A New Model for Funding Higher Education in Nevada

The Chancellor of the Nevada System of Higher Education presented to the Board of Regents and the Legislative Committee to Study the Funding of Higher Education (Chapter 375, *Statutes of Nevada 2011*) a potential new model for funding public higher education. The development of this model is based upon an understanding that the current formula needed to be replaced and that the new funding methodology should reflect principles critical to guide the State and higher education forward in the 21st Century. Such a model can be created that is equitable to all institutions and more transparent than the current formula. Based upon national best practices in higher education financing and the commitment of Nevada to the goals of Complete College America, this proposed model is presented in the hope that the Legislative Committee, its consultant SRI International, and the Board of Regents will find it helpful as a basis for their discussions and final decisions. Work remains to be done in this study process, but the principles embodied in this proposed model represent key elements that need to be considered as the final recommendation from the Legislative Committee is shaped.

The purpose of this document is to outline the principles of the proposed model and then describe conceptually the methodology used in the model.

Principles of the Model

This new funding model, if adopted, will establish a compact between public higher education and the State of Nevada so that NSHE institutions respond to the needs of the State and are provided flexibility to use resources in the best way possible to meet their missions of teaching and research. In that light, the proposed funding model is based on the following principles:

- The primary driver of allocation of state resources to teaching institutions should be instruction as measured by student credit hours. With financial support based on this unit of student progression, each President can manage budgets to encourage excellence and student success.

- State support for instruction at NSHE institutions should be based on greater success in educating students. Thus, the completion of courses, rather than course enrollment, should be the primary formula driver. Further, state support for instruction is based on resident student credit hours only. Nonresident enrollments are excluded from the model's calculations.

- The differing cost of instruction by discipline and by level must be taken into account, and this can be accomplished through a matrix based on the cost studies and experience in other states. Courses are weighted based on discipline and course level. The same course at different types of institutions, such as a community college and university, should have the same level of state support.

- To recognize the research mission of the universities, an additional weighting to upper division and graduate courses is suggested. This additional state support for research reflects the state priorities for the role of research in innovation and economic development.

- Recognizing the diverse nature of the State and NSHE institutions and the need to ensure higher education access to all Nevadans, this model recommends a base level of support for administrative costs for smaller community colleges.

- The cost of operations and maintenance (O&M) of physical plant is included in the base amount given to each institution as driven by weighted student credit hours since this cost supports the institution's instructional work and can be managed within the overall budget. An exception is made for certain research facilities at the universities that serve no direct support role for student instruction.

- Under this proposed model, the revenue from students' tuition and fees remains at each institution. It is the student contribution to the cost of their education, just as the State supports its share of the cost through General Fund support. This methodology enables students (and their families) to see the direct link between their tuition and fees and the services provided to them at the institution they attend.

- A pool of dollars will be distributed to the institutions based on performance. This performance pool will have metrics that reward institutional behavior that results in student success and growing financial support from grants and contracts.

- Finally, in order to ensure public trust, a funding model should be reasonably simple and transparent.

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

This proposed methodology would determine base General Fund support for NSHE's seven instructional institutions. General Fund support for all of the remaining NSHE budget accounts would not be determined utilizing the new funding model.

The Model Defined

The remainder of this document provides the details concerning each component of the model as proposed.

Discipline Clusters and Weights

The proposed model includes an instructional matrix developed by the National Center for Higher Education Management System (NCHEMS) (See **Appendix A** for Discipline Clusters and Weights). The instructional matrix is divided into eleven discipline clusters that are assigned

weights for various course levels (e.g. lower division, upper division, master's, doctoral) using data from cost studies conducted in Texas, Illinois, Ohio and Florida. These are states that have successfully used cost studies in formula funding.

Using NSHE's existing instructional taxonomy that includes the two-digit Classification of Instructional Programs (CIP) for all state-supported courses delivered across the System, NCHEMS mapped the existing CIP categories to the appropriate discipline clusters for the purpose of assigning weights to the completed credit hours generated. The table of discipline clusters and weights denotes the specific CIP prefixes that fall within each discipline cluster and the corresponding weight NCHEMS assigned to the cluster.

This matrix assigns weights based on a student's progression to degree completion (e.g. upper division is weighted more than lower division, etc.) and will further provide for funding based on the discipline cluster as recommended by NCHEMS (e.g. clinical and science, technology, engineering and math (STEM) fields will have greater weights than liberal arts). Only credit hours for students who complete courses are used in the formula; student course withdrawals are excluded. Completed courses include courses where a grade has been posted and where resources have been dedicated to instruction of a student, but excludes "withdrawals" and cases where the final grade has not been posted. In addition, the model excludes non-resident credit hours for the purposes of calculating state support.

The completed student credit hours are multiplied by the weight assigned in the instructional matrix to determine the weighted student credit hours for each institution. For purposes of the new model, course completions are based on the most recent actual completions.

Price per Weighted Student Credit Hour

Weighted student credit hours (WSCH) for each institution will be multiplied by an average *price* that will initially be determined based on the current state appropriation less the cost of any adjustments for small institutions and O&M costs directly related to university research facilities.

$$\text{Average Price per WSCH} = \frac{\text{General Fund appropriation for the seven teaching institutions}}{\text{Completed WSCH for the seven teaching institutions}}$$

This average *price* is the amount the formula will generate for each weighted student credit hour – effectively establishing a system-wide price for course completions. The average *price* will be applied to the institutional WSCH to determine base funding for each institution.

Institutional WSCH x Average Price per WSCH = Base Amount for each NSHE institution

General Fund Only Model

The proposed model allocates General Fund dollars only without the inclusion of student tuition and fees. The funding model then provides that each institution will retain 100 percent of student registration fee and nonresident tuition revenues generated at that institution. The level of student fee revenues generated by an institution does NOT impact the amount of General Fund support generated by the new funding model. Thus, an institution would receive state General Fund support plus revenue from student tuition and fees. This is a change from the current formula and ensures that each institution's student fee revenue remains at that institution

without an offset to General Fund support. With this, two important factors would be in place. First, the student credit hours generated by nonresident students are not included in the number of weighted student credit hours that determine an institution's state general fund support since this nonresident income will remain at the institution to cover total cost. Secondly, the Board of Regents will continue to monitor tuition and fees levels for reasonableness. The Board will continue to monitor non-resident enrollments and may consider policies related to the appropriate level of non-resident enrollments.

Small Community College Factor

The model recognizes that every institution has a base amount of fixed administrative costs that exist regardless of student body size, and small community colleges do not have sufficient student credit hours to cover this overhead cost and provide instruction. Therefore, the model includes an adjustment for small community colleges' administrative costs that assumes a base amount of $1.5 million that diminishes as an institution reaches 100,000 weighted student credit hours. Once an institution reaches 100,000 weighted student credit hours the small institution factor will be eliminated.

Research Factor

The model assigns higher costs to upper-division and graduate instruction at the state's two research universities since the research mission requires faculty time away from the classroom and administrative infrastructure to support research. This is accomplished through an additional ten percent increase applied to upper-division and graduate student credit hours at UNLV and UNR. This support by the State for the cost of research marks an important milestone in the partnership between the State and NSHE. In addition, research activities will be measured and rewarded through the proposed performance pool.

Operations & Maintenance (O&M)

The proposed model assumes there is a cost relationship between O&M costs and instruction that generates student credit hours. That is to say, facilities that create or support the capacity for instruction should reasonably be expected to generate student credit hours. However, some facilities at the research universities, due to their specialized nature, do not support instruction through the generation of student credit hours (e.g. dedicated faculty labs) and therefore, should receive support apart from the state general fund. The costs of O&M for these specialized research facilities have been removed from the weighted student credit hour price calculation and are funded separately. O&M costs for non-research space is driven by weighted student credit hours since this cost supports the institution's instructional work and can be managed within the overall budget.

Allocation of Funds Generated by the New Model

The model generates a level of General Fund support for each individual institution. State support, when combined with student fee revenues generated by an institution, would represent the total funding available to an institution in a given fiscal year. Each institutional President will be responsible for recommending to the Board of Regents for approval the allocation of these resources to the various functional areas (instruction, academic support, student services, etc) within the college or university budget. Institutional Presidents will have flexibility in establishing a budget plan and institutional priorities, but also will be held accountable for final performance outcomes as measured by student success.

Implementation

Implementation of a new formula within existing appropriation levels necessarily implies reallocation of resources. With the proposed model, the resource reallocation calls into question the viability of northern community colleges to continue to serve their respective service areas (See **Appendix C**). The precipitous decline in state funding that could result for northern community colleges will require a phased implementation and other mitigation measures including possible funding from local entities. Consistent with prior formula studies, implementation is recommended to occur over two biennia. Additionally, a review of the success of any model adopted by the Legislative Committee and implemented for the 2013 Legislative Session will be necessary. Once implemented, a periodic review of the model will be conducted.

Performance Pool

A proposed new performance pool allocated to NSHE institutions for improvements in defined outcomes will provide incentives for institutional progress and reward achievement. The performance pool is based on the following principles:

- Reward performance that contributes to the goals of the Board of Regents, its institutions, and the needs of the state;
- Focus on the number of students completing degrees and certificates of value, student progression toward completion, and external grant/contract funding for research and workforce development;
- Measured outcomes will recognize and support the different missions of each institution; and
- Institutions will be rewarded for achievement and given flexibility in determining the means by which they make progress.

Performance elements or outcomes should be uniform within institution-type – universities, state college, and community colleges, but should also recognize and support individual institutional missions. A methodology for equating institutional growth and improvement that is fair to all institutions in competing for dollars in the performance pool will need to be developed through a thoughtful process that will be supported through the NSHE partnership with the National Governors Association in defining metrics to measure progress toward specific state goals. All outcome data and measures used in the performance pool distribution will be posted on the NSHE web site annually for each institution as soon as they are validated. See **Appendix B** for a *proposed* method of determining institutional points to be used in distribution of performance pool funds. At this point, the performance pool model is for discussion purposes only and will be further discussed and developed through continued conversations with the Board, the Legislative Committee, System staff and through the work of the NGA Policy Academy that will carry on through the coming months. The discussions will necessarily include verification of data and data sources and refinement of common data definitions.

Concluding Remarks

Any funding methodology represents a series of policy decisions. Such is the case here. This new model will result in a reallocation of state General Fund appropriations in a revenue neutral model. Without additional new dollars, the proposed model recognizes that some institutions require more support than they are currently receiving, and therefore redistributes dollars among the institutions. Since this model redistributes only current state support, no conclusion should be drawn that the institutional General Fund dollars generated represent appropriate or adequate

funding. This model clearly addresses equity based on an allocation of General Fund dollars, based primarily on the key responsibility of public higher education to educate Nevada students. It does not address adequacy of state funding for higher education.

The schedule in **Appendix C** outlines how the proposed funding formula would distribute General Fund support within the seven instructional institutions. The funding model utilizes the latest year's completions to determine the number of weighted student credit hours utilized in the formula calculations for the upcoming biennium. Summer and Fall 2011 completions are utilized to project annual FY 2012 completions which are run through the instructional matrix to determine the number of weighted student credit hours for FY 2014. In addition, the research factor increases upper division and graduate weighted student credit hours at UNLV and UNR by ten percent.

The proposed funding model also allocates funding to small community colleges (weighted student credit hours under 100,000) and carves out funding for O&M costs specifically related to research facilities at UNLV and UNR. Total General Fund support for the seven teaching institutions, less the amount allocated by the small institution factor and the research O&M carve out, is divided by the total number of weighted credit hours system-wide. This calculation determines an average amount which is multiplied by each institution's weighted student credit hours.

The amount derived by multiplying of each institution's weighted student credit hours by the system-wide average weighted credit hour is added to any amounts available through the small community college factor and research O&M carve out to determine the total level of General Fund support for each institution.

The Legislative Committee to Study the Funding of Higher Education and its consultant SRI International defined a series of steps to reach a final recommendation and to complete the Committee's work. It is hoped that this proposal, which is based on best practices in higher education funding, will assist in the Committee in its deliberations by addressing key principles of accountability, transparency, and state/NSHE partnerships reflected in this model.

APPENDIX A - DISCIPLINE CLUSTERS AND WEIGHTS

Discipline Cluster	Lower Division	Upper Division	Master's	Doctoral
Liberal Arts, Math, Social Science, Languages, Other	1.0	2.0	4.0	5.0
05. Area, Ethnic, Cultural & Gender Studies	1.0	2.0	4.0	5.0
09. Communication, Journalism & related programs	1.0	2.0	4.0	5.0
16. Foreign Languages, Literature and Linguistics	1.0	2.0	4.0	5.0
19. Family & Consumer Sciences/Human Sciences	1.0	2.0	4.0	5.0
23. English Language & Literature/Letters*	1.0	2.0	4.0	5.0
24. Liberal Arts & Sciences, General Studies	1.0	2.0	4.0	5.0
25. Library Sciences	1.0	2.0	4.0	5.0
27. Mathematics & Statistics*	1.0	2.0	4.0	5.0
28. Reserve Officer Training Corps	1.0	2.0	4.0	5.0
29. Military Technologies	1.0	2.0	4.0	5.0
30. Multi/Interdisciplinary Studies	1.0	2.0	4.0	5.0
38. Philosophy & Religious Studies	1.0	2.0	4.0	5.0
42. Psychology & Applied Psychology	1.0	2.0	4.0	5.0
45. Social Sciences	1.0	2.0	4.0	5.0
54. History	1.0	2.0	4.0	5.0
99. Honors Curriculum and other	1.0	2.0	4.0	5.0
Basic Skills	1.5	n/a	n/a	n/a
32. Basic Skills				
Business	1.0	2.0	4.0	6.0
44. Public Administration & Social Services	1.0	2.0	4.0	6.0
52. Business Mgmt, Marketing & related services	1.0	2.0	4.0	6.0
Education	1.5	2.0	2.5	5.0
13. Education	1.5	2.0	2.5	5.0
Services	1.5	2.0	3.0	4.0
31. Parks, Recreation, Leisure & Fitness Studies	1.5	2.0	3.0	4.0
12. Personal & Culinary Services	1.5	2.0	3.0	4.0
43. Security & Protective Services	1.5	2.0	3.0	4.0
Visual and Performing Arts	1.5	2.5	5.0	5.0
50. Visual and Performing Arts	1.5	2.5	5.0	5.0
Trades/Tech	2.0	2.5	n/a	n/a
46. Construction Trades	2.0	2.5	n/a	n/a
47. Mechanic Repair Technologies/Technicians	2.0	2.5	n/a	n/a
48. Precision Production	2.0	2.5	n/a	n/a
49. Transportation & Materials Moving	2.0	2.5	n/a	n/a
Sciences	2.0	3.0	5.0	8.0
01. Agriculture, Agriculture operations & related	2.0	3.0	5.0	8.0
03. Natural Resources & Conservation	2.0	3.0	5.0	8.0
11. Computer & Information Sciences	2.0	3.0	5.0	8.0
26. Biological & Biomedical Sciences	2.0	3.0	5.0	8.0
40. Physical Sciences	2.0	3.0	5.0	8.0
Law	2.0	2.0	4.0	4.0
22. Legal Professions and Studies	2.0	2.0	4.0	4.0
Engineering/Architecture	2.0	3.0	5.0	8.0
04. Architecture	2.0	3.0	5.0	8.0
14. Engineering	2.0	3.0	5.0	8.0
15. Engineering Technologies/Technicians	2.0	3.0	5.0	8.0
Health	2.0	2.0	5.0	6.0
51. Nursing, Allied Health, Health Professions	2.0	2.0	5.0	6.0

**includes remedial courses at the colleges only*

APPENDIX B - revised

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NSHE PERFORMANCE POOL MODEL FOR CONSIDERATION

There are numerous ways to measure performance, this is but one model for consideration.

The areas proposed to be rewarded under a new performance pool are based on the Board of Regents *Strategic Directions*, institutional missions, and gubernatorial and legislative priorities. These variables include degrees awarded, sponsored research and external expenditures, and progress toward degree for community colleges only.

In order to compare outcomes across institutions, scaling the outcomes is necessary. The outcomes must be appropriately scaled or the calculation of points for the purpose of distributing funds in the performance pool will be skewed and will not represent comparable success for each institution, regardless of size. Utilizing methodology comparable to Tennessee's higher education funding formula based on performance, the following tables are provided as a starting point for a system-wide discussion on the development of appropriate outcome measures for an NSHE performance pool.

Two separate performance pools appear to provide the fairest methodology - one for the universtites and state college and a separate pool for the community colleges. Therefore, C1 and C2 are calculated separately to allow the community colleges to be given rewards for student progress as well as completions of certificates or degrees. Actual numbers of students and expended dollars from external awards are used from FY 2010 before scaling. Tables C1 and C2 include the scaling factors that might be considered. These proposed scaling factors may need to be adjusted as agreed upon in further discussion . The use of scaling factors here is for example only. This method assumes the distribution of the dollars in the performance pool will be based the absolute numbers for each year, which is one of many ways of calculating "points" for the purpose of distributing dollars in the pool. Year-to-year increases may also be included for any or all of the outcomes. It is recommended that the metrics/outcomes be periodically reviewed and adjusted as the goals of the State and the System continue to evolve over time.

A: RAW OUTCOMES (2009-10)

OUTCOMES	UNLV	UNR	NSC	CSN	GBC	TMCC	WNC
1 to 2 Year Certificate	n/a	n/a	n/a	229	47	47	23
Associate's Degrees	n/a	n/a	n/a	1,801	238	671	445
Bachelor's Degrees	3,627	2,319	245	6	59	n/a	6
Master's Degrees	1,264	640	n/a	n/a	n/a	n/a	n/a
Doctoral Degrees	140	95	n/a	n/a	n/a	n/a	n/a
Transfer Students w/24 Credits	n/a	n/a	69	1,692	25	657	138
*Sponsored/External Research Expenditures in millions	61.8	94.1	1.3	5.3	1.9	3.7	5.1
Progression of Remediated Students	n/a	n/a	82	1,647	363	1,794	605
Student Progression: 30 cr hrs	n/a	n/a	26	578	268	723	541
	5,093	3,148	423	5,958	1,002	3,896	1,763

B: 2009-10 STATE SUPPORTED FTE

	UNLV	UNR	NSC	CSN	GBC	TMCC	WNC
Undergradaute	16,978	10,920	1,726	21,997	1,809	7,307	2,888
Master's and Doctorate	3,108	1,851	n/a	n/a	n/a	n/a	n/a
	20,086	12,771	1,726	21,997	1,809	7,307	2,888

1: SCALED UNIVERSITY AND STATE COLLEGE OUTCOMES (2009-10)

	UNLV	UNR	NSC	Total
Bachelor's Degrees (Scale=1)	3627.0	2319.0	245.0	6191.0
Master's Degrees (Scale=1.25)	1580.0	800.0	n/a	2380.0
Doctoral Degrees (Scale=1.5)	210.0	142.5	n/a	352.5
Sponsored/External Expenditures in $100,000's	618.0	941.0	13	1572.0
Points for Performance Pool	6,035.0	4,202.5	258.0	10495.5

C2: SCALED COMMUNITY COLLEGE OUTCOMES (2009-10)

	CSN	GBC	TMCC	WNC	TOTAL
1 to 2 Year Certificate (Scale=1)	229.0	47.0	47.0	23.0	346.0
Associate's Degrees (Scale=1.5)	2,701.5	357.0	1,006.5	667.5	4,732.5
Bachelor's Degrees (Scale =2)	12.0	118.0	n/a	12.0	142.0
Transfer Students w/24 Credits (Scale=.75)	1,269.0	18.8	492.8	103.5	1,884.0
Sponsored/External Expenditures in $100,000's	53.0	19.0	37.0	51.0	160.0
Progression of Remediated Students (Scale = .5)	823.5	181.5	897.0	302.5	2,204.5
Student Progression: 30 cr hrs (Scale=1)	578.0	268.0	723.0	541.0	2,110.0
Points for Performance Pool	5,666.0	1,009.3	3,203.3	1,700.5	11,579.0

*Revised with adjusted sponsored/external expenditures to exclude the scholarship category of expenditures

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Performance Pool Outcomes - Data Definitions

Outcome	Definition
1 to 2 year Certificate	The total number of certificates requiring 30 or more credit hours granted during an academic year. Students earning multiple certificates in an academic year will have each earned certificate count as a separate outcome.
Associate's Degrees	The total number of associate's degrees conferred during an academic year. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome.
Bachelor's Degrees	The total number of bachelor's degrees conferred during an academic year. Students earning multiple degrees in an academi year will have each earned degree count as a separate outcome.
Master's Degrees	The total number of master's degrees conferred during an academic year. Students earning multiple degrees in an academi year will have each earned degree count as a separate outcome.
Doctoral Degrees	The total number of doctoral degrees conferred during an academic year. First-professional degrees (medical, dental, law) are not included. Students earning multiple degrees in an academic year will have each earned degree count as a separate outcome.
Transfer Students* w/24 credits **	The total number of students who tranfered to an NSHE 4-year institution with at least 24 accumulated college-level credits, but no associate degree. Students with a current or prior year earned degree are excluded.
Sponsored/External Research Expenditures	The total amount expended on sponsored programs/projects of research and other scholarly activities for the fiscal year. This amount includes federal, federal pass-through, State of Nevada, other state and local government, private for-profit, private non-profit. Other scholarly activity includes the instructional, public service, scholarship & fellowship, student services, and "other" functional grant categories, including workforce development.
Progression of Remediated Students**	The total number of students who successfully completed a college-level English or mathematics course in the reporting year who completed at least one remedial course in the same subject area in the prior two semesters. Students remediated in more than one subject area and completing the college level course in more than one subject area will be counted for both outcomes.
Student Progression**	Total number of freshmen who during the reporting year achieved the benchmark of 30 cumulative college-level credit hours (excluding remedial courses).

*Transfer students are those who enrolled at a four -year institution during the fall semester of a given reporting year who had earned at least 24 credits at a community college prior to the reporting year. Students are excluded in the transfer category if they earned an award during that year or a prior year. Students are also excluded if they are co-enrolled at a 4-year institution and a 2-year institution during the term in which they otherwise would have been included as a transfer student. Those students will be captured in a future year when not co-enrolled.

**Excluded from outcomes are courses with grades of AU, AD, NR, ND, X, I, F, U, W

APPENDIX C

Formula Funding Proposal
General Fund Only State Budget with adjs for univs Research, Small Institution factor, and univs O&M research space
WSCH for Resident Credit Hours only - FY12 annualized and projected flat to FY14

Formula Budgets	FY 12 Oper Budget Gen Fund	FY 14 WSCH w/o NRSCH	$/WSCH	Small Institution Factor	FY 14 O&M Research Space	FY 14 Gen Fund Distribution	FY 14 GF Incr/Decr over FY12 GF
UNR	92,294,710	659,685	$132.56		3,582,891	91,029,780	(1,264,930)
UNLV	123,898,221	934,511	$132.56		3,218,775	127,096,200	3,197,979
CSN	77,587,864	638,374	$132.56			84,621,933	7,034,069
GBC	14,031,554	63,041	$132.56	1,108,770		9,465,394	(4,566,160)
TMCC	30,603,292	209,107	$132.56			27,718,921	(2,884,371)
WNC	15,029,964	72,985	$132.56	810,450		10,485,236	(4,544,728)
NSC	9,111,439	91,579	$132.56			12,139,580	3,028,141
Sub-Total FB's	362,557,044	2,669,282		1,919,220	6,801,666	362,557,044	0
Non-Formula Budgets							
System Administration	4,506,815						
University Press	473,285						
Special Projects	1,946,486						
System Comp Services	16,669,848						
WICHE	876,119						
Intercollegiate Athletics - UNR	4,850,244						
Statewide programs - UNR	3,256,905						
Cooperative Extension Service	7,460,169						
Agricultural Experiment Station	4,959,258						
Business Center North	1,828,181						
School of Medicine	29,906,783						
State Health Lab	1,518,317						
Intercollegiate Athletics - UNLV	6,988,826						
Statewide programs - UNLV	2,502,209						
Business Center South	1,583,585						
Law School	6,909,123						
Dental School	7,005,286						
Perkins Loans	35,793						
Desert Research Institute	7,421,572						
Sub-Total NFB's	110,698,804						
Total NSHE GF Revenues	473,255,848						
Total Formula Budgets	362,557,044						
Less: SIF & O&M carve out	8,720,886						
Net GF allocation-formula budgets	353,836,158						
Total WSCH-includes research adj	2,669,282						
$/WSCH	$132.56						

WSCH - Weighted Student Credit Hours
NRSCH - Non Resident Student Credit Hours

Small Institution Factor - $1.5M Cap phased out between 50K to 100K WSCH
O&M Carve out - State funded research space

Research factor of 1.10 applied against universities upper division and graduate WSCH
Resident students credit hours only

Adjustments to FY12 Operating Budget:
UNR GF adjusted by <$2.9M> for rechg adjmt - AES, CES, ICA, and S/W increased
UNLV GF adjusted by <$3.12M> for rechg recalc - LS, DS, ICA, and S/W increased

WSCH projection methodology - FY12 annualized WSCH projected to FY14

UNR and UNLV O&M recharge & research space adjustments pending further verification

NOTE: Discusions are on-going with respect to a formula model for DRI.