

**SENATE COMMITTEE ON FINANCE AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**JOINT SUBCOMMITTEE ON K-12/HIGHER EDUCATION/CIPs
CLOSING REPORT**

NEVADA SYSTEM OF HIGHER EDUCATION

On May 7, 2015, the Joint Subcommittee on K-12/Higher Education/CIPs completed its review of the Nevada System of Higher Education (NSHE) budget recommendations in The Executive Budget for the 2015-17 biennium. The Subcommittee's actions resulted in a reduction of General Fund appropriations of \$500,000 in FY 2017. The Subcommittee approved the following closing actions:

General Fund Appropriation to Support Construction of a New Hotel

College Academic Building: The Subcommittee recommended the removal of a General Fund appropriation of \$500,000 in FY 2017 from the state-supported operating budget for the University of Nevada, Las Vegas (UNLV), with the understanding that the appropriation will be considered by the Subcommittee on May 18, 2015, as part of the Governor's recommended funding for Capital Improvement Program Project 15-C78, UNLV Hotel College Academic Building.

NSHE Funding Formula and Performance Funding Pool for

Instructional Budgets: The Subcommittee recommended approval of the Governor's recommendation to continue funding the seven state-supported instructional budgets with the funding formula adopted by the

2013 Legislature, and distributing General Fund appropriations based on the NSHE institutions FY 2014 Weighted Student Credit Hours (WSCH). The Subcommittee concurred with the Governor's recommendation to fund WSCH caseload adjustments, including the removal of "F" grades for non-attendance/efforts, with General Fund appropriations of \$12.2 million in each fiscal year of the 2015-17 biennium. As a component of the funding formula, the Subcommittee recommended approval of the Governor's recommendation that Great Basin College (GBC) and Western Nevada College (WNC) receive General Fund appropriations of \$1.1 million and \$835,470, respectively, in each fiscal year of the 2015-17 biennium for small institution funding, and that the funding be appropriated prior to the calculation of the WSCH value as a pre-formula allocation.

The Subcommittee recommended approval of the Governor's recommendation to eliminate \$5.3 million in General Fund appropriations, which supported mitigation funding in FY 2015 for GBC (\$3.0 million) and WNC (\$2.3 million). Additionally, the Subcommittee recommended approval of \$5.0 million and \$4.1 million in each year of the 2015-17 biennium for UNLV and the University of Nevada, Reno (UNR), respectively, to fund research space operations and maintenance (O&M) funding, as recommended by the Governor. The Subcommittee concurred with the Governor's recommendation that the research space O&M funding be appropriated prior to the calculation of the WSCH value as a pre-formula allocation. Finally, the Subcommittee recommended approval of the Governor's recommendation to approve performance funding levels as a 10.0 percent (\$40.6 million) and 15.0 percent (\$60.9 million) set-aside of General Fund appropriations for the performance funding pool in FY 2016

and FY 2017, respectively. The Subcommittee recommended to include the FY 2016 performance funding in each institution's General Fund appropriation amount, and thus avoid the need for the institutions to submit work programs for Interim Finance Committee (IFC) consideration to facilitate a known transfer of performance funding for FY 2016.

Joint Subcommittee Recommended Formula Funding: The formula funding levels recommended by the Joint Subcommittee compared to the institution's FY 2015 General Fund appropriations prior to any final closing actions approved by the Joint Full Committee and technical adjustments are shown in the tables below:

2015-17 Biennium Formula Funding Recommended by the Joint Subcommittee on K-12/Higher Education/CIPs for the NSHE Before Final Closing Actions by the 2015 Legislature's Joint Full Committee					
Institution (Formula Account)	FY 2015 General Fund Appropriations	FY 2016 Governor Recommended	FY 2016 Subcomm. Closing (May 7, 2015)	FY 2016 Change from FY 2015	% Change from FY 2015
UNLV ¹	\$ 130,431,946	\$ 145,189,585	\$ 145,189,585	\$ 14,757,639	11.3%
UNR ¹	\$ 91,307,153	\$ 104,375,342	\$ 104,375,342	\$ 13,068,189	14.3%
CSN ¹	\$ 87,518,652	\$ 88,593,269	\$ 88,593,269	\$ 1,074,617	1.2%
GBC ¹	\$ 12,733,883	\$ 10,657,052	\$ 10,657,052	\$ (2,076,831)	-16.3%
TMCC ¹	\$ 30,367,228	\$ 30,349,436	\$ 30,349,436	\$ (17,792)	-0.1%
WNC ¹	\$ 13,596,404	\$ 11,880,772	\$ 11,880,772	\$ (1,715,632)	-12.6%
NSC ¹	\$ 12,568,654	\$ 14,462,027	\$ 14,462,027	\$ 1,893,373	15.1%
TOTAL	\$ 378,523,920	\$ 405,507,483	\$ 405,507,483	\$ 26,983,563	7.1%
Institution (Formula Account)	FY 2015 General Fund Appropriations	FY 2017 Governor Recommended	FY 2017 Subcomm. Closing (May 7, 2015)	FY 2017 Change from FY 2013	% Change from FY 2015
UNLV ¹	\$ 130,431,946	\$ 145,911,069	\$ 145,411,069	\$ 14,979,123	11.5%
UNR ¹	\$ 91,307,153	\$ 104,533,772	\$ 104,533,772	\$ 13,226,619	14.5%
CSN ¹	\$ 87,518,652	\$ 88,733,244	\$ 88,733,244	\$ 1,214,592	1.4%
GBC ¹	\$ 12,733,883	\$ 10,672,099	\$ 10,672,099	\$ (2,061,784)	-16.2%
TMCC ¹	\$ 30,367,228	\$ 30,397,388	\$ 30,397,388	\$ 30,160	0.1%
WNC ¹	\$ 13,596,404	\$ 11,898,224	\$ 11,898,224	\$ (1,698,180)	-12.5%
NSC ¹	\$ 12,568,654	\$ 14,484,876	\$ 14,484,876	\$ 1,916,222	15.2%
TOTAL	\$ 378,523,920	\$ 406,630,672	\$ 406,130,672	\$ 27,606,752	7.3%
Notes: ¹ Amounts are inclusive of performance funding.					

Budgeting of Student-Derived Revenues: The Subcommittee recommended approval to continue the policy adopted by the 2013 Legislature, and as recommended by the Governor, that non-General Fund revenues (registration fees, non-resident tuition, and miscellaneous student fees) should not offset the amount of General Fund appropriations that would otherwise be budgeted. In addition, the Subcommittee recommended approval of student driven non-General Fund revenue adjustments for the seven teaching institutions and three professional schools with adjustments based upon updated 2015-17 biennium revenue projections provided by NSHE. During the discussion on student-derived revenues, the Subcommittee directed Fiscal staff to research potential alternatives to the current approval process, which NSHE is required to follow during the interim when student-derived revenue collections exceed budgeted authority. This is discussed under the Unresolved Closing Issue item at the end of this document.

Medical Education Expansion: The Subcommittee recommended approval of the Governor's recommendation to provide start-up costs for the development of an allopathic medical school at UNLV with General Fund appropriations of \$1.2 million in FY 2016 and \$7.1 million in FY 2017. In addition, the Subcommittee recommended the issuance of a letter of intent, directing the NSHE to report to the IFC on a biannual basis, with the first report covering the July 1, 2015, to December 31, 2015, period, identifying milestones reached in the implementation of the new medical school, and directing staff to include any specific reporting requirements in the letter of intent so that expenditures can be analyzed in preparation of future biennia funding requests.

The Subcommittee recommended approval of the Governor's recommendation to approve the University of Nevada School of Medicine's budget, including the enhancement of \$2.5 million in General Fund appropriations over the 2015-17 biennium to purchase video equipment and fund public medical education expansion through Project Echo Nevada, and to expand medical education programs for students and resident physicians with the Renown Partnership. The Subcommittee also recommended that a letter of intent be issued, directing the NSHE to report to the Interim Finance Committee on a biannual basis identifying the accomplishments achieved by the Whittmore Peterson Institute through the funding in the University of Nevada School of Medicine budget.

UNLV Boyd School of Law: The Subcommittee recommended approval of the UNLV Law School budget, including the Governor's recommendation of a \$1.5 million General Fund appropriation enhancement in each year of the 2015-17 biennium to offset a revenue reduction resulting from lower enrollments.

Desert Research Institute (DRI) Funding Formula: The Subcommittee concurred with the Governor's recommendation to fund the Desert Research Institute's budget based upon implementation of the new DRI funding formula model. The formula, as approved, is a sliding scale calculation, with General Fund appropriations based on the level of grant activity awarded to DRI.

Funding for the Non-Formula Budgets: The Subcommittee recommended approval of the Governor's recommended 2015-17 biennium funding levels for sixteen (16) NSHE non-formula, state supported operating budgets, inclusive of establishing the Trust Account for the Education for Dependent Children in The Executive Budget.

Technical Adjustments: Lastly, the Subcommittee recommended approval of Fiscal staff's request to make any technical adjustments as necessary.

Appropriations Act Language: The Subcommittee recommended that Fiscal staff be directed to include language in the 2015 Appropriations Act to continue the NSHE's existing general authority to transfer General Fund appropriations between NSHE budget accounts subject to the recommendation of the Governor and the approval of the Interim Finance Committee.

Authorizations Act Language: The Subcommittee recommended that Fiscal staff be directed to include language in the 2015 Authorizations Act to authorize the NSHE to balance forward any unexpended non-General Fund revenues to the next fiscal year for authorized purposes in the NSHE state-supported operating budgets.

Unresolved Closing Issue – Approval to Augment Student Derived Revenues in the 2015-16 Interim: As previously mentioned, the Subcommittee directed Fiscal staff to research potential alternatives to the current approval process which NSHE is required to follow during the

interim when student-derived revenue collections exceed budgeted authority. The 2013 Authorizations Act (S.B. 521) requires IFC approval for any increases in nonresident tuition and miscellaneous student fee revenues and expenditures beyond the legislatively approved authority. In addition, IFC approval is required for any increases in registration fee revenue beyond the legislatively approved authority, if the increased revenue is to be expended for purposes other than incremental instructional faculty. However, the Authorizations Act permits the NSHE institutions to expend increases in registration fee revenue beyond the legislatively approved authority for the cost of incremental instructional faculty without requiring IFC approval. Approval by the Executive Budget Office, on behalf of the Governor, is still required, however. The NSHE institutions are required to obtain the approval of the Board of Regents in all instances. The money committees may wish to consider the following options:

1. Continue the language in the 2015 Authorizations Act consistent with the 2013 language, requiring IFC approval for any augmentations to nonresident tuition and miscellaneous student fee revenues and expenditures, and for augmentations to registration fee revenues if the increases are to be expended for purposes other than incremental instructional faculty. Additionally, NSHE institutions would be permitted to expend increases in registration fee revenue for incremental instructional faculty without requiring IFC approval. OR

2. Direct Fiscal staff to modify the language in the 2015 Authorizations Act to allow the NSHE institutions to expend increases in nonresident tuition, registration fee, and miscellaneous student fee revenues without IFC approval, regardless of how the increased revenue is to be expended. The NSHE institutions would still be required to receive approval from the Board of Regents for such increases, and to submit work programs for approval by the Executive Budget Office to augment revenue and expenditure authority within a fiscal year. If this option is approved, Fiscal staff recommends that the money committees consider language that requires NSHE to provide informational reports to the IFC on a biannual basis, identifying any such augmentations in revenues and expenditures and the associated purposes.

Nevada System of Higher Education
General Fund Impacts of Subcommittee Closing

Page	Budget	Title	FY 2016	FY 2017
AS CLOSED BY SUBCOMMITTEE:				
NSHE-11	101-2986	* System Administration	\$ -	\$ -
NSHE-14	101-2977	* Special Projects	\$ -	\$ -
NSHE-17	101-2996	* University Press	\$ -	\$ -
NSHE-19	101-2991	* System Computing Center	\$ -	\$ -
NSHE-22	101-2993	* State-Funded Perkins Loan	\$ -	\$ -
NSHE-23	101-2978	* Education for Dependent Children	\$ -	\$ -
NSHE-24	101-2980	University of Nevada - Reno	\$ 10,437,534	\$ -
NSHE-30	101-2983	* Intercollegiate Athletics - UNR	\$ -	\$ -
NSHE-33	101-2985	* Statewide Programs- UNR	\$ -	\$ -
NSHE-36	101-2982	* School of Medical Sciences	\$ -	\$ -
NSHE-41	101-3221	* Health Laboratory and Research	\$ -	\$ -
NSHE-44	101-2989	* Agricultural Experiment Station	\$ -	\$ -
NSHE-47	101-2990	* Cooperative Extension Service	\$ -	\$ -
NSHE-50	101-3003	* Business Center North	\$ -	\$ -
NSHE-53	101-2987	University of Nevada - Las Vegas	\$ 14,199,540	\$ (500,000)
NSHE-59	101-3014	* UNLV School of Medicine	\$ -	\$ -
NSHE-60	101-2988	* Intercollegiate Athletics - UNLV	\$ -	\$ -
NSHE-63	101-3001	* Statewide Programs - UNLV	\$ -	\$ -
NSHE-66	101-2992	* UNLV Law School	\$ -	\$ -
NSHE-70	101-3002	* Dental School - UNLV	\$ -	\$ -
NSHE-73	101-3004	* Business Center South	\$ -	\$ -
NSHE-76	101-3010	* Desert Research Institute	\$ -	\$ -
NSHE-79	101-2994	Great Basin College	\$ 1,065,705	\$ -
NSHE-85	101-3012	Western Nevada College	\$ 1,188,077	\$ -
NSHE-91	101-3011	College of Southern Nevada	\$ 8,859,327	\$ -
NSHE-96	101-3018	Truckee Meadows Community College	\$ 3,034,944	\$ -
NSHE-101	101-3005	Nevada State College at Henderson	\$ 1,446,203	\$ -
NSHE-106	101-3013	Performance Funding Pool	\$ (40,231,330)	\$ -
Total General Fund Impact			\$ -	\$ (500,000)
* No General Fund impact				

**Nevada Legislative Counsel Bureau
 Budget Closing Action Report
 K-12/Higher Education/CIPs
 Joint Subcommittee**

Budget Account: NSHE System-Wide (Excludes WICHE)

Funding Source (Excludes WICHE)	2013-15 Leg. App. (Millions)	2015-17 Gov. Rec. (Millions)	2015-17 Dollar Change (Millions)	Percent Change
State General Fund	\$971.3	\$1,062.1	\$90.8	9.3%
Student Fees/Tuition Revenue ^a .	\$514.1	\$564.1	\$50.0	9.7%
Federal/Other Funds	\$10.8	\$10.7	-\$0.1	-1.0%
TOTAL^b	\$1,496.1	\$1,636.8	\$140.7	9.4%

^a. Registration (per credit hour) fees, Non-Resident Tuition, Miscellaneous Student Fees. For the 2015-17 Biennium, undergraduate registration fees increase 4.0% per year at the community colleges and universities and 2.5% in FY 2016 and 3.5% in FY 2017 at Nevada State College as approved by the Board of Regents and recommended by the Governor.
^b. The total amounts for the biennium are based on full dollar figures and therefore will not sum to the amounts reflected for the three revenue sources due to rounding.

Nevada System of Higher Education

The Nevada System of Higher Education (NSHE) is governed by an elected, 13-member Board of Regents. The System comprises the Chancellor’s Office; the University of Nevada, Reno (UNR); the University of Nevada, Las Vegas (UNLV); the Nevada State College at Henderson (NSC); the College of Southern Nevada (CSN); Great Basin College (GBC); Truckee Meadows Community College (TMCC); Western Nevada College (WNC); the UNR School of Medicine (UNSOM), the UNLV Law School, the UNLV Dental School and the Desert Research Institute (DRI).

Governor Recommends 9.3 Percent General Fund Increase

The Executive Budget recommends a 9.3 percent or \$90.8 million increase in General Fund appropriations, to \$1.062 billion for the 2015-17 biennium over the 2013-15 biennium. Compared to the FY 2015 General Fund appropriations approved by the 2013 Legislature, the Governor recommends an increase to the seven campus formula accounts of 7.1 percent or \$27.0 million in FY 2016 and 7.4 percent or \$28.1 million in FY 2017. Cumulatively, General Fund appropriations for the DRI and the professional schools, inclusive of the Governor’s recommendation of initial funding for a UNLV Medical School, increase by 9.2 percent or \$4.9 million in FY 2016 and 24.3 percent or \$13.0 million in FY 2017 compared to FY 2015 appropriations approved by the 2013 Legislature. As reflected in the following table, the increases are primarily driven by the existing and proposed Medical Schools and Law School funding. Recommended General Fund appropriations for DRI decrease in each year of the biennium compared to the FY 2015 amount approved by the 2013 Legislature. The balance of the increase recommended in The Executive Budget occurs across the NSHE’s non-formula accounts. The following table provides a comparison with the FY 2015 General Fund appropriation levels.

2015-17 Biennium Governor Recommended Total General Fund Appropriations Compared to FY 2015 (Inclusive of Performance Funding)					
Institution	FY 2015 General Fund (Leg Approved)	FY 2016 General Fund (Gov. Rec.)	% Change Over FY 2015	FY 2017 General Fund (Gov. Rec.)	% Change Over FY 2015
UNLV ¹	\$ 130,431,946	\$ 145,189,585	11.3%	\$ 145,911,069	11.9%
UNR ¹	\$ 91,307,153	\$ 104,375,342	14.3%	\$ 104,533,772	14.5%
CSN ¹	\$ 87,518,652	\$ 88,593,269	1.2%	\$ 88,733,244	1.4%
GBC ¹	\$ 12,733,883	\$ 10,657,052	-16.3%	\$ 10,672,099	-16.2%
TMCC ¹	\$ 30,367,228	\$ 30,349,436	-0.1%	\$ 30,397,388	0.1%
WNC ¹	\$ 13,596,404	\$ 11,880,772	-12.6%	\$ 11,898,224	-12.5%
NSC ¹	\$ 12,568,654	\$ 14,462,027	15.1%	\$ 14,484,876	15.2%
Formula Accounts SUBTOTAL	\$ 378,523,920	\$ 405,507,483	7.1%	\$ 406,630,672	7.4%
MEDICAL (UNSOM)	\$ 31,253,285	\$ 32,869,159	5.2%	\$ 34,985,486	11.9%
MEDICAL (UNLV)	\$ -	\$ 1,200,000	n/a	\$ 7,100,000	n/a
LAW	\$ 7,404,114	\$ 9,409,503	27.1%	\$ 9,419,301	27.2%
DENTAL	\$ 7,422,189	\$ 8,214,500	10.7%	\$ 8,302,288	11.9%
DR ²	\$ 7,526,457	\$ 6,858,842	-8.9%	\$ 6,819,009	-9.4%
Professional School SUBTOTAL	\$ 53,606,045	\$ 58,552,004	9.2%	\$ 66,626,084	24.3%
Non-Formula Accounts SUBTOTAL	\$ 59,533,263	\$ 62,264,001	4.6%	\$ 62,479,530	4.9%
NSHE TOTAL	\$ 491,663,228	\$ 526,323,488	7.0%	\$ 535,736,286	9.0%

Notes:
¹ Amounts are inclusive of performance funding.
² As directed by the 2013 Legislature, the Governor's recommended budget for DRI implements the new funding formula to determine General Fund appropriations, which utilizes a sliding scale calculation based on the level of grant activity.

Major Closing Issues

1. General Fund Appropriation to Support New Hotel College Academic Building
2. NSHE Funding Formula and Performance Funding Pool for Instructional Budgets
3. Budgeting of Student-Derived Revenues
4. Medical Education Expansion
5. UNLV Law School
6. Desert Research Institute Funding Formula
7. Funding for the Non-Formula Budgets

Discussion of Major Closing Issues

1. **General Fund Appropriation to Support New Hotel College Academic Building (E-300, NSHE-56):** The Governor's recommended budget for UNLV includes a General Fund appropriation of \$500,000 in FY 2017 to fund a portion of the construction costs for Capital Improvement Program (CIP) Project 15-C78, Hotel College Academic Building. The Department of Administration indicates that there was no specific use identified for the funding, but that the amount is intended to support the overall costs of the CIP project. On February 27, 2015, the Department of Administration submitted a revision to the 2015 CIP funding, which included the transfer of the \$500,000 General Fund appropriation included in UNLV's state-supported operating budget to the funding to support CIP Project 15-C78. Neither The Executive Budget nor Fiscal staff had included the \$500,000 in the pool of available formula funding given its intended purpose. Fiscal staff recommends that the funds be moved from the UNLV budget to the 2015 CIP budget for CIP Project 15-C78.

Does the Subcommittee wish to approve the elimination of Decision Unit E-300 from UNLV's state-supported operating budget with the understanding that the \$500,000 General Fund appropriation will be considered by the Subcommittee on May 18, 2015, as part of the recommended funding for CIP Project 15-C78, Hotel College Academic Building?

The Subcommittee voted to approve the elimination of Decision Unit E-300 from UNLV's state-supported operating budget with the understanding that the \$500,000 General Fund appropriation recommended for FY 2017 will be considered by the Subcommittee on May 18, 2015, as part of the recommended funding for CIP Project 15-C78, Hotel College Academic Building.

2. NSHE Funding Formula and Performance Funding Pool for Instructional Budgets

The Executive Budget for the 2015-17 biennium follows the funding formula policies adopted by the 2013 Legislature. The following summarizes the major components of the NSHE funding formula for the seven instructional budgets:

- a) Weighted Student Credit Hours (WSCH): The 2015-17 biennium instructional budgets for UNLV, UNR, CSN, GBC, TMCC, WNC, and NSC primarily distribute General Fund appropriations based upon completed WSCH by Nevada resident students. The WSCH for non-resident students are excluded. As recommended by the Governor, and consistent with the policy adopted by the 2013 Legislature, the value of each WSCH is uniform across all institutions and is calculated by dividing the available General Fund appropriations in each fiscal year, after any "pre-formula allocations" are distributed, by the total number of FY 2014 WSCH. The WSCH value is an output as the result of this calculation. It is not a pre-determined amount, and is not used to determine General Fund appropriation levels in the budget.

For FY 2016 and FY 2017, the calculated General Fund value of a WSCH is \$153.09 and \$153.33, respectively, compared to the legislatively approved WSCH calculated General Fund value of \$141.50 for FY 2015. After calculating the value of the WSCH, The Executive Budget reallocates available General Fund appropriations through the formula in the M-204 decision unit. Available General Fund appropriations are determined through the traditional base, maintenance, and enhancement methodology, less any pre-formula allocations (i.e., small institution and research Operations & Maintenance (O&M) funding).

Weighting of Credit Hours: The Executive Budget utilizes the same credit hour weighting taxonomy as approved by the 2013 Legislature. The student credit hours are weighted by discipline cluster developed by the National Center for Higher Education Management Systems (NCHEMS), and modified by the 2012 Interim Higher Education Funding Study Committee (S.B. 374, 2011 Session).

- The Executive Budget does not include the separate enhancement requested by NSHE to increase the WSCH value by \$5, which would have increased General Fund appropriations to the seven teaching institutions by \$12.9 million in each year of the 2015-17 biennium.

Does the Subcommittee wish to continue funding the seven state-supported instructional budgets with the funding formula adopted by the 2013 Legislature, as recommended by the Governor, and distributing General Fund appropriations based on the NSHE institutions FY 2014 Weighted Student Credit Hours?

The Subcommittee voted to continue funding the seven state-supported instructional budgets with the funding formula adopted by the 2013 Legislature, as recommended by the Governor, and distributing General Fund appropriations based on the NSHE institutions FY 2014 Weighted Student Credit Hours.

- b) Projection of Weighted Student Credit Hours (M-203, NSHE-25,54,80,86,92,97,102): The Governor recommends the exclusion of FY 2014 WSCH tied to "F" grades for non-attendance/effort for the 2015-17 biennium. The Executive Budget also recommends a

caseload adjustment resulting from a system wide 3.5 percent increase in FY 2014 WSCH compared to FY 2012, adjusted for the removal of “F” grades for non-attendance/effort. The funding adjustments to exclude “F” grades and account for the change in WSCH by institution are combined and recommended in the M-203 decision unit and based on the FY 2015 calculated WSCH value of \$141.50, as reflected in the following table. In total, based upon an increase of 86,001 in WSCH, at the FY 2015 rate of \$141.50, the Governor recommends additional General Fund appropriations of \$12.2 million in each year of the 2015-17 biennium. Consistent with the 2013 money committees’ policy, The Executive Budget utilizes the FY 2014 WSCH to reallocate General Fund appropriations through the funding formula in FY 2016 and FY 2017. The caseload adjustment funding is subsequently included in the available funding used to calculate the recommended value of the WSCH for FY 2016 and FY 2017.

Governor’s Recommended Weighted Student Credit Hour Caseload Adjustment by Institution					
	FY 2012 WSCH Excludes "F" Grades for Non- Attendance/Effort	FY 2014 WSCH Excludes "F" Grades for Non- Attendance/Effort	WSCH Difference	FY 2015 WSCH Calculated Value (Leg. App.)	FY 2016/2017 Caseload Adjustment (Gov. Rec.)
UNLV	872,181	915,704	43,523	\$ 141.50	\$ 6,158,505
UNR	612,130	655,013	42,883	\$ 141.50	\$ 6,067,945
CSN	586,695	578,716	(7,979)	\$ 141.50	\$ (1,129,029)
GBC	59,134	62,209	3,075	\$ 141.50	\$ 435,113
TMCC	201,083	198,251	(2,832)	\$ 141.50	\$ (400,728)
WNC	69,964	72,151	2,187	\$ 141.50	\$ 309,461
NSC	89,326	94,470	5,144	\$ 141.50	\$ 727,876
Total	2,490,513	2,576,514	86,001	\$ 141.50	\$ 12,169,143

Note: M-203 decision unit funding change combines the adjustments to exclude "F" grades for non-attendance/effort and to address the caseload adjustment resulting from an increase/decrease in WSCH for each institution in FY 2014 compared to FY 2012.

Fiscal staff would note for the Subcommittee that the adjustment to remove “F” grades from the WSCH is a policy decision. As the Subcommittee will recall, the NSHE testified during the February 24, 2015, budget hearing, that the removal of the “F” grades from the WSCH resulted in a shift of funds among the seven teaching institutions, with a decrease in funds to the community colleges and an increase in funds to the universities. The 2013 Legislature directed the NSHE to adjust for the removal of “F” grades in its 2015-17 biennium budget request. The Subcommittee has the authority to determine the recommended budget policy for the 2015-17 biennium in regards to the exclusion of “F” grades in the WSCH.

Does the Subcommittee wish to approve the Governor’s recommendation to fund Weighted Student Credit Hour caseload adjustments, inclusive of the removal of “F” grades for non-attendance/efforts with General Fund appropriations of \$12.2 million in each fiscal year of the 2015-17 biennium?

The Subcommittee voted to approve the Governor’s recommendation to fund Weighted Student Credit Hour caseload adjustments, inclusive of the removal of “F” grades for non-attendance/efforts with General Fund appropriations of \$12.2 million in each fiscal year of the 2015-17 biennium.

- c) Small Institution Funding (M-201, NSHE-80,86): The Governor recommends that GBC and WNC cumulatively receive General Fund appropriations totaling \$2.0 million in each fiscal year of the 2015-17 biennium for small institution funding. This funding is allocated prior to the calculation of the WSCH value as a pre-formula allocation in recognition that all institutions have certain fixed administrative costs regardless of size. However, at the larger institutions, sufficient fee revenues are collected to not require additional General Fund support. The level of recommended funding

for GBC and WNC is determined by the actual number of WSCHs greater than 50,000, but less than 100,000, with a maximum amount for each institution of \$1.5 million per year. For the purposes of calculating the small institution funding, each WSCH is valued at \$30.00. As shown in the previous table, GBC and WNC had 62,209 and 72,151 “F” grade adjusted WSCH in FY 2014, respectively. Funding for each year of the 2015-17 biennium is based upon 37,791 WSCH for GBC and 27,849 WSCH for WNC. The small institution funding recommended for the 2015-17 biennium is as follows:

Governor's Recommended Small Institution Funding Allocations						
	FY 2015 (Leg. App.)	FY 2016 / FY 2017 M-201 Adj (Gov. Rec.)	FY 2016 (Gov. Rec.)	FY 2017 (Gov. Rec.)	Annual % Change Compared to FY 2015	2015-17 Biennium Total (Gov. Rec.)
GBC	\$ 1,176,930	\$ (43,200)	\$ 1,133,730	\$ 1,133,730	-3.7%	\$ 2,267,460
WNC	\$ 767,580	\$ 67,890	\$ 835,470	\$ 835,470	8.8%	\$ 1,670,940
Total	\$ 1,944,510	\$ 24,690	\$ 1,969,200	\$ 1,969,200	1.3%	\$ 3,938,400
Note: M-201 decision unit reflects net change in funding as base funding includes General Fund appropriations for the Small Institution Funding. This table reflects the total amount requested.						

For the small institution funding, the FY 2015 funding was based upon FY 2012 WSCH of 60,769 for GBC and 74,414 for WNC, which included “F” grades. Staff would note for the Subcommittee that the total funding (\$1.5 million), eligible WSCH (50,000 to 100,000) and resultant \$30 value are set by budget policy and can be recommended to be increased, or decreased, if the Subcommittee desires.

Does the Subcommittee wish to approve the Governor’s recommendation that Great Basin College and Western Nevada College receive General Fund appropriations totaling \$2.0 million cumulatively in each fiscal year of the 2015-17 biennium for small institution funding, to be appropriated prior to the calculation of the Weighted Student Credit Hour value as a pre-formula allocation?

The Subcommittee voted to approve the Governor’s recommendation that Great Basin College and Western Nevada College receive General Fund appropriations totaling \$2.0 million cumulatively in each fiscal year of the 2015-17 biennium for small institution funding, to be appropriated prior to the calculation of the Weighted Student Credit Hour value as a pre-formula allocation.

- d) Mitigation for GBC and WNC (E-600: NSHE-82, 88): The Executive Budget recommends the elimination of \$5.3 million in one-time General Fund appropriations for GBC (\$3.0 million) and WNC (\$2.3 million) approved by the 2013 Legislature for FY 2015 to offset the General Fund appropriation reductions that occurred at GBC and WNC as a result of distributing funding based upon the WSCH formula. No mitigation funding is recommended for the 2015-17 biennium.

In addition to the General Fund appropriations, Fiscal staff notes that the Board of Regents also approved \$450,002 of self-funded mitigation for GBC (\$175,472) and WNC (\$274,530) in FY 2015. In addition, the NSHE reports that GBC and WNC under-spent the FY 2014 NSHE mitigation funding by \$172,917 and \$750,000, respectively, and have balanced forward those funds for use in FY 2015 (Source: 2013-14 Self-Supporting Budget, Budget to Actual Comparison).

- As the Subcommittee will recall, NSHE requested total mitigation funding of \$5.0 million for GBC (\$3.0 million) and WNC (\$2.0 million) in the 2015-17 biennium.

Does the Subcommittee wish to approve the Governor’s recommendation to eliminate \$5.3 million in General Fund appropriations, which supported mitigation funding in FY 2015 for Great Basin College and Western Nevada College?

The Subcommittee voted to approve the Governor’s recommendation to eliminate \$5.3 million in General Fund appropriations, which supported mitigation funding in FY 2015 for Great Basin College and Western Nevada College.

e) Research Space Operations & Maintenance Carve-Out (M-200, NSHE-24, 54): The Governor recommends General Fund appropriations of \$9.1 million in research space (i.e., non-instructional space) operations and maintenance (O&M) funding for UNLV (\$5.0 million) and UNR (\$4.1 million) in each year of the 2015-17 biennium. The recommendation represents a combined annual increase of 6.8 percent or \$583,211 compared to the \$8.5 million approved by the 2013 Legislature for FY 2015. This funding is appropriated prior to the calculation of the WSCH value as a pre-formula allocation. The NSHE indicates that the increase in funding for this purpose is based on the square footage and operation costs of building space dedicated for research activities for the 2015-17 biennium. Funding for research O&M is not based upon a uniform cost per square foot (sf). For the 2015-17 biennium, research space O&M is recommended at \$15.66 per sf at UNLV, and \$8.94 per sf at UNR. Fiscal staff notes that the per sf value of UNLV’s research O&M funding is 75.2 percent higher than UNR’s due to The Executive Budget recommending that UNLV retain the \$1.7 million redirection of funds from CSN and NSC for research O&M approved by the 2013 money committees, as noted in Footnote 1 in the table below. If the \$1.7 million was not included, UNLV’s research O&M funding would be \$10.26 per sf.

In response to questions following the February 24, 2015, budget hearing, the NSHE indicates that research square footage for UNR increased by 8,933 sf to a total of 458,634 sf of dedicated research space. As reflected in the table below, the funding increase for research O&M for UNR represents a 14.5 percent annual increase. This is the result of both the increase in research space and also an increase in the cost per square foot used in the budget. The dedicated research space at UNLV increased by 45,384 sf to a total of 319,883 sf. As noted in the table below, the Governor recommends that UNLV retain the additional \$1.7 million of funding approved by the 2013 Legislature for research O&M in the base budget funding level. This amount is added to the calculated cost of dedicated research space square footage at UNLV.

University Research Space Operation and Maintenance (O&M) Funding Allocations						
	FY 2015 Research O&M (Leg. App.)¹	FY 2016 / FY 2017 M-200 Adj (Gov. Rec.)	FY 2016 Research O&M (Gov. Rec.)	FY 2017 Research O&M (Gov. Rec.)	Annual % Change Compared to FY 2015	2015-17 Biennium Research O&M (Gov. Rec.)
UNLV	\$ 4,944,173	\$ 64,026	\$ 5,008,199	\$ 5,008,199	1.3%	\$ 10,016,398
UNR	\$ 3,582,891	\$ 519,185	\$ 4,102,076	\$ 4,102,076	14.5%	\$ 8,204,152
Total	\$ 8,527,064	\$ 583,211	\$ 9,110,275	\$ 9,110,275	6.8%	\$ 18,220,550

¹ Of the total amount, the 2013 Legislature approved the redistribution of \$1.7 million “post-formula” to UNLV from CSN (\$1.2 million) and NSC (\$566,616). The Governor is recommending that UNLV retain that level of funding in the base budget, and does not recommend that new General Fund appropriations be added to restore formula funding at CSN and NSC.
 Note: M-200 decision unit reflects net change in funding as base funding includes General Fund appropriations for Research O&M. This table reflects the total amount requested.

Staff would note for the Subcommittee that the research O&M funding levels for the universities are set by budget policy and can be increased, or decreased, if the Subcommittee desires.

Does the Subcommittee wish to approve General Fund appropriations of \$9.1 million in each year of the 2015-17 biennium to fund research space operations and maintenance funding for UNLV and UNR cumulatively, and appropriate the funds prior to the calculation of the WSCH value as a pre-formula allocation, as recommended by the Governor?

The Subcommittee voted to approve General Fund appropriations of \$9.1 million in each year of the 2015-17 biennium to fund research space operations and maintenance funding for UNLV and UNR cumulatively, and appropriate the funds prior to the calculation of the Weighted Student Credit Hours value as a pre-formula allocation, as recommended by the Governor.

- f) Performance Funding Pool Set-Aside (E-900 series: NSHE-28,57,83,89,94,99,104): Consistent with the policy adopted by the 2013 Legislature, the Governor recommends a 10.0 percent (\$40.6 million) and 15.0 percent (\$60.9 million) set-aside of General Fund appropriations for the performance funding pool in FY 2016 and FY 2017, respectively. These General Fund appropriations are transferred from each institution’s instructional budget to the Performance Funding budget. Based on the institution’s performance compared to the prior fiscal year, funds would then be transferred from the performance pool budget to the applicable institution’s instructional budget. In order to allow for sufficient advance planning of operational costs and budgeting, the performance funding earned for a fiscal year is based on actual performance from two years preceding the fiscal year in which funds are appropriated. For example, the recommended FY 2016 performance funding transfer would be based on actual FY 2014 performance. This allows for the performance funding to be made available for, and transferred to the institutions at the beginning of the fiscal year in which they will be expended. The majority of the performance metrics are based on the number of students graduating/earning certificates. The following reflects the amount of General Fund appropriations in FY 2016 and FY 2017 that are recommended to be transferred to the Performance Funding Pool in The Executive Budget.

FY 2016 General Fund Appropriation Performance Funding Set-Aside			FY 2017 General Fund Appropriation Performance Funding Set-Aside		
Institution	FY 2016 Total Budgeted General Funds (Gov. Rec.)	10% Set-Aside	Institution	FY 2017 Total Budgeted General Funds (Gov. Rec.)	15% Set-Aside
UNLV	\$ 145,189,585	\$ 14,518,958	UNLV ¹	\$ 145,411,069	\$ 21,811,660
UNR	\$ 104,375,342	\$ 10,437,534	UNR	\$ 104,533,772	\$ 15,680,066
CSN	\$ 88,593,269	\$ 8,859,327	CSN	\$ 88,733,244	\$ 13,309,987
GBC	\$ 10,657,052	\$ 1,065,705	GBC	\$ 10,672,099	\$ 1,600,815
TMCC	\$ 30,349,436	\$ 3,034,944	TMCC	\$ 30,397,388	\$ 4,559,608
WNC	\$ 11,880,772	\$ 1,188,077	WNC	\$ 11,898,224	\$ 1,784,733
NSC	\$ 14,462,027	\$ 1,446,203	NSC	\$ 14,484,876	\$ 2,172,731
TOTAL	\$ 405,507,483	\$ 40,550,748	TOTAL	\$ 406,130,672	\$ 60,919,600

¹ Excludes the \$500,000 recommended to support a portion of the construction costs for the new Hotel College Academic Building CIP Project (15-C78).

As noted above, the performance funding for FY 2016 is based on the actual performance outcomes for FY 2014. The institutions performance is based on a year-over-year comparison, and as such, each institution is “competing” against its own prior year performance rather than against each other. However, staff notes that only a small portion of the performance funding is actually “at risk” of not being earned back by the institutions. With the exception of NSC, the institutions would earn 98 percent of the performance funds set aside in FY 2016 by maintaining its performance without any improvement in performance levels in FY 2014. Under the methodology, NSC would earn 96 percent.

The NSHE has reported that all institutions except UNLV achieved their targets for FY 2014, which determines the performance funding in FY 2016. For the Subcommittee’s reference, the NSHE FY 2014 performance outcomes are included in **Attachment 1**. Additionally, the system

indicates that both GBC and TMCC achieved actual performance above the targets by an amount sufficient to receive 100 percent of the performance funding to be set aside in FY 2016, and also to earn back the unearned funds of \$15,083 for GBC and \$12,091 for TMCC from FY 2015. Given that NSHE has the performance results for FY 2014, which drive the amount of performance funding earned in FY 2016, the Subcommittee may want to consider not transferring funds to the Performance Pool in FY 2016 (only), and just account for the amounts in the appropriation for the institutional budgets. If the FY 2016 performance funding, based on FY 2014 performance, was not transferred to the Performance Pool and instead accounted for in the appropriation for the institutional budgets, this would eliminate the need for the institutions to submit work programs for consideration by the Interim Finance Committee to facilitate a transfer. Fiscal staff notes that both GBC and TMCC would need to submit work programs to have the unearned funds from FY 2015 transferred to their state-supported budgets in FY 2016. The following table reflects the FY 2014 actual performance achieved as a percentage of each institution's performance target, and the amount of funding earned for FY 2016 that would be otherwise set-aside.

FY 2016 General Fund Appropriation Performance Funding Based on Actual FY 2014 Performance					
Institution	FY 2016 Total Budgeted General Funds (Gov. Rec.)	10% Set-Aside	Actual FY 2014 Performance % of Target	Actual FY 2016 Performance Funding	Difference Between Set- Aside and Actual
UNLV	\$ 145,189,585	\$ 14,518,958	97.8%	\$ 14,199,540	\$ 319,417
UNR	\$ 104,375,342	\$ 10,437,534	107.0%	\$ 10,437,534	\$ -
CSN	\$ 88,593,269	\$ 8,859,327	116.9%	\$ 8,859,327	\$ -
GBC ¹	\$ 10,657,052	\$ 1,065,705	112.2%	\$ 1,065,705	\$ -
TMCC ¹	\$ 30,349,436	\$ 3,034,944	107.7%	\$ 3,034,944	\$ -
WNC	\$ 11,880,772	\$ 1,188,077	107.0%	\$ 1,188,077	\$ -
NSC	\$ 14,462,027	\$ 1,446,203	107.6%	\$ 1,446,203	\$ -
TOTAL	\$ 405,507,483	\$ 40,550,748		\$ 40,231,330	\$ 319,417

¹ The FY 2016 Performance Funding amounts for GBC and TMCC do not include the amount of unearned funds of \$15,083 and \$12,091, respectively, that each institution earned back based on FY 2014 performance.

Does the Subcommittee wish to approve the Governor's recommendation, consistent with the policy adopted by the 2013 Legislature, to approve performance funding levels as a 10.0 percent (\$40.6 million) and 15.0 percent (\$60.9 million) set-aside of General Fund appropriations for the performance funding pool in FY 2016 and FY 2017, respectively?

If the Subcommittee approves the performance funding levels as recommended, does the Subcommittee wish to include the FY 2016 performance funding in each institution's General Fund appropriation amount and thus avoid the need for the institutions to submit work programs for Interim Finance Committee consideration to facilitate a known transfer of performance funding for FY 2016?

The Subcommittee voted to approve the Governor's recommendation, consistent with the policy adopted by the 2013 Legislature, to approve performance funding levels as a 10.0 percent (\$40.6 million) and 15.0 percent (\$60.9 million) set-aside of General Fund appropriations for the performance funding pool in FY 2016 and FY 2017, respectively. In addition, the Subcommittee voted to include the FY 2016 performance funding in each institution's General Fund appropriation amount and thus avoid the need for the institutions to submit work programs for Interim Finance Committee consideration to facilitate a known transfer of performance funding for FY 2016.

3. Budgeting of Student-Derived Revenues

The budgeting of student-derived revenues is based upon policy decisions adopted by prior Legislatures rather than being a function of the funding formula or a statutory requirement. In addition, whether student-derived revenues are counted first and/or considered an offset to General Fund appropriations is not dictated by the funding formula. The Executive Budget continues the policy adopted by the 2013 money committees that for purposes of determining the level of General Fund appropriations to be budgeted in NSHE's state-supported operating budgets, projected non-General Fund revenues do not offset the amount of General Fund appropriations that would otherwise be appropriated. Prior to the policy adopted by the 2013 money committees, in determining General Fund appropriation "need," student registration fees, non-resident tuition and miscellaneous student fees were the first dollars counted and treated as an offset to calculating the General Fund need.

As shown in the following tables, The Executive Budget recommends student registration fee and non-resident tuition revenues over the 2015-17 biennium of \$431.2 million and \$126.9 million, respectively, for the seven teaching institutions and three professional schools. Non-General Fund revenue increases/decreases compared to the adjusted base budget are recommended in the M-210 decision unit (NSHE-26-27, 37, 55-56, 67, 71, 81, 87, 92-93, 98, 103).

Governor's Recommended 2015-17 Biennium Registration Fee Revenues						
Institution	FY 2015 Leg. App.	FY 2015 Leg App Adjusted for IFC/Board of Regents Augmentations (YTD)	FY 2016 Gov. Rec.	%Change FY 2016/ FY 2015 (YTD)	FY 2017 Gov. Rec.	%Change FY 2017/ FY 2015 (YTD)
UNLV	\$ 69,600,488	\$ 76,169,797	\$ 73,836,901	-3.1%	\$ 76,590,833	0.6%
UNR ¹	\$ 51,854,750	\$ 59,878,500	\$ 59,039,589	-1.4%	\$ 62,581,540	4.5%
CSN	\$ 37,770,684	\$ 37,770,684	\$ 36,522,404	-3.3%	\$ 38,256,780	1.3%
GBC	\$ 3,273,904	\$ 3,273,904	\$ 3,780,304	15.5%	\$ 3,924,899	19.9%
TMCC ¹	\$ 11,828,349	\$ 11,828,349	\$ 11,633,189	-1.6%	\$ 12,025,650	1.7%
WNC	\$ 4,429,311	\$ 4,429,311	\$ 4,624,306	4.4%	\$ 4,794,258	8.2%
NSC	\$ 5,183,791	\$ 6,499,668	\$ 5,412,115	-16.7%	\$ 5,601,539	-13.8%
Subtotal	\$ 183,941,277	\$ 199,850,213	\$ 194,848,808	-2.5%	\$ 203,775,499	2.0%
UNSOM	\$ 5,036,120	\$ 5,036,120	\$ 5,038,334	0.0%	\$ 5,184,115	2.9%
UNLV Dental	\$ 6,974,652	\$ 6,974,652	\$ 7,216,979	3.5%	\$ 7,481,352	7.3%
UNLV Law	\$ 4,684,078	\$ 4,684,078	\$ 3,767,458	-19.6%	\$ 3,928,354	-16.1%
Subtotal	\$ 16,694,850	\$ 16,694,850	\$ 16,022,771	-4.0%	\$ 16,593,821	-0.6%
Totals	\$ 200,636,127	\$ 216,545,063	\$ 210,871,579	-2.6%	\$ 220,369,320	1.8%

1. UNR FY 2015 amount includes \$421,000 in unexpended Registration Fees collected in FY 2014 and balanced forward into FY 2015. TMCC includes \$232,813 in FY 2014 Registration Fees balanced forward in FY 2015. Both actions are pursuant to Section 25 of SB 521 (Authorization Act) of 2013 Session.

Governor's Recommended 2015-17 Biennium Non-Resident Tuition Revenues						
Institution	FY 2015 Leg. App.	FY 2015 Leg App Adjusted for IFC/Board of Regents Augmentations (YTD)	FY 2016 Gov. Rec.	%Change FY 2016/ FY 2015 (YTD)	FY 2017 Gov. Rec.	%Change FY 2017/ FY 2015 (YTD)
UNLV	\$ 27,809,892	\$ 29,596,597	\$ 27,293,039	-7.8%	\$ 27,420,764	-7.4%
UNR	\$ 16,427,234	\$ 26,611,381	\$ 23,511,661	-11.6%	\$ 24,874,442	-6.5%
CSN	\$ 6,123,272	\$ 6,123,272	\$ 7,449,262	21.7%	\$ 7,614,823	24.4%
GBC	\$ 245,688	\$ 245,688	\$ 231,263	-5.9%	\$ 237,045	-3.5%
TMCC	\$ 1,019,693	\$ 1,486,964	\$ 1,120,816	-24.6%	\$ 1,244,326	-16.3%
WNC	\$ 1,738,917	\$ 1,738,917	\$ 361,289	-79.2%	\$ 370,321	-78.7%
NSC	\$ 387,307	\$ 508,424	\$ 436,057	-14.2%	\$ 453,499	-10.8%
Subtotal	\$ 53,752,003	\$ 66,311,243	\$ 60,403,387	-8.9%	\$ 62,215,220	-6.2%
UNSOM	\$ 876,960	\$ 876,960	\$ 576,726	-34.2%	\$ 528,300	-39.8%
UNLV Dental	\$ 751,130	\$ 1,129,920	\$ 1,308,676	15.8%	\$ 1,361,035	20.5%
UNLV Law	\$ 428,404	\$ 428,404	\$ 283,444	-33.8%	\$ 260,279	-39.2%
Subtotal	\$ 2,056,494	\$ 2,435,284	\$ 2,168,846	-10.9%	\$ 2,149,614	-11.7%
Totals	\$ 55,808,497	\$ 68,746,527	\$ 62,572,233	-9.0%	\$ 64,364,834	-6.4%

On March 25, 2015, the NSHE submitted a request to revise the student driven non-General Fund revenues for each of the seven instruction budgets based on updated enrollment projections. Fiscal staff notes that the NSHE indicated there are no changes to the fee revenue projections for the Medical, Law and Dental schools. Based on the projections, Fiscal staff has made technical adjustments to the M-210 decision unit to reflect the changes. The following tables reflect the revised student registration fee and non-resident tuition revenues as provided by NSHE compared to the amounts in The Executive Budget.

NSHE Revised 2015-17 Biennium Registration Fee Revenues						
Institution	FY 2016 Gov. Rec.	FY 2016 NSHE Revised	Difference NSHE Revised vs Gov. Rec.	FY 2017 Gov. Rec.	FY 2017 NSHE Revised	Difference NSHE Revised vs Gov. Rec.
UNLV	\$ 73,836,901	\$ 78,986,926	\$ 5,150,025	\$ 76,590,833	\$ 81,952,037	\$ 5,361,204
UNR	\$ 59,039,589	\$ 65,215,407	\$ 6,175,818	\$ 62,581,540	\$ 71,626,177	\$ 9,044,637
CSN	\$ 36,522,404	\$ 37,053,837	\$ 531,433	\$ 38,256,780	\$ 38,637,964	\$ 381,184
GBC	\$ 3,780,304	\$ 3,780,304	\$ -	\$ 3,924,899	\$ 3,924,899	\$ -
TMCC	\$ 11,633,189	\$ 11,096,559	\$ (536,630)	\$ 12,025,650	\$ 11,470,916	\$ (554,734)
WNC	\$ 4,624,306	\$ 4,356,778	\$ (267,528)	\$ 4,794,258	\$ 4,531,050	\$ (263,208)
NSC	\$ 5,412,115	\$ 6,078,592	\$ 666,477	\$ 5,601,539	\$ 6,266,644	\$ 665,105
Total:	\$ 194,848,808	\$ 206,568,403	\$ 11,719,595	\$ 203,775,499	\$ 218,409,687	\$ 14,634,188

NSHE Revised 2015-17 Biennium Non-Resident Tuition Revenues						
Institution	FY 2016 Gov. Rec.	FY 2016 NSHE Revised	Difference NSHE Revised vs Gov. Rec.	FY 2017 Gov. Rec.	FY 2017 NSHE Revised	Difference NSHE Revised vs Gov. Rec.
UNLV	\$ 27,293,039	\$ 29,957,557	\$ 2,664,518	\$ 27,420,764	\$ 30,089,244	\$ 2,668,480
UNR	\$ 23,511,661	\$ 23,511,661	\$ -	\$ 24,874,442	\$ 24,874,442	\$ -
CSN	\$ 7,449,262	\$ 7,299,511	\$ (149,751)	\$ 7,614,823	\$ 7,404,986	\$ (209,837)
GBC	\$ 231,263	\$ 160,000	\$ (71,263)	\$ 237,045	\$ 164,000	\$ (73,045)
TMCC	\$ 1,120,816	\$ 1,530,325	\$ 409,509	\$ 1,244,326	\$ 1,559,661	\$ 315,335
WNC	\$ 361,289	\$ 332,643	\$ (28,646)	\$ 370,321	\$ 352,901	\$ (17,420)
NSC	\$ 436,057	\$ 463,772	\$ 27,715	\$ 453,499	\$ 482,304	\$ 28,805
Total	\$ 60,403,387	\$ 63,255,469	\$ 2,852,082	\$ 62,215,220	\$ 64,927,538	\$ 2,712,318

Fiscal staff notes that in addition to the registration fee and non-resident tuition revenue revisions reflected in the tables above, the NSHE revisions also included minor reductions to miscellaneous student fee revenues for GBC (\$46,575), CSN (\$8,820), WNC (\$3,200), and TMCC (\$27,079) over the 2015-17 biennium. Including all seven institutions, the technical adjustment to revise each of the student driven non-general fund revenues based on updated projections from NSHE increases funding by \$14.5 million in FY 2016 and by \$17.3 million in FY 2017. As a result, the seven teaching institutions state-supported operating budgets include \$425.0 million in registration fees and \$128.2 million in non-resident tuition over the 2015-17 biennium. These amounts do not include the projected registration fee revenues that will be budgeted in the NSHE self-supported operating budgets. For example, the Board of Regents approved student fee revenue of \$108.0 million in FY 2015 in the NSHE's self-supporting budgets for the seven instructional institutions (Source: 2014-15 Self-Supporting Budget). It would be reasonable to expect that the NSHE would budget at a similar or increased level of student fee revenue in its self-supporting budgets for each year of the 2015-17 biennium.

Does the Subcommittee wish to approve the Governor's recommendation to continue the policy adopted by the 2013 Legislature that non-General Fund revenues should not be used to offset the amount of General Fund appropriations that would otherwise be budgeted?

Does the Subcommittee wish to approve the student driven non-General Fund revenue adjustments recommended in Decision Unit M-210 for the seven teaching institutions and three professional schools, with the technical adjustments noted by Fiscal staff to revise the amounts for the seven teaching institutions based on updated projections from NSHE?

The Subcommittee voted to approve the Governor's recommendation to continue the policy adopted by the 2013 Legislature that non-General Fund revenues should not be used to offset the amount of General Fund appropriations that would otherwise be budgeted. In addition, the Subcommittee voted to approve the student driven non-General Fund revenue adjustments recommended in Decision Unit M-210 for the seven teaching institutions and three professional schools, with the technical adjustments to revise the amounts for the seven teaching institutions based on updated projections from NSHE.

4. Medical Education Expansion

- a) UNLV School of Medicine – Major Budget Initiative (E-282, NSHE-59, MAJOR BUDGET INITIATIVES-18): The Governor recommends General Fund appropriations of \$1.2 million in FY 2016 and \$7.1 million in FY 2017 to provide start-up costs for the development of a “full-scale research-intensive” allopathic medical school at UNLV. To account for these new appropriations and expenditures associated with a new UNLV School of Medicine, the Governor recommends the creation of this new operating budget.

The Governor's recommended budget would support 3 professional and 2 classified positions and continue the planning efforts for the new medical school in FY 2016, delaying General Fund appropriations for the new school by one year in comparison to NSHE's request. The Governor's recommended budget supports salaries for 18 professional and 16 classified positions in FY 2017 to continue the planning and accreditation efforts with the Liaison Committee on Medical Education (LCME), and begin the implementation and recruitment efforts of staff and faculty for the new medical school.

The initial entering class for the new UNLV School of Medicine is targeted to include the enrollment of 60 students, with annual class size increases to 65, 80, 100 and 120 students over a four-year period after the inaugural entering class. With the funding requested by NSHE, the entering class was anticipated to enroll in the Fall 2017 semester. With the Governor's recommendation to delay funding by one year, the NSHE indicates that the entering class could be delayed by one to four years, depending upon approved appropriation levels by the 2017 Legislature, which may have impacts to the timeframe for accreditation and approval from the LCME.

The NSHE indicates that if the new medical school is approved, plans include the construction of a new facility to be built on Clark County land in the Las Vegas Medical District, immediately north of the UNLV Shadow Lane Campus. The building is planned as a 150,000 square foot facility with an estimated project budget of approximately \$80.0 million. The building would include classrooms, study space, gross anatomy teaching facilities, medical simulation facility spaces, faculty offices and other support facilities. The NSHE indicates that the construction project is planned to be funded through donor funding. It is anticipated that construction of the building would be complete, and the facility ready for occupancy in August 2019. Prior to the new facility being completed, the NSHE indicates that an agreement has been reached with the Veterans Affairs (VA) Southern Nevada Healthcare System to rent space in the North Las Vegas VA Medical Center as an interim solution for space.

If the Subcommittee approves recommending funding for the new medical school, the Subcommittee may wish to recommend a letter of intent, directing the NSHE to report to the Interim Finance Committee on a biannual basis, with the first report covering the July 1, 2015, to December 31, 2015, period, identifying milestones reached in the implementation of the new medical school, and direct staff to include any specific reporting requirements in the letter of intent so that expenditures can be analyzed in preparation of future biennia funding requests,

- As the Subcommittee will recall, the NSHE had requested \$26.7 million over the 2015-17 biennium (FY 2016: \$7.1 million, FY 2017: \$19.6 million) for implementation of the school and staff/faculty recruitment, including efforts to achieve accreditation from the Liaison Committee on Medical Education.

Does the Subcommittee wish to approve General Fund appropriations of \$1.2 million in FY 2016 and \$7.1 million in FY 2017 to provide start-up costs for the development of an allopathic medical school at UNLV, as recommended by the Governor?

The Subcommittee voted to approve General Fund appropriations of \$1.2 million in FY 2016 and \$7.1 million in FY 2017 to provide start-up costs for the development of an allopathic medical school at UNLV, as recommended by the Governor.

Does the Subcommittee wish to recommend a letter of intent, directing the NSHE to report to the Interim Finance Committee on a biannual basis, with the first report covering the July 1, 2015, to December 31, 2015, period, identifying milestones reached in the implementation of the new medical school, and direct staff to include any specific reporting requirements in the letter of intent so that expenditures can be analyzed in preparation of future biennia funding requests?

The Subcommittee voted to recommend a letter of intent directing the NSHE to report to the Interim Finance Committee on a biannual basis, with the first report covering the July 1, 2015, to December 31, 2015, period, identifying milestones reached in the implementation of the new medical school, and direct staff to include any specific reporting requirements in the letter of intent so that expenditures can be analyzed in preparation of future biennia funding requests.

- b) University of Nevada School of Medicine (E-283 & E-285, NSHE-38-39): The Executive Budget recommends General Fund appropriations of \$2.5 million over the 2015-17 biennium to purchase video equipment and fund public medical education expansion through Project Echo Nevada for telehealth linkage that connects university faculty specialists with primary care providers in rural, underserved areas. Of the \$2.5 million, \$480,000 is recommended over the biennium to support 2.66 full-time equivalent (FTE) positions for Project Echo, \$75,000 for Project Echo equipment, and \$500,000 for the purchase of video equipment.

The remaining \$1.5 million of recommended funding supports 8.95 FTE positions in FY 2017 to assist with the Renown Partnership to expand medical education programs for students and resident physicians. The partnership aims to increase the number of physicians who train and practice in Nevada, and support the University of Nevada School of Medicine (UNSOM) to transition to a full four-year campus as part of the overall medical education expansion efforts of the NSHE. The partnership will develop the clinical and academic infrastructure for academic space at Renown Health to support 3rd and 4th year medical student education, expand the existing curriculum available to UNSOM students, and expand residency slots in Northern Nevada.

Overall, the Governor recommends funding of \$38.5 million in FY 2016 and \$38.6 million in FY 2017 for the UNSOM, including General Fund appropriations of \$32.9 million in FY 2016 and \$35.0 million in FY 2017.

Options for Subcommittee Consideration:

- a) **Does the Subcommittee wish to approve the University of Nevada School of Medicine budget, including the enhancement of \$2.5 million in General Fund appropriations over the 2015-17 biennium to purchase video equipment and fund public medical education expansion through Project Echo Nevada and to expand medical education programs for students and resident physicians with the Renown Partnership, as recommended by the Governor?**

OR

- b) **Alternatively, does the Subcommittee wish to not approve the enhancement of \$2.5 million in General Fund appropriations over the 2015-17 biennium to purchase video equipment and fund public medical education expansion through Project Echo Nevada and to expand medical education programs for students and resident physicians with the Renown Partnership, but approve the remainder of the budget as recommended by the Governor?**

The Subcommittee voted to approve the University of Nevada School of Medicine budget, including the enhancement of \$2.5 million in General Fund appropriations over the 2015-17 biennium to purchase video equipment and fund public medical education expansion through Project Echo Nevada, and to expand medical education programs for students and resident physicians with the Renown Partnership, as recommended by the Governor.

In addition, the Subcommittee voted to recommend a letter of intent, directing the NSHE to report to the Interim Finance Committee on a biannual basis identifying the accomplishments achieved by the Whittemore Peterson Institute through the funding in the University of Nevada School of Medicine budget.

5. UNLV Law School (E-277, NSHE-67-68)

The Governor recommends General Fund appropriations of \$1.5 million in each year of the 2015-17 biennium to partially offset a revenue reduction resulting from lower enrollments at the UNLV Boyd School of Law. The NSHE projects an annual revenue reduction at the law school of \$3.0 million beginning in 2016. Due to declining law school enrollments nationwide, the Board of Regents and UNLV Boyd School of Law have intentionally reduced class sizes to maintain student quality. The NSHE indicates that class sizes at the school have been reduced from 150 to 110 students, and that in addition to the requested new General Fund support, a combination of expenditure reductions and fee increases will assist in addressing the reduced funding. In addition, the school indicates it has engaged in private fundraising efforts to secure funds for scholarships, offset portions of faculty salaries, and the Annual Fund to assist in addressing the revenue shortfall resulting from enrollment reductions. In response to questions following the budget hearing, the NSHE indicates that the \$1.5 million annual increase in General Fund appropriations be treated as a permanent adjustment to base in future biennia.

Staff also notes that in decision unit M-210 (NSHE-67), the Law School is projecting a decrease of fees and tuition of \$1.1 million in FY 2016 and \$944,319 in FY 2017. These appear to be the revenue losses for which the NSHE and Governor recommend \$1.5 million in General Fund appropriations in each year. Instead of only covering its reduced fee and tuition revenue in each year, it appears that the law school will receive funding of \$417,950 in FY 2016 and \$555,681 in FY 2017 in excess of the projected reduction in fee and tuition revenues.

During the budget hearing, the Law School testified the additional funding was intended to offset decreases in the schools self-supporting budget. This would be a departure of money committee policy of approving General Fund appropriations to fund self-supporting budget costs. In response to questions following the budget hearing, the NSHE indicates that funding for five positions was moved from the state-supported operating budget to the Law School's self-supporting budget during the state budget cuts. In addition, the NSHE indicates that \$982,000 in Law Library acquisitions had also been moved to the self-supporting budget from the state-supported operating budget during the state budget cuts. If the increase in General Fund appropriations is approved, the NSHE requests that the five positions and Law Library acquisitions would be moved back to the state-supported operating budget.

Overall, the Governor recommends funding of \$13.5 million in FY 2016 and \$13.6 million in FY 2017 for the Law School, including General Fund appropriations of \$9.4 million in each year of the 2015-17 biennium.

Options for Subcommittee Consideration:

a) Does the Subcommittee wish to approve the UNLV Law School budget, including the enhancement of \$1.5 million in General Fund appropriations in each year of the 2015-17 biennium to offset a revenue reduction resulting from lower enrollments, as recommended by the Governor?

OR

b) Alternatively, does the Subcommittee wish to not approve the enhancement of \$1.5 million in General Fund appropriations in each year of the 2015-17 biennium to offset a revenue reduction resulting from lower enrollments, but approve the remainder of the budget as recommended by the Governor?

The Subcommittee voted to approve the UNLV Law School budget, including the enhancement of \$1.5 million in General Fund appropriations in each year of the 2015-17 biennium to offset a revenue reduction resulting from lower enrollments, as recommended by the Governor.

6. Desert Research Institute (DRI) Funding Formula

As directed by the 2013 Legislature, The Executive Budget recommends funding for DRI based on the new formula model for institutional support and research administration functions. The formula model is a sliding scale calculation based on the level of grant activity. State support is calculated at 12 percent of the first \$25 million of grants and contracts. An additional 7.5 percent would be calculated on the next \$5 million in grants and contracts (from \$25 million to \$30 million), 6 percent of the next \$5 million in grants and contracts (from \$30 million to \$35 million), and 5 percent of any additional grants and contracts above \$35 million. The Desert Research Institute's O&M costs continue to be funded using the existing Base, Maintenance, and Enhancement methodology. Based upon the formula, the Governor recommends decreases in General Fund appropriations of \$975,718 and \$1.1 million in FY 2016 and FY 2017, respectively (M-207: NSHE-77). As a result, The Executive Budget recommends General Fund appropriations of \$6.9 million in FY 2016 and \$6.8 million in FY 2017, compared to the FY 2015 legislatively approved amount of \$7.5 million. The following table represents the Governor's recommended General Fund appropriation funding level for each year of the 2015-17 biennium.

Governor's Recommended Funding for the Desert Research Institute					
FY 2016			FY2017		
Grant & Contract Funds Awarded (Increments)	% Per Step	Gen Fund (Gov Rec)	Grant & Contract Funds Awarded (Increments)	% Per Step	Gen Fund (Gov Rec)
\$ 25,000,000	12.0%	\$ 3,000,000	\$ 25,000,000	12.0%	\$ 3,000,000
\$ 5,000,000	7.5%	\$ 375,000	\$ 5,000,000	7.5%	\$ 375,000
\$ 5,000,000	6.0%	\$ 300,000	\$ 5,000,000	6.0%	\$ 300,000
\$ 868,929	5.0%	\$ 43,446	\$ 868,929	5.0%	\$ 43,446
\$ 35,868,929		\$ 3,718,446	\$ 35,868,929		\$ 3,718,446
	O&M	\$ 3,140,396		O&M	\$ 3,100,563
Total General Fund		\$ 6,858,842	Total General Fund		\$ 6,819,009

In addition to the General Fund appropriations, the Governor recommends other funding of \$148,486 in each year of the 2015-17 biennium for the DRI budget.

- As the Subcommittee will recall, NSHE requested General Fund appropriations of \$125,312 in each year of the biennium, indicating that the amount would provide an increase equal to the funding requested for the seven teaching institutions through a \$5 increase to the WSCH value.
- In addition, NSHE requested General Fund appropriations of \$352,000 in each year of the biennium for bridge funding to assist DRI in adjusting to the decreased appropriations resulting from the funding formula.

Does the Subcommittee wish to approve the Desert Research Institute's budget including the implementation of the new formula model, as recommended by the Governor?

The Subcommittee voted to approve the Desert Research Institute's budget including the implementation of the new formula model, as recommended by the Governor.

7. Funding for the Non-Formula Budgets without Major Enhancements

The following table reflects the Governor’s recommended General Fund appropriations for the NSHE’s non-formula state-supported budgets in each fiscal year of the 2015-17 biennium as compared to the legislatively approved funding for FY 2015. These budgets do not contain any major enhancements.

2015-17 Biennium Governor Recommended General Fund Appropriations Compared to FY 2015					
Budget	FY 2015 Gen. Fund (Leg Approved)	FY 2016 General Fund (Gov. Rec.)	% Change Over FY 2015	FY 2017 General Fund (Gov. Rec.)	% Change Over FY 2015
Special Projects	\$ 1,974,778	\$ 1,989,445	0.7%	\$ 1,988,735	0.7%
Intercollegiate Athletics - UNR	\$ 4,972,752	\$ 5,200,306	4.6%	\$ 5,204,327	4.7%
Statewide Programs - UNR	\$ 7,364,608	\$ 8,105,767	10.1%	\$ 8,106,616	10.1%
System Administration	\$ 4,653,275	\$ 4,506,088	-3.2%	\$ 4,500,897	-3.3%
Intercollegiate Athletics - UNLV	\$ 7,049,245	\$ 7,328,356	4.0%	\$ 7,324,002	3.9%
Agricultural Experiment Station	\$ 4,872,744	\$ 5,108,856	4.8%	\$ 5,110,891	4.9%
Cooperative Extension Service	\$ 3,490,641	\$ 3,748,710	7.4%	\$ 3,751,799	7.5%
System Computing Center	\$ 16,870,709	\$ 17,558,385	4.1%	\$ 17,743,953	5.2%
State-Funded Perkins Loan	\$ 35,793	\$ 35,793	0.0%	\$ 35,793	0.0%
University Press	\$ 406,989	\$ 423,876	4.1%	\$ 422,774	3.9%
Statewide Programs - UNLV	\$ 2,866,667	\$ 3,004,580	4.8%	\$ 3,004,186	4.8%
Dental School - UNLV	\$ 7,422,189	\$ 8,214,500	10.7%	\$ 8,302,288	11.9%
Business Center North	\$ 1,829,353	\$ 1,940,955	6.1%	\$ 1,951,821	6.7%
Business Center South	\$ 1,642,847	\$ 1,731,192	5.4%	\$ 1,743,266	6.1%
Health Laboratory and Research	\$ 1,502,862	\$ 1,581,692	5.2%	\$ 1,585,182	5.5%
Education for Dependent Children	\$ -	\$ -	n/a	\$ 5,288	n/a
TOTAL	\$ 66,955,452	\$ 70,478,501	5.3%	\$ 70,781,818	5.7%

The overall increases in General Fund appropriations are mainly driven by adjustments to personnel costs in the base budget, such as the elimination of furlough and classified merit increases. For the Statewide Programs UNR budget, the increase is also attributable to the transfer of the Nevada Industry Excellence program to this budget.

New Base Funding – Education for Dependent Children (NSHE-23): The Governor recommends the inclusion of the Education for Dependent Children budget in The Executive Budget. Pursuant to NRS 396.545, the Trust Account for the Education of Dependent Children was established by the 1995 Legislature, and currently is a non-executive budget, requiring specific legislation to appropriate General Funds to the account. The fund supports costs for registration fees, laboratory fees and expenses for textbooks and course material incurred by dependent children of Public Safety Officers who were killed in the line of duty. Including the budget in The Executive Budget and providing a \$5,288 General Fund appropriation in FY 2017 removes the need for specific legislation to fund this program. The budget includes funding to support the costs of four students in each year of the 2015-17 biennium.

Does the Subcommittee wish to approve the Governor’s recommended 2015-17 biennium funding levels for the NSHE non-formula, state-supported operating budgets, inclusive of establishing the Trust Account for the Education for Dependent Children in The Executive Budget?

The Subcommittee voted to approve the Governor’s recommended 2015-17 biennium funding levels for the NSHE non-formula, state-supported operating budgets, inclusive of establishing the Trust Account for the Education for Dependent Children in The Executive Budget.

Other Closing Items

1. Appropriation Act Language

The 2013 Legislature approved the addition of “back language” to the Appropriation Act (A.B. 507 of the 2013 Session) for the 2015-17 biennium. The added language (Section 55) authorizes the transfer of General Fund appropriations between the NSHE’s state-supported operating budgets subject to the recommendation of the Governor and the approval of the Legislature’s Interim Finance Committee. The 2013 Legislature approved the change in order to provide the NSHE with flexibility to respond to budget adjustments if necessary. Similar language was also approved by the 2011 Legislature.

In addition to the transfer authority considered to implement a system of performance funding, does the Subcommittee wish to continue the NSHE’s existing general authority to transfer General Fund appropriations between NSHE budget accounts subject to the recommendation of the Governor and the approval of the Interim Finance Committee?

The Subcommittee voted to direct Fiscal staff to include language in the 2015 Appropriations Act to continue the NSHE’s existing general authority to transfer General Fund appropriations between NSHE budget accounts subject to the recommendation of the Governor and the approval of the Interim Finance Committee.

2. Authorization Act Language

As noted under Major Closing Issue 3, The Executive Budget continues the policy adopted by the 2013 money committees that for purposes of determining the level of General Fund appropriations to be budgeted in NSHE’s state-supported operating budgets, projected non-General Fund revenues do not offset the amount of General Fund appropriations that would otherwise be appropriated. As part of the policy decision, language was included in Section 25 of S.B. 521 of the 2013 Session (Authorization Act) allowing the NSHE to balance forward any unexpended non-General Fund revenues to the next fiscal year for authorized purposes.

Does the Subcommittee wish to direct Fiscal staff to include back language in the 2015-17 biennium Authorization Act to authorize the NSHE to balance forward any unexpended non-General Fund revenues to the next fiscal year for authorized purposes in the NSHE state-supported operating budgets?

The Subcommittee voted to direct Fiscal staff to include back language in the 2015-17 biennium Authorization Act to authorize the NSHE to balance forward any unexpended non-General Fund revenues to the next fiscal year for authorized purposes in the NSHE state-supported operating budgets.

3. Technical Adjustments

For all NSHE state-supported operating budgets, Fiscal staff requests authority to make any necessary technical adjustments.

The Subcommittee voted to authorize Fiscal staff to make any necessary technical adjustments.

ATTACHMENT (3 PAGES)

NSHE PERFORMANCE POOL			
(2013-14 - Year 2 Outcomes for FY2016 Performance Funding)			
		Year 2	
		2013-14 Target	
UNLV (2% Target)	Weights	Points	Weighted Pts.
Bachelor's Degrees	30%	3,777	1,133.1
At-Risk Bachelor's Graduates (Minority x .4)	"	646	193.7
At-Risk Bachelor's Graduates (Pell-Eligible x .4)		314	94.1
Master's and Doctoral Degrees	10%	1,052	105.2
At-Risk Master's and Doctoral Graduates (Minority x .4)	"	118	11.8
At-Risk Master's and Doctoral Graduates (Pell-Eligible x .4)		91	9.1
Sponsored/External Research Expenditures in \$100,000's	15%	474.9	71.2
Transfer Students w/a transferable associate's degree	5%	1,915	95.8
Efficiency - Awards per 100 FTE	20%	25.0	5.0
Economic Development (STEM and Allied Health) Graduates	20%	947	189.4
Economic Development (business and management) Graduates	"	1,491	298.2
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	2,206.6
TOTAL WEIGHTED POINTS - TARGET		--	2,256.0
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			97.8%
FY2016 Performance Pool Funds Earned Back			TBD
UNR (2% Target)	Weights	Points	Weighted Pts.
Bachelor's Degrees	30%	2,743	822.9
At-Risk Bachelor's Graduates (Minority x .4)	"	308	92.5
At-Risk Bachelor's Graduates (Pell-Eligible x .4)		313	94.0
Master's and Doctoral Degrees	10%	730	73.0
At-Risk Master's and Doctoral Graduates (Minority x .4)	"	54	5.4
At-Risk Master's and Doctoral Graduates (Pell-Eligible x .4)		48	4.8
Sponsored/External Research Expenditures in \$100,000's	15%	911.9	136.8
Transfer Students w/a transferable associate's degree	5%	1,483	74.2
Efficiency - Awards per 100 FTE	20%	24.0	4.8
Economic Development (STEM and Allied Health) Graduates	20%	1,315	263.0
Economic Development (psychology) Graduates	"	205	41
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	1,612.3
TOTAL WEIGHTED POINTS - TARGET		--	1,506.4
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			107.0%
FY2016 Performance Pool Funds Earned Back			TBD
NSC (4% Target)	Weights	Points	Weighted Pts.
Bachelor's Degrees	50%	361	180.5
At-Risk Bachelor's Graduates (Minority x .4)	"	65	32.6
At-Risk Bachelor's Graduates (Pell-Eligible x .4)		31	15.6
Gateway Course Completers	5%	764	38.2
Transfer Students w/a transferable associate's degree	5%	403	20.2
Efficiency - Awards per 100 FTE	20%	16.6	3.3
Economic Development (STEM and Allied Health) Graduates	20%	159	31.8
Economic Development (business and management) Graduates	"	36	7.2
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	329.4
TOTAL WEIGHTED POINTS - TARGET		--	281.7
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			116.9%
FY2016 Performance Pool Funds Earned Back			TBD

Year 2
2013-14 Target

CSN (2% Target)	Weights	Points	Weighted Pts.
1 to 2 Year Certificate	10%	238	23.8
At-Risk Certificate Recipients (Minority x .4)	"	47	4.7
At-Risk Certificate Recipients (Pell-Eligible x .4)	"	18	1.8
Associate's and Bachelor's Degrees	30%	2,645	793.5
At-Risk Associate's and Bachelor's Graduates (Minority x .4)	"	499	149.6
At-Risk Associate's and Bachelor's Graduates (Pell-Eligible x .4)	"	261	78.2
Transfer Students w/24 credits or associate's degree	10%	3,376	337.6
Efficiency - Awards per 100 FTE	20%	15.5	3.1
Gateway Course Completers	10%	13,254	1,325.4
Economic Development (STEM and Allied Health) Graduates	20%	878	175.6
Economic Development (business and management) Graduates	"	486	97.2
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	2,990.5
TOTAL WEIGHTED POINTS - TARGET		--	2,665.4
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			112.2%
FY2016 Performance Pool Funds Earned Back			TBD

GBC (2% Target)	Weights	Points	Weighted Pts.
1 to 2 Year Certificate	10%	200	20.0
At-Risk Certificate Recipients (Minority x .4)	"	23	2.3
At-Risk Certificate Recipients (Pell-Eligible x .4)	"	23	2.3
Associate's and Bachelor's Degrees	30%	328	98.4
At-Risk Associate's and Bachelor's Graduates (Minority x .4)	"	28	8.5
At-Risk Associate's and Bachelor's Graduates (Pell-Eligible x .4)	"	45	13.6
Transfer Students w/24 credits or associate's degree	10%	70	7.0
Efficiency - Awards per 100 FTE	20%	30.7	6.1
Gateway Course Completers	10%	1,156	115.6
Economic Development (STEM and Allied Health) Graduates	20%	194	38.8
Economic Development (mechanic and repair technologies) Graduates	"	52	10.4
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	323.0
TOTAL WEIGHTED POINTS - TARGET		--	299.8
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			107.7%
FY2016 Performance Pool Funds Earned Back			TBD

GBC's adjusted Year 2 target is 306.7. It over performed by the 6.9 weighted points needed in 2013-14 to earn back the 2.4 percent of funding not earned in 2012-13.

TMCC (2% Target)	Weights	Points	Weighted Pts.
1 to 2 Year Certificate	10%	93	9.3
At-Risk Certificate Recipients (Minority x .4)	"	11	1.1
At-Risk Certificate Recipients (Pell-Eligible x .4)	"	29	2.9
Associate's Degrees	30%	1,191	357.3
At-Risk Associate's Graduates (Minority x .4)	"	153	45.8
At-Risk Associate's Graduates (Pell-Eligible x .4)	"	182	54.5
Transfer Students w/24 credits or associate's degree	10%	1,067	106.7
Efficiency - Awards per 100 FTE	20%	23.0	4.6
Gateway Course Completers	10%	4,207	420.7
Economic Development (STEM and Allied Health) Graduates	20%	394	78.8
Economic Development (precision production) Graduates	"	9	1.8
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	1,083.5
TOTAL WEIGHTED POINTS - TARGET		--	1,012.6
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			107.0%
FY2016 Performance Pool Funds Earned Back			TBD

TMCC's adjusted Year 2 target is 1,020.5. It over performed by the 7.9 weighted points needed in 2013-14 to earn back the 1 percent of funding not earned in 2012-13.

Year 2
2013-14 Target

WNC (2% Target)	Weights	Points	Weighted Pts.
1 to 2 Year Certificate	10%	33	3.3
At-Risk Certificate Recipients (Minority x .4)	"	4	0.4
At-Risk Certificate Recipients (Pell-Eligible x .4)		8	0.8
Associate's and Bachelor's Degrees	30%	531	159.3
At-Risk Associate's and Bachelor's Graduates (Minority x .4)	"	44	13.3
At-Risk Associate's and Bachelor's Graduates (Pell-Eligible x .4)		98	29.5
Transfer Students w/24 credits or associate's degree	10%	263	26.3
Efficiency - Awards per 100 FTE	20%	26.2	5.2
Gateway Course Completers	10%	1,632	163.2
Economic Development (STEM and Allied Health) Graduates	20%	127	25.4
Economic Development (construction trades) Graduates	"	16	3.2
TOTAL WEIGHTED POINTS - ACTUAL	100%	--	429.9
TOTAL WEIGHTED POINTS - TARGET		--	399.5
FY 2016 Performance Funding Carve-Out			TBD
Percent of Target Achieved			107.6%
FY2016 Performance Pool Funds Earned Back			TBD