

**NEVADA SYSTEM OF HIGHER EDUCATION**  
**ad hoc COMMITTEE ON HIGHER EDUCATION FUNDING**  
Grant Sawyer State Office Building, Room 4401  
555 East Washington Avenue  
Las Vegas, Nevada  
February 12, 2024

Video or Telephone Conference Connection from the Meeting Site to:  
Legislative Building, Room 4100  
401 South Carson Street  
Carson City, Nevada

Minutes are intended to note: (a) the date, time and place of the meeting; (b) those members of the public body who were present and those who were absent; and (c) the substance of all matters proposed, discussed and/or action was taken on. Minutes are not intended to be a verbatim report of a meeting. An audio recording of the meeting is available for inspection by any member of the public interested in a verbatim report of the meeting. These minutes are not final until approved by the Committee at its April 26, 2024, meeting.

**Members Present:**

Justice James W. Hardesty (Ret.), Chair  
Chancellor Patricia Charlton, Vice Chair  
Regent Byron Brooks  
Senator Carrie Buck  
Mr. Glenn Christenson  
Mr. Richard Combs  
Regent Carol Del Carlo  
Senator Marilyn Dondero-Loop  
Ms. Betsy Fretwell  
Assemblyman Ken Gray  
Regent Stephanie Goodman  
Assemblywoman Erica Mosca  
Mr. Tony Sanchez  
Ms. Yvette Williams

Non-Voting Members

Dr. Kyle Dalpe  
Dr. Peter Reed  
Ms. Lindsay Sessions  
Ms. Suzanna Stankute  
Ms. Amy Stephenson  
Mr. Chris Viton  
Ms. Stacy Wallace

**Others Present:**

Dr. Kumud Acharya, DRI President  
Dr. Keith Whitfield, UNLV President  
Mr. Brian Sandoval, UNR President  
Dr. DeRionne Pollard, NSU President  
Dr. Federico Zaragoza, CSN President  
Dr. Amber Donelli, GBC Associate Vice President for Faculty Success  
Mr. Patrick Villa, CSN Faculty Senate Chair  
Mr. Kevin Osorio Hernandez, NSU Student Body President  
Crystal Abba, Committee Staff

Heidi Haartz, Committee Staff  
Lynda King, Associate General Counsel, NSHE

Chair Hardesty called the meeting to order at 9:30 a.m. with all members present except for Tony Sanchez. The Chair acknowledged NSHE Associate General Counsel Lynda King.

### **1. Information Only – Public Comment**

Kent Ervin, Nevada Faculty Alliance, encouraged the Committee to identify the goals of the current funding formula (established in 2014) and determine if the goals had been met. He then discussed charts he developed that indicate that the annual revenue per full time equivalent student, inflation-adjusted for FY 2023 dollars, declined between FY 2007 and FY 2023, while student registration fees were increased to offset some of the loss of state funding. Mr. Ervin stated that the current funding formula equalized state funding per student between institutions by bringing institutions down to a common lower level of funding. Mr. Ervin discussed two additional chart he had prepared. The first compared state funding per student at UNLV, UNR, and NSU from FY 2007 to FY 2023, which indicated that while the gap between the two R1 universities had closed, the state funding per student was 33 to 50 percent lower in FY 2023 than in 2007 in real dollars. The next chart compared state funding for the four community colleges. He indicated that funding gaps were closed by bringing all of the community colleges down to the same lower level.

According to Mr. Ervin, state funding and student fees in Nevada are at the low end of the spectrum compared to other states: Nevada's appropriations for higher education, including financial aid, are 22 percent lower than the national average and Nevada ranks 34<sup>th</sup> among the 50 states according to 2021 data from the State Higher Education Executive Officers Association.

Mr. Ervin concluded by stating that if a new funding formula simply redistributes current funding, he believed it would fail to provide high quality higher education that Nevada needs for students to success and to support economic development.

Chair Hardesty asked that the charts referenced in Mr. Ervin's comments be given to the Committee secretary as part of the record.

Doug Unger, Nevada Faculty Alliance, provided public comment, noting that over the past 20 years, the focus of higher education has shifted from improving access to ensuring adequate funding. In Nevada, depending on the institution, funding has fallen in real dollar comparable support from about 30 percent to 40 percent in less than two decades. He stated that diminishing state support is one reason that R1 universities are now operating with more than 50 percent non-state funding. He also noted that financial burdens shifted to Nevada students, including debt burdens. Mr. Unger asked the Committee to consider adjusting past formula models, as well as strategies to increase higher education's share of the state budget. Additionally, he requested the Committee consider models in other states and innovative strategies, such as indexing higher education funding to the state budget, designating revenue sources, and exploring new public, private and municipal, federal and international partnerships.

Chair Hardesty requested Mr. Unger submit his materials, including references to the sources he discussed in his testimony prior to the next Committee meeting.

Patrick Villa, College of Southern Nevada (CSN) Faculty Senate chair and Math Professor, spoke about the disproportionate funding for community colleges. He explained that this is creating inequity in staffing for department offices at community colleges, such as CSN, when compared to the universities.

Mr. Villa provided an example using mathematics: the department at CSN is larger, serves more students, and has more faculty, yet the department has very few support staff compared to one of the Nevada System of Higher Education's (NSHE) universities. Mr. Villa also expressed concern that this staffing challenge extended to the Faculty Senate, which is also minimally staffed.

Additionally, Mr. Villa offered recommendations for the Committee's consideration, such as considering if budget cuts are necessary and reasonable and what can be done to ensure community college funding remains level or increases.

Chair Hardesty requested Mr. Villa submit recommendations on the specific areas he feels should be considered by the Committee.

The Chair also invited input from those who wish to make comments on the current NSHE funding formula or share ideas for improving the formula during the Committee's upcoming meetings.

## **2. Approved - Minutes**

The Committee recommended approval of the minutes from the November 14, 2023 meeting. (HEF-2 on file in the Chancellor's Office).

Regent Carol Del Carlo moved approval of the minutes  
from the November 14, 2023 meeting. Regent Stephanie  
Goodman seconded. Motion carried.

## **3. Information Only - Opening Remarks**

Chair Hardesty welcomed the members and the public and reminded everyone that although the Committee is meeting in the legislature's meeting rooms, this is not a legislative study. This is a NSHE funding study, commissioned by the Chancellor.

The Chair provided an overview of the agenda. He also expressed his appreciation to each of the presidents of the institutions for presenting today and noted there would be a request for follow-up information following each of the president's presentation for the March meeting.

Vice Chair Charlton reminded the Committee of its charge, particularly as it relates to the funding formula. She indicated that the presentation from HCM Strategists will provide an overview of outcomes based on funding formulas across the nation. This presentation provides context for how Nevada compares to other States, which will assist the Committee in meeting one portion of its charge - evaluating the models for Higher Education Funding that are used in other states to support institutions similar to NSHE institutions and comparing those models to the current funding model within Nevada. The Vice Chair also shared that a report prepared by the State Higher Education Executive Officers Association (SHEEO) ranked Nevada second nationally among states that increased higher education funding from 2023 to 2024. She concluded by sharing her hope the work of this Committee will ensure that, as a state, we are doing our best to allocate funding in a matter that supports all of our institutions, whether it be in maintaining R1 status or supporting our underserved and at-risk populations.

## **4. Information Only - Overview of NSHE Performance Pool**

NSHE Chief Financial Officer Chris Viton began his presentation by referring to his November presentation, during which he provided an overview of NSHE's current funding formula. He explained that the funding formula is primarily driven by the completed weighted student credit hours earned by

Nevada resident students. Additional funding is added for the Great Basin College (GBC) and Western Nevada College (WNC) through the Small Institution Factor, and for the research space at the two universities. The funding formula also includes the distribution of the state General Fund appropriation based on the weighted student credit hours earned by each institution. Lastly, 20 percent of the allocated appropriation is set aside in the performance pool.

Mr. Viton continued explaining that today's presentation included a more in-depth review of the history of the performance pool, including the decision points considered when establishing the performance pool. The presentation would also include a summary of the performance pool outcomes by institution since the formula was implemented.

Mr. Viton shared that in 2012, NSHE worked with a consultant to gather more information about performance pools. At that time, states, including Nevada, were looking to emphasize their goals for higher education programs through performance measurements. These performance measurements were generally focused on outputs, progression, and economic development. Funding for performance pools ranged from 5 to 100 percent of higher education appropriations. The National Governor's Association also developed recommendations for performance funding. Through these recommendations, states were encouraged to tie data to performance funding and to incorporate low income and minority students as part of performance analysis.

The Interim Study Committee recommendations included a performance pool funded from existing, base funding and phased implementation over a four-year period during which the set aside would increase 5 percent annually, from 5 percent in FY 2015 to 20 percent FY 2018. The Interim Study Committee also recommended that the Board of Regents (BOR) form a working group to further define the performance metrics. The BOR subsequently established the Performance Pool Task Force in 2012, with Regents, Presidents, Legislators and representatives from the Chancellor's Office, Governor's Office and private industry.

The Task Force met during the fall of 2012 to develop recommendations for the 2013 Legislature. Mr. Viton presented the options presented to the Task Force, noting that many of the decisions sought to align the Performance Pool design with the State's priorities for higher education, while balancing the risk of under-performance and the corresponding loss of funding. In summary, the Task Force adopted the following:

- Each institution would compete against its own performance target, rather than compete against other institutions within its tier (community college, state college, university);
- Metrics were selected to be consistent across all institutional tiers;
- Institution performance was originally based on seven metrics, two of which included sub-metrics for under-served populations;
- Individual weights for metrics were established, signifying the importance or priority of the metric and affirmed that graduating students was a top priority;
- Additionally, increasing sponsored project activity, student transfers and articulation, and general efficiency were also encouraged through the weights assigned to metrics;
- Institution performance improvements drive performance targets;
- Two economic development metrics were included – one tied to STEM and Allied Health and one that was institution-specific and tied to the institution's mission;
- Total (aggregate) points earned in a measurement year, based on established weights for each metric, would be used to determine if an institution would earn back its performance pool funding;

- Performance Pool funding would be earned back based on performance 2 years prior to the fiscal year, for example: funding for FY 2025 was based on performance in Academic Year 2023, allowing for advance planning if Performance Pool funding was not earned;
- Annual increases in aggregate points would be uniform across institution tiers, with 2 percent growth in the university tier, 4 percent in the state college tier, and 2 percent on the community college tier;
- If an institution does not earn its Performance Pool funding, it has an opportunity to earn those funds back in the next fiscal year by exceeding the performance targets for the applicable academic year.

Mr. Viton reviewed the work conducted by the 2014 NSHE Performance Pool Working Group, which included a review of the aggregate points methodology, made baseline adjustments for skills certificates and created a common improvement rate target for all institutions of 2 percent, and constraints related to the student pipeline and the economic environment.

Chair Hardesty requested materials, debate or other rationale for the selection of the 20 percent set aside. Mr. Viton indicated that the consultant provided the Task Force with information about how other states were approaching their funding formulas and, specifically, performance components. The performance pool set asides ranged from 5 percent to 100 percent. Mr. Viton explained that it was ultimately determined that the percentage of funding set aside for the Performance Pool needed to be significant enough to demonstrate the importance of the Performance Pool and corresponding metrics. He also noted there was concern that if the percentage was too low, it would not cause the level of interest and effort needed to attain the performance goals.

Chair Hardesty asked if HCM Strategists, who is the consultant to Committee, could provide insight on this threshold, such as: are performance pool set asides used/utilized by other states and institutions? And, what is the rationale for setting the threshold? Mr. Viton responded that he anticipated that HCM Strategists would provide additional information on how other states are implementing performance pools and metrics.

Chair Hardesty referred to the slide indicating that CSN was short of its performance target for 2023, and asked for confirmation that part of their funding would be held until it was earned back in a subsequent year. Mr. Viton responded that due to timing, it may not be held back. The funding that is at risk for CSN is for fiscal year 2025 and totals approximately \$200,000. The performance data for academic year 2024 will be available during fiscal year 2025, so if CSN overperforms, it is possible the corresponding funding would become available in FY 2025.

Chair Hardesty asked what kind of things CSN would have to do to ensure that money is not at risk of being lost in 2025. Mr. Viton responded that campuses are working on these metrics as part of their normal operations. When targets were not met, an institution would review the metrics to identify opportunities to shore up or ensure that additional completions are earned in that time frame. Because the activity runs through the weights, it would be prudent to look at where students are on their path to graduation - preventing stop outs and encourage retention where there might be risk - because completions will generate the highest percentage of growth in the performance points.

Chair Hardesty clarified that if an institution falls short on the performance metrics, they still have the same amount of money in the current year, but now they have to exceed the original metrics in order to prevent the loss of funding in the subsequent year. Mr. Viton responded yes.

Vice Chair Charlton stated there have been ongoing conversations with CSN regarding a strategy to earn back their Performance Pool funds in the next fiscal year. She also noted that community colleges have struggled because of the COVID-19 pandemic and the resulting decline in enrollment. She stated that the

annual growth factor can be challenging for community colleges in particular. She concluded, stating that she anticipated the presidents would address this concern in their presentations.

Chair Hardesty stated that these underlying problems would have to be built into any formula, if they are not already included. Vice Chair Charlton agreed. Mr. Viton added that declining enrollment presents a challenge because the points are based on actual completion numbers. If enrollment is declining, completions will decline as well.

Glenn Christenson asked who sets the metrics and who develops those numbers. Mr. Viton stated the metrics for each tier were determined in 2012 by the BOR's Task Force. Mr. Viton added that the metrics were revisited in 2014, at which time minor adjustments were made.

Mr. Christenson asked if there a goal for NSHE regarding the increase in the number of graduates per year. Vice Chair Charlton stated that because it was a cumulative growth factor, there are no pre-established goals, such as the number of bachelor's degree earned individuals. The Vice Chair shared that she participated in the 2011 National Governors' Association work in this space. While there were conversations about where the state would like to move in terms of the number of post-secondary education credentials, that may be something that should be revisited.

Mr. Christenson referred to slides 24 and 25 of the reference material and observed that he found it interesting to see NSHE's focus on increasing the number of minority and Pell eligible student degrees. UNR has a compounded growth rate of 16.7 percent and UNLV's rate is nearly 14 percent. Mr. Christenson stated that it was impressive to see that NSHE set a goal and accomplished it. He offered that it may be worthwhile for the Committee to consider economic development groups around the state as the Committee and NSHE plan for the future. Vice Chair Chancellor Charlton shared that a great deal of data is mined by each institution, so they can assess how they are performing. Additionally, each institution compares itself to their own set of aspirational institutions as a way of benchmarking their performance.

Assemblywoman Erica Mosca stated that the focus on graduating students made sense, but she wondered why graduation was part of the funding formula, rather than a bonus. She also asked if other states include graduation in the funding formula or as a bonus, earned in addition to formula funding. Mr. Viton responded that he didn't recall from the consultant's report whether there were other states that recognized efforts around graduation as additional incremental funds. He also recalled that the report suggested a risk of using additional funds for the Performance Pool was that those funds were often the first cut when states were faced with budget reductions. Mr. Viton also reminded the Committee that at the time the current funding formula was developed, the nation was just coming out of the Great Recession and Nevada was still very much in the midst of it.

Assemblyman Ken Gray asked about the time allowed for institutions to earn Performance Pool funding, if it is not earned in the first year. He also asked at what point the metrics are revised or lowered if institutions fail to meet them. Mr. Viton responded there is only the one-year opportunity to overperform and retain the funds. If an institution does not earn its Performance Pool funds during the extra year, the funding would be reallocated across NSHE for financial aid awards. Vice Chair Charlton agreed with Mr. Viton, stating that NSHE has not had an instance where an institution did not earn its Performance Pool money in the first or second year. She added that if this were to happen, there would be conversations with the Governor's office and the Legislature.

Mr. Peter Reed stated that the Performance Pool data illustrates near universal achievement, because the institutions are achieving the prescribed growth. He asked Mr. Viton if he felt that achievement was driven by the Performance Pool or if growth would be achieved as part of the institutions' routine business strategies. Vice Chair Charlton responded that the institutions are laser focused on performance,

student success, and what is best for their students and for their population. The metrics were purposeful and developed in collaboration with external partners, such as industry, the BOR, institutions, the Governor's Office and the Legislature. Ultimately, she believed the achievements were the result of both the Performance Pool funding and the priorities set by each institution.

Ms. Amy Stephenson asked about the financial impact for CSN if they don't exceed their performance goals for fiscal year 2025. Mr. Viton responded it is approximately \$200,000.

Ms. Yvette Williams posed questions related to growth, equity and transparency: when we're looking at these numbers on slide 24 for minority and Pell eligible student degrees confirmed, is there a metric in place by student population or student groups? And if so, are you able to share that information with the committee? I'm looking from a perspective of which students are we serving? Are we serving all students? Are some students being left out? When we look at minority and Pell students there is a difference. What percentage is our minority students represented in this number as well as our Pell students? Is that something that is done currently? With the Department of Education star rating for high schools, we did that. Is that something NSHE is doing?

Vice Chair Charlton stated each institution differs on their student population and demographic. She explained that as the presidents give their presentation you will receive more information about that. When we look at measuring the numbers of the points with the performance pool, they are going to be looking at obviously our Pell eligible and then also our minority populations. It is going to differ by percentage by each institution.

Ms. Yvette Williams stated her concern about specific groups, such as Native American and African American students, being served. She asked if these student groups are represented and to what degree are they represented. She also expressed concern that NSHE growth is driven by high school graduates, but if high school graduates are not prepared for college, it will impact the growth of higher education. Vice Chair Charlton indicated that the metrics are based on a culmination of different factors including Pell eligibility. She also shared that NSHE is a minority serving majority system, so there is a diverse representation of students, particularly here in Southern Nevada. There would be more information about this in the presentations from the institutions. Vice Chair Charlton added that NSHE works closely with the school districts throughout the state to ensure students are ready to transition into higher education and ultimately the students can matriculate and be successful in the workforce.

Regent Byron Brooks shared that the BOR looks at the impact of student success in relation to award rates and receives reports on metrics throughout the year. The reports also include forecasting for enrollment and completion (through a certificate or degree). Regent Brooks agreed with Mr. Christenson's observation that it has been a long time since the funding formula was reviewed and this is an opportunity to take a closer look at how things have moved forward in terms of performance measuring. Regent Brooks then asked if the gap between the performance measurement year and the funding year for the Performance Pool could create challenges for the institutions. Mr. Viton stated the timing allows the institution opportunity to anticipate any funding reductions resulting from performance metrics not being met. This also creates an opportunity for institutions to influence or focus on specific metrics if it is necessary to exceed the metrics to earn Performance Pool funding not earned in the first year of the funding cycle. Regent Brooks stated he was thinking more in terms of growth of the institution. Vice Chair Charlton stated one of the reasons for the lag between the performance year and the funding year is the timing of student level data collection and analysis.

Regents Brooks followed up, seeking confirmation that the current funding formula did not provide a bonus for an institution that was outperforming its targets. Mr. Viton confirmed that was correct; the most

an institution could earn is 100 percent of its Performance Pool funding and achieving more than 100 percent of the targets doesn't yield any additional funding.

Chair Hardesty reminded the Committee that the meeting materials included a document on the NSHE Performance Pool. He then highlighted that the document states that throughout the previous funding formula study, it was understood that there would be no additional state funding appropriated to NSHE institutions through the Performance Pool. Chair Hardesty shared that it was important to understand that the funding formula was established as the State was beginning to recover from the Great Recession, and therefore, new funding is not available to reward institutions for outstanding performance. He then asked several questions for future consideration by the Committee: Should we be looking at how to incentivize the institutions to secure enhanced funding, rather than penalizing the institutions for not earning all of the appropriation because they can't attain a performance that's specified in a metric that's a decade old?

## **5. Information Only - DRI Funding Overview**

Chair Hardesty explained that the funding methodology for the Desert Research Institute (DRI) is significantly different than the funding methodology for NSHE's teaching institutions. He also noted that while DRI funding is not part of the Committee's charge, he felt it was important for the Committee to be familiar with the methodology.

DRI President Acharya began by identifying some of the ways that DRI is different from NSHE's teaching institutions. First, DRI does not grant degrees. Next, DRI faculty are not funded by the state; they are self-funded, through grants and contracts. DRI does receive state General Fund support for our administrative salaries. Last year, DRI brought in \$47 million in grants and contracts, plus state support appropriated by the Legislature.

President Acharya highlighted DRI's research areas, which include air, water, earth and fire, and its three main research divisions: Division of Atmospheric Sciences, Hydrologic Sciences and the Ecosystem Sciences.

After providing more in-depth detail on the various projects lead by DRI, President Acharya discussed how DRI is funded. In FY 2023, nearly 75 percent of DRI's funding was earned through external grants and corporate contract funding from the federal government. Approximately 50 percent of the funding came from three federal agencies: the Department of Commerce, Department of Defense, and Department of Energy. DRI also received funding from private institutions, industry, other state agencies, and non-profit.

President Acharya explained that DRI applies internal cost recovery (ICR) to all non-state funding. The ICR revenue is then used to support faculty costs, such as sabbaticals, graduate students and post docs. For example, if faculty receive \$1 million for a particular research project, approximately \$390,000 is designated as ICR. The remaining amount is then used for research, salaries, and student support.

Until 2013, DRI was funded using the same budget methodology as other state agencies: base, maintenance and enhancement. In 2013, DRI's funding model was revised, becoming a sliding scale based on performance. The amount of state General Fund support varied based on the amount of other funds earned by DRI. The funding methodology proved not to be feasible for DRI, which lost about \$1 million in state General Fund per year.

The DRI funding formula was eliminated during the 2023 legislative session, and DRI returned to the traditional base, maintenance and enhancement methodology used by most state agencies. In FY 2024,



DRI will receive approximately \$9.5 million, in state General Fund appropriations, of which 80 percent is for administrative salaries and the balance is for O&M and operating costs.

President Acharya discussed the results of a 2023 study on economic development and return on investment. According to this study, for every dollar received by DRI, DRI brings in an additional \$4.95 to the state.

President Acharya concluded by stating that DRI's current funding methodology provided much-needed stability for funding and that DRI was pleased with this budgetary change.

The meeting recessed at 11:12 a.m. and reconvened at 11:23 a.m. with all members present.

## **6. Information Only - Institutional Mission and Funding Priorities**

Chair Hardesty introduced the next agenda item, explaining that the presidents of NSHE's teaching institutions were invited to present an overview of their respective institution's mission, how the mission guides budget priorities and how the current funding formula impacts the institution's ability to meet its mission as well as recommendations for improving the allocation of state funding under the current funding formula. Chair Hardesty also indicated that each presentation was to be approximately 25 minutes and be limited to 10 slides.

Chair Hardesty shared that he felt this was an important opportunity for the presidents to share with the Committee their thoughts to improve the NSHE funding formula mechanism. He then encouraged the Committee to take a fresh look at the funding model and consider what would be beneficial for the future of all NSHE's institutions, observing that it was not necessary to confine NSHE to a rigid formula that has certain problems and has aged out over long decades.

### UNLV Presentation

UNLV President Whitfield explained that UNLV is minority serving institution, a Hispanic serving institution, and an AANAPISI institution, as well as a R1 institution. This is a fairly unique combination. For example, there are only 21 R1 Hispanic serving institutions in the country. Additionally, UNLV provides access to world class educational experiences that are responsive to the needs of its students and stakeholders. UNLV also engages in groundbreaking research, scholarship, and creative activities that have an impact across boundaries. UNLV also offers high value, cutting edge, interdisciplinary physical and mental healthcare to support our community.

President Whitfield stated that UNLV has a set of core values that guide its decisions and actions. The core values include: access and equity, excellence and integrity, collaboration and stewardship, and compassion and inclusion. He then stated that UNLV's mission and values are best illustrated through the work of its students. During the Winter Commencement Ceremony, 2300 graduates represented 36 States and US territories and 39 countries. Many were the first in their families to graduate from college and a majority, 71percent, were from ethnically diverse backgrounds. Additionally, as a research one institution, UNLV plays a critical role in diversifying the state's economy through its leadership and research. Given that Las Vegas is considered the entertainment capital of the world, our city's hospitality and entertainment industries are always on the cutting edge. As an example, UNLV established the arts and engineering program that prepares students to design and build the next generation of top entertainment venues.

President Whitfield explained that the UNLV Center for Business and Economic Research (CBER) measured the financial contributions of UNLV to the southern Nevada economy for fiscal Year 2021. In FY 2021, UNLV was responsible for generating a total of almost \$1.6 billion in the local economy. For

every dollar of state General Fund appropriation, UNLV generated \$7.80 in additional economic activity for southern Nevada. And, it is anticipated that UNLV's contribution to the southern Nevada economy will expand substantially when UNLV reaches its top Tier 2 strategic goal in 2030, at which time CBER estimates UNLV will generate approximately \$3 billion in economic activity in southern Nevada.

President Whitfield then focused on the NSHE funding formula, indicating that the formula should reflect the direct missions of universities, state and community colleges as well as their different roles and objectives. He indicated that the formula study should also assess the cost differences between community colleges, state universities and R1 institutions. Students come to universities with the goal of earning a bachelor's degree or master's or doctoral degree.

According to President Whitfield, approximately 46 percent of UNLV's bachelor's degree earners are transfer students that have already completed credit hours or earned an associate degree from a community college. Based on this, the formula should consider financial incentives for community colleges that successfully prepare students to transfer to a university. This would create clearly defined pathways and connectivity between the different types of institution missions. It will also facilitate the institutions working together.

President Whitfield encouraged the Committee to explore redesigning research funding, so that it does not limit opportunities. He explained that executing the requirements of an R1 institution can be costly, so the formula should consider the financial impacts of having a robust research arm for an institution such as UNLV or UNR. He continued, as an R1 institution, UNLV must recruit and retain top tier faculty, researchers, and administrators who are leaders in their field. To compete with other R1 institutions, both nationally and internationally, UNLV must offer higher salaries to attract these sought after professionals. President Whitfield also noted that at UNLV 67.2 percent of faculty are research faculty, who divide their time between teaching approximately (60 percent), research (approximately 30 percent) and service approximately (10 percent). This requires universities to hire a larger number of faculty, compared to other institutions.

President Whitfield stated that R1 institutions are expected to provide top tier facilities and infrastructure, which translates into labs and equipment to support research endeavors. These facilities often require rare and high-tech items that are costly to procure and maintain. Additionally, UNLV is focused on expanding research at all levels, from undergraduate to doctoral programs, to enrich the educational experiences of its students. President Whitfield explained that in order to maintain R1 status, it's crucial that the state revisit and redesign research funding to ensure that the funding does not limit our potential opportunities.

Building a strong pipeline between Clark County K-12 students and UNLV is one way to increase the pool of college ready students. To achieve this, President Whitfield recommended that funding be directed toward comprehensive programs that engage K-12 students throughout the year, including summer initiatives. These programs could offer young students a taste of university life, encouraging their interest in higher education from an early age.

President Whitfield stated that the current Performance Pool set-aside functions as a penalty if specific metrics are not met.

He recommended that weighted systems should be reviewed and enhanced to prevent cannibalization. For example, programs such as engineering come with a higher funding incentive, making them attractive offerings for state and community colleges. However, these programs are most valuable to students when they include a robust research component. That is only available at a university level. Therefore, programs at state and community colleges should be designed to complement, rather than compete with, those at universities. President Whitfield continued, explaining that if NSHE maintained a weight by

discipline system, then high-cost programs with low weights, such as healthcare and business, should be reviewed.

President Whitfield also recommended that adding weights based on institutions mission could be beneficial because it would acknowledge that universities often have lower teaching loads and faculty with higher salaries due to their research responsibilities. This would help align funding more closely with the actual needs and roles of different educational institutions. While the current formula recognizes the research mission at UNLV and UNR by adding 10 percent additional weighting to all upper division, undergraduate and graduate credit courses to account for the research mission expenses, this percentage should be reassessed and based on actual costs.

President Whitfield offered additional recommendations for the Committee's consideration, including: an analysis of the cost of delivering programs at the university versus other institutions in the system and revising the timing for funding caseload growth, so institutions don't have to find a way for to pay for growth until the funding cycle catches up. This creates constraints in current services provided to students across the institutions.

President Whitfield indicated that the current formula is a redistribution of current funds in the formula and this model created perverse incentives for institutions to cannibalize each other, leading to win-loss situations. He recommended that the NSHE funding formula should be considered a base level of funding, which should be increased by caseload and other metrics. This would allow institutions to budget a base level of support and other services for students. Additionally, the research space operations and maintenance (O&M) appropriations allow for investment in critical research infrastructure that attracts high achieving students and supports researchers who bring new research dollars into the state. President Whitfield indicated that among R1 institutions, UNLV is in the bottom 10 percent in terms of funding per FTE.

President Whitfield continued, explaining that the current funding formula does not account for academic waivers, such as Native American fee waiver and the Purple Heart fee waiver provided by the state. Additionally, the current funding formula does not provide financial benefits to the institution for the recruitment and completion of out-of-state and international students. President Whitfield recommended adjusting the formula to include the funding for these students to improve Nevada's potential to attract qualified and ambitious students seeking post educational opportunities.

President Whitfield recommended additional funding for the Boyd School of Law, UNLV School of Dental Medicine and the Kerkorian School of Medicine, explain that he believes it this is essential for growth and competitiveness. Without additional state funds, the only option for financial growth is increased student fees. Next, President Whitfield shared that the funding for support and athletics has not seen a comparable growth. Las Vegas is now a sports capital, presenting an opportune time to leverage the city's heightened interest in sports to attract elite talent and enhance athletic programs. Successful athletic programs could increase UNLV's recognition on a national level by putting programs in the spotlight and positively impacting enrollment. Athletics directly ties to student success.

President Whitfield recommended allocating resources to support infrastructure more dynamically to help alleviate substantial financial burdens over the course of a year. A comprehensive understanding of the needs encompassing deferred maintenance, capital improvement projects, ADA accommodations, varying utility costs, lease funding capital projects and technology to support research is crucial to effectively distribute limited resources. According to President Whitfield, UNLV is significantly below the square footage ratio of its R1 peers. To accommodate 40,000 students, which is UNLV's goal, UNLV will require more than a 50 percent increase in available space. UNLV would like to have the ability to evaluate these needs and to request immediate funding to add space onto the campus. Leasing space

provides an alternative to building new buildings to accommodate growth; however, the state budget does not currently include funding for leases. President Whitfield stated that leasing offers a “proof of concept” approach for space acquisition. Additionally, leasing offers more flexibility, because leases can be terminated more quickly than divesting owned assets.

Chair Hardesty stated he would like to get President Whitfield’s perspective on what he envisioned the funding formula to look like to accommodate the objectives he had brought forth. Chair Hardesty continued, stating that this request would be solicited from each president. He then asked how do we get a formula that addresses the important objectives of your institution and shared his concern that a one size fits all formula was a mistake.

President Whitfield responded, stating there needs to be purposeful incentives so that institutions are rewarded for growing and doing the things that benefit the state, the economy and the students. He added that it would be important to be rewarded in a shorter period of time. The characteristics added to that incentivization should be around innovation, deeper dives into workforce and investment into student success.

Next, Chair Hardesty asked how UNLV builds from the students that are graduating from community colleges and how that could affect the formula. Although he believes the tiers aren’t supposed to compete, he had a feeling they are and that needs to be reevaluated. President Whitfield agreed. He stated creating clear pipeline pathways between the community colleges and four-year institutions is crucial.

Chair Hardesty asked for confirmation that under the current formula, utility costs are a base budget item and something an institution cannot control, and the impact of the expense is compounded by the 20 percent set-aside of base budget funding, which is already too low to cover the ongoing utility costs. President Whitfield confirmed Chair Hardesty’s assessment. Chair Hardesty asked if building performance pools tied to the base budget, adversely affects the institution’s ability to meet the metrics. President Whitfield responded, stating that it does have an impact.

Mr. Glenn Christenson stated he had been trying to think of ways to use a funding formula to grow the pie for higher education. One thing that occurred to him was that research institutions are doing a great job of developing intellectual capital. He asked if it would be possible find a way to reward institutions, perhaps by incentivizing the monetization of that intellectual capital. President Whitfield replied one option might be through technology transfer through intellectual property and another might be the institution’s contribution to things going on in its local area. While GOED may be able to quantify that, the challenge would be incorporating it into the funding formula.

Mr. Christenson shared that the lease back option was used when the Kasner Building was built at Nevada State University.

Vice Chair Charlton stated that she appreciated the comment about tech transfer and added that commercialization might be another way to add as a metric. She noted that as the Committee looks at how research is yielding support to the state, that could also include UNR and DRI, as well. She also shared that she would like hear ideas for strategies to incentivize transfers from community colleges to universities, because it is an area that can benefit all institutions.

Regent Carol Del Carlo posed a set of questions to the universities: are there are no benefits in the funding formula for out-of-state and international students? Their tuition is higher, but why isn’t it included in the formula? President Whitfield stated that the students are not included in the funding formula and he did not know why. He added that one of the benefits of having a colleague who is a former governor is that he has insights into previous budget and policy decisions. President Whitfield

stated that President Sandoval recently shared that there had been concern about the balance between in-state and out-of-state and international students because NSHE's institutions are state institutions, so Nevadans should be the priority. President Whitfield stated that this had also been discussed in nearly every state he had worked. He thought it would be useful to come back with some numbers behind it, suggesting that maybe it should be no more than 30 percent out-of-state and 70 percent in state or perhaps 35 percent out-of-state. President Whitfield felt it would be helpful to look at those tuition dollars and the benefit to all institutions. Regent Del Carlo asked if there is a national best practice, and if it is specific to R1 institutions and universities. She shared that she recently attended the Association of Community College Trustees Legislative Summit, where she learned about the expansion of community colleges internationally, with agreements in England and agreements under development with Indonesia and Finland. That is space we are headed. President Whitfield indicated that the benefit also to the state. For example, over 70 percent of graduates stay in the state, so this would be a brain gain, not a brain loss.

Mr. Tony Sanchez entered the meeting at 12:11 p.m.

Ms. Yvette Williams asked President Whitfield to elaborate on how rising utility costs impacted the UNLV budget during the past year. President Whitfield referenced his presentation, in which he indicated that it has increased by about \$5,000,000. It's a significant increase and a cost that must be absorbed. President Witfield indicated that there is no correction factor for increasing costs for utilities or water. He recommended that the formula could include a factor that anticipates a 1 to 2 percent increase each year. Ms. Williams suggested that some kind of scale or correction factor could be included.

Ms. Williams asked President Whitfield to provide an example of a funding disparity resulting from the weights by discipline not providing sufficient funds for that discipline. President Whitfield identified engineering as an example, explaining that the cost for engineers is going up dramatically and the weights that were set are 10 years old. He stated that we need more and more engineers and we just built a new engineering building, in part to increase teaching capacity. But it is not going to keep pace with the actual needs we are hearing about from the chamber and LVGEA. President Whitfield professions, such as business and law, tend to earn more than the average income and those numbers have increased, so we haven't been able to keep up with them.

Ms. Williams' followed up, asking for information on the funding disparity, specifically what is the dollar amount that is underfunded. President Whitfield stated the impact varies by area. He added that the focus on STEM is an area of concern. Salaries for those working in STEM are going up, as is the cost of instruction. President Whitfield agreed to provide more examples with more specific numbers.

Mr. Glenn Christenson stated it is not just the cost of these programs, but there is a societal need in areas health care and education. There should be some incentive directed toward those areas where we really need a lot of help as a community. President Whitfield agreed, stating they are nursing, teaching, engineering and business.

Senator Carrie Buck asked how UNLV budgets from year to year for increasing energy costs. She also asked if UNLV has a reserve, like K-12 and charter schools. President Whitfield deferred to UNLV Vice President for Finance, Casey Wyman who stated UNLV offsets those increased costs through reserves, but those reserves are generated through unrestricted accounts. We would rather reserve innovation, experimentation and risk, but we must prioritize those must pay accounts. Senator Buck added that as a policymaker, it is helpful to have a specific dollar amount identified for the need. President Whitfield stated it might not be the dollar amount as much as a percentage. He added that it's not just for the university, it's the units of the university that sometimes need additional funding, due to a drop in enrollment or some other mitigating factor. For example, if there is a catastrophic event like the 2008 downturn, there needs to be a reserve that is shared from the individual units, as well as the central piece.

The meeting recessed at 12:22 p.m. and reconvened at 12:38 p.m. with all members present.

#### UNR Presentation

President Sandoval began by reflecting on the Super Bowl weekend and how the community and the region rose to the occasion, making it clear to the nation that Nevada is a destination unlike any. He considered today's hearing an analogue to that focused on higher education, because he wanted people from out of state to think about Nevada's system of higher education with that same regard.

He shared his observation that he saw parallels between the questions asked by the Committee, and questions raised about the previous K-12 funding formula. After 50 years, the K-12 funding formula needed to be modernized and reflect the changing demographics, particularly in southern Nevada. He then discussed K-12 initiatives, such as Zoom, Victory, half-day kindergarten, which were designed to target specific student groups. He also discussed the tax increase that allowed for this investment in K-12 education. President Sandoval stated that Nevada now needs to do the same thing for higher education.

President Sandoval stated that it is time to change the NSHE funding formula, because it no longer works. The current NSHE funding formula divides the same "pie" in different ways without really increasing the amount of funding. He continued: the state is completely different than when it was when this funding formula was created and the amount of money in the state budget has increased dramatically, but there hasn't been a proportional increase appropriated to higher education.

President Sandoval indicated that the UNR recently prepared a strategic plan, which was approved by the Board of Regents. This plan aligns the goals and priorities with attainment plan. He offered to share copy of the strategic plan with the Committee, rather than reviewing it during today's meeting.

Focusing on the NSHE funding formula, President Sandoval indicated that the current funding model focuses solely on student credit hours, while neglecting the individual needs and challenges of students. He recommended that the funding formula allocate resources for initiatives specifically designed to address the needs of first generation and underrepresented students, ensuring that every person has an equal opportunity to succeed. He stated that first generation and underrepresented students often encounter unique challenges that can hinder their academic success, such as financial constraints, lack of support services, and feelings of isolation. President Sandoval stated that UNR is on the cusp of becoming a Hispanic serving institution, which reinforces this commitment to additional student supports.

President Sandoval recommended that the state invest in initiatives, such as mentorship programs, academic advising and financial aid tailored to the needs of students. Additionally, the state and NSHE should prepare a diverse talent pipeline to support students entering an increasingly diverse workforce.

President Sandoval stated that the currently funding formula assumes that the cost of providing lower division courses is equal across all of NSHE's teaching institutions; however, he believes this assumption overlooks the unique missions and resources of each institution. He recommended a comprehensive study to analyze these cost differences between institutions, so the funding model could reflect these variations. President Sandoval reiterated President Whitfield who stated that both R1 universities invest significantly in research and innovation infrastructure, including state-of-the-art laboratories, performing arts centers, specialized equipment and cutting-edge technology.

President Sandoval indicated that when universities attract and retain highly qualified faculty or internationally recognized experts in their fields dedicated to research, teaching and service to their communities, these faculty members enrich the learning environment and provide students with the access to the latest developments in their disciplines and their respective fields. He added that this creates

competition. As faculty get offers from other institutions that are significantly more than what NSHE can pay, it forces them to make career decisions, which may cause them to leave Nevada. This results in recruiting costs for new faculty. President Sandoval acknowledged that the 23 percent COLA was very helpful; however, the institutions were only funded for 60 percent of the COLA amount, so institutions needed to make up the difference. He added that institutions had to cover the COLA for salaries positions funded through research and non-supported state budgets.

President Sandoval stated that the current funding formula does not include inflation. At UNR, utility costs have increased \$5.5 million per year. Those are expenses that must be paid, often by taking money away from other initiatives. He added that increases were not limited to power; other cost increases included: food, gas, and other supplies. President Sandoval recommended that it would be important to include some type of an accounting or fund to address inflation on NSHE campuses.

President Sandoval stated that the one size fits all model fails to recognize the different roles and needs of the R1 universities compared to the other teaching institutions. He recommended that the Committee consider implementing different funding models tailored to the diverse institutions within NSHE. He added that a funding model for an R1 university would prioritize resources for research infrastructure, faculty support and maintaining graduate students. While he was appreciative of recent increases for graduate student stipends, he stated that students still are unable to make ends meet due to the high costs of living in northern Nevada.

The current funding formula recognizes and funds the research mission of UNR as a R1 university by including an additional 10 percent course weight for upper division master's and doctoral courses, as well as additional funding for the operation and maintenance of research-based space on campus. President Sandoval stated that it is important that the funding formula maintain this specific support, so the two R1 universities can sustain this status. We must have ongoing investments in research, infrastructure, faculty support and student opportunities. Additionally, as UNR and UNLV continue to increase research goals and maintain their standing amongst the Carnegie R1 institutions, additional funding is needed from the state to ensure facilities and infrastructure are available to support these efforts.

President Sandoval indicated that the Performance Pool is primarily based on increasing enrollment and degrees conferred. When enrollment decreases, it makes it difficult to attain Performance Pool requirements, even though the graduation rate may be higher than it was before. President Sandoval described the situation like treading water, not creating a system where institutions are incentivized to achieve goals. President Sandoval recommended that the Performance Pool provide additional funding to promote the pursuit of stretch goals and foster a culture of innovation, creativity, accountability and excellence.

Next, President Sandoval addressed institutions' investment in capital and infrastructure needs. After thanking the governor and the legislature for an additional \$50 million for NSHE to address critical deferred maintenance issued during the current biennium, he clarified that the \$50 million must be divided system-wide. President Sandoval shared that a comprehensive space study was conducted by NSHE in 2010. Based on that study, UNR needed \$55 million annually to maintain its buildings in fair condition. Adjusted for inflation, that figure would be approximately \$94.2 million in today's dollars. This need has grown because UNR has added space since that time to accommodate students, laboratories and technology. President Sandoval indicated there is a disparity between available funding and maintenance needs; since 1985, NSHE has received \$15 million per biennium for deferred maintenance across the system. President Sandoval recommended establishing a dedicated revenue source that grows with increases in enrollment and inflation. Additionally, he recommended that the Committee propose legislation granting each county with an institution the authority to increase revenue specifically designated for these projects, noting that this is something that had been done for K-12 school districts.

President Sandoval stated that this would be a unique opportunity for Nevada and a way for the community to get involved, for a small amount of money, with the improvement the buildings and facilities on NSHE campuses.

Chair Hardesty requested that President Sandoval submit specific formula recommendations to the Committee. Then he asked President Sandoval to elaborate on the American Association of Universities (AAU) membership indicators. President Sandoval responded that it includes the nation's top 62 research universities. As part of UNR's strategic plan, UNR is making strategic investments in faculty and facilities, with the goal of becoming a member of the AAU. UNR is proud of its Carnegie R1 status; everything UNR does in Carnegie helps inform achieving AAU.

Chair Hardesty asked if the funding methodology used by DRI could be applied to the research function of each university. Before deferring to UNR's Chief Financial Officer (CFO), Mr. Clinger, and Provost Jeff Thompson, President Sandoval stated that it would be very beneficial to UNR because it would allow UNR to recruit the type of faculty needed and be able to pay the current faculty. Mr. Clinger agreed, noting system-wide data would need to be reviewed to confirm the benefit. Mr. Clinger added that he believed the consultant could gather information from each institution specific to the Chair's observation. Mr. Thompson spoke about moving toward innovation and technology transfer, stating that there are some wonderful university models on how to move in that direction and the investment required. Faculty have ideas all the time, but they didn't typically come to a university to develop a business or a technology idea, so creating the infrastructure move those ideas forward is important. Mr. Thompson added that UNR is making progress, but it takes additional investment to move in those directions. President Sandoval offered to provide an example to the Committee.

Regent Byron Brooks asked Mr. Clinger if he had any recommendations about the funding formula based on his unique perspective, having worked at both the System office and UNR. Mr. Clinger agreed that the one size fits all model may not be well suited and referenced President Sandoval's recommendation that there be different formulas that account for the unique missions of NSHE's teaching institutions. Mr. Clinger suggested that the consultant could look at the cost differences among the institutions because the current funding methodology was not based on a cost study for Nevada. It was based on studies done in other states. Regent Brooks stated that it appears that the NSHE funding formula created competition within among the institutions. He shared his observation that there is growing competition in the state between the institutions offering strictly online education and other institutions and corporations that are influencing what education could look like in the state of Nevada. Regent Brooks stated that moving forward, the Committee needs to make sure it is not setting up institutions to compete with one another.

Regent Books followed up with a question about the economic development metrics for UNR. Mr. Clinger responded that the current metrics are driven by enrollment growth. For example, Nevada State University (NSU) continues to exceed its targets, which is primarily driven by enrollment. CSN is down in FY 2025, primarily due to a decline in enrollment, not their performance. Mr. Clinger reminded the Committee of President Sandoval's recommendation to consider other performance metrics, such as graduation rates and retention rates. Mr. Clinger stated that this is an area where additional funding is needed, not a carve out.

Mr. Christenson stated he learned a number of things today, one of which was he always thought when we were talking about funding formula, we were talking about operating budgets. Between the testimony of Presidents Sandoval and Whitfield, he has come to understand the importance of the infrastructure and capital requirements for the different programs offered by NSHE institutions as well as the need to address deferred maintenance on campuses. Mr. Christenson asked if the Committee should be thinking in terms of funding formula as an operating funding formula and then separately a capital budget formula, maybe even separated into a deferred maintenance formula. Mr. Clinger stated that was exactly what



UNR was recommending. Mr. Clinger stated that the current funding formula is for the operation of the institution and is primarily for instruction and student support. He added that NSHE receives \$15 million each biennium to support deferred maintenance at all NSHE facilities, but additional funds are dependent on the needs of other state agencies. Mr. Clinger referenced President Sandoval's previous remarks in which he stated that UNR is looking for a dedicated funding source for each institution that would grow as the economy grows and inflation grows because that would support future growth for the institution and renovation of existing buildings. Mr. Christenson stated that a dedicated funding stream for capital projects might be something that could be monetized through the private sector or other financiers, so institutions would not have to wait such long periods for funding for a new building.

Regent Carol Del Carlo requested a point of clarification regarding the \$15 million for deferred maintenance. The \$15 million is for the entire System, not just for UNR. Regent Del Carlo also asked if when Mr. Clinger served as the CFO for NSHE, the deferred maintenance needs for the entire System totaled \$100 million. Mr. Clinger concurred that the \$15 million is for the entire System each biennium. Mr. Clinger stated that \$160 million in "priority one" projects had been identified. He anticipated that inflation would have increased the cost of those projects.

#### NSU Presentation

Dr. DeRionne Pollard, President of NSU began her remarks by introducing Vice President of Business and Finance, Dr. Gloria Walker. President Pollard stated that while she believes in the Nevada higher education formula, this is an opportunity to redefine and change the narrative around higher education in the state of Nevada. She then shared an overview of NSU, noting that approximately 43 percent of NSU students are first generation and nearly 40 percent have immigrant origin and that NSU is a minority serving institution, a Hispanic serving institution and an AANAPSI institution. As a result of this diversity, NSU strives to tailor programs to respond to this unique and rapidly growing set of populations. President Pollard also shared examples of new degree programs, such as the educational specialist degree, which directly addresses a critical need in the community. She added that NSU acts with intention to design, redesign, and reinvent the institution to breakdown historic barriers that prevent learning; this is done by focusing on great teaching.

After sharing a story of a NSU student, President Pollard stated that NSU's mission is about fostering opportunity – it is about supporting students and striving for excellence in teaching, which leads to innovative technology rich learning opportunities that promote the acquisition of interdisciplinary knowledge and skills. Additionally, NSU creates quality, affordable degree programs that open doors for career success and enhance the quality of life for a diverse population of students.

President Pollard discussed NSU's graduation statistics and shared that 70 percent of NSU graduates are employed in Southern Nevada. Additionally, 70 percent of these graduates were previously enrolled at a community college. NSU supports students as they progress from community college to NSU through mandatory advising, tutoring, the Writing Center, Career Services, and mental health programs. Additionally, NSU offers evening classes and innovative programs. President Pollard also shared that approximately 43 percent of nursing credits earned from a NSHE institution are earned at NSU.

President Pollard discussed potential changes to the NSHE funding formula that she believes could make a real difference. The current funding formula heavily favors a more traditional student with weighted credit hours, prescribed summer funding, and performance based on graduates. However, the current funding formula is not meeting the needs of non-traditional students. President Pollard provided evidence-based principles for consideration: the funding formula should be simple, easy to understand, equitable, quantifiable, and responsive to the unique needs and missions of each institution. The R1 institutions have a compelling mission that is essential to the state and should be funded accordingly. The community colleges offer access to higher education to all. And as a teaching university, NSU is directly

impacting critical shortages in the labor market and creating viable pathways for those struggling the most in communities.

President Pollard added that NSHE needs a funding formula that funds both inputs and outputs, acknowledging the value add that institutions offer their students. That means fully funding Summer school, rewarding students transition from being a dual credit student to being an enrolled college student, encouraging robust support services, investing in students' professional future by helping them develop career pathways, and helping pay for education by promoting scholarships. Higher education needs to adapt to the needs of students, the community and the evolving workforce.

Chair Hardesty asked what the formula would look like for a student transferring to Nevada State University. President Pollard replied that the formula would recognize that students come from very complex backgrounds, so there would be recognition of first-generation college status. Additionally, the formula would recognize that many students have to attend part time by providing weighted support for that. President Pollard asked if there is a way to incentivize and provide institutions with resources to help build robust support services for students who attend. Then, she indicated that she believes the funding formula should address growth and capacity building. President Pollard added that having had the privilege of working in three other states, she believes there is an opportunity to benchmark with Systems beyond those closest to Nevada. It would be beneficial to look across the region and the country for other ideas about how NSHE might design the funding formula.

Chair Hardesty stated he was intrigued about the adequacy of funding for the support services that NSU students need and how to build that into a funding formula would be an interesting process. He asked if the current funding formula is allowing NSU to be recognize its growth in a proactive, innovative way. President Pollard responded that the funding formula doesn't do that currently. She added that she has new programs to be developed but does not have faculty to hire to do that. Last year NSU's educational psychology program asked the school district to fund a faculty member, which they did. She did not think it was appropriate for NSU to have to ask a school district to pay for a faculty member to develop a program to produce graduates that will be needed by school districts. It is important to adequately fund the schools and programs that exist and to allow space for the innovation and responsiveness that needs to occur.

After referencing NSU's mission statement, Chair Hardesty stated that it seems like NSU is being held back by limitations within the funding formula. President Pollard responded that she believes everyone is doing what they can for a system that was not designed for today's college student. NSHE and its institutions have to be willing to challenge the assumptions of the current funding formula because it is inadequate for the vision of what institutions want the state to be.

Vice Chair Charlton stated that the Committee had heard from the other university presidents and were about to hear from our community college presidents. NSU is somewhere in the middle. She asked what workforce development and open access look like for NSU, noting that NSU has a much higher part time student population than its university colleagues. President Pollard stated developing a broadened definition of workforce development is necessary because workforce development is not just what happens at the two-year level. Workforce development includes law degrees, nursing degrees, and welding degrees. She added that institutions need to recognize that workforce development is the purview of all of the institutions within NSHE. That recognition includes mission differentiation, which has not been mastered very well in the state of Nevada.

Ms. Yvette Williams asked about how NSU supports students so they can lift their families out of poverty. President Pollard stated students need to go into a classroom where they see faculty who are there to teach and who want to be there to support them. Students want faculty whose life experiences

may be similar to theirs or look like them. This requires intentional design in an institution, and that design must also recognize that this mission is important. Students may not even think higher education is an opportunity for them until someone helps them navigate the options available to them – options such as financial aid, student loans, attending part time and arranging transportation to school. President Pollard stated that NSU is unique because NSU is constantly trying to redesign to meet the needs of students.

Ms. Williams asked again how it impacts the budget. President Pollard responded that there is not much flexibility with the budget, about 70 percent of the NSU budget goes directly to instruction, student support services, academic support services and scholarships. As NSU considers how to offer more evening programming, considerations must be made to how to make the shift, how to hire the staffing, and providing professional development for employees so they understand today's students. Right now, NSU is doing what it can to get by, not redesigning for innovation, and that is the real challenge.

Ms. Williams asked President Pollard to include information on the dollar amounts for the recommendations previously requested by the Chairman. President Pollard acknowledged.

Assemblywoman Mosca referenced Nevada's K-12 funding formula, stating that the per pupil formula has weights to make sure that student get more money for certain things based on their demographics. She asked if that was a concept President Pollard would support. President Pollard responded that in the K-12 space, the dollars often follow the student. She believed there might be a similar opportunity for higher education. She offered that there is some differentiation in the current funding formula based on course level and other nuances. President Pollard added that what is probably lost is some recognition that students are going to need a level of support that is not captured by looking at the academic disciplinary perspective. She concluded by affirming that she would be supportive of the concept understanding that it would be necessary to be clear about the definition of per pupil cost and that there may be shades of gray in that definition.

Dr. Peter Reed thanked President Pollard addressing the fact the current funding formula was designed with regard to a traditional student but that the number of non-traditional students is increasing. Mr. Reed shared that he appreciated President Pollard's recommendation to fund summer school because it would increase flexibility and accessibility, giving students opportunities outside of the traditional semester structure. He asked President Pollard to elaborate on how summer school may be incorporated into the funding formula. President Pollard responded that summer classes are primarily offered for teaching, nursing and maybe a few other specialty areas that much smaller level. Adding more summer school classes could assist students that are attending part-time because they would be able to maximize their credit load by attending the fall, spring and summer semesters. President Pollard offered that there are many models available throughout the country. Ultimately, she believes it is fundamentally deciding that the pie is going to be a little bit larger, and then institutions can open it up a little.

Chair Hardesty announced that due to time constraints, the presentation by HCM Strategist, the vendor that was selected to assist the Committee in meeting its charge, would be moved up on the agenda. He also alerted the Committee that there was a chance that some of the community college presentations may be deferred to the March 19, 2024, agenda.

## **7. Information Only - Vendor Presentation**

Martha Snyder, HCM Strategists, stated that they were asked to provide a high-level overview of the organization and its work at a national level as well as with states working on issues similar to those that have been presented today, particularly states developing funding models to support a diverse set of institutions and in support of state priorities and objectives.

HCM is a public policy consulting firm, with staff located across the country. HCM has worked in a variety of different states on issues related to post-secondary access, postsecondary finance and affordability issues. HCM has been in practice for 15 years.

HCM is currently working in Illinois on the Commission for Adequate and Equitable University Funding. HCM also consulted with the Texas Higher Education Coordinating Board on the recent reforms to community college funding that resulted in a \$683 million increase in investment for community colleges, driven through both supports on the front end for students, as well as on the back end in terms of supporting outcomes. Additionally, Ms. Snyder has worked with the Oregon Higher Education Coordinating Commission on the development of both the university and community college funding models.

With respect to the ad hoc Committee on Higher Education Funding, HCM's scope of work has 3 broad components: 1) Evaluating Other Funding Models; 2) Assessment of Nevada's Current Funding Formula and 3) Evaluation of Practices and Protocols for Self-Supporting Accounts. HCM will review some common higher education practices as it relates to funding models, trends and assessments of best practices. Additionally, HCM has created a list of topics that were presented today, which they will address, from the perspective of how other states have approached these challenges and issues. HCM will also conduct an assessment of the funding models and history and resource documents around the current Nevada funding formula, looking at funding trends and impacts as well as how the outcomes have impacted the institutions accentuating or focusing on some need for mission differentiation. A significant part of the scope is doing stakeholder interviews, during which HCM will be interviewing each member of the Committee as well as representatives from each of the public sector campuses, to inform their review of the funding model and potential improvements. Lastly, HCM will also present information on self-supporting accounts, what those resources are used for, and possible recommendations to provide transparency and understanding to the stakeholders around the use of those accounts and how they impact the capacity of institutions.

Mr. Will Carroll, HCM, spoke about the national context on state funding models. HCM's will begin its work by examining common approaches to higher education finance across the country and assess how Nevada fits into the various common elements. Through its experience working with other states, HCM expansive knowledge of how most states are addressing their funding formulas and their finance systems. In general, there are three main approaches to funding: base plus, enrollment driven, and outcomes-based funding (OBF). There are 12 systems across the county that have formula driven funding, resulting in appropriations driven through the legislative process. For states using one of the three main funding approaches, there are a lot of nuances contemplated, including weights for different courses or students, small institution adjustments, special line items for research and other approaches, which Nevada has utilized. Each of the three approaches has strengths and disadvantages.

Mr. Carroll provided additional information on the primary funding mechanisms. "Base Plus" represents the funding received last year plus or minus certain adjustments, and this is definitely the most common approach. Almost every state has some element of Base Plus. One of the major questions in this sort of formula is how much of the base is protected from year to year, and that varies quite widely across different states. The strength of Base Plus is stability. Institutions have a good sense of how their budget will be funded from year to year. However, this approach has inequities potentially built into it that can grow over time. Institutions change over time, and the Base Plus model can lack dynamic adaptation, so it's not responsive to these changes. Enrollment driven funding formulas are often driven by the number of students who are enrolled in the two-year sector. This is a common approach across the country. Seventy (70) percent of 2-year sectors have an enrollment driven funding formula approach, while approximately 40 percent of four-year sectors use some sort of enrollment driven approach.

Mr. Carroll shared that one of the biggest questions states grapple with is who to include when counting enrollments. The advantage is that enrollment counts direct student resources to where the students are; the dollars follow the student. The disadvantage is that enrollments can be volatile, as we saw during COVID, and institutional budgets are not always as adaptable or fast to change because costs can be locked in over time. This approach also doesn't incentivize student success. The main driver is to recruit a new student, opposed to retaining a current student.

Weighted student funding uses additional weights for different types of students and/or different types of programs to generate funding. One example is obviously the Nevada weighted student credit hour approach. We do see common populations such as adults, underrepresented minority students, low income that receive weights in weighted enrollment driven funding formulas. This can allow the students and programs that are higher cost to receive more resources. It can also be a way to direct resources to places where there's a particular state priority, such as closing an achievement gap for a particular group of students or for a particular program discipline area where there's a need for strategic growth. The con is that it doesn't have the student success component built into it. About 30 percent of systems across the country use some kind of Outcomes Based Funding (OBF), ranging from 5 to 100 percent of total funding. Nevada allocates 20 percent of funding for OBF. Only a handful of states allocate more than 20 percent. OBF is a way to make sure that state priorities are being prioritized in funding formulas. It creates incentive for the institutions that focus on those outcomes. This strategy was one of the first models developed, several decades back, that focused on different student characteristics and ways to account for their different needs. States are using these in combination. The trends that seen around the country are adequacy, workforce and equity.

Ms. Snyder stated that HCM was asked to provide more detailed information on the OBF trends that they have evaluated across different states. She noted that this request aligns with the presidents' presentations and today's discussions around the performance pool. HCM has done deep research into OBF to understand and differentiate states' approaches to performance outcomes. Through this, they have determined that not all approaches to OBF or performance-based funding are equal. In the coming months, HCM will provide a comparison.

Mr. Carroll discussed the funding formula development review process that will be used for this project. HCM will develop a list of comparison states, and rather than doing a full 50 state scan. This will provide insight into what works in a state that is similar to Nevada. The list of comparison states will be based on the mix of institutions, the governance structure, trends in both enrollment and higher education finance and the revenue mix.

In the terms of some guidelines or principles for formula review process, HCM focuses on the state's priorities and how the model can drive those priorities. HCM cautioned that when reviewing and revising a funding formula, it is important to avoid any changes that could derail progress that's currently underway. It is also important to consider how the funding model reflects the mission of the institutions and the needs of the students.

Chair Hardesty thanked the HCM team for the overview. He voiced his concern about not seeing innovations and enhancements in formulas from other states. He observed that innovation is not captured in Nevada's formula, though he thought it should be. He asked HCM how that could be captured. Nate Johnson, HCM, responded that the Chair's question could be divided into three questions. One has to do with the quantity of support for innovative practices, whether that's in research, instruction, public service or student support, and whether it's distributed the right way. The second question asks if innovation is doing to the right things? Are you supporting what makes sense for Nevada, whether that's the students you serve; the low-income, minority students that you are prioritizing; or in the case of research, is it

going to right place. The third question is timing: where you are getting something before you have the revenue. Mr. Johnson added that when talking about outcomes funding, is to think about all sources of funding as forms of performance funding.

Mr. Glenn Christenson stated his understanding is that most K through 12 education is funded through property taxes. Then he asked if that was true for higher education. Ms. Snyder responded there are states that have local resources that contribute to higher education; however, it is not the majority of funding. About 3 percent of total support for education comes from local property taxes, and the vast majority of that is typically in the community college sector.

Mr. Christenson shared his observation that when you add the state funding and federal funding together, approximately 51 percent of the funding in Nevada comes from volatile sources, such as gaming and sales taxes and different administrations at the federal level. He asked if HCM can consider the source of the funds when reviewing the funding formula. Ms. Snyder stated that most states funding formulas look only at the state investments and the allocation of that investment. Mr. Christenson stated that he assumes there has not been an adequacy study for higher education in Nevada. Mr. Johnson added that funding sources and the stability of those sources would be beneficial for this project; he also added that each state has a different approach to funding.

Dr. Kyle Dalpe asked about the number of community colleges that do not receive funding through local property tax and if Nevada is an anomaly. Mr. Johnson responded there are three categories: no property tax states, which is the majority; a blended category that includes some state and local funding; and the entirely local category, which is the smallest at 3 percent of states. Dr. Dalpe shared his belief that another sustainable revenue source needs to be considered for higher education in Nevada at some point.

Vice Chair Charlton asked where noncredit courses are captured in the OBF or other funding formula components. Ms. Snyder stated including noncredit courses is an emerging trend in terms of state funding. She also offered to provide a breakout HCM's information related to noncredit courses. Vice Chair Charlton asked for information on states that use a performance pool model. Ms. Snyder replied HCM could provide additional information on the states that are using a performance pool versus a formula allocation. Montana uses the performance pool in a similar way to Nevada. Alabama uses a performance pool for its community colleges.

Chair Hardesty asked if Montana and Alabama are anchored in base budget or performance pool formula. Ms. Snyder indicated that in Montana, it is a portion of the core appropriation to the institution. So technically it comes out of the base. That calculation, however, is done differently in Montana than it is in Nevada. The Nevada calculation of the performance pool is unique. In Alabama, the community colleges use a separate appropriation for the performance pool. Chair Hardesty stated that it is important to know which states use performance pool calculations and how those compare those with Nevada's. Ms. Snyder said there would be follow up.

Regent Brooks referenced the slides provided by HCM and asked that HCM share the state and federally funded amounts provided to the institutions in Louisiana and Kentucky. Ms. Snyder agreed to follow-up and explained that the Louisiana funding model is the one to look at in terms of a comparison between the two states. Regent Brooks asked if the SHEEO Grapevine data is and if that is a resource that would be used for financial comparisons. Ms. Snyder confirmed that the data is reliable and would be used for comparison purposes.

Mr. Rick Combs asked if HCM could comment on how states measure academically unprepared students. Ms. Snyder replied that for the most part it is based on test scores, particularly in states that have

universal requirements for ACT. There are a set of states, Ohio being one of them, that uses assessments on placement exams. There are a few states that use high school GPA high school as a benchmark.

Ms. Amy Stephenson asked for the definition of Base Plus. Mr. Carroll provided the definition of Base Plus, which is a guarantee that an institution will receive what it received last year, without running that amount through some type of formula. He then explained that Nevada was not identified as Base Plus because the weighted student credit hours are allocated through the funding formula. He added, there are a couple pieces carved out first and then the rest of the funding goes through the weighted student credit hour. So that was why Nevada was not identified as Base Plus.

Chair Hardesty followed up on Regent Brooks' question, asking for the number of R1 research institutions in Louisiana. Ms. Snyder replied to the question, Louisiana State. Chair Hardesty asked if the funding formula is altered to account for their research efforts in a formula that's different than Nevada's. Ms. Snyder responded that, there are research aspects, or mission-based aspects, to the Louisiana formula that include different research or different missions of institutions. She offered that HCM could do a deeper comparison of selected states and dive into each of these isolated issues a little bit more. Chair Hardesty requested that there be a comparison of institutions that are similar to the mission and goals of NSU as well.

Ms. Yvette Williams followed up on the issue of the underprepared, asking if states were looking at it from the standpoint of having to take remedial classes at the institutions. Ms. Snyder responded that there was a time when states used placement and remedial education as an identifier for being academically underprepared. However, states have moved away from that to align with best practices for student success, which show the negative implications of placing students in remedial education versus wrap around support and corequisite courses. Ms. Williams asked if test scores really capture a student's college readiness and what the expense for underprepared students is to universities and colleges. Ms. Snyder clarified that her statements were intended to share information, not necessarily to provide an assessment of what their professional expertise would be. HCM would agree that there are limitations associated with using test scores to determine the supports that are necessary for student success.

Chair Hardesty announced that HCM will be reaching out to each Committee member. He thanked HCM for their time.

The meeting recessed at 3:08 p.m. and reconvened at 3:21 p.m. with all members present.

## **6. Information Only - Institutional Mission and Funding Priorities**

### CSN Presentation

President Federico Zaragoza began his presentation by acknowledging that his presentation included some of the same themes already shared by other presidents. He began by providing an overview of CSN. CSN is a large and diverse, comprehensive community college and the student body and programs at CSN are as diverse as the community served. CSN is a majority minority and Hispanic serving institution; 69 percent of students are students of color 40 percent are Hispanic, 11 percent are African American, and 10 percent are Asian. The average age of CSN students is 25. Additionally, 73 percent of students attend part time and approximately one-half of the students come to CSN with the goal of transferring to universities, while the other half intend to enter the workforce.

President Zaragoza stated that CSN's access is a point of pride. At CSN, the annual student count is approximately 48,000 students. Approximately 6,800 of which participate in non-credit courses, which are not funded through the funding formula. In terms of scale, even after the COVID decline, CSN has more students than all of the other NSHE community colleges combined. CSN is one of the largest

comprehensive community colleges in the country. The Northwest Commission and Colleges Universities commended CSN, giving 3 commendations related to mission: 1) student first focus; 2) partnerships and 3) the support for our students in corequisite programs.

President Zaragoza stated that the current funding formula does not work well for CSN for several reasons, but particularly during times of declining enrollment. The funding formula is also problematic because it does not fully fund certain activities or expenditures. The recently approved COLA was financially challenging. In order to address the budgetary shortfall, CSN students experienced a 5 percent increase in fees to support the COLA increase and 141 positions were eliminated. While some of those positions were necessary, the reduction meant that CSN had to realign its capacity to its resources. Declining enrollment added to the fiscal challenges.

President Zaragoza stated that CSN always compares itself to its peers. CSN allocates 46 percent of its budget to instruction, which is higher than any of its peers. After CSN funds instruction, which is its first priority, it allocates funding to other line items. For each of those line items, CSN has fewer resources than its peers. The BOR established a goal of 500 students to 1 advisor; however, CSN can only support 500 to 1. President Zaragoza affirmed that this is the environment oftentimes for CSN because of the funding formula.

President Zaragoza indicated that the current funding formula is not an equity formula. He offered that there are many combinations of how to create an equitable funding formula. But at the end of the day, it is important to ask, “does it address the needs of the students the institutions are serving?” In CSN’s case, about 70 percent of the students coming to CSN are not college ready; 70 percent require remediation within the corequisite model.

President Zaragoza continued, there are significant needs that are not being addressed because the funding formula is an output system. He emphasized that at community colleges, the students who enroll have economic needs - they are Pell eligible, they are poor - they are individuals that come from poor performing schools, they are individuals that have academic needs. CSN needs a funding formula that is equitable and recognizes at the frontend the services students are going to need.

President Zaragoza shared that CSN needs more counselors. Every student that comes to CSN goes through onboarding services, regardless of whether they attend full time or part time. CSN does not get funded for this front-end process; CSN only gets funded for the courses that are completed satisfactorily.

President Zaragoza clarified that conversations regarding equity within the funding formula need to consider that 80 percent of the students participating in noncredit programs have high academic needs. Many do not have a high school diploma. Many have literacy needs, because they are immigrants. Some need a pathway into the workforce. The funding formula needs to be aligned to help with the workforce component.

President Zaragoza stated that CSN needs about \$20 million per biennium to fill some of the gaps within the CSN. President Zaragoza concluded by stating that he guarantees that if the funding formula supported the front-end services he discussed in his presentation, CSN would be doing some amazing things.

Chair Hardesty asked how CSN supports its students as they transfer to the four-year schools. President Zaragoza said there needs a better system and better services. It would be ideal if the funding formula supported these efforts.



Chair Hardesty asked if CSN had been impacted like the other institutions when it comes to utilities. Mr. Rolando Mosqueda responding, stated that between FY 2021 to FY 2024, CSN's total utility costs have risen from approximately \$2 million to \$5.9 million, which represents a 126 percent increase. Chair Hardesty asked if the funding formula affects CSN's ability to pay those bills or restricts CSN from paying for other services. Mr. Mosqueda stated that the current funding formula does not include a specific allotment for utilities, or inflationary pressures of the utilities. CSN, like other institutions, has to identify resources or adjust programming in order to meet rising costs, such as utilities.

Chair Hardesty asked how CSN would construct the funding formula based on an enhancement focused performance pool, opposed to a base budget performance pool. President Zaragoza stated it could be possible to incorporate square footage or cost of living adjustment factor. It would be important to consider how to incorporate elements that would complement the needs of the institution.

Assemblywoman Erica Mosca asked President Zaragoza if he would prefer for CSN to have its own funding formula or if he felt all institutions should be funded through a single funding formula. President Zaragoza stated he had worked in three different higher education systems, Wisconsin, Texas and Nevada, each of which had a unique system. Based on his experience, the most important thing is for the funding formula to be crafted in a way that is reflective of the types of students being taught and the services each institution provides. President Zaragoza also stated that regardless of the number of funding formulas, institutions will still struggle with balancing costs with available funding. He indicated that he believed that discussing how to increase the total resources for higher education was essential to the conversation.

Regent Carol Del Carlo asked for clarification on the advisor to student ratio. President Zaragoza confirmed the ratio is 1 advisor per 350 students.

Senator Carrie Buck referenced the \$20 million budget gap previously discussed by President Zaragoza and asked what percentage of the total budget that represented. Mr. Mosqueda stated the \$20 million would constitute about 15 percent of CSN's budget.

Chair Hardesty asked how CSN's capital needs were funded. Mr. Mosqueda responded that CSN is leveraging the Higher Education Capital Construction (HECC) and Special Higher Education Capital Construction (SHECC) funds that are shared across NSHE to support deferred maintenance projects. CSN currently has one priority capital construction project, which is the Northwest campus. Institutional funds are supporting other renovations on CSN campuses. Chair Hardesty asked if CSN has buildings that require upkeep. Mr. Mosqueda responded there are buildings that are definitely in need of improvement.

Chair Hardesty asked what happens to the land referenced in President Zaragoza's presentation, noting that he indicated was only going to build on a portion of it. President Zaragoza stated that according to the master plan, one building would be constructed initially; however, the capacity exists to build 9 additional buildings, depending on the needs of the institution. Through the construction of the first building, the infrastructure for the campus would be established.

Vice Chair Charlton asked if CSN is experiencing challenges with offering health related courses because CSN is supplementing funding from other programs to support the recruitment and retention of faculty. President Zaragoza responded that is the case. This becomes problematic because it leads to student fee increases or shifting of funds from one area to another to cover costs, which is not sustainable long term. President Zaragoza added that it is ironic that there are waiting lists of students wanting to get into programs, but there are not enough sections being taught to serve all of them.

Regent Byron Brooks made a comment regarding the importance of college readiness and the P-20 concept as it related to funding. Then, he asked if President Zaragoza would like to share regarding enrollment versus graduation rates at CSN. President Zaragoza responded that CSN has almost 10,000 students a year that could transition into the credit space, if CSN has funding to serve all of them. Many CSN students lack a high school diploma. He added while conversations occur regarding high school populations and dual enrollment, he would like to go into underserved areas of the community, where dual enrollment may not be available because tuition is out of reach. He stated that this equity theme is very important.

Regent Stephanie Goodman stated she would like to circle back to what we all discussed initially and how we have these incredible events that are coming here to Nevada, such as Formula 1 and the Super Bowl. We have this incredible tourism-based economy, but having P-20 pathways is important to ensure kids are not left behind and they can get a job and become contributors to our community. Regent Goodman shared that she feels it is imperative to take advantage of this. This is the time and place for us to really make a difference.

Chair Hardesty announced that the presentations for GBC, TMCC and WNC would be heard at the March 19, 2024, meeting. Additionally, Agenda Item #8, Self-Supporting Accounts: Overview of NSHE Practices and Protocols would be tabled until the March 19, 2024, meeting.

## **9. Information Only - New Business**

The Chair asked the Committee members if they had items for new business.

Regent Carol Del Carlo asked if there would be an opportunity for students to be invited to a meeting to share how the funding formula impacts them. Chair Hardesty responded that a student presentation has been tentatively scheduled for the April agenda.

## **10. Information Only - Public Comment**

Kent Ervin, Nevada Faculty Alliance, shared his belief that the performance pool places too much emphasis on absolute growth. That will become a problem with the impending demographic cliff of declining populations of high school students. He stated that, fundamentally, performance metrics should be ratios, not solely dependent on growth. The now defunct weighted student credit hour (WSCH) formula was not a funding formula, it was a distribution formula, based on the overall budget determined through the state-based budgeting process. The 2023 legislature stopped using the WSCH formula altogether. Mr. Ervin indicated that costs should be accounted for differently based on the type of cost – some costs are best accounted for on a WSCH basis, while others are better accounted for using headcount or actual utilization counts. These various costs may also have different inflation factors. The weighted student credit formula only captured one part of the cost of providing higher education for in-state students. Additionally, from 2014 to 2023, the budgeted dollar amount per weighted student credit hour decreased after inflation. No formula works if it isn't funded. Total revenue needs to increase to meet the state's goals for higher education. With enough detail tracking all these different cost inputs, maybe you can create a formula that is fair to the various institutions. Mr. Ervin addressed Chair Hardesty and recommended that the Committee's consultants may wish to consider a presentation on the state budgeting mechanisms from both the Governor's Finance Office and the Fiscal Division of the Legislative Council Bureau; an analysis of student fees outside the state supported budgets, specifically how they are established and how they are used by each institution; and the structure of labor in higher education. Full time tenure track faculty are now a minority of the professional labor force, which includes low paid adjunct faculty and teaching assistants. Previous budgeting did not even include part-time instructors and teaching assistants, so their wages have never kept up.

Kevin Osorio Hernandez, President of the of Nevada State University Student Body and Vice Chair of the Nevada Student Alliance, stated that the current funding formula falls short in supporting our first generation and non-traditional scholars. He then described the bleak realities that students face. For instance, a fellow first-generation student was forced to halt their education due to the rise in living costs, because they cannot continue to pay for their studies and support their family. He also shared that scholars face increasing challenges with food insecurity, which directly affects their success in academics. Mr. Osorio Hernandez then proposed that the Committee invite student presidents, Nevada Student Alliance, the Senate, Faculty Chairs, and the Institutional Access Programs, us to engage in dialogue, allowing insight into the realities students grapple with daily on our campuses.

Chair Hardesty asked Mr. Osorio Hernandez to reach out to the Alliance to select a representative to present to the Committee during the April meeting.

Patrick Villa, CSN Math Professor and Faculty Senate Chair, shared his thoughts on the meeting stating that the Committee had done a great job working through a long meeting. The university presidents gave great presentations, which were necessary and took longer than scheduled. But he wanted to point out this is an example of what happens to community colleges. Funding gets priority on the universities, and then sometimes community colleges are not allowed to get everything they need. Just like today, only one community college was able to speak. While it was nobody's fault, there was a priority set. Mr. Villa stated that sometimes community colleges are the afterthought, or the second thought: we didn't have time for you, we didn't have money for you, we didn't have whatever for you. Today's experience was a magnification in real life of how it goes for community colleges and that's how we felt a number of times. He ended his public comment by acknowledging that the presidents' have a representative on the Committee.

Chair Hardesty clarified that the presidents' representative on the Committee is from a community college, not a four-year university. Patrick Villa said he recognized that.

The Chair reminded the Committee that the next meeting will be on March 19, 2024.

The meeting adjourned at 4:07 p.m.