Justice William Maupin	Gia McGillivray 2002 Ed Humphrey 2004
Justice Robert Rose	Gia McGillivray 2003 Amy Johnson 2005
Justice Miriam Shearing	Catherine Nelson 2003

UNLV | **WILLIAM S. BOYD**
SCHOOL OF LAW
UNIVERSITY OF NEVADA, LAS VEGAS

Dean's Council

William S. Boyd
Boyd Gaming

A.G. Burnett
Chair, Gaming Control Board

Senator Greg Brower
Snell & Wilmer

Joseph W. Brown
Fennemore Craig Jones Vargas

Barbara Buckley
Legal Aid Center of Southern Nevada

Anthony Cabot
Lewis & Roca

Catherine Cortez Masto
Attorney General

Bill Curran
Ballard Spahr

Assemblyman Jason Frierson, Class of 2001

Judge Philip Pro

James E. Rogers
Intermountain West Communications Company

Michael Saltman
The VISTA Group

Jeffrey Silver
Gordon Silver

Tom Thomas
Thomas & Mack Company

Nevada System of Higher Education

Business Plan for Statewide Medical Education Expansion

August 7, 2014 – Final Document



Tripp Umbach's Recommendations for Statewide Medical Education Expansion

- Development of a full-scale research-intensive allopathic medical school at UNLV with 120 students per class.
- Strengthen the existing state supported allopathic medical school (UNSOM) in Reno to allow for a research-intensive program where the vast majority of undergraduate medical education (UME) for a class size of 70 students is accomplished in northern Nevada.
- Graduate Medical Education (GME) residency and fellowships is expanded in both Las Vegas and Reno through the continued sponsorship of UNSOM. In the future, the new medical school at UNLV and UNSOM will jointly develop and coordinate publically supported GME statewide.

Tripp Umbach Recommendations as Related to Medical Education Expansion Budget Request:

- Based on exhaustive national comparisons of all 78 fully developed public allopathic medical schools as well as analysis of current and projected clinical teaching capacity in the northern Nevada market, Tripp Umbach recommends that UNSOM provide medical education to 70 students per class into the future with the vast majority of the educational program being delivered in the Reno area.
- Tripp Umbach recommends that \$34.3 million be provided to UNSOM or approximately \$122,500 per medical student in 2016 and \$37.1 million in 2017 or approximately \$132,500 per student. No additional increases in base funding are recommended beyond 2017.
- Tripp Umbach recommends that UNSOM's one-time request of \$4.3 million be included in the 2016/17 biennium request because the majority of this one-time request is equipment and instructional technology that will support current and future needed GME growth in Las Vegas.
- Tripp Umbach recommends that \$26.7 million in start-up funds be provided to UNLV in the 2016/17 biennium. In future biennium requests, as class size matures, Tripp Umbach recommends that the new medical school at UNLV receive up to \$45.0 million or approximately \$93,750 per medical student.
- Tripp Umbach evaluated state support for GME throughout the U.S. as well as the critical immediate need for GME expansion in Nevada and recommends \$9.9 million in state support for GME.

Notes:

- In 2013 the average public medical school in the U.S. received \$64 million from their state.
- The average public medical school enrolled 580 students (145 students per class).
- Therefore the average amount of state support per medical student in 2013 was \$110,000.
- Tripp Umbach's recommendation to provide UNLV with less support per medical student is based on the high probability for more clinical revenue and the opportunity for more philanthropic support in Las Vegas.
- Likewise, the higher than average recommended amount from UNSOM is due to its need to provide a more faculty-intensive educational program as required by the LCME to maintain accreditation and costs associated with expanding clinical training in northern Nevada to accommodate a class size of 70 students per year.

Nevada System of Higher Education

Business Plan for Statewide Medical Education Expansion - 2014-2021 Master Timeline (8.6.14)

	Planning Years			Statewide Coordination of Two Separate Public Medical Schools					Maturity
	2014/15	2015/17	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Future
Collaboration between UNSOM and UNLV through NSHE	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education 	<ul style="list-style-type: none"> Statewide Steering Committee to Coordinate Public Medical Education
UNSOM	<ul style="list-style-type: none"> UNSOM Class Size 70 Expand Clerkships in Northern NV & GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size 70 Continue to Expand Clerkships in Northern NV & GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size 70 Continue to Expand Clerkships in Northern NV & GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size 70 Continue to Expand Clerkships in Northern NV & GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size 70 Complete Clerkship Expansion Efforts in Northern NV to Achieve a Full-Four Year Program for 70 Students 	<ul style="list-style-type: none"> UNSOM Class Size 70 UNSOM will have Access to 3rd/4th Clinical Teaching in Las Vegas through UNLV Continue to Expand GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size 70 UNSOM will have Access to 3rd/4th Clinical Teaching in Las Vegas through UNLV Continue to Expand GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size 70 UNSOM will have Access to 3rd/4th Clinical Teaching in Las Vegas through UNLV Continue to Expand GME Statewide 	<ul style="list-style-type: none"> UNSOM Class Size in the Future to Reflect Market Needs and Campus Offerings in Northern NV UNSOM will have Access to 3rd/4th Clinical Teaching in Las Vegas through UNLV Coordinated GME Expansion with UNLV Statewide
UNLV	<ul style="list-style-type: none"> UNLV Medical School Planning Letter of Request to LCME in September for UNLV SOM 	<ul style="list-style-type: none"> UNLV SOM Implementation & Recruitment of Staff/Faculty 	<ul style="list-style-type: none"> UNLV SOM Implementation & Recruitment of Staff/Faculty LCME Self Study & Site Visit LCME Permission to Admit Class 	<ul style="list-style-type: none"> UNLV SOM Entering Class Size of 60 Begin Clerkship & GME Development in Southern NV 	<ul style="list-style-type: none"> UNLV SOM Class Size of 65 Continue Clerkship & GME Development in Southern NV Second LCME Site Visit 	<ul style="list-style-type: none"> UNLV SOM Class Size of 80 3rd Year UNLV SOM Students Enter Clerkships in Southern NV Continue Leadership of Clerkship Development & GME in Southern NV 	<ul style="list-style-type: none"> UNLV SOM Class Size of 100 First Class of UNLV SOM Students Graduate 4th Year UNLV SOM Students Enter Clerkships in Southern NV Continue Leadership of Clerkship & GME Development & GME in Southern NV LCME Final Accreditation & Approval of Class Size Increase 	<ul style="list-style-type: none"> UNLV SOM Class Size of 120 First UNLV SOM Students Enter Residency Programs Continue Leadership of Clerkship & GME Development & GME in Southern NV 	<ul style="list-style-type: none"> UNLV SOM Class Size in the Future to Reflect Market Needs & Campus Offerings in Southern NV Leadership of Ongoing Clerkship Development and GME in Southern NV Educational Building On-line with Expansion Capacity for 180 Students Coordinated GME Expansion with UNLV Statewide

PUBLIC MEDICAL EDUCATION BUDGET 2015-17 BIENNIUM

		FY 16		FY 17		BIENNIAL TOTAL New Money
UNLV UME Start-Up Funds		\$ 7,097,569		\$ 19,567,702		\$ 26,665,271
UNSOM Base Budget (adj for inflation/ maintenance)		\$ 32,831,265		\$ 33,552,044		
UNSOM UME Increase		\$ 1,513,656		\$ 3,571,568		\$ 5,085,224
UNSOM Current Adjusted Budget plus UME Increase		\$ 34,344,921		\$ 37,123,612		
GME LAS VEGAS Expansion		\$ 1,986,454		\$ 4,472,893		
GME RENO Expansion		\$ 442,249		\$ 2,977,991		
GME Expansion Total		\$ 2,428,703		\$ 7,450,884		\$ 9,879,587
One-Time Request		\$ 575,000		\$ 3,733,000		\$ 4,308,000
TOTAL STATE REQUEST						\$ 45,938,082

UME Breakout/Request	\$ 31,750,495
GME Breakout/Request	\$ 9,879,587
One-Time Request	\$ 4,308,000
Total State Request	\$ 45,938,082

State Budget Incremental Request For Statewide Medical Education Expansion

8/7/2014

	2016-2017 Biennium		BIENNIUM	2018-2019 Biennium		BIENNIUM	2020-2021 Biennium		BIENNIUM	2022-2023 Biennium		BIENNIUM
	FY 2015/2016 Biennial Request	FY 2016/2017 Biennial Request	TOTAL FY 2016 and Total FY 2017	FY 2017/2018 Biennial Request	FY 2018/2019 Biennial Request	TOTAL FY 2018 and Total FY 2019	FY 2019/2020 Biennial Request	FY 2020/2021 Biennial Request	TOTAL FY 2020 and Total FY 2021	FY 2021/2022 Biennial Request	FY 2022/2023 Biennial Request	TOTAL FY 2022 and Total FY 2023
UNLV Start-Up On-Going Without Students	\$7,097,569	\$19,567,702	\$26,665,271									
UNLV On-Going With Students				\$2,271,987	\$10,742,046	\$13,014,033	\$519,448	\$4,137,191	\$4,656,639	\$5,930,808	\$8,990,652	\$14,921,460
UNSOM Teaching Las Vegas	\$316,702	\$442,012	\$758,714									
Reno	\$1,196,954	\$3,129,556	\$4,326,510									
Sub Total Teaching	\$1,513,656	\$3,571,568	\$5,085,224									
Total On-Going State Request Without GME	\$8,611,225	\$23,139,270	\$31,750,495	\$2,271,987	\$10,742,046	\$13,014,033	\$519,448	\$4,137,191	\$4,656,639	\$5,930,808	\$8,990,652	\$14,921,460
GME Las Vegas	\$1,986,454	\$4,472,894	\$6,459,348	\$1,453,445	\$3,231,731	\$4,685,176	\$979,951	\$1,463,555	\$2,443,506	\$163,801	\$181,801	\$345,602
Reno	\$442,249	\$2,977,991	\$3,420,239	\$449,865	\$1,177,548	\$1,627,413	\$778,675	\$1,204,675	\$1,983,350	\$225,000	\$234,000	\$459,000
Sub Total GME Statewide	\$2,428,703	\$7,450,885	\$9,879,587	\$1,903,310	\$4,409,279	\$6,312,589	\$1,758,626	\$2,668,230	\$4,426,856	\$388,801	\$415,801	\$804,602
Total On-Going State Request With GME	\$11,039,928	\$30,590,155	\$41,630,082	\$4,175,297	\$15,151,325	\$19,326,622	\$2,278,074	\$6,805,421	\$9,083,495	\$6,319,609	\$9,406,453	\$15,726,062
UNSOM One Time Request Years 1-4 Reno	\$325,000	\$83,000	\$408,000									
Years 3-4 Las Vegas	\$250,000	\$0	\$250,000									
GME Las Vegas	\$0	\$3,650,000	\$3,650,000									
Total One Time Biennium Request	\$575,000	\$3,733,000	\$4,308,000									
Overall State Request	\$11,614,928	\$34,323,155	\$45,938,082									

Note: Amounts shown reflect total State Supported Operating Budget and do not reflect offset for projected student fees.

Economic Impact and Return on Investment to the State General Fund Related to Medical Education Expansion in Nevada

August 9, 2014



Addressing the State's Physician Shortage Will Have a Positive Impact on the Economy

According to the Association of American Medical Colleges (AAMC)¹, in 2010, Nevada ranked 45th in the country in the number of physicians per 100,000 population and 46th in the U.S. in the number of primary care physicians per 100,000 population.² This critical shortage of doctors has created a crisis in Nevada both in terms of the quality of healthcare that we provide to our citizens and in our ability to create the quality of life that will support economic development and diversification. While Nevada has a low per capita ranking, the United States (U.S.) as a whole is facing the largest physician shortage in its history as the nation's population both grows and ages. Some observers even believe that the U.S. will never be able to close the gap between the need for medical care and the number of physicians and other healthcare providers who provide such care. The U.S. already has a shortage of approximately 80,000 primary care physicians and the situation is likely to get worse as millions of people will become newly insured under the Affordable Care Act.

According to the U.S. Census Bureau, Nevada has a current population of 2.75 million as of July 1, 2012 and the population is expected to grow to nearly 3.7 million by 2030³; an increase in population that will further stress healthcare resources. It is clear that the class size capacity at the sole public school of medicine, the University of Nevada School of Medicine (UNSOM), physician shortages, current and future population demographics, state and federal healthcare reform, and physician lifestyle changes are all significantly impacting the physician workforce throughout Nevada. Therefore, Nevada is unable to support the current healthcare needs of residents let alone the projected population growth. Clearly, the supply of medical school graduates, as well as the number of physicians who complete their graduate medical education (GME) in the state of Nevada, is far below what will be needed in the future when the state's population approaches four million. This issue needs to be addressed immediately in order for the state to provide quality healthcare to its citizens and to advance its economy.

Expanding both undergraduate medical education (UME) and GME through a coordinated statewide approach is a proven model to increase physician workforce. Based on national statistics, students who complete both their UME and GME in the same state have a 70% chance of remaining in the same state. Nationally, students who only complete GME in the state have less than a 50% chance of remaining in the same state.⁴

¹Association of American Medical Colleges (AAMC): Founded in 1876 and based in Washington, D.C., the AAMC is a not-for-profit association representing all 141 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems, including 51 Department of Veterans Affairs medical centers; and 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 128,000 faculty members, 83,000 medical students, and 110,000 resident physicians.

²Population estimates are from the U.S. Census Bureau (February, 2011) and Physician data are from the AMA Physician Master file (December, 2010).

³Woods & Poole Economics, Inc. (2013). The strength of Woods & Poole's economic and demographic projections stems from the comprehensive historical county databases and reflects simultaneous interchange accurately between metropolitan regions within the United States.

⁴Tripp Umbach analysis (2013).

Expanding medical education statewide will also have a dramatic economic impact on a state's economy. Economic impact is defined as the total amount of "fresh" dollars that flow into a state from out of state sources (e.g., federal research dollars) as well as dollars that remain in a state due to the presence of an industry segment that is not essential to the economy (e.g., an academic medical center). As identified in the Brookings Mountain West\ SRI Report⁵, more than \$2 billion in healthcare spending that should remain in the state "leaks" out of the state to neighboring states annually. In addition, Las Vegas has the smallest share of its economy tied to health services in comparison to any other of the top 100 U.S. metropolitan areas and it is also the largest U.S. metropolitan area without an allopathic medical school. In order to maintain the current rate of population growth, improve health outcomes, and diversify the region's economy, a new four-year allopathic medical school, a stronger existing medical school and expanded GME is needed. Stronger medical schools will not only attract new practicing physicians, but also educate new physicians, cultivate research, attract federal funds and private philanthropy, as well as spur medical innovations that drive the statewide economy.

Determining the Economic Impact of Medical Education Expansion in Nevada

Since 1995, Tripp Umbach has measured the economic impact of every U.S. allopathic medical school on behalf of the AAMC. Most recently in 2012, Tripp Umbach's analysis indicated that all 134 medical schools had a combined economic impact of \$218 billion or approximately \$1.7 billion per medical school. Tripp Umbach concludes that the economic impact of two public allopathic medical schools in Nevada could equal **\$1.9 billion** at maturity in 2030 (see Table 1), compared to \$316.6 million currently. The rate of growth in economic impact is expected to grow by more than six times over the next 15 years as medical education expansion plans proposed by Nevada System of Higher Education (NSHE) is implemented.

Table 1. Economic Impact of U.S. Allopathic Medical Schools

Key Economic Impact Findings	Annual Economic Impact
Average Economic Impact of Established University Affiliated U.S. Medical Schools (2012) ⁶	\$1.7 billion
Average Economic Impact of Public Medical Schools in States with a Single Public Medical School ⁷	\$1.1 billion
Average Economic Impact of additional Standalone Public University Affiliated Medical Schools in States having more than one Public Medical School ⁸	\$880 million
Average Economic Impact of States with Two Publically Supported Medical Schools	\$1.9 billion

⁵Brookings Mountain West SRI Report (2011) and Brookings Mountain West Mountain Monitor: Tracking Economic Recession and Recovery in the Intermountain West's Metropolitan Areas (2013).

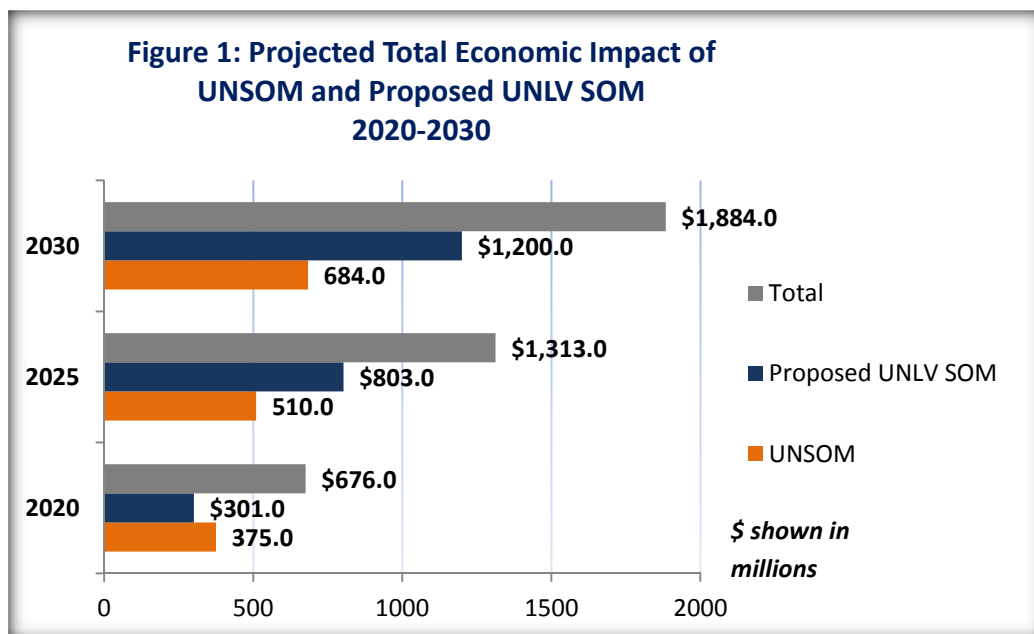
⁶ Tripp Umbach analysis using AAMC 2012 Database.

⁷ U.S. States with a Single Public Medical School include: Arizona, Colorado, Connecticut, Iowa, Kansas, Mississippi, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, South Dakota, West Virginia, and Georgia.

⁸ U.S. States having more than one Public Medical School include: California, Florida, Illinois, Kentucky, Louisiana, Michigan, Missouri, North Carolina, New York, Pennsylvania, South Carolina, Tennessee, Virginia, Wisconsin, and West Virginia.

The Economic Impact of Statewide Medical Education Expansion in Nevada

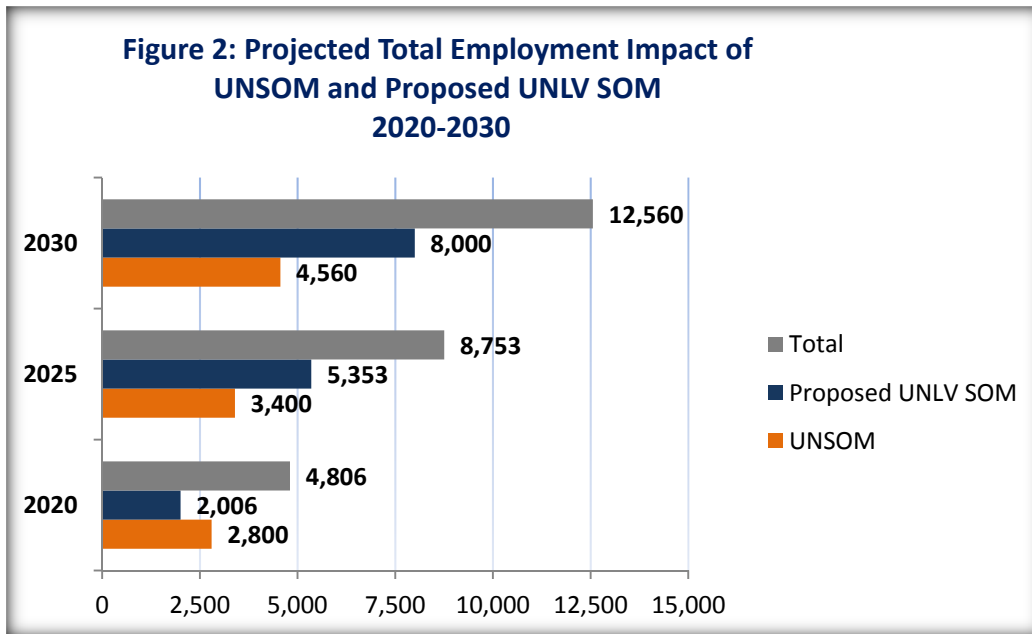
- By 2030, the total economic impact⁹ of both state-supported medical schools is estimated to be nearly **\$1.9 billion**; representing more than five times the current impact of UNSOM (see Figure 1 below).
- Tripp Umbach estimates UNSOM will have an increased total annual economic impact of approximately **\$684 million**, and the proposed UNLV SOM is projected to have a total annual economic impact of **\$1.2 billion**.



Employment Impact

In 2030, UNSOM is projected to support **4,560 jobs** and the proposed UNLV SOM is projected to support **8,000 jobs**. The combined employment impact of both state-supported medical schools in 2030 will support **12,560 jobs** in the State of Nevada (see Figure 2 below). It is important to note that UNSOM currently supports approximately 2,800 jobs directly and indirectly in the state, so approximately **9,760 new jobs** will be supported in the Nevada economy. UNSOM currently provides direct employment for 1,873 Nevada citizens.

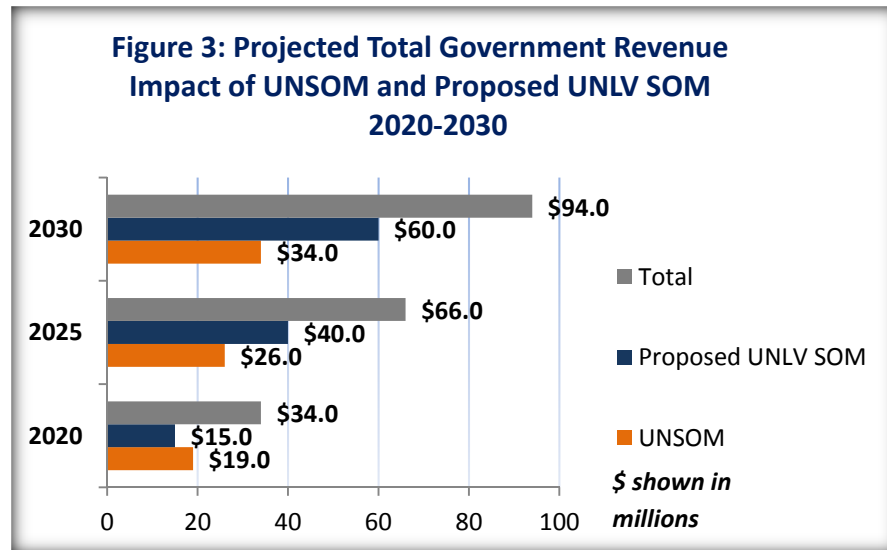
⁹ **Important Note:** Economic impact estimates are only presented for medical education and research functions, and do not include significant economic, employment, and tax revenue impacts related to expanding clinical services at teaching hospitals, expanded residency positions, health science workforce gains or bioscience-related economic development from the commercialization of research.



State General Fund Revenue

Economic activity in the State of Nevada's economy from the spending of both UNSOM and the proposed UNLV SOM will remain inside the state as well as fresh dollars that will flow inside the state because the medical schools will generate general fund revenue through a wide variety of taxes. Tripp Umbach estimates that every fresh dollar in economic impact from medical education expansion will generate 4.89% in state general fund revenue.

- In 2030, Tripp Umbach estimates UNSOM will generate **\$34 million** in government revenue and the proposed UNLV SOM is projected to generate **\$60 million** in government revenue. With annual return to the state general fund estimated at **\$94 million** in 2030, medical schools in Nevada are expected to produce a positive return on state investment (see Figure 3 below). It is important to note that UNSOM activities currently provide \$15.4 million to the state general fund, so approximately **\$78.6 million** in fresh revenue will be added annually by 2030.



Return on Investment (ROI) of Public Funding by Medical Schools

Allopathic (MD granting) Medical Schools generate significant economic impact and state general fund revenue. According to Tripp Umbach, approximately 1 in every 20 dollars generated by UNSOM flow directly into the state's general fund¹⁰. Nationally, allopathic medical schools generated more than \$5.2 billion in state general fund revenue in 2012 and received approximately \$4.5 billion in that same year from their home states – resulting in a positive return of \$1.16 returned to the states for every dollar invested in their medical schools.

Currently, UNSOM generates \$15.4 million in general fund revenue and receives approximately \$31.5 million from the State of Nevada – resulting in a return of approximately \$.50 for every dollar provided to the medical school from the state general fund. UNSOM's current ROI to Nevada mirrors the newest six public medical schools (see Table 4 below). The six allopathic medical schools presented below have achieved on average \$.50 for every dollar provided by the medical school over a six-year period.

¹⁰ The \$131.4 billion dollars in the Nevada economy in 2013 generated \$6.4 billion for the State General Fund – resulting in 4.89% of all fresh dollars generated in the economy flowing to the State General Fund.

Table 4. ROI Generated by the Newest Six Public Medical Schools (2013)

Public Medical School	State Funds Provided (in millions)	State Revenue Generated (in millions)	Return on Public Investment
Central Florida	\$18.7 M	\$9.2 M	\$0.49
Florida International	\$18.7 M	\$4.4 M	\$0.24
Texas Tech	\$20.3 M	\$13.1 M	\$0.64
Virginia Tech	\$ 5.0 M	\$7.4 M	\$1.48
Commonwealth Medical College	\$6.5 M	\$4.7 M	\$0.72
Florida Atlantic	\$12.0 M	\$2.1 M	\$0.18
Average	\$13.5 M	\$6.8 M	\$ 0.50

As public medical schools mature, the ROI to their state's economy grows. Tripp Umbach estimates from historical data supplied by the AAMC that an allopathic medical school reaches economic maturity after approximately 15 years. The following mature medical schools located in states with similar population to Nevada have on average a positive ROI to their state general funds for every dollar they receive in state appropriations (see Table 5 below).

Table 5. ROI to State's Economy from Six Public Medical Schools in Similar Sized States

Public Medical School	Total Students	State Funds Provided (in millions)	State Revenue Generated (in millions)	Return on Public Investment
Alabama – UAB	697	\$45 M	\$54 M	\$1.20
Utah	312	\$30 M	\$34 M	\$1.13
Iowa	587	\$38 M	\$43 M	\$1.13
Colorado	623	\$23 M	\$25 M	\$1.09
New Mexico	334	\$36 M	\$32 M	\$ 0.89
Arkansas	634	\$38 M	\$33 M	\$ 0.87
Average	531	\$35 M	\$37 M	\$1.05

* Important Note: Each of these states within the table have only one publically supported medical school.

Summary of Economic Impact and ROI for Nevada’s Public Medical Education Expansion Plan

National historical data from the AAMC for both new and mature medical schools support Tripp Umbach’s projections that by 2030 every dollar in funding provided by the State of Nevada to the two public schools will be returned to the state’s general fund (see Table 6 below). In addition, every dollar in state funding for public medical education will result in more than \$20 fresh dollars in the Nevada economy. As a point of comparison, the economic impact generated nationally by all medical schools is more than 50 times greater than public support.

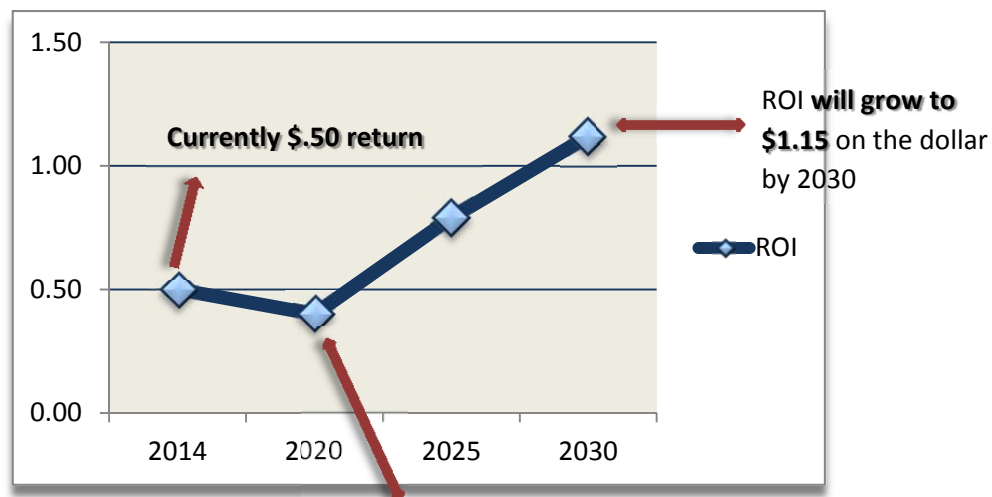
Table 6: Economic Impact and ROI for Public Medical Education Expansion in Nevada

	2014	2020	2025	2030 ¹¹
Total Projected Economic Impact of UNLV SOM	N/A	\$301 M	\$803 M	\$1.2 B
Total Economic Impact of UNSOM (current / projected)	\$316 M	\$375 M	\$510 M	\$700 M
Total Statewide Economic Impact of Both Public Medical Schools	\$316 M	\$676 M	\$1.3 B	\$1.9 B
	2014	2020	2025	2030 ¹¹
State of Nevada General Fund Revenue Generated through Economic Impact of Both Medical Schools	\$15.4 M	\$33.1 M	\$64.3 M	\$94.0 M
State Funding Provided to Public Medical Schools	\$31.5M	\$63.5 M	\$82.1 M	\$82.1 M
ROI to State General Fund Attributable to Public Medical Schools	\$1: \$.50	\$1: \$.40	\$1: \$.79	\$1: \$1.15
ROI to State Economy from General Fund Revenues Provided to Public Medical Schools	\$1: \$10.03	\$1: \$8.24	\$1: \$15.99	\$1: \$22.95
Total Projected Medical School Revenue	\$140 M	\$297 M	\$578 M	\$831 M
Percentage of Revenue Received by Medical Schools from State of Nevada	22.5%	27.6%	14.2%	9.9%

¹¹ Numbers reflected in 2030 closely match the actual experience of the 78 US public medical schools – specifically related to the ROI to state revenue. In 2014 \$1.16 was returned to states for every dollar provided to state supported medical schools.

It is important to remember that statewide economic impact and resulting generation of general fund revenue attributable to medical schools will lag behind public investments in medical education. For example, in the 2016/17 biennium, the two medical schools will request \$45.9 million in annual funding from the state and return only \$.36 on every dollar received (\$16.7 million) in general fund revenue. When the amount of state funding requested for medical education expansion reaches its peak in 2022/23 at \$82.1 million, the medical schools will generate \$59 million in general fund revenue or approximately \$.72 on every dollar received. As shown in Figure 4 below, by 2030 more revenue is returned to the state general fund than received by the medical schools.

Figure 4: The ROI to the State of Nevada for Public Funds Provided to the Medical Schools



While, the **ROI will drop in by 2020 to \$.40 on the dollar in 2020** as large investments in medical education are made.

Tripp Umbach Conclusions

As reflected in the figures and tables above, the economic impact of expanded medical education will attract fresh dollars into the state's economy and provide a positive return on investment of public dollars in 15 years. Not included in the estimates above are the multiple economic impacts associated with growth in clinical capacity at existing and new teaching hospitals, benefits of reducing export medical tourism, retaining Nevada patients who currently leave the state for advanced treatments, attraction of patients from outside the state who will come to Nevada for advanced treatments, expanded GME, and bio-science economic development through commercialization of research. Possibly the greatest economic driver is future physicians who remain in the state after completing their training – the overarching mission of this historic statewide program. Finally, the value of improving the health and wellbeing of Nevada citizens now and in the future is beyond scientific measurement as the impact of better health has impacts on workforce productivity and innovation.

Appendix A: Medical Education Overview

Medical Education: There are three phases to medical education and it takes a total of seven to eleven years to complete – the MD program takes four years, with the first two years focused on basic science education and the second two years focused on clinical experiences. All medical graduates with an MD degree must also complete a residency program, which can take between three and seven years of additional training.

The Three Phases of Medical Education:

1. **Undergraduate Medical Education (UME):** Is the initial training is taken at medical school. Traditionally initial medical education is divided between preclinical and clinical studies. The former consists of the basic sciences such as anatomy, physiology, biochemistry, pharmacology, and pathology. The latter consists of teaching in the various areas of clinical medicine such as internal medicine, pediatrics, obstetrics and gynecology, psychiatry, and surgery. However, medical programs are using systems-based curricula in which learning is integrated, and several institutions do this.

LCME (Liaison Committee on Medical Education): Is recognized by the U.S. Department of Education as the reliable authority for the accreditation of medical education programs leading to the MD degree.

2. **Graduate Medical Education (GME):** Following the completion of UME newly graduated doctors are often required to undertake a period of supervised practice before full registration is granted; this is most often of one-year duration and may be referred to as "internship" or "provisional registration" or "residency".

Accreditation Council on Graduate Medical Education (ACGME): Is a private professional organization responsible for the accreditation of about 9,500 residency education programs.

3. **Continuing Medical Education (CME):** CME requirements vary by state and by country. In the USA, accreditation is overseen by the Accreditation Council for Continuing Medical Education (ACCME). Physicians often attend dedicated lectures, grand rounds, conferences, and performance improvement activities in order to fulfill their requirements.

Accreditation Council for Continuing Medical Education (ACCME): The mission of the ACCME is the identification, development, and promotion of standards for quality CME utilized by physicians in their maintenance of competence and incorporation of new knowledge to improve quality medical care for patients and their communities.