

**MINUTES OF THE  
COMMITTEE TO STUDY THE FUNDING OF HIGHER EDUCATION'S  
PERFORMANCE POOL, ECONOMIC AND WORKFORCE DEVELOPMENT AND  
RESEARCH SUBCOMMITTEE  
(Senate Bill 374 of the 2011 Legislative Session)  
July 23, 2012**

The Committee to Study the Funding of Higher Education's Performance Pool, Economic and Workforce Development and Research Subcommittee (Senate Bill 374 of the 2011 Legislative Session) held its second meeting of the 2011-12 Interim on July 23, 2012, in room 2135, Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to room 4401, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada and room 123, High Tech Center, Great Basin College, 1500 College Parkway, Elko, Nevada.

**COMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

None

**COMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Assemblyman Paul Aizley, Chairman  
Senator Ben Kieckhefer  
Mike Dillon  
Jason Geddes  
Steve Hill  
Gregory Mosier  
Spencer Stewart

**COMMITTEE MEMBERS PRESENT IN ELKO:**

None

**COMMITTEE MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT IN LAS VEGAS:**

None

**STAFF MEMBERS PRESENT IN CARSON CITY:**

Brian Burke, Senior Program Analyst, Fiscal Analysis Division  
Mike Chapman, Principal Deputy Fiscal Analyst, Fiscal Analysis Division  
Alex Haartz, Program Analyst, Fiscal Analysis Division  
Patti Sullivan, Committee Secretary, Fiscal Analysis Division

**EXHIBITS:**

[Exhibit A](#) – Agenda

[Exhibit B](#) – Minutes of the June 26, 2012, Meeting

[Exhibit C](#) – Postsecondary Accountability and Performance Funding, Nevada's Work with the National Governors Association

[Exhibit D](#) – Nevada System of Higher Education Performance Pool Model for Consideration (Draft), Version 18

[Exhibit E](#) – Nevada System of Higher Education Performance Pool Model for Consideration (Draft), Version 19

[Exhibit F](#) – Appendix A, Discipline Clusters and Weights

[Exhibit G](#) – SRI International – Analysis of States' Use of Student Enrollments and Performance-Related Components

[Exhibit H](#) – National Governors Association, Higher Education Performance: Trends and Issues (Distributed but not Discussed)

**I. ROLL CALL.**

Chairman Aizley called the meeting of the Committee to Study the Funding of Higher Education's Performance Pool, Economic and Workforce Development and Research Subcommittee to order at 1:02 p.m. and the secretary called roll. All the members were present at the meeting in Carson City, except Senator Kieckhefer and Steve Hill, who would join the meeting in progress.

Chairman Aizley said the purpose of the meeting was to prepare for the August meeting of the Subcommittee, at which time the members would vote on the issues the Committee had been assigned.

Mr. Hill joined the meeting at 1:04 p.m.

**II. PUBLIC COMMENT.**

Dr. Jim Richardson, Nevada Faculty Alliance, said he welcomed the chance to put on the record some comments. He referred to his testimony on page 5 of the minutes of the June 26, 2012, meeting ([Exhibit B](#)), where he made four points. He said he and the Nevada Faculty Alliance were in favor of performance funding, particularly the items that were included in the materials from the National Governors Association (NGA). He said the list of items was impressive, and should help move us forward should the Subcommittee choose to adopt them.

Dr. Richardson urged the Subcommittee to give consideration to including national benchmarks, particularly for 6-year graduation rates. He said that Nevada must be able to measure its performance, for good or ill, against what was happening nationally.

Dr. Richardson said the most important point that he made at the June 26, 2012, meeting was the need for new money. He thought the performance pool was a great idea, but given the Nevada System of Higher Education's (NSHE) notice requirements for termination of contracts, he did not know how 15 percent of the funding could be taken away when 85 percent of the institutions' costs were for personnel. He suggested that new resources for the institutions to compete for would be a better motivator. However, it was neither a motivator nor a morale builder to send termination notices.

Dr. Richardson commented on the graduation rate for graduate degree students, pointing out that doctoral students required much more time and resources than master's degree students. Lumping them together was a problem, but it was better than not counting them.

Dr. Shannon Sumpter, Chair, University of Nevada, Las Vegas (UNLV) Faculty Senate and Associate Professor, Department of Theater, thanked the Subcommittee members for their hard work on behalf of higher education in Nevada. She said the effort was a long time coming, and she applauded the Chancellor's commitment to confronting this thorny issue with seriousness and fairness. She saw the process as benefiting everyone, without penalizing anyone.

Dr. Sumpter said she was struck by Senator Horsford's emphatic statement to the Committee, and to all of NSHE, at the May 23, 2012, meeting of the Committee to Study the Funding of Higher Education, when he cautioned that groups that have traditionally been characterized as minorities are, or will become, the major constituents in many of our institutions. She said that to embrace efforts that enhance the economic development of the State of Nevada, we must also embrace students whose development would be essential to that economy.

Dr. Sumpter said she also served as undergraduate coordinator in the Department of Theater, where she routinely deals with the challenges faced by students progressing through their education. Her office was often the first stop for transfer students from the University of Nevada, Reno (UNR), the College of Southern Nevada (CSN) and the northern community colleges seeking guidance. She said there was not a more exhilarating feeling than the final meeting with a student in the fourth, fifth, or sixth year, to confirm their eligibility to graduate. She would welcome a percentage of funding that congratulated all of us – students and faculty alike – on a job well done. In conclusion, she thanked the Subcommittee for their serious work on the funding of higher education in Nevada.

Dr. Tom Piechota, Interim Vice President of Research, Dean of the UNLV Graduate College, and professor in the Department of Civil and Environmental Engineering, provided the following written testimony:

My name is Thomas Piechota, and I am Interim Vice President for Research and Dean of the Graduate College at UNLV. I am also a professor in Civil and Environmental Engineering. I am here to comment

on the portions of the proposed funding formula and performance pool model that relate to research and graduate degrees. First, I want to thank the subcommittee for their hard work and for their interest in understanding the principles for a model that will serve the needs of the state and all its institutions. The UNLV faculty and administration have followed the process closely and are eager to participate in making good policy that serves the needs of all Nevadans. My comments will focus on three points relevant to the funding formula discussion and the performance pool model being proposed.

1. Research Factor: As currently proposed, the factor of 1.1 on upper division and graduate courses is being used to adjust base funding to support the higher cost of teaching of these courses at institutions with a research mission. However, I do have some concern with a low research factor accounting for significant infrastructure and laboratory space committed to research and individual instruction. This is an important issue for the institutions with a research mission; when combined with the performance pool funding, enhancing this factor could be a good approach to supporting the various elements of research and scholarship that support economic diversification.
2. Sponsored Research Expenditures: There are various ways to measure research and scholarly activities, including grants awarded, publications, doctoral programs, patents, startups, and research expenditures. The current measure selected in the performance pool model – sponsored research expenditures – is a good measure of research activities. This is a stable measure that does not vary as much as other measures, such as grant awards. My only suggestion on the proposed model is that sponsored research expenditures be applied to formula-funded areas only. This would not include the professional schools, whose performance is sometimes better measured with other indicators. For instance, the UNLV Law School is consistently ranked in the top 100 law schools nationally, but research expenditures are not a good measure of its success. Instead, its impact is better gauged through scholarly publications and clinical work/community service.
3. Separation of Master's and Doctoral Degrees: Using the number of graduate degrees (master's and doctoral) is another good measure of performance of the research institutions. My only suggestion on the proposed model is that the weighting be separated for master's and doctoral degrees. A higher weight applied to doctoral degrees could potentially reflect the higher cost of providing doctoral programs, the greater emphasis placed on doctoral degrees by research institutions, and the higher return on investment to the state in terms economic value. (The higher cost of doctoral degrees is due to faculty spending

more time mentoring the students and other embedded costs for such functions as compliance, support for core research facilities, technology transfer, and grant management.) The University of Tennessee, Knoxville, is one institution that considers these factors in its performance funding model, weighting master's and doctoral degrees separately.

I am happy to answer any questions you may have and will be available to the subcommittee if any questions come up later on during the hearing.

Dr. Kendall Hartly, Associate Professor, UNLV College of Education, and member of the UNLV Faculty Senate, and the UNLV chapter of the Nevada Faculty Alliance provided the following written testimony:

Hello, my name is Kendall Hartley. I am an associate professor at UNLV in the college of education. I am also a member of the UNLV faculty senate and a member of the UNLV chapter of the Nevada Faculty Alliance.

1. UNLV faculty have been and continue to follow this process closely and are eager to participate in the making of good policy that serves the academic needs of southern Nevada and the state. We appreciate the work of this committee and subcommittee and especially its interest in understanding the principles and not merely the budget numbers.
2. UNLV faculty do not fear or oppose performance-based funding, nor do we necessarily believe it will contribute to grade inflation or lax standards. Indeed, there is precious little to like about how the old formula allocated funds. Nothing in the old formula addressed quality or standards. The proposal of performance-based funding is welcome by a campus that has, according to Department of Education's data from the IPEDS database, the lowest cost-per-degree of any 4-year institution in the state and the highest on the primary measure of degree productivity -- ie degrees per 100 FTE. Like all NSHE campuses, we have done more work with less money over the last few years, so we welcome policies that reward efficiency and productivity.
3. We welcome performance based funding particularly if it is implemented along the terms highlighted in earlier testimony to this committee by the National Governors Association and the SRI International (SRI) consultant's report: the variables for measuring performance, must be simple and clearly defined, they must be closely tied to the specific mission of an institution, they must be appropriately weighted to suit the mission of the institution, and they must be calculated in a way that is clear, fair and transparent.

4. We particularly support the theoretical basis behind the NSHE / NGA proposal of separating out the tiers into different performance pools, and generating variables and weights that are suited to the distinct mission of those tiers. We believe we understand the variables sufficiently to feel they are by and large a good reflection of the mission of UNLV. We do have the following questions:
  - A. Concerning how sponsored research expenditure is counted, as noted by our Vice President for Research, we do not believe that sponsored research by non-formula-funded areas should count for distribution of formula dollars.
  - B. Concerning "At risk graduates" - why does this variable get only a 5% weight at the university level but 10% at the community college and state college level? We as university faculty simply want to state for the record that we do not consider graduating students of limited means and from historically underserved communities to be a uniquely community college or state college mission, and we consider it central to our mission at UNLV and to the future of southern Nevada.
  - C. Concerning Economic Development. In the "economic development" factor, why is this defined using a generic national standard of STEM and Health fields only? Nevada's state plan for economic development has seven economic sectors, including several for which students are trained at UNLV primarily outside STEM and Health -- notably for the sector "Hospitality and Entertainment," we train students in the Hotel Administration college and in some new Fine Arts degrees like "Entertainment Engineering" and "Graphic Design"; for the sector "IT Ecosystems," we train students in the Management Information System program in the Business School. Again, UNLV faculty are eager to participate and are appreciative of the work of this committee. Thank you.

### **III. APPROVAL OF MINUTES OF THE JUNE 26, 2012, MEETING.**

This agenda item was taken out of order.

DR. GEDDES MOVED TO APPROVE THE MINUTES OF THE JUNE 26, 2012, MEETING. THE MOTION WAS SECONDED BY MR. DILLON.

THE MOTION PASSED UNANIMOUSLY.

#### **IV. REVIEW AND DISCUSSION OF THE PERFORMANCE FUNDING MODEL FOR THE NEVADA SYSTEM OF HIGHER EDUCATION PROPOSED BY THE NEVADA SYSTEM OF HIGHER EDUCATION AND THE POLICY ACADEMY TEAM SPONSORED BY THE NATIONAL GOVERNORS ASSOCIATION.**

Heidi Gansert, Governor Sandoval's Chief of Staff, recalled that at the June 27, 2012, meeting of the full Committee she provided a presentation on the results of the National Governors Association (NGA) committee. She said she would present an update, and has also incorporated some information from SRI International.

Mrs. Gansert said Nevada was fortunate to be awarded a grant from the NGA policy academy for postsecondary accountability systems. Referring to page 2 of the handout, Postsecondary Accountability and Performance Funding ([Exhibit C](#)), she noted the following six states participated: Nevada, Colorado, Connecticut, Kentucky, Missouri and Utah. The original members of the team were herself; Assemblyman Marcus Conklin; Julia Teska, Budget Analyst, Department of Administration; Neal Smatresk, President, UNLV; Dan Klaich, Chancellor, NSHE; and, Denice Miller, Vice President Government Relations, MGM Resorts International. The following members were added to provide a broad base of participants: Crystal Abba, Vice Chancellor for Academic & Student Affairs, NSHE; Vic Redding, Vice Chancellor for Finance, NSHE; Mike Richards, President, CSN; Patty Charlton, Senior Vice President of Finance & Administration, CSN; and Mike Wixom, Regent, NSHE.

Mrs. Gansert said the team believed there was a need for outcome-based funding. She said across the United States 18 states used, or have a definite plan to switch to performance based budgeting, and another 14 states were considering performance based budgeting. In addition to the two NGA-led meetings, there were several other meetings in which a collaborative process was used to come up with the best formula for performance based funding.

Mrs. Gansert said one of the most important goals for Nevada higher education was graduating more students. Those graduates would be students who received certificates, associate's, degrees, bachelor's degrees, master's degrees, or doctoral degrees. She said some who are familiar with the old formula may recall that it was very difficult to understand. In fact, even after six years in the Nevada Legislature's money committees she still did not quite grasp exactly how it worked. She thought the formula should be intuitive and simple to understand.

Mrs. Gansert said the Nevada team that worked with the NGA used the Complete College America (CCA) agenda as a starting point to measure the completion of certificates and degrees, compare spending in Nevada to other states, calculate the number of degrees completed per enrollment based on 100 FTE, and assess the quality of those completions. She explained that the team assigned dollars to the different goals to create different outcomes, such as better accountability, performance and collaboration between the two and four-year institutions.

Mrs. Gansert said the team developed a performance model that recognized certificates, degrees, and transfer work. It focused on workforce needs aligning with economic development. There was a focus on access for at-risk students, defined as low-income and minority. There was emphasis on research for the universities, and efficiencies. She noted that Desert Research Institute (DRI) was removed from the pending base funding proposal, because it was solely research focused. She said that NSHE may consider incentivizing them in another way based on research.

Mrs. Gansert said the SRI report was reviewed, and the team highlighted what they thought was important, focusing on remedial success, articulation, differentiation between institutions, rewarding for graduating more students in less time, and independent measures of quality. Mrs. Gansert said SRI recommended weights for each type of system. For example, for UNR and UNLV a medium weight was given for the production of degrees, and science, technology, engineering, and mathematics (STEM) and allied health fields. Nevada State College and the community colleges were also given different weights for different metrics.

Referring to the NSHE Performance Pool Model for Consideration, version 19 ([Exhibit E](#)), Mrs. Gansert said much of what SRI discussed was reflected in the table, but to attach dollars to performance, percentages must be used rather than weights.

Chairman Aizley asked for the difference between version 18 and version 19 of the NSHE Performance Pool Model for Consideration. Mrs. Gansert said the data has been updated to 2010-11 from 2009-10, and at-risk had been defined as only low-income students, but minority students were included in the updated version. She noted that the Ohio model also considered first generation students, and students whose ACT score was lower than 1600 or 1700 to be at-risk.

Senator Kieckhefer joined the meeting at 1:25 p.m.

Mrs. Gansert said economic development metric included STEM and allied health. She noted there was a suggestion in the comments to expand that. In addition, there was discussion about potentially adding some of the hotel school courses. She noted that the IT courses were included in STEM. She directed the Subcommittee to page 19 of the handout Postsecondary Accountability and Performance Funding, Nevada's Work with the National Governors Association ([Exhibit C](#)) to a list of outcome definitions. She said, completions were most important, with the number of students graduated weighted between 50 percent and 60 percent consistently. Economic development was weighted 15 percent across the board. At-risk students were weighted 5 percent for UNR and UNLV, and 10 percent for Nevada State College and the community colleges. Efficiency, or awards per 100 FTE, was weighted 5 percent for all of the institutions. Transfers were weighted lower for the universities, and higher for the community college system. Gateway course completion was weighted for Nevada State College and the community colleges between 5 percent and 10 percent. Research was shown under the university performance model for UNR and UNLV. She reiterated that DRI had been removed.



Chairman Aizley asked the purpose of having combined weights of 100 percent. He noted there was no percentage being discussed. Mrs. Gansert explained that for a pool of \$1 million, this would be how the importance of the different outcomes would be weighted within that pool. A point system could be created, which would then be prorated into percentages. She noted the greatest weight was for completions, whether for a bachelor's or master's degree.

Ms. Abba said the team based the weights on the methodology that was used by the State of Tennessee for its performance funding formula. She said Tennessee had a weighting mechanism that assigned priorities to the outcomes. The number one priority was to graduate students with bachelor's degrees. The institution selected a weight for each priority, which added up to 100 percent. She said, in addition, Tennessee had a "scaling" mechanism. She reported that a scaling mechanism had been included in earlier versions of the performance pool model, but the team felt that it was confusing, so it was removed.

Chairman Aizley noted that the weights could change, and not add to 100 percent. Mrs. Gansert agreed, but added, whether a 100 point system, or a 150 point system was used, some priorities would be weighted more than others. She noted that SRI's system was more subjective, using the terms "lighter weight" or "heavy weight." She said that the team came up with numbers to reflect the priorities.

Ms. Abba added that assigning numbers enabled control over the institutions to some extent. Initially, for the measurements to have some level of integrity, 100 percent was the right number.

Chairman Aizley noted that there were three "100 percents" on version 19 ([Exhibit E](#)). He said there must be a larger number somewhere that was divided into three pieces. Mrs. Gansert agreed that was correct. She noted there has been discussion about the amount of the performance pool. She said that SRI and the professor from UNLV both suggested the number should be double-digits. In addition, it was suggested that the performance pool should be taken from the current pool of funds. For example, if there was \$100 million, \$15 million would be reapportioned amongst the pools based on the percentages of the outcomes.

Senator Kieckhefer asked if TMCC had any baccalaureate programs, and Ms. Abba said it did not. He recalled that version 18 ([Exhibit D](#)) of the model included a note that there may have been incomplete data for all of the schools on minority students. He asked if that situation had been rectified. Ms. Abba confirmed that it had. She said that version 17 of the model only include low-income, PELL-eligible students. The minority students were added to the at-risk number. She said versions 18 and 19 had complete data including both minority and low-income students.

Senator Kieckhefer asked whether a student that was both minority and low-income would carry both of the weights in the funding formula. Ms. Abba said that student would only be counted once.

Mr. Dillon asked how the graduation rates were calculated. He asked if the numbers reflected an improvement in the graduation rate for an institution from 50 percent to 55 percent, or whether the improvement was compared to a national standard. Ms. Abba noted that there was no graduation rate connected to the outcomes. However, there was an efficiency measure of awards per 100 FTE. In conversations with NGA, the National Center for Higher Education Management Systems (NCHEMS) and State Higher Education Executive Officers (SHEEO), it was recommended that a graduation rate measure not be used for many reasons. One issue was that a cohort must be clearly defined. Nationally there were conversations going on regarding the IPEDS cohort used in the past of first-time full-time degree-seeking students. IPEDS was holding an open comment period about adding part-time students to the cohort, but for many institutions, that would not capture all of their students. For example, transfer students would need to be added. She said, in conversations with NGA, they recommended that comparing that as a ratio to the 100 FTE was a better measure in terms of the number of degrees. She described that as an input-output measure, versus graduation rate, which was a cohort measure. The other complication with using the graduation rate was that under the IPEDS definition, UNR's graduation rate would be around 40 percent. If a percent was used, then weighted, the result would be that some points would be less than one. That could be made higher by using some mechanism of scaling, but it would be more complicated, and the team would like for it to be easily understood and transparent. She said if the graduation rate were used, then the efficiency measure should be swapped out.

Mr. Dillon asked if that was being compared on a national level. Ms. Abba responded not at this point. She said the team has not had that conversation, but was focused on finding outcomes on which everyone could agree. That was not to say that some kind of national efficiency measure could not be used going forward, but that would change the way the points were counted, and points translated to dollars. She said, to some extent, it was an art, and not a science, to come up with something that was easily understood and based on best practices.

Mr. Dillon said he would be interested in more detail on this topic. He thought the national benchmark was an important part of evaluating the system. He appreciated the good work of the team.

Dr. Mosier recalled that at the June 27, 2012, meeting, Travis Reindl, NGA, used three states as models. He said at least two of those states – Pennsylvania and Tennessee - used national benchmarks in their performance based funding metrics. He noted that in a presentation by the State of Tennessee in August 2010, for the 2010 to 2015 timeframe, one of the defining features of their formula funding for performance based funding emphasized national benchmarking.

Ms. Abba said the team had several conversations with staff at the State of Tennessee. She noted there was a complex spreadsheet showing the formula that was accessible from their website ([http://www.state.tn.us/thec/Divisions/Fiscal/fiscal\\_affairs.html](http://www.state.tn.us/thec/Divisions/Fiscal/fiscal_affairs.html)). She explained that the points were assigned based on the outcomes. The spreadsheet data

does not include national benchmarks. The benchmarks were used for the purpose of tracking progress toward a defined outcome, but they are not included in the point system. She said the team would take a closer look to make sure they were correct.

Dr. Mosier said he would share the link to the website where both Pennsylvania and Tennessee stated that a national benchmark was an important feature of a performance based funding pool.

Ms. Abba said, for graduation rates, once a cohort was agreed upon, there would be no access to national data from other states about transfer students for comparison. The new or old IPEDs definition could be used, but access to all the data for purposes of comparison to the national benchmarks was needed. She added, if the national benchmark for graduation rate was 60 percent, and Nevada was 40 percent, what would that mean for the purposes of the performance pool?

Dr. Mosier said the question was whether the State of Nevada wanted to represent itself to the rest of the United States and the world as a state that did not want to be compared to our competitors.

Mrs. Gansert agreed that graduation rates were very important, and NSHE would pay attention to that. She said the issue was how to use scaling within the framework of the model. She said NGA suggested using efficiency, degrees per 100 FTE, or graduation rate. The team thought using degrees per 100 FTE was cleaner. Also, using graduation rates and degrees was somewhat redundant, because of the raw number count of graduates. Funding would shift based on the outcome, which was the number of students graduated from the institution. She said that was reflected in the model, but not as a percentage rate.

Dr. Geddes observed that bachelor's, master's and doctoral degrees were counted. He asked how the 12-credit, post-baccalaureate certificates would be counted. Ms. Abba said those certificates were not included in the model. She believed those figures were available from IPEDS. She said one reason they were not included was that the post-baccalaureate certificates are not approved by the board or NSHE's academic officer council, which was the case with the one to two year certificates.

Mrs. Gansert said the model was designed to demonstrate mission differentiation, and it seemed that there was more and more crossover. For example, community colleges were adding bachelor's degrees, and certificates were offered by UNR and UNLV. A decision was needed as to what performance was important to reward.

Chairman Aizley asked, if a student registered at UNLV, and took 24 credits from CSN before graduation, how many times would that student be counted, and where? Ms. Abba said an elaborate mechanism was created to map transfer students with a transferable associate's degree, or 24 credits. She said the team was in the process of mapping the students so that when a student was identified at CSN, the same student would be identified at UNLV, and not double counted. She explained that in the following years, when the students earned other degrees, it would be appropriate to count them again.

Mr. Hill said the certificate issue raised a question: how often would the formula change over time? He said certificates were becoming more important, and playing more of a role.

Mrs. Gansert said the formula could evolve as the dynamics of education changed.

Ms. Abba said the team had a number of discussions to assure that everything that was available to the students was being counted. The one to two year certificates were issued by the institution. She said Mr. Hill was referring to the nationally-portable and stackable certificates. In the short term, there would be considerable growth in those certificates, and the team wanted to make sure they are appropriately identified and tracked. She informed the Subcommittee that employers indicated those certificates were absolutely critical to meeting workforce needs.

Mrs. Gansert said there was a placeholder in the community college system formula for workforce recognized certificates.

Mr. Hill noted that SRI intended to follow up on their research and economic development comments in their next issuance, and asked when that would be available. He asked for SRI's viewpoint of how that research should be measured as it related to the performance pool.

Alex Haartz, Program Analyst, Fiscal Analysis Division, responded that SRI planned to provide the full Committee with a revised final report at its August 29, 2012, meeting. The Committee members would receive the report about one week before the meeting.

Dr. Stewart asked why completions per 100 FTE was selected rather than degrees awarded per \$100,000 of funding. Ms. Abba explained that the NGA policy academy agreed to four general metrics. The purpose of those metrics was to measure progress for defined state goals. The goals were to graduate more students, and graduate students in the areas that support Nevada's new economy. Metric 2 was efficiency and metric 3 was return on investment. At the time the model was drafted, metric 3 was not finalized. There were some challenges with what was reported by the institutions to IPEDS for the base funding. For that measure, it was recommended to use net tuition revenues and state support. Unfortunately, in IPEDS the data was not clean, and did not make much sense. She said that metric would be finalized in the next couple of weeks.

Dr. Stewart noted the Tennessee graduation rate was included in its model, and was the metric with the heaviest weight, at about 20 percent. He said the larger question for the Subcommittee, and the Committee in general, was how to shape institutional and individual behavior. He said it would behoove us to figure out how to convince students get a degree in three years rather than four years. He suggested that graduation rate be given a significant weight.

Ms. Abba agreed and added that in the Tennessee model, the graduation rate was scaled by .04 so that a meaningful number could be weighted. The team felt that scaling did not add to transparency, and was confusing to explain. She noted the numbers Tennessee showed for its graduation rate did not actually reflect the actual rate of graduation.

Mrs. Gansert noted that the graduation rate can be weighted internally to compare with other states. For example, Tennessee's rate was 60 percent, and Nevada was between 50 percent to 60 percent for all graduates. She noted the point was for the students to complete their degrees.

Senator Kieckhefer was concerned that the performance pool did not put enough weight on economic development. He asked how the 15 percent weighting for STEM and allied health graduates was reached. He asked whether including STEM and allied health graduates was in line with the seven pillars of economic development. He observed that 15 percent was a very small amount to use toward leveraging economic development graduates, and he did not think that was sufficient.

Mrs. Gansert said that STEM and allied health were used as a proxy for economic development. Referring to the definitions on page 2 of the NSHE Performance Pool Model ([Exhibit D](#)), STEM includes computer and information sciences, engineering, math, and statistics. She noted most of these disciplines were within the economic development pillars. She said the hotel school may be added as well. She noted that the 15 percent weighting was almost a double weighting, because graduates in all degrees were weighted, then the STEM areas are being weighted again.

Ms. Abba added that was in alignment with SRI's recommendation. She noted that they used the term "additional" when describing the weight in the model, which basically meant that they were counted twice.

Senator Kieckhefer noted that the focus was on a set-aside performance pool. He asked if there was discussion about revisiting the base funding. He said the weighted student credit hours were based on approximate costs, but perhaps the weight for instruction in areas that generate these graduates could be increased. Ms. Abba noted that was one of the questions from LCB staff. She said the matrix was generally cost informed based on cost studies done in other states. She said there was not a one-to-one match between the discipline clusters and the industry clusters that were identified in the state's economic development plan. Generally, those areas identified as being critical sectors for economic development, such as engineering and health care, received a higher weight inside of the base funding through the discipline cluster metric. She noted that in some cases the discipline and industry cluster are aligned, but that was happenstance, and not necessarily intentional.

Senator Kieckhefer said covering costs does not necessarily incentivize more production in those areas. On a different topic, he noted the universities were weighted

5 percent for transfers with an associate's degree. He asked why the universities were being rewarded for the product of the community colleges.

Ms. Abba said the team wanted to incentivize the two-year and four-year institutions to work together so that the transfer and articulation policies would start working. Those policies have been in place for a number of years, but the data does not necessarily reflect that those students were transferring at desirable rates. She said the team felt that including this metric would appropriately incentivize that type of partnership and collaboration between the two types of institutions. She pointed out that this metric was not included in the previous versions. As for the community colleges, there are many cases in which students transfer before they earn an associate's degree. On the university side, we want to incentivize receiving that transferable associate's degree. Therefore, only the transferable associate's degrees were counted, versus the two-year pool, where both students with 24 credits and transferable associate's degrees were counted.

Chairman Aizley pointed out that students paying out-of-state tuition, who were not Nevada residents, were not included. He said there were many graduate students who competed to come into the graduate programs, and for one reason or another, their out-of-state tuition was waived, the tuition was not being paid, and the students were not counted. Ms. Abba said in the base funding, the nonresident students were excluded, but if a nonresident student graduated, that degree would be counted for the purpose of the performance pool metrics.

Chairman Aizley asked why the nonresident student was not included in the base funding. Vic Redding, Vice Chancellor for Finance, NSHE, explained that nonresident graduate or undergraduate students were not included in the base funding for completed weighted credit hours. The new model only funded weighted student credit hours for resident students. In conjunction with keeping the nonresident tuition and registration fees outside of that model, the state would only contribute to resident education. Chairman Aizley said those students were not paying out-of-state tuition, and someone needed to pay for their education.

Ms. Abba noted that if the students were deemed to be residents for tuition purposes, they would be counted in the performance pool model.

Mr. Redding said the decision to include nonresident students with nonresident tuition waivers in the base funding was the kind of decision the institutions could be incentivized to make. The only part of the base funding model the system would not be requesting the state to pay would be the weighted student credit hours of those nonresident graduate students. If they were to convert to resident status they would be counted.

Chairman Aizley said he thought this was a problem, and he would ask the larger Committee for a discussion of the issue.

Senator Kieckhefer understood there were three tiers, and a baseline of General Fund appropriation going to each institution based on the formula. He asked whether all of the funding was considered, less 15 percent, which would then be re-appropriated based on the weighted points, or would each institution compete for the 15 percent that was held back from its own funding?

Mrs. Gansert said all of the institutions would be competing for the larger pool. If there was \$10 million available to the community college system, that money would be distributed based on the outcomes in the measurement system.

Senator Kieckhefer said if UNR and UNLV had a baseline appropriation of \$215 million, and \$30 million was taken from the base for the performance pool, based on the metric, UNR would get 41.2 percent, and UNLV would be 58.8 percent.

Mrs. Gansert agreed that would be correct.

Chairman Aizley asked when and how the transfer of funds would take place. Ms. Abba said that detail has not been decided. She said the figures for FY 2012 would not be available until October. Those funds could be transferred mid-year, or at the beginning of the next fiscal year.

Mr. Redding said that was a mechanical implementation issue that they struggled with, and the team has not come up with a good solution. He explained that to increase or decrease an institution's budget mid-year was problematic, particularly considering the reporting deadlines and the large amount of money involved. For instance, FY 2012 data will be available for analysis in October or November of 2012, which was six months into the fiscal year.

Chairman Aizley said that to add dollars would be fine, but to subtract dollars would not. You cannot end a course that has been running for 15 weeks.

Mr. Redding said there were some ways to mitigate the reduction in funding. For example, keeping the incentivized funding outside of the traditional state-supported operating budget with its reversion and expenditure deadlines. He said the institutions would have to make strategic decisions as to what kinds of expenses they associated with the funds, as they are essentially, recurring, but one-time funds.

Dr. Stewart observed that Nevada State College (NSC) would be competing against itself. He asked, if NSC did not meet certain benchmarks and objectives, would the excess it did not receive be divided up among the other pools?

Ms. Abba said that has not been determined, however, it would not be recommended to return to the General Fund. It was possible to distribute to the other institutions that performed exceedingly well any funds that are not earned by an institution. She said those are the kinds of questions they continue to grapple with.

Senator Kieckhefer noted that numbers of degrees and amounts of research are gross numbers, resulting in the performance ultimately being based on size alone. Institutions with more students would graduate more students. This would provide an incentive for institutions to grow, without a plan for targeted growth. He asked if efficiency would be a more effective way to determine which institutions were meeting performance expectations.

Ms. Abba said that issue has been a struggle from the beginning. For example, in the community college pool, CSN was the largest institution, with 1,300 weighted points. The next largest was Truckee Meadows Community College (TMCC) with 753 points. To some extent, these institutions were being rewarded for their larger size, due to economies of scale. However, that advantage would be partially abated because those larger institutions would contribute more to that pool by way of the 15 percent contribution. She noted that Great Basin College (GBC) was unique. Since GBC serves a rural area they do not perform well on some metrics. However, GBC's contribution of 15 percent was significantly less than the other institutions.

Mrs. Gansert asked the Subcommittee members to keep in mind that the money would shift with changes in behavior. As performance increased, the amounts increased. She agreed that the larger institutions would contribute more to start, but they would get that back, and more, as rates increase. When an institution's rate of graduation increases, it will get more of the funds than other institutions without an increase. The funding would shift within the pool depending on outcomes.

Senator Kieckhefer noted that the rate of graduation was weighted lightly, but the number of graduates was weighted more heavily. Mrs. Gansert agreed that was correct.

Mr. Dillon said that national benchmarks were important, because to know whether NSHE's performance was improving compared to the rest of the country, there must be something to evaluate that performance against. He added that bigger was not necessarily better.

Ms. Abba agreed and asked the Subcommittee to keep in mind that there were national benchmarks for some of the outcomes, but not all of the outcomes. She said, regarding graduation rate benchmarks, the Subcommittee would have to have a concerted conversation about which students would be included in that cohort going forward.

Mr. Hill commented that one of the main economic drivers was the number of degrees produced, and the percentage of the population in the state that has earned a degree. He thought that emphasis was appropriate, certainly on an economic development level. He would like for the percentage to be higher, and thought it was worthwhile to consider degrees outside of STEM. He noted that, at least anecdotally, the shortages are in STEM jobs. Also, simplicity in measurements was important. He cautioned that if we try to parse too many of the areas, the 15 percent of 15 percent will be broken into a relatively small number.



Chairman Aizley noted that the SRI report addresses the quality of the programs. He cautioned that the pressure to produce more degrees might result in the faculty giving higher grades, and he wondered how that would be prevented.

Ms. Abba noted that was a recurring conversation among the NGA policy academy team. She said quality cannot be forsaken for degree completion. The institutions must continue to graduate students, while maintaining the quality of the programs. In terms of accountability metrics, the Chancellor has created a quality assessment working group made up of faculty. The group was charged with making recommendations specific to quality. She said there are no national benchmarks or metrics for quality. To some extent, NSHE was leading the charge nationally on that issue. She added that the NGA policy academy team discussed indirect and direct measurements of degree quality.

Ms. Abba noted that S.B. 449 (2011 Legislative Session) requires that graduates be tracked into the workplace. For the first time NSHE will know how many of its nursing graduates were working inside the area of healthcare. The challenge was that the data was at the industry level rather than the occupation level. She noted that, that measure, in and of itself, was not a quality measure. Faculty suggested that an assessment mechanism similar to the CLA be put into place to measure learning outcomes to assure that between the time the student was a freshman and graduation, the student has improved critical thinking skills.

Mrs. Gansert added that licensures was another metric that was discussed. For example, how many of the nursing graduates have a nursing license, and how many accounting graduates become CPAs. That information was not currently being tracked, but it would be a way to determine quality, and whether national standards are being met.

Ms. Abba said there was no nationally-recognized way to measure licensure. For example, for nurses there was a measurement of licensure rate, but there was no licensure for interior designers. For engineers there are various tests and that would be very complex to measure. In the end, the quality metric could end up looking like a patchwork of pieces from all of the different disciplines, and it may not be uniform across all disciplines, colleges and institutions. She said it would take more time to get to that point.

Chairman Aizley asked if a survey of employer satisfaction had been considered. He thought that would be the best test of the professors' success. Ms. Abba said that was the initial suggestion in S.B. 449 (2011 Legislative Session). NSHE recommended that workplace data be recommended in lieu of surveys. The surveys are being performed to some extent, but they are subjective, and inconsistent.

Chairman Aizley noted that the professional schools – dental, law and medical – are not included in the performance measures. He asked whether those research dollars should be included in the model under sponsored research ([Exhibit E](#)).

Mr. Redding said at the time, the institutions' entire sponsored project activity was included in the model. That could be separated, however, there are a couple of issues with that. First, he asked whether a dollar that comes in through the medical school was any less valuable than a dollar that comes in through the biology department. Second, he said there was a mechanical issue that caused some problems. He said it was not unusual for a principal investigator (PI) in a statewide program to receive a grant that included work from someone in the history department, which would combine a non-formula account and a formula faculty member. Similarly, in the medical school it was not unusual for a PI in statewide programs to receive a grant that involved someone in the biology department, the agriculture experiment station, and the college of agriculture. He said there was some "cross pollination" between formula and non-formula units within the university, which was not recognized in the grants. He said that issue could be studied in more detail if the Subcommittee would like to pursue it.

Chairman Aizley asked if those numbers were included in version 19 of the model ([Exhibit E](#)). Mr. Redding said they were. For example, UNLV's numbers included the law school and dental school, and UNR's numbers include the medical school, as well as agriculture, cooperative extension, and statewide programs.

Chairman Aizley asked for a version of the model that did not include those numbers. Mr. Redding said he would review the numbers to see how many of the issues cropped up.

Senator Kieckhefer asked if there was discussion about adding Desert Research Institute (DRI) to the weighted research. Ms. Abba noted that was included in the previous versions of the model, but was not included in version 19 ([Exhibit E](#)), because DRI was not currently included in the base funding. However, DRI has made a strong argument for being included in the base funding, and has prepared a model. She explained that DRI was removed from the performance pool due to the perception that it was redundant, in lieu of the base funding proposal that DRI has proposed. She would provide that information to Subcommittee staff.

Chairman Aizley asked the Subcommittee members if they had enough information to follow up on recommendations for the next meeting.

Senator Kieckhefer asked if the Subcommittee would approve the model, and then approve the amount of funding for the pool. It might be useful to see what the distribution looks like with the current model. Also, he said it would be useful to have answers to the unanswered questions, so that it can be implemented in time for NSHE to submit its biennial budget to the Governor. He asked if the Subcommittee would be giving a recommendation to the full committee.

Chairman Aizley said he had similar questions. He said a plan could be presented to the Subcommittee to approve. He asked Senator Kieckhefer if he wanted to see amendments to the plan. He was concerned that the process would be prolonged if that was done. Alex Haartz, Program Analyst, Fiscal Analysis Division, said that the Funding of Higher Education's Funding Formula Subcommittee met on July 11, 2012. In the course of that meeting, the Subcommittee asked NSHE to run additional scenarios based on those concepts, and bring them back to the final meeting of the Funding of Higher Education's Funding Formula Subcommittee. He said the Subcommittee may wish to ask the Chancellor's Office to run several scenarios based on the information presented at today's meeting, such as, 5 percent performance pool versus 20 percent performance pool based upon the point weighting system, the amount of dollars that would be up for competition to determine where those dollars would flow.

Dr. Geddes said he agreed with Senator Kieckhefer that he would like to see the model with the dollar amounts included at 10 percent and 15 percent.

Chairman Aizley asked if the Subcommittee members thought it was necessary to have models for 5 percent, 10 percent, 15 percent and 20 percent.

Ms. Abba said that could be done, but there are a number of challenges and assumptions that must be made.

Mr. Redding said plugging in the numbers on the back end was fairly easy. The challenging part was on the front end. For every scenario, the first things the institutions checked was how much they would contribute versus how much they would potentially get. The amount that an institution would contribute with a 5 percent, 10 percent, 15 percent and 20 percent carve out becomes tricky. If current budget amounts are used, they are based on a formula that has not been run in its purest form for four years. That leaves any of a number of scenarios that the Funding of Higher Education's Funding Formula Subcommittee was considering. He said, the results of the models under the various contribution levels can be provided, but until the starting point was known, the analysis would be somewhat flawed.

Senator Kieckhefer said that the flaws will be limited. There will not be a \$100 million shift from institution to institution, rather the amounts would be a few million.

Mr. Redding said, proportionately, the institution-by-institution results will be accurate. However, dollar-by-dollar by institution, the results will not be accurate. He explained that without knowing what formula model the full committee would select, he did not know where the dollars would break down by institution. For instance, we would not know the correct size of the university pool versus the community college pool

Senator Kieckhefer said he was not on the Funding of Higher Education's Funding Formula Subcommittee, and thought that Mrs. Gansert could expound on that. It did not

seem that the options would be so different that there would be a dramatic shift in the baseline.

Mrs. Gansert said the base model formula could be run without the cost basis. She recalled that had been done before. She said 10 percent and 15 percent benchmarks could be shown. She suggested that a 1 percent benchmark be identified. She did not think the weightings have been changed from the base models. She thought that would result in numbers that will indicate where the distribution will end up, versus where they are now.

Senator Kieckhefer asked if the scenarios would include State General Fund, plus campus retained fees and tuition, to show a more accurate reflection of total dollar figures accessible to these institutions. He was concerned that if a little bit was carved away here and there, and the performance pool took a bit more, an institution could be decimated.

Mr. Redding said it appears that the models that have been run so far just deal with the distribution of General Fund.

Mr. Haartz said the Subcommittee may recall that the NSHE submitted a proposal entitled, "A New Model for Higher Education Funding in Nevada," (Agenda Item III, April 25, 2012, meeting of the full Committee to Study the Funding of Higher Education) of which Appendix C had the original distribution of General Fund dollars among institutions based upon what was approved and appropriated by the 2011 Legislature. Irrespective of the scenarios requested by the Funding of Higher Education's Funding Formula Subcommittee, that might be the cleanest place to have them run the 5 percent, 10 percent, 15 percent and 20 percent scenarios as a starting point. That would provide a baseline to show the changes.

Mr. Redding said, relative to the institution, you will get the right answers, but the absolute dollars will not be exact. He would do that as a starting point, and work with LCB staff to determine whether it was representative of the Subcommittee's request.

Mrs. Gansert suggested considering the use of a stop loss. She noted it was brought up that GBC could potentially lose a significant amount of funding. In the past, there have been hold-harmless formulas that allowed a certain level of funding. She said a stop loss would only allow the loss of a certain amount of dollars. Alternatively, the plan could be phased-in, or a three-year average could be used. She said we can look at ways to mitigate any sudden or dramatic loss of revenue.

Dr. Mosier noted that SRI recommended a national benchmark, like a six-year graduation rate. He said, since we have a report that indicates it is a national model, and lots of states measure that, it might be helpful to have some further information about the types of national benchmarks that are not included in the model. There might be other benchmarks that have been looked at and discounted, but at least the six-year

graduation rate would be one that we are most familiar with. Any information on other national benchmarks would be very helpful.

Ms. Abba said she could provide the Subcommittee with versions 1 through 16 of the model to show national benchmarks that were used. She noted that would include per-FTE in the initial versions to deal with the issue of scalability. On the matter of national benchmarks, particularly with respect to graduation rates, she would need some indication from the Subcommittee about which students to include in the cohort. She said it could be the old IPEDS definition or the new IPEDS definition. She said the extent to which the cohort deviates from IPEDS would not allow for a national comparison, because there was no access to other states' data.

Chairman Aizley asked if the IPEDS comparisons were complete. Ms. Abba said at the moment, she could only get the old definition, which was first-time, full-time degree-seeking students. There was a public comment period in the fall about including part-time students, but that part-time cohort was not available for comparison purposes. The part-time students could be included for the purposes of our own calculation, but not for the purposes of a national benchmark comparison. Even then, a large number of students are not included, for example, transfer students.

Mrs. Gansert said she preferred to use time to graduation and the graduation rates. It sounds complicated, but she wondered if there was a way, to scale it into meaningful data. She said the time to graduation would fall off after six years, and that has not been looked at in terms of a scale or conversion ratio. It may not include everyone and, it was imperfect, but it was important to know.

Ms. Abba said she would start with a basic IPEDS definition, and try to locate the part-time piece for a national comparison. She would try to include the transfer piece, because it would give a complete picture.

Chairman Aizley asked if scenarios for graduation rates other than six years had been run. Ms. Abba said not for the purpose of the performance pool, but she would run a four-year graduation rate scenario at a 150 percent rate and a 200 percent rate, which was what IPEDS was leaning toward.

Mrs. Gansert reported that Complete College America (CCA) had an analysis of four-year and six-year graduation rates. She would be interested in knowing the CCA definition for these purposes. She added the CCA also had an analysis of two-year associate's degrees.

Ms. Abba said CCA recommended going beyond the IPEDS definition, because that definition had received lots of criticism.

Dr. Mosier asked for some kind of summary data in terms of qualitative metrics. He said the qualitative metrics would avoid the gaming of the system with the only driver being the number of graduates. He gave the example of one metric being CPA pass

rate. It would be interesting to know what those might be, and how they would apply to the majority of university and college graduates. He wondered whether there would be a metric for the liberal arts graduates, or would it be devoted specifically to things in the economic development sectors and professional licensure.

Ms. Abba said that we can easily provide a summary from the Chancellor's quality assessment working group as to what quality metrics have currently been agreed to. The challenge, particularly with S.B. 449 (2011 Legislative Session), was that it has not yet been decided, and it took weeks and weeks to compile this information.

Mrs. Gansert asked if the data that was being accumulated was reproducible, or whether it was being done manually, and whether it was being set up to do on an ongoing basis.

Ms. Abba said for the S.B. 449 data, initially, it was a very manual effort, because there are two independent databases, but going forward, the Statewide Longitudinal Data Systems Grant Program (SLDS) will mitigate some of that manual effort. It was challenging because a student may have graduated with a liberal arts degree, but worked in a retail or health care position that had nothing to do with their degree focus. She said the Subcommittee members would be surprised during the course of the five-year period how many jobs the graduate would have been in. For every line of data, a decision must be made in terms of where to count the student in terms of denominator. It was an incredibly time-consuming process.

Senator Kieckhefer asked what action items would be on the agenda of the next Subcommittee meeting.

Chairman Aizley said the Subcommittee heard many suggested changes to the formulas, but every one of the formulas cannot be changed. He hoped to get ideas from the Subcommittee members as to what they were interesting in changing, and what they were interested in keeping. It was more interesting to vote on it as a complete plan rather than to spend hours changing every line. He noted the next meeting of the Subcommittee would be its last. He said the Subcommittee would make a recommendation to the full committee, and he would provide a report, so he needed input from the Subcommittee members in the form of motions and ideas.

Senator Kieckhefer thought there were two questions that should be answered. First, it would make sense for the Subcommittee to vote on a performance pool model. There may be some interest in downgrading some of the percentages. He said it would probably behoove us to recommend a percentage of funding to the full committee.

Chairman Aizley said the percentage in the presentations were important, and if we wanted to change any of the weighting, now would be the time to make that recommendation. He said every time the weighting changed, it changed the recommended plan.

Chairman Aizley said the full committee might accept the recommendations of the Subcommittee, but may want to make changes, as would the Legislature.

Senator Kieckhefer agreed, but said the starting point by which those decisions are made was usually a recommendation from the subcommittee.

Chairman Aizley said he would welcome any recommendations from the Subcommittee members. He did not know whether the Subcommittee members wanted to revisit enrollment budgeting versus performance budgeting at this point. It seemed as if that decision had been made, although there was no vote by the Subcommittee. He said although the Subcommittee was making forward progress, there were lots of unanswered questions.

Senator Kieckhefer thought the Subcommittee members were in general agreement as to the main components of what a performance pool should include. He said the big question was scale, and how that scale would be implemented. He said the policy could be that 50 percent of the funding should be performance-based, graded up at a 5 percent clip year-after-year for ten biennia. He said, although the full body would need to make those decisions, it was appropriate for the Subcommittee to make a recommendation.

Chairman Aizley said he had trouble recommending a 5 percent, 10 percent or 15 percent holdback on the performance funds, because he did not know the results of those percentages. He said he would need more detail.

Senator Kieckhefer noted that the Subcommittee asked for additional numbers to be presented at its next meeting. Once we have that number, and know generally where each percentage point will shift State General Funds, we should be able to make a recommendation.

Chairman Aizley asked how many different scenarios the Subcommittee requested. Ms. Abba said she could provide a “live” spreadsheet at the next meeting to which she could insert different numbers to test various scenarios for the Subcommittee. Assuming the Subcommittee did not request a metric that she has never measured, she could adjust the weights to show the outcomes during the meeting. She recalled that SRI had volunteered that as well.

## **VII. PUBLIC COMMENT.**

Luis Valera, Government Relations Director, UNLV, commented on Senator Kieckhefer’s question about the next meeting. He asked the Subcommittee to consider the following points as it constructs its recommendation. The first point was to consider the hospitality and entertainment category under the economic development priorities, and that the hotel college be weighted appropriately, as well as the College of Fine Arts because of the entertainment engineering, graphic design and IT ecosystems degrees.

Mr. Valera said, regarding the 5 percent allocation to the universities for at-risk graduates who are minority and low-income, when compared to NCS and the community colleges, the unintended message from the state might be that we are steering those students who are at-risk toward two-year degrees, and not encouraging them, or creating a disincentive toward post-graduate degrees. He said that should be evaluated as part of the intended message in encouraging those particular categories of students toward particular institutions.

There was no further public comment.

### **VIII. ADJOURNMENT.**

The meeting was adjourned at 2:48 p.m.

Respectfully submitted,

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Becky Lowe, Transcribing Secretary

APPROVED:

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Paul Aizley, Chairman

Date: \_\_\_\_\_

**Copies of exhibits mentioned in these minutes are on file in the Fiscal Analysis Division at the Legislative Counsel Bureau, Carson City, Nevada. The division may be contacted at (775) 684-6821.**