ion Funding Formula Summary

The Legislative Committee to Study the Funding of Higher Education (Chapter 375, Statutes of Nevada 2011) provided the 2013 Legislature with a recommendation for a new funding formula that fairly and equitably distributes State funding among Nevada's public higher education institutions. Taking into account comments from the interim committee, public testimony, reports of SRI International, and the National Governors' Association (NGA), the Nevada System of Higher Education (NSHE) believes the funding formula as approved by the 2013 and 2015 Legislatures, and continued by Governor Sandoval in the 2017-2019 Executive Budget and approved by the 2017 Legislature, fully captures the deliberations and final decisions of the interim committee, and strongly supports the funding formula that incorporates these concepts.

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

The new funding model, as adopted, consists of two basic components – a base formula driven primarily by course completions, measured by Weighted Student Credit Hours (WSCH), and a performance pool driven by performance metrics that align with the goals of the State. Each is summarized below.

The Base Formula. The base formula allocates state resources (General Fund dollars) to teaching institutions based on completed courses as measured by student credit hours. Student credit hours are weighted by discipline cluster in an expanded matrix that is cost informed and independently developed by the National Center for Higher Education Management Systems (NCHEMS). As a result of Committee and Legislative deliberations, the working definition of completion evolved to exclude F grades that result from non-attendance. Because all institutions did not have complete data on F's for non-attendance, the 2013-2015 biennium budgets included all F grades. However, as directed by the 2013 Legislature and consistent with the NSHE budget request, subsequent biennial budgets, including the 2017-2019 Executive Budget, removed F grades for non-attendance from the total number of course completions for each teaching institution. As a result of the deliberations of the Committee, upper-division and graduate courses were given an additional weighting to support the research missions of the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno (UNR).

Funding is determined by measuring completed course work, with funding set-aside to support small community colleges and the operations and maintenance of dedicated research space at UNLV and UNR. A fundamental premise of the new formula is that student fees and out of state tuition are retained by the institution and not utilized to offset state General Fund appropriations. Completions for nonresidents are, therefore, excluded from the tally of completed student credit hours and are not funded by the State.

During the 2017 Legislative Session, the Legislature approved the Regents' and the Governor's recommendation to increase the WSCH weighting for Career and Technical Education (CTE) courses within the Trades/Tech Cluster, by a factor of 1.5 and 2.0 points at the community colleges. Programs within this Cluster are significant

Trades/Tech Cluster	
CIP 46	Construction Trades
CIP 47	Mechanical Repair Technologies/Technicians
CIP 48	Precision Production
CIP 49	Transportation & Materials Moving

The complex set of drivers from the previous formula for administrative support, institutional support, libraries, operations and maintenance and the like are compressed into the single driver of work completed, measured by WSCH. State support, when combined with student fee

NSHE Course Taxonomy
Weights by Discipline Clusters - Universities

[redacted]

[redacted]

[redacted]

NSHE Course Taxonomy
Weights by Discipline Clusters - Colleges

	Lower Division	Upper Division
Liberal Arts, Math, Social Science, Languages, Other	1.0	2.0
05. Area, Ethnic, Cultural & Gender Studies	1.0	2.0
09. Communication, Journalism and related programs	1.0	2.0
16. Foreign Languages, Literature and Linguistics	1.0	2.0
19. Family and Consumer Sciences/Human Sciences	1.0	2.0

UNLV	Factors	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.	Outcomes/ Points	Weighted Pts.
Bachelor's Degrees	0.30	3,857	1,157.1								
Minority Bachelor's Graduates (IPEDS) (1,616 x .4)	0.30	646.4	193.9								
Pell eligible (non Minority) Bachelor's Graduates (801 x .4)	0.30	320.4	96.1								
Master's & Doctoral Degrees	0.10	1,166	116.6								
Doctoral Degrees			0.0								
Minority Master's and Doctoral Graduates (IPEDS)											

NSHE PERFORMANCE POOL YEAR 3 AND 4 TARGETS

FINAL AS APPROVED BY THE BOARD 12/5/14 and REVISED 12/29/14

YEAR 5 AND 6 TARGETS

2% Increase r

2012-13 Baseline	YEAR 3 2014-15 Target	YEAR 4 2015-16 Target	YEAR 5 2016-17 Target	YEAR 6 2017-18 Target

NSHE PERFORMANCE POOL	YEAR 1	YEAR 2	YEAR 5 2016-17 Target	YEAR 6 2017-18 Target

Performance Pool Outcomes r Data Definitions

Outcome	Definitions
1 to 2 year Certificate	The total number of certificates requiring 30 or more credit hours granted during an academic year. Students earning multiple certificates in an academic year will have each earned certificate counted as a separate outcome. General Studies certificates are excluded. (Source: preliminary IPEDS reporting)
Associate's Degrees	The total number of associate's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree counted as a separate outcome. (Source: preliminary IPEDS reporting)
Bachelor's Degrees	The total number of bachelor's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree counted as a separate outcome. (Source: preliminary IPEDS reporting)
Master's Degrees	The total number of master's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome. (Source: preliminary IPEDS reporting)
Doctoral Degrees	The total number of doctoral degrees conferred during an academic year. First professional degrees (medical, dental, law) are not included. Students earning multiple degrees in an academic year will have each earned degree counted as a separate outcome. (Source: preliminary IPEDS reporting)
Awards to Minority Students	An additional weight of .4 is applied for each degree or certificate awarded to a minority student. Minority categories include all categories EXCEPT White, unknown, and non-resident alien. General Studies certificates excluded. (Source: preliminary IPEDS reporting)
Awards to Pell r Eligible Students	An additional weight of .4 is applied for each degree or certificate awarded to a minority Pell eligible student (minority and Pell religible awards are mutually exclusive and awards to minority students are captured in the minority awards so are excluded from the Pell religible awards). General Studies certificates excluded. (Source: Data submitted by institutions identifying students who were included in the awards reported to IPEDS [preliminary reported] and Pell r eligible at any point during their academic career)
Transfer Students w/a Transferable Associate's Degree	Total number of students transferred to a 4 r year institution with a transferable associate's degree from an NSHE community college. (Source: NSHE Data Warehouse)
Transfer Students w/24 credits or Associate's Degree	The total number of students who enrolled at a four r year institution during the fall or spring

Nevada System of Higher Education
Legislatively Approved State Support by Institution

	Fiscal Year 2019 Legislatively Approved General Fund Appropriation							
Funding Component	UNLV	UNR	NSC	CSN	TMCC	WNC	GBC	Total
FY 2016 Resident Weighted Student Credit Hours (WSCH) (1)	1,009,083	721,836	101,857	580,102	204,816	75,616	69,321	2,762,631
Times amount approved per WSCH	$153.18	$153.18	$153.18	$153.18	$153.18	$153.18	$153.18	$153.18
State Support via WSCH (2)	$154,573,839	$110,572,630	$15,602,708	$88,861,464	$31,374,223	$11,583,047	$10,618,763	$423,186,674
Funding Formula Amounts Approved Outside WSCH								
Small Institution Factor (3)	$0	$0	$0	$0	$0	$734,520	$920,370	$1,654,890
Research O&M (4)	$5,621,935	$3,831,987	$0	$0	$0	$0	$0	$9,453,922
Career and Technical Education (5)	$0	$0	$0	$6,100,619	$2,531,567	$1,304,150	$2,308,659	$12,244,995
Increasing Capacity Systemwide (6)	$2,900,000	$2,200,000	$399,999	$2,600,000	$1,000,000	$393,189	$300,000	$9,793,188
COLA (3%) (7)	$9,248,858	$6,889,894	$611,795	$4,113,430	$1,705,662	$537,264	$568,168	$23,675,071
Total State Support (8)	$172,344,632	$123,494,511	$16,614,502	$101,675,513	$36,611,452	$14,552,170	$14,715,960	$480,008,740
Total State Support per WSCH	$170.79	$171.08	$163.12	$175.27	$178.75	$192.45	$212.29	$173.75

(1) Resident weighted student credit hours do not include F grades for non-attendance; figures represent FY 2016 actual data.

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