#### **Nevada System of Higher Education**

# 2025-27 Governor's Recommended Budget

Legislative Commission's Budget Subcommittee
January 23, 2025



#### **Today's Presentation**

Overview of NSHE

Recommended Funding Formula Revisions

Governor's Recommended NSHE Budget







#### **Nevada System of Higher Education**



- ❖ 13-member governing board with 6-year terms
  - Soon to be a 9-member board with reduced 4-year terms pursuant to AB118 (Chapter 72, Statutes of Nevada 2023)
- Seven teaching institutions serving 110,000+ students
  - University of Nevada, Las Vegas (UNLV)
  - University of Nevada, Reno (UNR)
  - Nevada State University (NSU)
  - College of Southern Nevada (CSN)
  - Great Basin College (GBC)
  - Truckee Meadows Community College (TMCC)
  - Western Nevada College (WNC)
- One Research Institute Desert Research Institute (DRI)



#### **NSHE** Leadership

#### **NSHE Board of Regents**

Ms. Amy J. Carvalho, Chair Dr. Jeffrey S. Downs, Vice Chair

Mr. Joseph C. Arrascada Ms. Heather Brown Mr. Pete Goicoechea

Mr. Aaron Bautista Mr. Patrick J. Boylan Ms. Stephanie Goodman

Ms. Susan Brager Ms. Carol Del Carlo Vacancy, District 2

Mr. Byron Brooks Mr. Carlos D. Fernandez

NSHE Chancellor - Ms. Patricia Charlton

#### **NSHE Presidents**

Dr. Keith Whitfield (UNLV) Dr. William "Bill" Kibler (CSN) Dr. J. Kyle Dalpe (WNC)

Mr. Brian Sandoval (UNR) Dr. Amber Donnelli (GBC) Dr. Kumud Acharya (DRI)

Dr. DeRionne Pollard (NSU) Dr. Karin Hilgersom (TMCC)



#### **Board Established Mission**

The mission of the NSHE is to provide higher education to the citizens of the state at an excellent level of quality consistent with the state's resources. It accomplishes this mission by acquiring, transmitting, and preserving knowledge throughout the region, nation, and world. The System provides an educated and technically skilled citizenry for public service, economic growth and the general welfare contributes to an educated and trained workforce for industry and commerce, facilitates the individual quest for personal fulfillment, and engages in research that advances both theory and practice.

(BoR Handbook, Title 4, Chapter 1, Section 1)



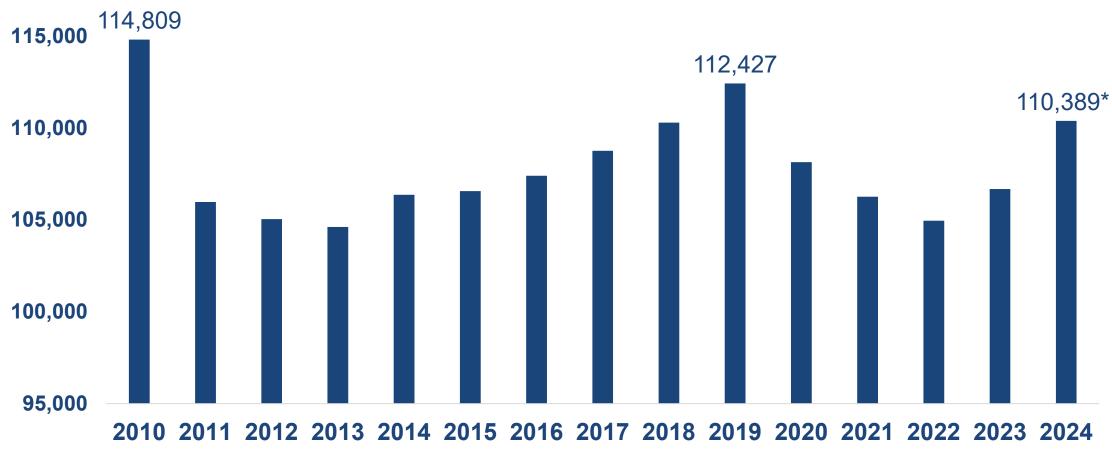
# NSHE Strategic Goals Ultimately, it's about serving Nevada

- Graduating Students contributing human capital to the state through access to higher education and prioritizing student success
- Closing the Achievement Gap ensuring every student has the resources and attention they need
- **Research and Development** advancing scientific knowledge
- **❖ Workforce Development** meeting the needs of Nevada's employers
- Coordination, Accountability, and Transparency promoting the open use of data for transparency and accountability



#### **NSHE Student Headcount Enrollment**

<sup>120,000</sup> Fall 2010 through Fall 2024

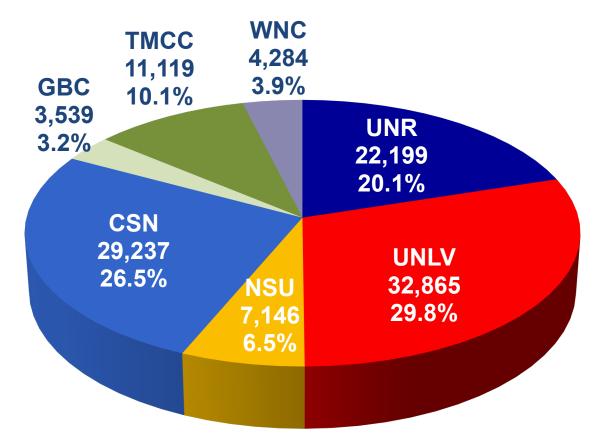


Source: NSHE Official State-Supported Headcount (https://ir.nevada.edu/nshe\_enrollment.php) Unduplicated headcount for all students enrolled in at least one state-supported course.

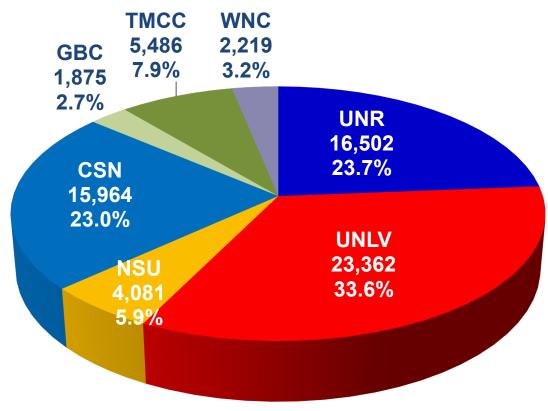


#### Distribution of Headcount and FTE

Fall 2024 Preliminary Headcount Distribution



**2023-24 AAFTE Distribution** 

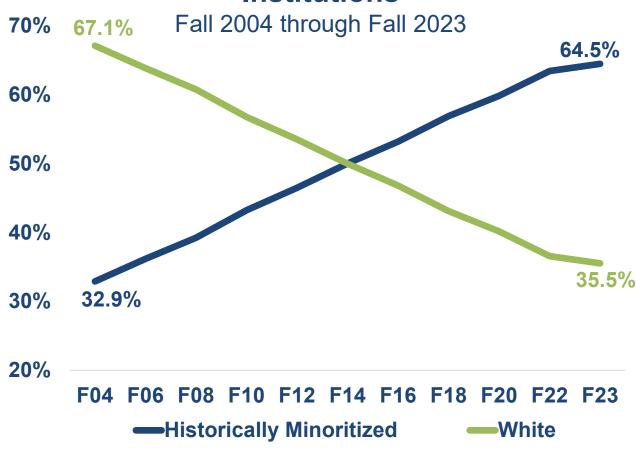


AAFTE: One FTE is equal to student enrollment in 15 undergraduate, 12 master's, or 9 doctoral academic credit hours per semester.

Source: NSHE Official State-Supported Headcount (https://ir.nevada.edu/nshe\_enrollment.php)

#### **Historically Minoritized and Low-Income Students**

# Fall Enrollment by Race/Ethnicity – All Institutions



Source: National Center for Education Statistics, IPEDS (NSHE created graph) Historically Minoritized category includes all ethnicities except White, non-resident, and race/ethnicity unknown categories.

#### **2022-23 Pell Grant Recipients**

Institution	Percentage of Recipients*	Number of Recipients**		
UNLV	41.3%	10,919		
UNR	25.6%	4,324		
NSU	40.1%	1,856		
CSN	28.6%	10,650		
GBC	29.0%	778		
TMCC	19.6%	1,756		
WNC	32.9%	824		
NSHE Total**	31.3%	31,107		

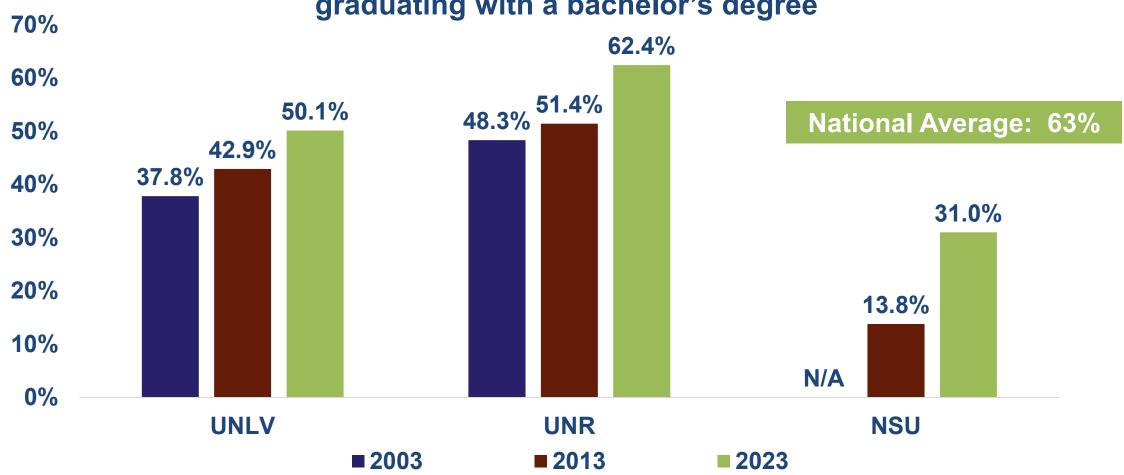
Source: NSHE Data Warehouse

<sup>\*</sup> Percentage of degree-seeking undergraduate students who received a Pell Grant.

<sup>\*\*</sup>Students counted at each institution where a Pell Grant was received.

#### **University Graduation Rates**

Percent of first-time, full-time, degree-seeking students graduating with a bachelor's degree

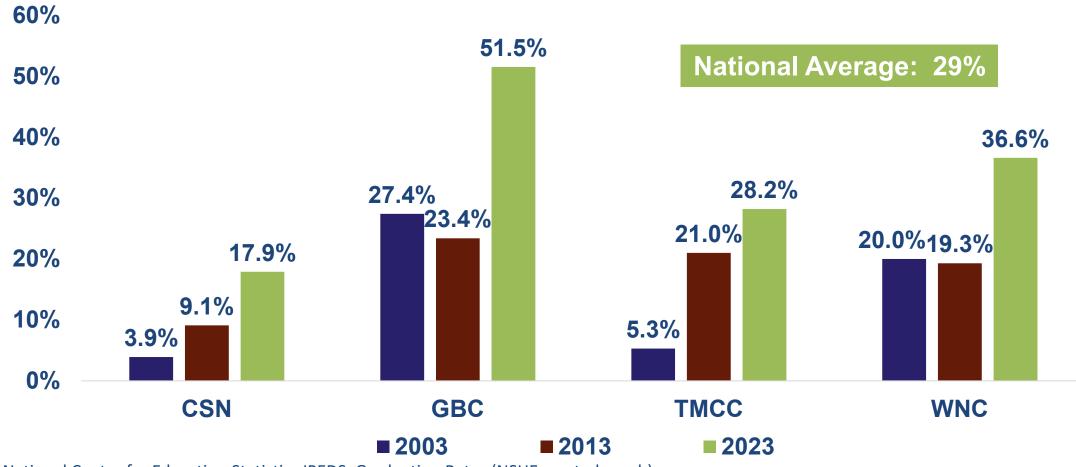


Source: National Center for Education Statistics, IPEDS, Graduation Rates (NSHE created graph) National average for public 4-year institutions, 2020



#### **Community College Graduation Rates**

Percent of first-time, full-time, degree-seeking students earning an associate degree within 3 years or a certificate within 1.5 years







#### The NSHE Pipeline to the Workforce

#### **Completers by Institution**

	2011-12	2023-24	% CHANGE
UNLV	5,198	6,901	32.8%
UNR	3,240	4,567	41.0%
NSU	272	818	200.7%
CSN	2,179	4,632	112.6%
GBC	380	693	82.4%
TMCC	1,082	2,361	118.2%
WNC	495	874	76.6%
TOTAL	12,846	20,846	62.3%

Our contributions to the state continue to grow as NSHE institutions are graduating more students than ever before!

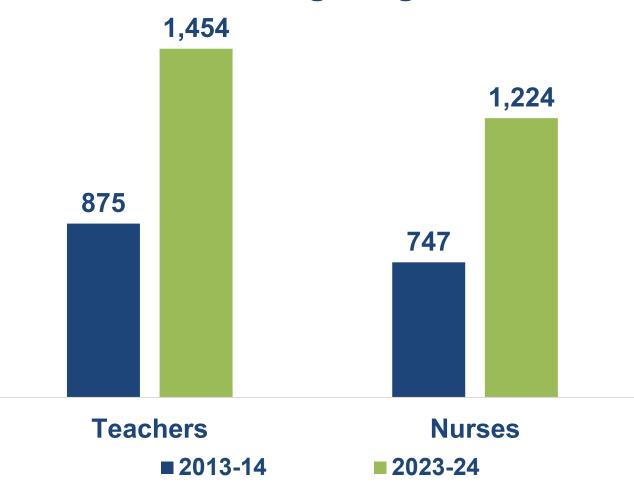
Source: National Center for Education Statistics, IPEDS Completions Survey as of 11/8/24 (NSHE created table)



#### Supporting Nevada's Workforce

Completers in Teacher Preparation and Nursing Programs

NSHE is graduating more teachers and nurses than ever before!



In the last decade, the number of teachers and nurses graduating from NSHE institutions increased 66.2% and 63.9%, respectively.

Source: National Center for Education Statistics, IPEDS, Completion Survey (NSHE created graph)

#### **Desert Research Institute**

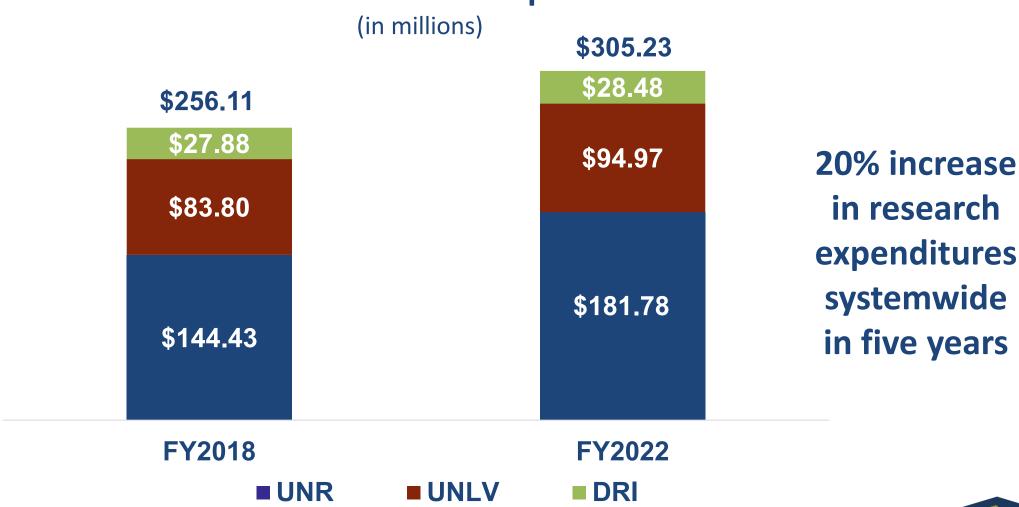
Established in 1959, the Desert Research Institute is advancing scientific knowledge to help solve pressing environmental challenges and improve human health and welfare.

- ❖ 600+ scientists, engineers, students and staff
- Over \$52 million in sponsored research awards
- ❖ 140+ Ph.D faculty in over 40 disciplines
- 2 research campuses
- 70 specialized labs



#### **Advancing Scientific Research**

#### **Institutional Research Expenditures**





# Recommended Funding Formula Revisions

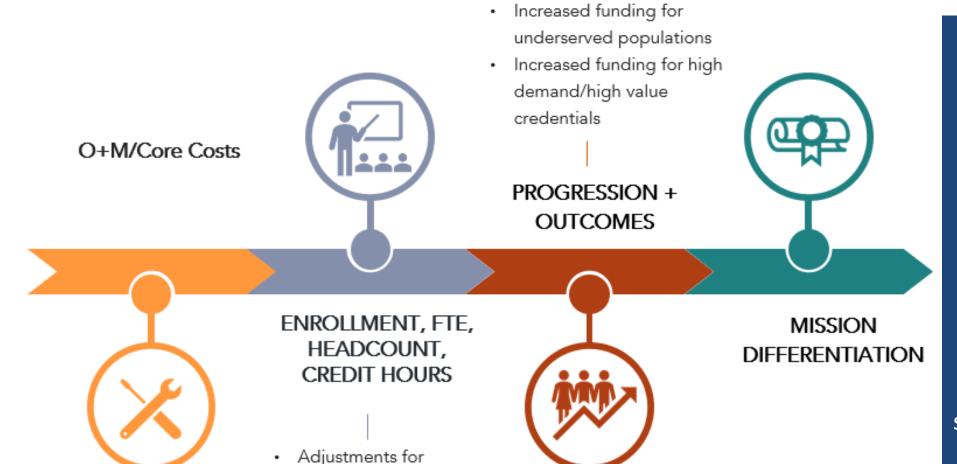


## Study of the NSHE Funding Formula

- **❖** Assembly Bill 493 (Chapter 311, *Statutes of Nevada 2023*) appropriated \$2 million to NSHE for an interim study of the funding formula.
- **❖** The Chancellor established an ad hoc Committee to Study Higher Education Funding to:
  - 1. Evaluate models for higher education funding that are used in other states to support institutions similar to NSHE institutions and compare those models to the current funding model used in Nevada, including allocation methodology and institutional costs for the delivery of instruction.
  - 2. Determine whether other funding allocation methods would be appropriate for NSHE, whereby different missions of research universities, state universities, and community colleges are appropriately considered.
  - 3. Review and make recommendations regarding the method(s) used by other states in the use and reporting of revenue and expenses outside of a state-supported operating budget.



#### A Best Practice and Growing Trend



The Balanced Approach effectively shifts funding based on student attributes (including minority and low-income status) recognizing the additional supports that are often needed to support underserved student populations and shifts funding based on institutional outcomes signaling the importance of performance.

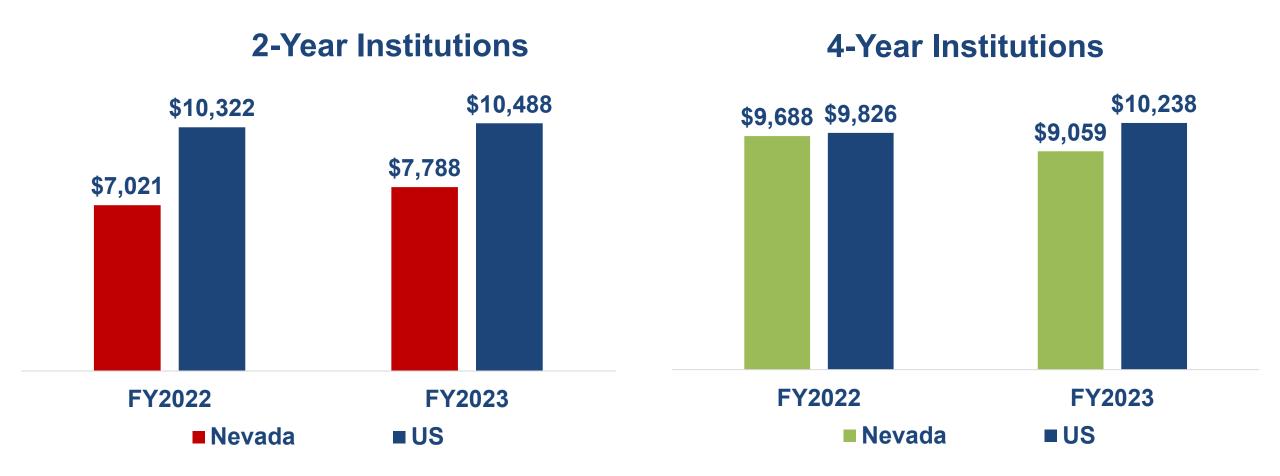


student need/varying

levels of support



#### Public Education Appropriations per FTE by Sector



Source: SHEEO, https://shef.sheeo.org/report\_2/?report\_page=state-funding-and-enrollment#education-appropriations, Table 3.2A (NSHE created graph)

#### Direct Allocation for SIF and Research O&M

The formula recommendations maintain the current direct allocations that address two institution-specific concerns:

- Small Institution Factor (SIF): addresses the challenge for a small institution to fund fixed overhead costs on enrollment-based funding allocations
- Research Facilities Operation & Maintenance (O&M): addresses the higher cost of dedicated research space for the two research (R1) universities.

The formula recommendations maintain both set-asides and include an adjustment to the Small Institution Factor to catch up with inflation.



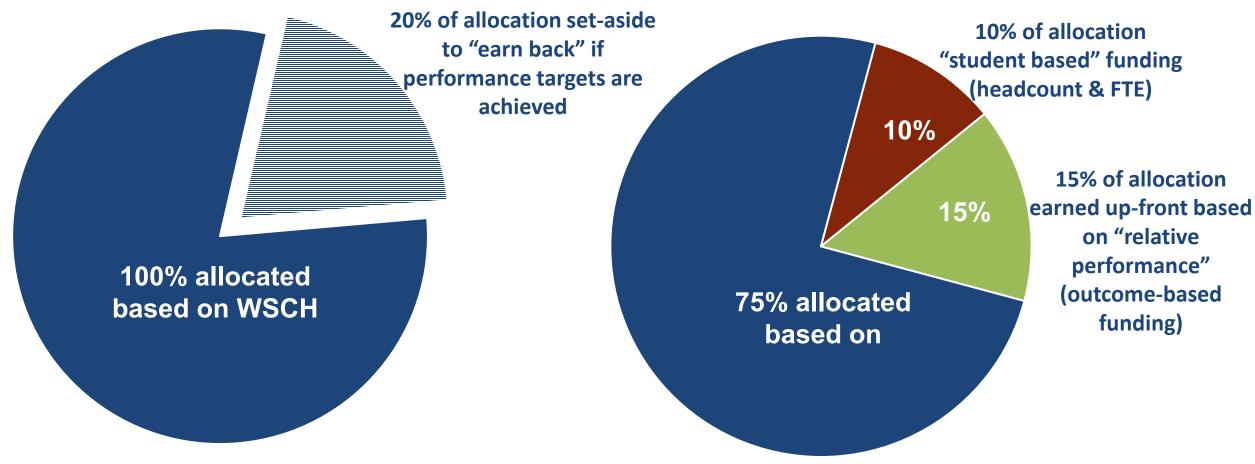
# Small Institution Factor Direct Allocations for GBC and WNC

**Current SIF calculated:** (100,000 – actual WSCH) x \$30 This calculation, including the \$30 value has not been updated since implementation in 2013.

**Recommendation:** Increase SIF threshold from 100,000 to 125,000 WSCH and increase per-WSCH value from \$30 to \$40 + HEPI beginning FY26 (\$40 value derived by applying HEPI to \$30 rate since inception to FY25)



# General Fund Allocation Current Formula Recommended Formula



NOTE: 100% of the Leg. Approved General Fund appropriation is distributed based on WSCH after direct allocations for the small institution factor (SIF) and research O&M are made.



Source: NSHE

## Summary of Formula Revisions/Impacts

Fiscal year 2026 impact of Formula Recommendations as if implemented

Governor's recommendation addresses the significant offset for the universities under the new formula's redistribution.

	75/10/15 Reallocation	125,000 WSCH + HEPI SIF Adjustment	Total Impact If Changes Implemented
UNLV	\$ (9,563,653)	-	\$ (9,563,653)
UNR	(10,980,349)	-	(10,980,349)
NSU	4,815,602	-	4,815,602
CSN	9,956,185	-	9,956,185
GBC	1,195,037	1,266,738	2,461,775
TMCC	3,134,132	-	3,134,132
WNC	1,443,046	917,193	2,360,239
Total	-	\$ 2,183,931	\$ 2,183,931



#### **Next Step: NSHE Adequacy Study**

In response to a recommendation of the Chancellor's ad hoc Committee on Higher Education Funding, NSHE commissioned an additional study to determine how much funding the Nevada System of Higher Education needs to support core operating functions (e.g. administration, instruction, and student support services) at a level that allows each institution to achieve its mission at a high level of quality as defined by the Board of Regents.



# NSHE 2025-27 Governor's Recommended Budget



#### **NSHE State Budget: Revenue Summary**

	Legislatively Approved FY25*	Governor Recommends FY26	% Chg.	Governor Recommends FY27	% Chg.	Total 2025-27 Biennium
State Appropriation	\$862,080,124	\$978,392,135	13.5%	\$970,682,145	(0.8%)	\$1,949,074,280
Registration Fees	306,947,840	337,463,631	9.9%	356,528,501	5.6%	693,992,132
Non-resident Tuition	68,712,941	66,795,737	(2.8%)	70,364,158	5.3%	137,159,895
Other Fees	3,989,169	3,034,605		3,038,832		6,073,437
Federal Revenue	3,469,751	4,052,043		4,052,043		8,104,086
Other Revenue	1,701,183	29,111,143		29,134,187		58,245,330
Total	\$1,246,901,008	\$1,418,849,294	13.8%	\$1,433,799,866	1.1%	\$2,852,649,160

<sup>\*</sup> FY25 State Appropriation excludes one-shot appropriations and includes Cost of Living Adjustment, continuity of service, and 2-grade increase for sworn positions appropriated to Board of Examiners for comparability.



## Maintenance and Enhancements Summary

Decision Unit	Governor Recommends FY26	Governor Recommends FY27	Total 2025-27 Biennium
M104 Agency Specific Inflation (Utilities)	\$11,923,520	\$11,923,520	\$23,847,040
M200 thru 204 Caseload Adjustments	30,531,117	30,525,344	61,056,461
M300-Fringe Benefit Rate Adjustments	30,138,798	25,079,005	55,217,803
E145-Small Institution Factor Adjustment	436,787	932,605	1,369,392
E146-Formula Implementation Funds	4,108,799	8,807,913	12,916,712
E685-2023 COLAs funded to 80%	28,743,725	28,743,725	57,487,450
E125/E600 Special Projects Adjustment	(4,550)	(5,150)	(9,700)
NSHE Total	\$105,878,196	\$106,006,962	\$211,885,158

#### Maintenance: Utility Inflation

M-104
Maintenance
adjustment was
determined by
comparing
actual FY24
utility expenses
to budgeted
utility expenses.

Budget Account	Governor Recommends FY26	Governor Recommends FY27	Total 2025-27 Biennium	
UNLV*	\$ 4,760,827	\$ 4,760,827	\$ 9,521,654	
UNR**	3,931,427	3,931,427	7,862,854	
NSU	324,201	324,201	648,402	
CSN	1,748,749	1,748,749	3,497,498	
GBC	284,822	284,822	569,644	
ТМСС	283,452	283,452	566,904	
WNC	237,935	237,935	475,870	
DRI	292,399	292,399	584,798	
SA/SCS	59,708	59,708	119,416	
NSHE Total	\$11,923,520	\$11,923,520	\$23,847,040	



<sup>\*</sup> Includes UNLV Law and UNLV Dental

<sup>\*\*</sup> Includes UNR Medical School, Ag Experiment Station, and UNR Cooperative Extension

#### Maintenance: Caseload-Research O&M

- UNLV and UNR receive O&M funding for dedicated research space square footage
- The FY26 & FY27 adjusted amount is based on FY24 actual state funded O&M expenditures and maintained gross square feet and is institution specific

	FY24 & FY25 Research O&M (Annual)	FY24 Actual State Funded O&M/GSF	Dedicated Research GSF	FY26 & FY27 Research O&M (Annual)	Research O&M Adjustment	
UNLV	\$4,493,978	\$12.45	425,500	\$5,297,560	\$803,582	
UNR	\$5,575,112	\$9.94	596,809	\$5,931,697	\$356,585	
Total	\$10,069,090			\$11,229,257	\$1,160,167	
UNR – non-formula space*		\$9.94	212,050	\$2,107,569	\$2,107,569	





<sup>\*</sup>Note: non-formula dedicated research space has not previously been included in the Research O&M adjustment; however, non-formula budgets have not had adjustments to reflect dedicated research space/mission. UNLV non-formula budgets do not have dedicated research space in their space inventory.

#### **Maintenance: Caseload-Small Institution**

- Great Basin College and Western Nevada College receive a direct allocation to address an economy of scale funding issue
- Current small institution factor is calculated at \$30 per WSCH difference between actual and 100,000 WSCH threshold
- WNC exceeded 100,000 WSCH in FY24 resulting in no SIF under the
   2013 Higher Education funding formula

	FY22 SIF	FY24 WSCH	FY26 & FY27 SIF	SIF Adjustment
GBC	\$551,580	78,363	\$649,110	\$ 97,530
WNC	313,980	102,673	\$0	(313,980)
Total	\$865,560		\$649,110	\$(216,450)

M-201

**Note**: Formula Committee recommendation to increase SIF rate and threshold included later in presentation with formula recommendations

#### **Maintenance: Caseload Growth-WSCH**

Actual
FY24 v FY22
Weighted
Student
Credit Hours
(WSCH)

Note: FY22 and FY24 include summer teaching WSCH consistent with the enhancement approved by the 2023 Legislature

Institution	2022 WSCH	2024 WSCH	Gene		Funding incl. FY25 Leg. Approved COLA
UNLV	1,150,059	1,210,638	60,579	\$10,497,796	\$2,162,683
UNR	764,757	763,647	(1,109)	(192,213)	(39,598)
NSU	179,730	183,813	4,083	707,543	145,763
CSN	565,222	592,720	27,499	4,766,215	981,696
GBC	82,081	78,363	(3,718)	(644,223)	(132,718)
TMCC	204,001	234,861	30,860	5,347,643	1,101,684
WNC	89,534	102,673	13,139	2,276,857	469,062
Total	3,035,382	3,166,714	131,333	\$22,758,618	\$4,688,572







# **Enhancement: Cost of Living Funding**

This enhancement provides additional funds for FY24 and FY25
Cost of Living Adjustments where funding approved in 2023 was less than 80%.

This will allow institutions to fill budgeted positions and maintain current service levels.

Budget Account	FY26	FY27	Total 2025-27 Biennium		
UNLV*	\$13,286,812	\$13,286,812	\$26,573,624		
UNR**	11,416,313	11,416,313	22,832,626		
NSU	536,113	536,113	1,072,226		
CSN	2,666,316	2,666,316	5,332,632		
GBC	204,369	204,369	408,738		
TMCC	521,629	521,629	1,043,258		
WNC	110,685	110,685	221,370		
Prison Education	1,488	1,488	2,976		
NSHE Total	\$28,743,725	\$28,743,725	\$57,487,450		





<sup>\*</sup> Includes UNLV Law and UNLV Dental

<sup>\*\*</sup> Includes UNR Ag Experiment Station and UNR Cooperative Extension

#### Governor Recommends: Phase-In New Formula

FY2026 – Governor recommends funding new formula revisions at 20% for the community colleges and NSU without an offset to the research universities

FY2027 – Governor recommends funding new formula revisions at 40% for the community colleges and NSU without an offset to the research universities



#### **Enhancement: Increase the Small Institution Factor**

Increase the SIF threshold to 125,000 and per WSCH value from \$30 to \$40 + HEPI

	HEPI	Per WSCH Amount
FY25		\$40.00
FY26	2.70%	\$41.08
FY27	5.20%	\$43.22



FY26	WSCH	Current	Proposed		Proposed		Proposed		Proposed		Proposed		Change	FY2	.6 <b>@20</b> %
GBC	78,363	\$ 649,110	\$	1,915,848	\$ 1,266,738	\$	253,348								
WNC	102,673	\$ -	\$	917,193	\$ 917,193	\$	183,439								
Total		\$ 649,110	\$	2,833,041	\$ 2,183,931	\$	436,787								

FY27	WSCH	Current	P	roposed	Change	FY2	27@40%
GBC	78,363	\$ 649,110	\$	2,015,651	\$ 1,366,541	\$	546,616
WNC	102,673	\$ -	\$	964,973	\$ 964,973	\$	385,989
Total		\$ 649,110	\$	2,980,624	\$ 2,331,514	\$	932,605



## **Enhancement: Formula Implementation**

Agency Request and Governor Recommend funding formula allocations without offset to R1 Universities.

Budget Account	New Formula Adjustment FY26	New Formula Adjustment FY27	Governor Recommends FY26 (20%)	Governor Recommends FY27 (40%)	Total 2025-27 Biennium	
UNLV	\$(9,563,653)	\$(9,602,220)	\$ -	\$ -	\$ -	
UNR	(10,980,349)	(12,417,562)	-	-	-	
Summary R1	\$(20,544,002)	\$(22,019,782)	\$ -	\$ -	\$ -	
NSU	4,815,602	5,444,532	963,120	2,177,813	3,140,933	
CSN	9,956,185	10,815,869	1,991,237	4,326,348	6,317,585	
GBC	1,195,037	1,252,812	239,007	501,125	740,132	
TMCC	3,134,132	3,199,791	626,826	1,279,916	1,906,742	
WNC	1,443,046	1,306,777	288,609	522,711	811,320	
NSU and 2 YR	\$20,544,002	\$22,019,782	\$4,108,799	\$8,807,913	\$12,916,712	

#### One-Shot Recommendation – Safety and Security

#### \$11 Million: Facility, Equipment and Technology Investments

In order to enhance the safety/security of the NSHE campuses for our students, faculty, staff, and visitors, one-time funds for equipment and supplies are recommended. These funds will be used for equipment and facility enhancements such as additional security cameras, traffic control, lighting improvements, emergency phones and other priorities as identified by the Chancellor's Safety Council.



#### One-Shot Recommendation – Nursing Expansion

#### \$10 million annually: Nursing Expansion

This recommendation continues funding authorized by Senate Bill 375 from the 2023 Legislation to increase capacity in nursing programs across NSHE. Expansion plans have been put in place resulting in increased cohorts and student enrollment; however, the capacity enhancement and increased enrollments are not to a level to be fully sustainable without additional state support. The additional two years of funding will allow NSHE to fully complete the planned capacity enhancements and move to a self-sustaining status with enrollments, students and General Fund appropriations through the formula.





