

**MINUTES OF THE MEETING OF THE
SENATE COMMITTEE ON FINANCE
AND
ASSEMBLY COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES ON K-12/HIGHER EDUCATION/CIP**

**Eighty-second Session
February 21, 2023**

The joint meeting of the Subcommittees on K-12/Higher Education/CIP of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair Marilyn Dondero Loop at 8:05 a.m. on Tuesday, February 21, 2023, Room 3137 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Marilyn Dondero Loop, Chair
Senator Nicole J. Cannizzaro
Senator Dina Neal
Senator Heidi Seevers Gansert
Senator Robin L. Titus

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Shea Backus, Chair
Assemblywoman Sandra Jauregui, Vice Chair
Assemblywoman Heidi Kasama
Assemblyman C.H. Miller
Assemblywoman Daniele Monroe-Moreno
Assemblyman P.K. O'Neill
Assemblywoman Sarah Peters
Assemblyman Steve Yeager

STAFF MEMBERS PRESENT:

Cathy Crocket, Chief Principal Deputy Fiscal Analyst
Brody Leiser, Chief Principal Deputy Fiscal Analyst

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Jaimarie Mangoba, Principal Program Analyst
Paul Breen, Committee Assistant
Joko Cailles, Committee Secretary
Dee Chekowitz-Dykes, Committee Secretary

OTHERS PRESENT:

Dale Erquiaga, Commissioner, Nevada Office of Western Interstate Commission for Higher Education; Acting Chancellor, Nevada System of Higher Education
Patty Porter, Director, Nevada Office of Western Interstate Commission for Higher Education
Andrew Clinger, Chief Financial Officer, Nevada System of Higher Education
Renee Davis, Interim Vice Chancellor for Academic and Student Affairs and Community Colleges, Nevada System of Higher Education.
Keith Whitfield, President, University of Nevada, Las Vegas
Jean Vock, Chief Financial Officer, University of Nevada, Las Vegas
J. Kyle Dalpe, President, Western Nevada College
DeRionne Pollard, President, Nevada State College
Federico Zaragoza, President, College of Southern Nevada
Brian Sandoval, President, University of Nevada, Reno
Karin Hilgersom, President, Truckee Meadows Community College
Sonja S. Sibert, Vice President, Business Affairs, Great Basin College
Jeff Thompson, Executive Vice President and Provost, University of Nevada, Reno
Coral Lopez, Chief Financial Officer, Western Nevada College
Kumud Acharya, President, Desert Research Institute
Kent Ervin, Nevada Faculty Alliance
Amanda Vaskov, Director of Government Affairs, Associated Students of the University of Nevada, Reno
Paul J. Moradkhan, Las Vegas Chamber of Commerce
Barry Cole
Doug Unger, Nevada Faculty Alliance

CHAIR DONDERO LOOP:

Two agencies are on the agenda today, Nevada System of Higher Education (NSHE) and the Western Interstate Commission for Higher Education (WICHE).

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DALE ERQUIAGA (Commissioner, Nevada Office of Western Interstate Commission for Higher Education; Acting Chancellor, Nevada System of Higher Education):

I am here in my role as a Commissioner of the Western Interstate Commission for Higher Education. Three commissioners are appointed by the Governor. The Western Interstate Commission for Higher Education is administratively housed within the Chancellor's office but does not report to the Board of Regents. Patty Porter is here to explain the various programs in WICHE.

PATTY PORTER (Director, Nevada Office of Western Interstate Commission for Higher Education):

I am the Director of Nevada office of WICHE. Page 21 of the Nevada System of Higher Education's 2023-2025 Governor's Recommended Budget presentation ([Exhibit C](#)) shows the origin of WICHE and the two programs under budget account (B/A) 101-2681.

EDUCATION

NEVADA SYSTEM OF HIGHER EDUCATION

NSHE - WICHE Loans & Stipends — Budget Page NSHE-13 (Volume I)
Budget Account 101-2681

The Nevada WICHE office operates two programs: Professional Student Exchange Program (PSEP) and Health Profession Education Program (HPEP). These programs provide tuition assistance to Nevada residents studying various allied health professions in exchange for employment commitments upon graduation.

As shown on page 22 of [Exhibit C](#), WICHE is requesting funding for 38 students in fiscal year (FY) 2023-2024 and 36 students in FY 2024-2025 in the PSEP program. Educational areas of study are occupational therapy, physical therapy, physician assistant, veterinary medicine, and pharmacy.

In the HPEP program, funding is requested for 49 students for FY 2023-2024 and 49 students for FY 2024-2025 covering the areas of master of social work,

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advanced practice registered nursing (APRN), APRN geriatric, and bachelor of science nursing.

Our Agency is requesting a transfer to the Department of Health and Human Services, Division of Public and Behavioral Health to fund three psychological Ph.D. interns for FY 2023-2024 and FY 2024-2025.

Graduation rates of our participants in the two programs over the last five years are shown on page 23 of [Exhibit C](#). The PSEP students are normally full-time students and the HPEP students are usually attending part-time. The length of the specific program is determined by the area of study, between two to four years.

ASSEMBLYWOMAN BACKUS:

Please explain what efforts are taken by WICHE to market its programs and solicit applications to ensure participant slots are filled each year.

Ms. PORTER:

I reach out to the deans in the allied health programs at the University of Nevada, Reno (UNR) and the University of Nevada, Las Vegas (UNLV) to tell them about WICHE's programs. I provide program information and my contact information for their students. In April, I plan to visit the campuses because a face-to-face conversation is important. I will make myself available to students for informational meetings.

CHAIR DONDERO LOOP:

What data is used to determine the need for additional veterinarian medicine professionals in Nevada?

Ms. PORTER:

The information I used was from a 2022 report by Las Vegas Global Economic Alliance, published in cooperation with the Nevada Department of Employment, Training and Rehabilitation, and with the Governor's Office of Workforce Innovation. The numbers were for southern Nevada. Veterinarians ranked number three on the report as a high need profession. I used data from the federal government which classifies areas of Nevada where there is a high

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need for veterinarians. Need was high in the rural areas, but there has been growth in the urban areas of Nevada.

ASSEMBLYWOMAN KASAMA:

When the students graduate, are they required to stay in Nevada, or are they moving to those other regional states? How does it work?

Ms. PORTER:

The HPEP program provides tuition assistance for various allied health professions. For every year the students receive a stipend, they are required to do one year of full-time service in an underserved area of Nevada, as determined by the Health Resources and Services Administration.

After they graduate, my responsibility is to certify graduates' documented hours and to inform them when their commitments are completed.

ASSEMBLYWOMAN KASAMA:

Once the graduates have fulfilled their year requirement of service, how many have remained in Nevada, or how many have gone to other states?

Ms. PORTER:

Most of our graduates complete their State service requirement. Based on my 2018 numbers, I have been able to verify 80 of our graduates are still in Nevada. Part of my responsibilities are to follow-up with practice questionnaires that will document where graduates are living and working. It gets increasingly complicated as time passes.

SENATOR TITUS:

The WICHE programs are very beneficial to Nevada. I am concerned there are still vacancies in the nursing program, especially in psychiatric and behavioral health. What other ideas do you have to reach out to Nevada students beyond the graduate programs?

Ms. PORTER:

This year we will create a pipeline by accepting slots for the bachelor of science in the Nursing Program. We will be encouraging those students to continue with the postgraduate program to receive their APRN.

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MR. ERQUIAGA:

Part of the wisdom of this body moving WICHE into NSHE speaks to your point. The director of WICHE is integrated from an administrative standpoint and aligned with the NSHE Office of Academic and Student Affairs. We do not have a coherent system with workforce development programs, and it is up to NSHE to ensure we get better.

SENATOR NEAL:

What is your outreach budget?

Ms. PORTER:

I do not have one. I have a travel budget to visit institutions around the State. I use the opportunity to connect with students in person. I do outreach through Zoom and social media as well.

CHAIR DONDERO LOOP:

We will now hear from NSHE.

MR. ERQUIAGA:

Eight institutions make up NSHE plus the Chancellor's office, as shown on page 3 of [Exhibit C](#). All are governed by the Board of Regents. All eight of our presidents are here today.

The Nevada System of Higher Education system provides everything from certificates in workforce development programs to doctorates in 100 different disciplines. Nevada's three-tiered systems include two research universities, one state college, four community colleges and one research institute as shown on pages 4-7 of [Exhibit C](#).

The mission of NSHE is shown on page 8 of [Exhibit C](#), and its goals are listed on page 9 of [Exhibit C](#). The goals of NSHE have remained static for many years. Recently added were the goals of coordination, accountability and transparency that ensures funding is wisely spent and transparent to this body, our employees, students and taxpayers.

This year we adopted two performance imperatives shown on page 10 of [Exhibit C](#). The first deals with equity and diversity of NSHE leadership and

faculty and the second with adequate funding equitably distributed to support all students and institutions.

Page 11 of [Exhibit C](#) displays a chart of student enrollment. The highest enrollment was at a peak in 2010 during the Great Recession when many people returned to school to find new skills. The economy and enrollment started to recover until the pandemic when student behavior changed. Enrollment is recovering but flat, challenged by changes in the economy and how people now view the value of the different levels of education.

Student headcount and NSHE full-time employee distribution among the institutions are shown on pages 12 and 13 of [Exhibit C](#). Not surprisingly, 65 percent of our students live in southern Nevada and attend educational institutions there.

The chart on page 14 of [Exhibit C](#) shows employee distribution among NSHE institutions. Part-time employees and letters of appointment employees are relied upon heavily at the community colleges. Those positions are less expensive than a full-time tenured position which comes with full benefits. It offers Nevada students opportunity and a diverse workforce and speaks to our institutions' funding.

Awards conferred is typically how we measure our success, as shown on page 15 of [Exhibit C](#). Of note, is the certificate of achievement number. The certificates are the primary workforce credential and are almost entirely self-supporting with fees collected. Those programs are not included in the funding formula. I have been asked by these subcommittees when the price point begins to get out of reach of students. We need to keep in mind the needs of our workforce, what is driving those numbers and what we could ask you to fund differently over these next two to four years.

Page 16 of [Exhibit C](#) is a graph showing graduation rates at our two universities. We had a good conversation in the Senate Committee on Education last week about the difference between the two institutions. I have seen additional data since then. Different populations attend these two universities. The American College Testing (ACT) data of students arriving at UNLV indicate their level of readiness is not the same as the ACT data from

students who matriculate to UNR. We have work to do with students in kindergarten through grade 12 (K-12), and we have work to do as institutions to address the different needs.

One of our missions is access. Students who are first generation college students joining our institutions require a different level of support than a traditional student with family support and higher education experience. This is on us to provide services, and those services cost money.

The growing Nevada State College (NSC) has terrific graduation rates. It serves a diverse population, and under the leadership of President DeRionne Pollard, continues to improve.

Page 18 of [Exhibit C](#) shows the graduation rates among Nevada's two-year institutions which vary depending on the size of the institution and the diverse communities it serves. Many students transfer to another institution to continue their education.

Page 19 of [Exhibit C](#) shows the higher education appropriations per full-time equivalent (FTE). The graph shows the higher education appropriations by state. The percentage of our budget being restored in the Executive Budget is modest. Nevada has historically underfunded education. We remain largely dependent on State funding. About two-thirds of our general operating monies are appropriated from the State. One-third comes from students. There are additional self-supporting programs and student fees. This is where we turn for additional monies. The lower the State's investment is, the higher the student's investment must be. If one is concerned about student fees and student debt, the data on this graph becomes very important.

ANDREW CLINGER (Chief Financial Officer, Nevada System of Higher Education):
The funding overview for NSHE is on page 25 of [Exhibit C](#). We have two categories of budgets: the State operating budgets and the nonState budgets, which are self-supporting, grants, contracts, loans and endowments. Balances typically stay in those accounts and carry forward every year. We recently had a legislative audit on the self-supporting accounts, looking at reserves and the balance forward within those accounts.

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Page 26 of [Exhibit C](#) shows all sources of revenue for the system total \$2.16 billion.

The detail of operating expenses by type is shown on page 27 of [Exhibit C](#). Employee compensation and benefits are over 80 percent of our budget. Total expenditures are over \$2 billion.

The funding formulas for NSHE's seven instructional institutions are outlined on pages 28-30 of [Exhibit C](#). The funding formula only determines the State portion of the institutions' funding. It does not address the student fee portion. The funding formula is focused on output, or student course completions, and uses a matrix which weights courses based on the relative cost of instruction by discipline and course level. The result of the formula is a weighted student credit hour and is what determines what each institution will receive in funding. The weighted student credit hours are only counted for in-State students.

We have several line item budgets, such as system administration or system computing, which do not fall under the funding formula and are funded the same as other State agencies' budgets. Professional schools are considered line items and are not included in the formula.

Formula calculation has included a small institution factor. Great Basin College (GBC) and Western Nevada College (WNC) fall into this category. If the institution has under 100,000 in weighted student credit hours, it receives an extra \$30 per hour for administrative support. The formula has a research component. The two research institutions receive an additional 10 percent weighting factor applied to all upper-division undergraduate and graduate credit hours to offset costs of research missions. The research institutions receive additional funding for research space.

Once the NSHE budget is determined, 20 percent is withheld for the Performance Pool shown on page 31 of [Exhibit C](#). Metrics have been designed to reward institutions' performance as they contribute to the Board of Regent's goal and the State's needs. We have established targets for years 9 and 10. There was discussion about eliminating the Performance Pool, but it was kept after conversations with the Office of the Governor.

Page 32 of [Exhibit C](#) shows basic registration fees per credit hour for NSHE institutions for the next four years. Fees are tied to what we call a predictable pricing model and adjusted based on the Higher Education Price Index. Registration fees are only one piece of all student fees.

Page 34 of [Exhibit C](#) shows a 7.3 percent increase in State funding for NSHE's budget compared to FY 2022-2023, which included \$46.6 million in American Rescue Plan Act of 2021 (ARPA) funding. In comparing the requested budget to the prepandemic budget of FY 2020-2021, the increase in State funding for FY 2024-2025 was 4.9 percent.

Pages 37-39 of [Exhibit C](#) show caseload growth and funding formula adjustments for FY 2023-2024 and FY 2024-2025. In FY 2022-2023, there were over three million weighed student credit hours compared to FY 2020-2021, with 3.1 million. It was a 93,000 weighted student credit hour decrease overall. Smaller institutions such as College of Southern Nevada (CSN), Great Basin College and Truckee Meadows Community College (TMCC) lose money under the funding formula. We have included a recommendation in the [Executive Budget](#) to resolve the issue.

Page 38 of [Exhibit C](#) shows decreases in funding of the research operations and maintenance component for UNLV and UNR. This is a result of the universities declining research space. Traditionally, those numbers have increased over the biennium. The small institution factor is applied to GBC and WNC, resulting in adjustments. In the case of WNC, they received less of an adjustment because it grew in weighted student credit hours. Great Basin College received an additional \$183,060 through this calculation.

Shown on page 38 of [Exhibit C](#) are formula adjustments applied to all the institutions for FY 2023-2024. Funding is distributed proportionately to the institutions based on their share of the weighted student credit hours after the other components to the funding formula are applied. All institutions are reweighted based on their share of weighted student credit hours and the sum of those funding allocations nets to zero. The funding is balanced between all institutions. Page 39 of [Exhibit C](#) is the same formula adjustment for FY 2024-2025.

Budget restorations are shown on page 40 of [Exhibit C](#). Two decision units, E-275 and E-276, are included in almost every budget account. These are budget restorations from the 2020-2023 biennium. Two years ago, the Governor asked for a 12 percent reduction in budgets, and the Legislature included a restoration of positions using ARPA funds. The \$37.3 million per year shown is the balance of funds not restored. The chart shows each institution's share.

NSHE - Special Projects — Budget Page NSHE-20 (Volume I)
Budget Account 101-2977

E-275 Elevating Education — Page NSHE-21
E-276 Elevating Education — Page NSHE-22

NSHE - Western Nevada College — Budget Page NSHE-101 (Volume I)
Budget Account 101-3012

E-275 Elevating Education — Page NSHE-104
E-276 Elevating Education — Page NSHE-104

NSHE - UNLV School of Medicine — Budget Page NSHE-68 (Volume I)
Budget Account 101-3014

E-275 Elevating Education — Page NSHE-69
E-276 Elevating Education — Page NSHE-70

NSHE - Truckee Meadows Community College — Budget Page NSHE-114
(Volume I)
Budget Account 101-3018

E-275 Elevating Education — Page NSHE-117
E-276 Elevating Education — Page NSHE-117

NSHE - Health Laboratory and Research — Budget Page NSHE-49 (Volume I)
Budget Account 101-3221

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E-275 Elevating Education — Page NSHE-50
E-276 Elevating Education — Page NSHE-51

NSHE - University of Nevada, Reno — Budget Page NSHE-31 (Volume I)
Budget Account 101-2980

E-275 Elevating Education — Page NSHE-34
E-276 Elevating Education — Page NSHE-34

NSHE - UNR School of Medicine — Budget Page NSHE-45 (Volume I)
Budget Account 101-2982

E-275 Elevating Education — Page NSHE-46
E-276 Elevating Education — Page NSHE-47

NSHE - Intercollegiate Athletics - UNR — Budget Page NSHE-38 (Volume I)
Budget Account 101-2983

E-275 Elevating Education — Page NSHE-39
E-276 Elevating Education — Page NSHE-40

NSHE - Statewide Programs - UNR — Budget Page NSHE-41 (Volume I)
Budget Account 101-2985

E-275 Elevating Education — Page NSHE-42
E-276 Elevating Education — Page NSHE-43

NSHE - System Administration — Budget Page NSHE-16 (Volume I)
Budget Account 101-2986

E-275 Elevating Education — Page NSHE-17
E-276 Elevating Education — Page NSHE-18

NSHE - University of Nevada, Las Vegas — Budget Page NSHE-61 (Volume I)
Budget Account 101-2987

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E-275 Elevating Education — Page NSHE-64
E-276 Elevating Education — Page NSHE-64

NSHE - Intercollegiate Athletics - UNLV — Budget Page NSHE-72 (Volume I)
Budget Account 101-2988

E-275 Elevating Education — Page NSHE-73
E-276 Elevating Education — Page NSHE-73

NSHE - Agricultural Experiment Station — Budget Page NSHE-52 (Volume I)
Budget Account 101-2989

E-275 Elevating Education — Page NSHE-53
E-276 Elevating Education — Page NSHE-53

NSHE - Cooperative Extension Service — Budget Page NSHE-55 (Volume I)
Budget Account 101-2990

E-275 Elevating Education — Page NSHE-56
E-276 Elevating Education — Page NSHE-57

NSHE - System Computing Center — Budget Page NSHE-25 (Volume I)
Budget Account 101-2991

E-275 Elevating Education — Page NSHE-26
E-276 Elevating Education — Page NSHE-27

NSHE - UNLV Law School — Budget Page NSHE-78 (Volume I)
Budget Account 101-2992

E-275 Elevating Education — Page NSHE-79
E-276 Elevating Education — Page NSHE-80

NSHE - Great Basin College — Budget Page NSHE-95 (Volume I)
Budget Account 101-2994

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E-275 Elevating Education — Page NSHE-98
E-276 Elevating Education — Page NSHE-98

NSHE - Statewide Programs - UNLV — Budget Page NSHE-75 (Volume I)
Budget Account 101-3001

E-275 Elevating Education — Page NSHE-76
E-276 Elevating Education — Page NSHE-76

NSHE - UNLV Dental School — Budget Page NSHE-82 (Volume I)
Budget Account 101-3002

E-275 Elevating Education — Page NSHE-83
E-276 Elevating Education — Page NSHE-84

NSHE - Business Center North — Budget Page NSHE-58 (Volume I)
Budget Account 101-3003

E-275 Elevating Education — Page NSHE-59
E-276 Elevating Education — Page NSHE-59

NSHE - Business Center South — Budget Page NSHE-86 (Volume I)
Budget Account 101-3004

E-275 Elevating Education — Page NSHE-87
E-276 Elevating Education — Page NSHE-87

NSHE - Nevada State College — Budget Page NSHE-120 (Volume I)
Budget Account 101-3005

E-275 Elevating Education — Page NSHE-122
E-276 Elevating Education — Page NSHE-123

NSHE - Desert Research Institute — Budget Page NSHE-89 (Volume I)
Budget Account 101-3010

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E-275 Elevating Education — Page NSHE-93
E-276 Elevating Education — Page NSHE-93

NSHE - College of Southern Nevada — Budget Page NSHE-107 (Volume I)
Budget Account 101-3011

E-275 Elevating Education — Page NSHE-110
E-276 Elevating Education — Page NSHE-110

A summary of the budget adjustments and restorations for each institution is on pages 41 and 42 of [Exhibit C](#) for FY 2023-2024 and FY 2024-2025. The total formula funding includes the adjustments and restorations and shows the percent of change over the base budgets.

The Executive Budget includes \$12.5 million in one-shot appropriations as shown on page 43 of [Exhibit C](#), for CSN, TMCC, and GBC to help those institutions manage the impact of the pandemic on their budgets. The additional funding will help them retain faculty and staff as their enrollments recover.

FY 2023 One-Shot: This request funds for enrollment recovery at the institutions in which enrollment has been most impacted by the combination of the COVID-19 pandemic and recent economic factors.
Nevada System of Higher Education-College of Southern Nevada
(Budget Overview-29)

FY 2023 One-Shot: This request funds for enrollment recovery at the institutions in which enrollment has been most impacted by the combination of the COVID-19 pandemic and recent economic factors.
Nevada System of Higher Education-Truckee Meadows Community College
(Budget Overview-29)

FY 2023 One-Shot: This request funds for enrollment recovery at the institutions in which enrollment has been most impacted by the combination of the COVID-19 pandemic and recent economic factors.
Nevada System of Higher Education-Great Basin College
(Budget Overview-29)

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Results of additional enrollment recovery funds over the biennium are shown in the charts on pages 44 and 45 of [Exhibit C](#). The funds work to keep those institutions stable at their adjusted base levels.

As shown on page 47 of [Exhibit C](#), decision units E-125 and E-126 in B/A 101-3010 are included in the Executive Budget for restoring Desert Research Institute (DRI) to the pre-2015 funding formula. The 2015 funding formula is based on DRI's grant and contract activity. The State funding portion is based on a share of that activity. As those grants and contracts have fluctuated, so has the State funding. We are requesting DRI be restored to the traditional base maintenance and enhancement approach to funding. The \$2 million represents the reductions taken as a result of the change in the funding formula back in 2015.

E-125 Economic Opportunity & Skilled Workforce — Page NSHE-92
E-126 Economic Opportunity & Skilled Workforce — Page NSHE-92

The chart on page 48 of [Exhibit C](#) shows requested funding for graduate teaching assistants at both universities. Decision unit E-278 in B/A 101-2980 and B/A 101-2987 requests an increase in stipends. Decision unit E-279 in B/A 101-2980 and B/A 101-2987 requests an increase in the number of graduate teaching assistants. The total request for funding is \$19.9 million over the biennium.

E-278 Elevating Education — Page NSHE-35
E-278 Elevating Education — Page NSHE-65
E-279 Elevating Education — Page NSHE-35
E-279 Elevating Education — Page NSHE-65

Twenty years ago, the State invested in summer school for nurses to address a workforce shortage. This request is similar. It funds summer school for teachers and if approved would increase the workforce pipeline for teachers. Page 49 of [Exhibit C](#) shows decision unit E-281 funding for each institution in B/A 101-2980, B/A 101-2987, B/A 101-3005, B/A 101-3011 and B/A 101-2994. No funding is requested for TMCC or WNC.

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E-281 Elevating Education – Page NSHE-35
E-281 Elevating Education – Page NSHE-65
E-281 Elevating Education – Page NSHE-123
E-281 Elevating Education – Page NSHE-111
E-281 Elevating Education – Page NSHE-99

Next, is UNR at Lake Tahoe transition one-shot appropriation shown on page 50 of [Exhibit C](#). This will come out specifically in bills, but I wanted to mention it today. This is a \$1.6 million request to recognize weighted student credit hours for students who attended Sierra Nevada University (SNU) because they were not part of the NSHE system at the time. Their weighted student credit hours were not counted in the funding formula when we ran it. This one-shot makes an adjustment to include those SNU students in the funding formula.

FY 2023 One-Shot: This request funds the addition of weighted student credit hours resulting from the July 1, 2022 acquisition by University of Nevada, Reno of Sierra Nevada University.
Nevada System of Higher Education-University of Nevada, Reno
(Budget Overview-29)

Two one-shot appropriations are requested for the System Computing Center as shown on page 51 of [Exhibit C](#). NevadaNet is the high-performance Statewide data network maintained by NSHE System Computing Services and used by public agencies. The \$3 million is for renewal of expiring dark fiber leases and \$5 million is a one-time request for equipment costs.

FY 2023 One-Shot: This request funds one-time costs for the renewal of dark fiber leases for NevadaNet.
Nevada System of Higher Education-System Computing Center
(Budget Overview-29)

FY 2023 One-Shot: This request funds one-time replacement costs for equipment which supports NevadaNet.
Nevada System of Higher Education-System Computing Center
(Budget Overview-29)

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It is important to review State funded student scholarships shown on page 52 of [Exhibit C](#). The NSHE budget includes \$10 million of the Silver State Opportunity Grant. The Nevada Promise Scholarship is within the Office of the State Treasurer (STO), which has requested a \$6 million one-shot in the Executive Budget to continue the program. The Governor Guinn Millennium Scholarship Program, in the STO, has requested a one-shot of \$75 million in funding.

FY 2023 One-Shot: This request funds an appropriation to support the Promise Scholarship.

Treasurer's Office-Treasurer (BUDGET OVERVIEW-23)

FY 2023 One-Shot: This request funds an appropriation to support the Governor Guinn Millennium Scholarship.

Treasurer's Office-Treasurer (BUDGET OVERVIEW-23)

MR. ERQUIAGA:

In our original budget requests prioritized by the Board of Regents, our institutions suggested adding economic development or workforce development programs. Funds were to be used in the biennium to build programs to address needs and fund start-up costs. Funds will be used to build capacity until the program becomes self-sustaining.

The Office of the Governor, Governor's Office of Finance moved those dollars in the Executive Budget to the Department of Business and Industry, Governor's Office of Economic Development into the Workforce Innovations for a New Nevada (WINN) fund. While it is unusual to have funds NSHE requested be moved out of our budgets, this is an appropriate use of these dollars to participate in a coherent workforce development system. Page 53 of [Exhibit C](#) shows the requested WINN amounts in B/A 101-1531, decision unit E-127 for the 2023-2025 biennium.

In full disclosure, I participated with members of this body in writing the WINN statute some years ago. The goal of the fund is to provide investment dollars where there is an identified need for workforce talent.

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COMMERCE AND INDUSTRY

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

GOED-Workforce Innovations for a New Nevada Acct — Budget Page GOED-23
(Volume II)
Budget Account 101-1531

E-127 Economic Opportunity & Skilled Workforce — Page GOED-23

MR. CLINGER:

The Executive Budget includes funding for the Kirk Kerkorian Medical Education Building as shown on page 54 of [Exhibit C](#). A \$9.2 million Special Appropriation by the Governor's Office of Finance increases operational costs and provides for increased staff and faculty to expand the number of students in the program.

FY 2023 One-Shot: This request funds operational costs of the Kirk Kerkorian Medical Education Building and expands the number of students in each class.

Governor's Finance Office-Special Appropriation (BUDGET OVERVIEW-21)

MR. ERQUIAGA:

As described on page 55 of [Exhibit C](#), the Executive Budget added a request to fund a study of NSHE's funding formula. This was not in NSHE's budget for this biennium.

2023 One-Shot: This request funds an interim study of the Nevada System of Higher Education funding formula

Nevada System of Higher Education-System Administration
(BUDGET OVERVIEW-29)

The funding formula was created in the Seventy-Seventh Session in 2013. The funding formula uses weighted student credit hours and our community colleges, due to their size, sometimes lose out. The formula is agnostic to student type and does not consider student needs. It is based on what course the students take and their completion in discipline. Considering student access

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and their ensured success, we support the Governor's request for money to examine the funding formula.

The Governor added another dimension to the funding formula study. It will include accountability and transparency. Our self-supporting accounts are entirely outside the funding formula and will be a part of the study. A request for proposal process will be conducted by two different entities.

The Office of the Governor has determined \$5 million will be needed to complete this study. This number is high and we anticipate returning some through a budget amendment. The importance of this study cannot be understated. The System as it endeavors to serve the people of this State better, needs to review its funding formula to ensure adequate and equitably distributed resources. The Board, NSHE and the Governor have an interest in establishing guidelines and models for collaboration, transparency and accountability.

MR. CLINGER:

Page 56 of [Exhibit C](#) shows capital improvement projects and page 57 is about NSHE's accountability reporting. Included on the website <<https://nshe.nevada.edu/system-administration/data-center/>> are the student dashboard and student metrics.

MR. ERQUIAGA:

I have tried to paint a picture of the system in its totality. I encourage you to think about NSHE first as a system and then about each individual institution and the role it plays in helping Nevada meet its challenges. Our job is to ladder students into worlds of opportunity through various institution types and award types. Our job is to serve our communities in the State and throughout the globe through community service, research and our own economic enterprise.

This budget is reasonable. We are thankful the Governor has restored our funds. We are not here asking for millions of dollars for new programming. Institutions and the Board of Regents have held the system together well through the pandemic. There is a rigorous accountability matrix the Board uses to measure persistence. Persistence means our students continue their studies to completion with an award. The Board monitors graduation and completion rates.

We have more work to do in terms of reporting to you the ultimate outcomes. What is the economic mobility of our students? We do not have the data today. This budget keeps the system intact and makes the institutions somewhat whole in their ability to serve the 105,000 students.

Not included in our budget presentation are the cost-of-living increases and other benefits which may accrue to our employees. Those benefits and increases are important to us. Our employees, like many others, sat out during the pandemic without increases and we owe them a debt of gratitude. We owe them some money. To be blunt, they make our system work. We are pleased to support this budget. The Board has directed me to continue to work with this body on the Executive Budget to help both students and staff.

ASSEMBLYWOMAN PETERS:

What is the impact of weighted student credit hours on the budgets of large and small institutions?

MR. CLINGER:

Referring to page 37 of [Exhibit C](#), you can see the impact of weighted student credit hours to the budgets of UNR, CSN, GBC and TMCC. This was primarily due to a drop in enrollment.

The \$12.6 million one-shot request the Governor included in his budget is intended to hold those institutions' funding at their current level to mitigate the drop in enrollment. The one-shot is viewed as temporary until their enrollment comes back up. This depends on what future funding might look like.

ASSEMBLYWOMAN PETERS:

University of Nevada, Reno, has a decrease in the formula adjustments, but it is not included in the one-shot appropriation. What is the justification?

MR. CLINGER:

While UNR loses funds in formula adjustments, the restorations and other adjustments put them above its current base budget. It does not need an adjustment. Page 41 of [Exhibit C](#) shows UNR ends up with a 5.7 percent increase over base. The one-shot was intended to keep CSN, GBC and TMCC from falling below their current adjusted base budget numbers.

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ASSEMBLYWOMAN PETERS:

I am looking at page 44 and 45 of [Exhibit C](#), which shows UNR is still trailing by almost 3 percent from the other institutions based on the funding formula. When looking at inflation and the cost to students, this is a significant disparity. It might be worth looking at further.

MR. ERQUIAGA:

When we look at the 12 percent of restoration funding or these enrollment recovery monies, we are talking about people. The institutions have either been using reserve dollars to keep positions in place, or they have left positions vacant. Absent the adjustments, those positions go away. The people go away, which lessens our ability to serve students. People are 90-95 percent of our budget. Restorations are for monies to serve students with someone in a classroom.

The Board of Regents has set aggressive goals for increasing advisers for students. They help students move through our system and persist. Who are these people and what are we paying them? If we do not have these monies, the positions and people go away over time.

ASSEMBLYWOMAN PETERS:

What percentage of faculty have teaching responsibilities versus administrative duties?

MR. ERQUIAGA:

We have administrative faculty and teaching faculty. They are different across the institutions. I will pull the data and bring this information back to you.

ASSEMBLYWOMAN BACKUS:

I understood the performance funding part of the calculation was originally eliminated, but the Governor wanted to include it in the calculation. Describe the process and factors taken into consideration by the Board when setting the performance targets and how the targets limit the risk of the institutions from earning 100 percent of the set aside back?

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RENEE DAVIS (Interim Vice Chancellor for Academic and Student Affairs and Community Colleges, Nevada System of Higher Education):

Every two years we get together with business and academic officers who work closely with the presidents to determine targets which make sense, are realistic and stretch the institution to continue to grow success for its students. The group then refers the targets to the chancellor.

ASSEMBLYWOMAN BACKUS:

The performance funding pool allocations are based on meeting performance targets. How are the institutions with a decline in enrollment and weighted student credit hours still meeting their performance targets? Is this now being taken into consideration, or has it been excluded from the conversations?

MR. CLINGER:

There are many more components to the weighting process than degrees awarded. We have year 10 data we will use to adjust into years 11 and 12. Two years ago, several institutions were at 150 percent of their performance targets. As a result, their targets were reset to more closely align to where they were performing. We will look at the most recent metrics and go through the same process for years 11 and 12.

ASSEMBLYWOMAN BACKUS:

Why was the \$9.2 million for UNLV's Kirk Kerkorian School of Medicine operational costs and faculty investment a one-shot instead of included in the Executive Budget?

MR. CLINGER:

It was submitted as an enhancement decision unit, and the Office of the Governor moved it to a one-shot. After conversations with the staff from UNLV, it was recognized the importance of this funding for faculty and staff should continue year to year.

ASSEMBLYWOMAN JAUREGUI:

Why are you not including the research office space for animal care in your budget?

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KEITH WHITFIELD (President, University of Nevada, Las Vegas):
Jean Vock, my Chief Financial Officer, will speak about the calculation.

JEAN VOCK (Chief Financial Officer, University of Nevada, Las Vegas):
A study was requested by the Eighty-first Legislative Session about research operations and maintenance costs at the two research institutions, UNR and UNLV. The costs were similar between both institutions except for animal care which is often used in broader applications than just research. A decision was made to remove it from the UNLV calculation to ensure consistency.

ASSEMBLYWOMAN JAUREGUI:
During the Eighty-first Legislative Session in 2021, we approved a hiring freeze for the institutions of about \$47 million in savings per year. Approved later in the year were ARPA dollars which restored about \$46.6 million in FY 2021-2022 and \$46.5 million in FY 2022-2023. Were those positions filled, or do you continue to have vacancies?

MR. CLINGER:
I will get back to you on the vacancy statistics. We processed those through the Office of the Governor by seeking reimbursement based on the number of positions each institution fills.

ASSEMBLYWOMAN JAUREGUI:
If the Executive Budget is approved, would it completely restore 100 percent of those positions which were held vacant during the hiring freeze? Did the hiring freeze impact programs or services which directly impacted students?

J. KYLE DALPE (President, Western Nevada College):
We had in our budget restoration about 17 positions, all of which we filled. Six of those are academic faculty. Several of those are classified. We have an adviser position. It runs the gamut. Filling all the positions allowed us to continue to provide services for students and classes. If funding does not come back, we will have to choose where to trim our budget to keep those positions or choose to lose them.

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ASSEMBLYWOMAN JAUREGUI:

To be clear for the record, this only restores cuts made during the Eighty-first Legislative Session. Does this restore any cuts made in 2020 in A.B. No. 3 of the 31st Special Session?

MR. CLINGER:

It does not. These are the budget amounts presented two years ago. It was reduced, then part of it restored. This is the gap of what was not restored.

SENATOR SEEVERS GANSERT:

The Lake Tahoe campus was purchased on July 1, 2022. Are you integrating the past 1.65 million weighted student credit hours into the budget? Is this one-shot to catch up because you provided those services in the past?

MR. CLINGER:

Yes. This is one-shot funding to cover the upcoming biennium, although it depends on what adjustments might be made to the funding formula in the future. They would be included in the weighted student credit hours for whatever funding formula model comes out.

SENATOR SEEVERS GANSERT:

The one-shot for UNLV's Kirk Kerkorian School of Medicine is money needed on an ongoing basis. Will the school increase its student capacity in the program with the increased funding?

MR. CLINGER:

Yes, that is the intent. I will defer to President Whitfield about the numbers.

MR. WHITFIELD:

Was the question about the amount of growth we are predicting to see with this investment?

SENATOR SEEVERS GANSERT:

How many more students will you enroll in the program?

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MR. WHITFIELD:

This one-shot funding will increase enrollment from 60 to 90 students per class. The original goal was to get us to 120 students per class, for a total enrollment of 480 students.

SENATOR SEEVERS GANSERT:

It looks like some law enforcement positions were not included in the Executive Budget. Will there be a budget amendment for this? It looks like the total should have been about \$500,000 for the two-grade increases for UNLV and \$382,000 for UNR.

MR. CLINGER:

Yes. We have submitted a budget amendment to the Office of Finance, Office of the Governor.

SENATOR SEEVERS GANSERT:

Is the Workforce Incentive Grant Program the same as the WINN program?

MR. ERQUIAGA:

Yes, the \$12 million is for the Workforce Innovation for New Nevada or WINN fund. It is an economic development fund.

CHAIR DONDERO LOOP:

What services were provided if not for student education from UNR's Lake Tahoe campus?

MR. CLINGER:

Prior to the July date, there were no services provided. The existing funding formula is a look back only. We treated this situation differently than we do normally under the existing funding formula. An adjustment was made for those students by taking the extra step of counting only those students who had continued in the next year to determine the number of weighted student credit hours. It is not for services rendered in the past, but for services in the future.

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ASSEMBLYMAN MILLER:

What are each institution's plans to spend the funds, if approved, for the summer teacher education programs? How will this improve the teacher pipeline in the State?

MR. DALPE:

I want to note for the years under measurement we have nothing at WNC. We lost our full-time faculty member to a job out of State. It is our intention to offer education classes going forward because we have contracted and hired a new tenure track faculty member.

DERIONNE POLLARD (President, Nevada State College):

Nevada State College has always had a robust summer program for several years in terms of teacher education. These dollars will allow us to have more courses offered for students which will expand the teacher pipeline and provide robust student support services such as tutoring and writing centers.

FEDERICO ZARAGOZA (President, College of Southern Nevada):

At CSN, 260 students are in the teacher preparation program pipeline. Summer classes will allow them to complete their studies in two years.

BRIAN SANDOVAL (President, University of Nevada, Reno):

As of now, the summer programs are self-supported, but by receiving State support we will be able to expand our programming for the College of Education and Human Development students, putting more teachers in the pipeline. Summer programs will expedite their time to completion.

KARIN HILGERSOM (President, Truckee Meadows Community College):

At TMCC we can meet the needs of our teacher education students during the regular two-semester format. By doing so, we get the State FTE, which we would not necessarily get with this program. Our program is small, and we are happy to meet the need during the traditional college schedule.

MR. WHITFIELD:

This funding will be added to other support we already have for students and will increase the amount of financial support available to students for taking

summer courses. For UNLV, it is about student success. Having the opportunity to take additional summer courses will shorten the time it takes to graduate.

SONJA S. SIBERT (Vice President, Business Affairs, Great Basin College):
We plan to expand our current offerings during the summer so we can graduate additional students sooner. The additional funding will expand our alternative route to licensure program for students who have other degrees and want to enter teaching. It will give them the opportunity to get into the classroom sooner.

ASSEMBLYMAN MILLER:
Which institutions offer summer teacher education courses? Will the recommended General Fund monies supplant funding for existing programs? Will they be used for newly created programs?

MR. ERQUIAGA:
This is an expansion. These summer programs today are self-supporting. The student pays. This allows us to offset those costs. As for those institutions that have a program, I ask one person from my institutions that offer summer schooling for teacher education to raise a hand.

ASSEMBLYMAN MILLER:
Please provide context around the CSN graduation rates?

MR. ZARAGOZA:
On page 18 of [Exhibit C](#) is the data from the Integrated Postsecondary Education Data System (IPEDS) which is used for accountability purposes. I want to clarify elements of the data. The 16.4 percent graduation rate is from 2021 and is comprised of cohort data for the three years prior. The Education Partnership for Internationalizing Curriculum cohort is only first-time college students, making it a subelement of the overall enrollment.

Our graduation rate for the last spring cohort was 19 percent. We continue to see the needle move in the right direction. We have 74 percent of CSN students as part-time students. A better indication rate for us is a six-year graduation term, which is within the IPEDS data. When using a six-year term in the calculation, our graduation rate is 28 percent. Another element to the

calculation is student transfer rate. The College of Southern Nevada's transfer rate is around 15 percent. The Aspen Institute rate is calculated by adding the graduation rate plus the transfer rate. It is what the Aspen Institute calls student success. For student success, our graduation rates are around 40 percent, and we are very proud of that.

We recently presented to the Northwest Accreditation Commission, and CSN is one of the most improved community colleges in the Country in performance excellence.

ASSEMBLYWOMAN MONROE-MORENO:

A recommendation for General Fund appropriations of \$20 million over the biennium is in the Executive Budget. How will this additional funding support graduate assistants and help retain the elite R1 Carnegie status for academic and research excellence for both UNR and UNLV?

MR. SANDOVAL:

Graduate students' stipends have remained flat, while the cost of living has increased dramatically. It makes it difficult for them to make ends meet.

An important component of the metrics associated with an R1 Carnegie status is the number of graduate students enrolled in our programs. Keeping and expanding our graduate student enrollment will provide them with more opportunities, enhance our research mission and improve UNR's standing regarding the R1 Carnegie rating nationally.

MR. WHITFIELD:

President Sandoval spoke about two of the most critical points. In the assessment of research institutions, the metrics look at the number of graduates across different disciplines. One of the biggest impediments for undergraduates and graduates is the financing of higher education. This stipend is critical to addressing the inflation in housing and everything across the board. It has been a long time since there was an increase in graduate assistants' stipends.

Increasing research expenditures, increasing the number of graduate students and some of the other metrics will get the institutions more solidly in the research R1 category. This additional funding will be important to staying in the

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R1 space. The work the graduate assistants do with our researchers allows researchers the ability to be more effective in producing and carrying out research and to compete for new research grants.

ASSEMBLYWOMAN MONROE-MORENO:

How would this additional funding rank UNR and UNLV in comparison to peer institutions for graduate assistant compensation?

MR. SANDOVAL:

This funding will help dramatically. I can follow up with specific numbers about how we rank against peer institutions for stipends. It is a very competitive environment for all Carnegie R1 and R2 research institutions. Enabling us to increase the stipend allows us to be more competitive to get the best graduate students nationally.

MR. WHITFIELD:

Some graduate students do not come straight out of undergraduate programs but go to work and possibly have families before returning to obtain a higher degree. It is a question of affordability. Better funding allows them to stop or reduce work, so they can stay more focused, which will get them out sooner to earn a graduate degree salary.

ASSEMBLYWOMAN MONROE-MORENO:

How will the money be split between the two institutions? Are there more graduate students in the program at one of the universities over the other?

MR. WHITFIELD:

Overall, we will raise the stipend then add additional graduate students in targeted areas. We will make an assessment based on productivity and based on our strategic priorities. Engineering and the sciences are programs we would like to grow. We will look at the success of past graduate programs in the colleges.

MR. SANDOVAL:

We have a lot of capacity for graduate assistants at UNR and will be able to fill those. We are aggressively recruiting those potential graduate student candidates for our campus now before they go somewhere else.

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There will be a difference between the stipend rate increase between UNR and UNLV because they have different formulas. University of Nevada, Reno does not need as much funding as UNLV. In our budget analysis we determined the need, and we do not want to get more than what we need. The capacity will enhance our research mission.

ASSEMBLYWOMAN MONROE-MORENO:

Is the cost of living considered in the formula of determining the new stipends?

MR. SANDOVAL:

In northern Nevada, specifically Reno, the cost of a one-bedroom apartment has increased around \$700 per month. Graduate students' stipends are around \$15,000 which makes it difficult to make ends meet. This increase will be beneficial as President Whitfield said, to allow them to concentrate on their studies rather than the other necessities of life.

MR. WHITFIELD:

We are inspired by our students. When determining what the stipend increase would be, we considered inflation but realized we could not completely keep up with it. The stipend rates are low, and this increase helps but does not catch them up to the national average. The housing piece is the most drastic change. These students do not have disposable dollars. There has been increased use of our food pantry and although it is not tracked, it is presumed there is an increased use by graduate students.

SENATOR CANNIZZARO:

What are the operational impacts from enrollment patterns over the current biennium? What changes to in-State and out-of-State student enrollments and impacts do you expect to experience over the next two years for undergraduate, graduate and professional enrollments?

MR. SANDOVAL:

At UNR, 72 percent of our enrollments are Nevada residents with many from northern California. We are being aggressive with our in-State recruitment strategies because enrollment is down. One of the complicating factors is there are fewer high school seniors in Washoe County than four years ago. Through the Western Undergraduate Education program, we attract students from

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northern California, but our efforts will continue to be concentrated on in-State recruitments.

Restoration of the budget will restore 42 vacant faculty positions. This has impacted students with larger class sizes, the time to graduation and student success. If we will be recruiting faculty from other institutions, we will need to start now to have them on campus in fall.

SENATOR CANNIZZARO:

What changes to in-State and out-of-State student enrollments do you anticipate among the student populations in the next two years?

MR. SANDOVAL:

For next fall, we are tracking ahead by several hundred students who have accepted, enrolled and provided deposits. Most are Nevada residents.

SENATOR CANNIZZARO:

Is this true of undergraduate, graduate and professional student enrollments?

JEFF THOMPSON (Executive Vice President and Provost, University of Nevada, Reno):

The graduate student enrollment has a different time period than our undergraduate student enrollment. It is driven by support. Most graduate students are awarded teaching assistantships. We will continue to see growth in enrollment as funds become available for additional positions. We have the capacity and the need. The professional programs enrollment is typically capped either by accrediting bodies or by our ability to make sure students go through the programs on a timely basis.

MS. POLLARD:

Strategic enrollment management is complex. It is about what is happening right now and anticipating what may happen in the future. The nature of higher education is unlike anything we have seen thus far. When the economy contracted, we saw an expansion in higher education enrollment. It is not the case now.

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At NSC, our strategic enrollment is targeting new students, traditionally 18-year-olds coming from in-State high schools, transfers from two-year community colleges, returning adults who have been underrepresented in higher education and local high schools that have dual credit programs. Our records show 90 percent of enrollees come from southern Nevada and 80 percent of NSC graduates stay in Nevada. We continue to benefit from the growth in southern Nevada high schools. Nevada State College has enjoyed phenomenal growth over the last several years, and we would like to see a reasonable growth in the coming years.

We recruit graduate students primarily from Nevada and expect to see increased enrollment in our graduate programs in high demand fields where capacity is significant. We have approval from the Board of Regents for another graduate program for fall and are exploring development of a graduate program in nursing. I anticipate we will continue to see measured growth at NSC into the near future.

SENATOR CANNIZZARO:

What are your enrollment patterns in the current biennium, and what operational impacts has NSC experienced?

Ms. POLLARD:

The operational impacts we experience include inadequate staffing creating longer lines, longer processing times and challenges meeting indirect student needs. Nevada State College hires student workers to supplement staffing needs. Our challenge is keeping them when we pay \$15 to \$16 per hour and they can work in an entry level warehouse job making \$18 or \$19 per hour. They will do what is best to take care of their families. We are hopeful students will recognize their long-term needs and choose to stay within the institution.

Ms. HILGERSOM:

These questions address mission differentiation between four-year universities and two-year colleges. I appreciate the Executive Budget includes additional money for research which predominantly belongs to the universities, but there is money for workforce training which falls into the mission of community colleges.

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Much like CSN, TMCC serves mostly part-time students. Of our approximately 10,000 students, about 66 percent are part-time. They have jobs and are raising families. The average credit count per semester is about nine. None of those students are captured in the IPEDS graduation rate because IPEDS only looks at first-time, full-time students. Although TMCC took a big hit during the pandemic, the students are returning. We know our Latinx students were the hardest hit due to job losses during the pandemic. We are now seeing an uptick in enrollment at TMCC, and we are so appreciative students are choosing to transform their lives through the work we do.

Our recruitment efforts are focused on local Reno and Sparks high school students. We are local, affordable and accessible. We focus on working adults, now our biggest pool of students. We see growth in our technical areas, particularly in the manufacturing sector. We have hundreds of students enrolled on a certification path. Students are working at Tesla, Panasonic and at many small manufacturers in our community while getting paid through apprenticeships. Apprenticeships are both union and industry sponsored through TMCC's federally regulated Nevada's Apprenticeship Project. Our graduation rates are high, and we are good at this.

We see growth in the sciences, with students majoring in biology, chemistry or engineering. These students will likely transfer to one of our State universities. Prior to the pandemic, TMCC for the first time had more Latino, Latina and Latinx enrollment in the sciences and engineering.

To increase enrollments, we are constantly looking to work with industry to design new certificate programs. We are offering new programs we know students want and will serve an economic need in our community.

MR. WHITFIELD:

At UNLV, our in-State student population is 88 percent and out-of-State is 12 percent. Our intent to grow our student population over the next ten years will be focused on in-State, out-of-State and international students. Our enrollments for the fall are up, but we will reassess in May.

We hope to see increased growth in areas of workforce need, teachers, engineers and cyber security. University of Nevada, Las Vegas has a master's

degree program in cyber security, and one of the other institutions has an undergraduate degree.

Through the pandemic, UNLV saw smaller variations in enrollment than the East and Southeast regions of the Country that experienced a drop of around 10 percent. In identifying trends in enrollment, we look at the demographic cliff in national birth rates which are generally down in the East and Midwest but less of a percentage in the West and Southwest.

Our primary goal is to serve the citizens of Nevada. The undergraduate population at UNLV is the second most diverse campus in the Country. Diversity is high on our list of priorities. Diversity goes past ethnic minorities and age but includes background and experiences. This is another way we are trying to build a quality education for our students.

SENATOR CANNIZZARO:

What has been your enrollment over the last biennium, and how have your operations been impacted? Has it remained steady?

How do you see those in-State and out-of-State student populations for undergraduate, graduate, or professional, whatever applies to the institution, either growing or not growing. Those answers will impact the approval of this budget, how much money will be derived from student revenues and how much will be allocated by the Legislature.

Do you expect to see the same type of growth? This is what I am trying to understand. Do you have anything to add on the operational impacts from the last biennium?

MR. WHITFIELD:

I anticipate we will increase our enrollment over the next biennium. I hope we see an increase across all our institutions. An increase of 5 percent in enrollment would make it difficult to ensure we have the operational capacity to offer students a great quality education.

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MR. ZARAGOZA:

The College of Southern Nevada is a community college where 99 percent of students are from the local community. We have seen a significant decrease in enrollment which has been consistent with the national trend of 20 percent for community colleges. Despite being one of the hardest hit regions in the Country, our enrollment decline was 15 percent below the national average.

We are disproportionately impacted in the higher education space, and it has to do with the profile of our students. The hardest hit populations during the pandemic were low-income communities of color. Most community college student populations are part-time. The pandemic economy forced tough choices between work and education.

We plan to move forward by continuing to be very aggressive in terms of growing our dual enrollment populations within high schools. We need to grow the number of students taking courses toward program studies. The College of Southern Nevada is intent on creating pathways for high school students to graduate with at least 15 core credits to transfer to universities.

We want to fill career and technical education academies. There is tremendous change in southern Nevada with the growth of manufacturing adding about 6,000 jobs to the economy. We are partnering with the City of Henderson to build a center of excellence where we can train new world class technicians. Having connectivity to the schools will create pathways to in-demand occupations.

College of Southern Nevada sees an opportunity to increase enrollment by creating pathways for nontraditional populations. There are 250,000 people in southern Nevada without a high school diploma. Many are taking general educational development courses. We want to create a program where these students can take college courses.

If the funding formula would include noncredit student hours, it would enable us to provide certificated programs to incumbent worker populations, creating certificates of value which are affordable to both employers and students. The cost of this education is now carried 100 percent by the student. We are looking into all these variables and national best practices.

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The College of Southern Nevada has seen a 5 percent increase in spring enrollment, and we hope within the two-year period we can get back to preCOVID-19 levels. There would be an impact to 64 positions at CSN by budget restoration.

MR. DALPE:

Western Nevada College's mission is to serve our rural counties. Out-of-State students comprise 2 percent of enrollment. Our student population is 32 percent dual enrollment. The Nation is tracking at 50 percent dual enrollment. What bothers me from an enrollment management standpoint is, we see the cliff, and will go down in enrollment. If our funding goes down, it will affect our operational ability going forward.

We are looking at other programs to expand into the workforce with training programs. Western Nevada College has a robust prison education program for soon to be released incarcerated people reentering the workforce. The Career and College Readiness Grant lost funding in one of the special sessions in 2020. This affected several of our partners, including most of our service area, which includes Lyon, Douglas, Churchill and Mineral Counties. Supporting funding of the dual enrollment piece is huge for us operationally, and we will continue to find ways to do that. In the past, the State budget appropriations kept those programs funded. We had donors in the past such as the Carson City Schools Foundation that support students.

We have significant funding from the WINN program. The new version of the program will help us support emerging industries. At WNC, we are 100 percent into the emerging new battery and recycling technology programs. It is the new thing in applied manufacturing. It takes money to start up those programs.

We are looking back at the funding formula to see how much money we will get in the future, while we are trying to deal with the present. These funds help us start programs to meet workforce needs.

I am looking at diversifying our enrollment portfolio to include more incumbent workers, anyone who is not a high school student, to build up the workforce.

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MS. SIBERT:

Great Basin College serves the rest of rural and frontier Nevada. We have seen a decrease in the populations of our rural communities which has affected our enrollment levels.

Great Basin College has created baccalaureate degree programs based on growing our own students. They come from our communities, they graduate with our bachelor's degrees in teacher education and nursing, and they stay in our communities making them better and stronger as we move forward.

In addition, GBC has expanded enrollment by offering several degrees and other course offerings fully online. This has allowed us to expand not only through the State of Nevada but throughout the Country, increasing enrollment from out-of-State and throughout the world. This provides other opportunities to offset the decrease in enrollment we are seeing in our rural areas.

We would like to thank our partners. The Nevada National Guard recently transferred the armory building to Great Basin College, the University of Nevada, Reno and the Board of Regents. Our collaboration with UNR will establish a mining center to provide workforce development and contract training opportunities to our workforce. Northeastern Nevada is primarily in the natural resource extraction industry. It will provide science, technology, engineering and math opportunities and continuing development for teacher education students and those involved in the K-12 system.

Establishment of the enrollment recovery funds and restoration of the budget cuts will provide opportunities for us to keep our service levels to students the same. Operationally, we will not have to erode one-time funds, such as reserves, to keep at the same levels. This funding will allow us to keep four to five positions on the academic side and cover costs of supplies and educational resources for our students.

ASSEMBLYWOMAN PETERS:

What is causing a 30 percent increase in the prison education registration fees for the first year and 15 percent in the second year?

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MR. DALPE:

The prison education budget was cut. The restoration of those funds was built into the biennium budget going forward.

ASSEMBLYWOMAN PETERS:

This is specifically about the increase in registration fees for this program. Who is responsible for paying the increase, and what does the increase provide for those students in the prison population?

MR. DALPE:

I can follow up with more information about this budget. Any fee increase we have will be charged the same way to all students. Students in the prisons pay for some of their registration fees, and there are donors who support the balance. The State funding allocation will sometimes pay depending on the category of the inmate. This would be a deeper discussion.

ASSEMBLYWOMAN PETERS:

I am not seeing consistency between fee increases at the institutions versus prison education fee increases. There seems to be a disparity there.

MR. DALPE:

I will research this and get back to you.

CORAL LOPEZ (Chief Financial Officer, Western Nevada College):

The increase is because during the pandemic we were not allowed to be in the prisons at the levels we thought we could be. We are projecting increased registration fees for the program.

MR. DALPE:

It makes sense if you are talking about the individual per credit fee. The overall budget would increase because we were not able to provide those services to prisons due to conditions during the pandemic.

ASSEMBLYWOMAN PETERS:

Follow up with me, because I think we are talking about a couple of different line items. I want to be sure I understand where these costs are coming from.

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ASSEMBLYMAN YEAGER:

I understand there was a change to the funding formula in 2015 for Desert Research Institute. Part of the recommendation from the Governor is to change back to how it was done in 2015. Please give me a high-level summary of what it was like in 2015 versus what the current funding formula is?

KUMUD ACHARYA (President, Desert Research Institute):

In 2013, DRI's funding formula changed from a base plus maintenance model. The current funding formula given to us was performance-based and calculated on the amount of external grants and contracts that increase State funding.

This performance-based model was intended to help DRI, but the funding formula did not work out the way it was intended. We have lost about \$10 million since the funding formula was implemented. The percentage originally proposed was not what was returned to DRI and has been cut every year, resulting in DRI losing about \$1 million every year.

In the last few years, DRI has performed quite well bringing in grants and contracts. This increase has not been reflected in our funding formula or the amount of money the State has given back to us. To run our institution, we must charge overhead on our grants and contracts and take money from our overhead to fill in the gap created by the change in the funding formula.

This recommended change would take us back to the funding formula where everything is calculated based on our administrative staff and research space the way research is funded at UNR and UNLV.

ASSEMBLYMAN YEAGER:

Is the recommended change in the funding formula dependent on getting funding levels commensurate with what you got in the 2013 and 2015 timeframe? What anticipated efficiencies would you get from returning to a funding policy of base, maintenance and enhancement?

MR. ACHARYA:

For every dollar we get from the State, we bring in \$4.82 from nonState. In the last three years, we have grown from external funding. Typically, we get between \$7 million and \$8 million from the State per year and bring in about

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\$31 million to \$32 million from other sources. We have grown to about \$44 million a year. Restoring the funding formula to the same level of funding will allow us to grow more. There is much opportunity for research to grow right now. Additional funding will allow us to grow grants and contracts significantly.

ASSEMBLYMAN MILLER:

Has there been a decrease in enrollment in the social work or mental health services fields? Is there a problem retaining people post-graduation?

MR. SANDOVAL:

Enrollments at UNR are up in those two disciplines.

MS. POLLARD:

Nevada State College does not offer a social work program. We have a robust psychology program and a graduate program that is a direct feeder to those who want to work in the mental health field. We see continued strong enrollments in those programs, particularly around school psychology. We have received a congressional directed grant to allow us to provide a mental health clinic on our campus. The clinic will provide experience to students training in those fields and services to students in the school system who need additional mental health support. Your question speaks to a broader one. Teachers are having to make some decisions about whether they will continue to teach or work in those spaces.

MR. WHITFIELD:

Our numbers are strong, but we do not have the faculty to grow the programs. The programs are teaching-intensive and require more one-on-one instruction with students.

ASSEMBLYMAN MILLER:

We have strong enrollment numbers. Are the students graduating and staying in those disciplines? Are the graduates leaving the State or seeking employment in different fields?

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MR. WHITFIELD:

I will follow up with the information. Tracking the students after they graduate is complex. Another part of this is not only tracking people but tracking jobs. With the boom in telehealth and telemedicine, there is more opportunity in remote jobs. We encourage our students to enter graduate programs because many of these fields need a master's degree, although that is not completely true of social work.

MS. SIBERT:

I do not know the enrollment trends in our program. Great Basin College has a program in cooperation with UNR to offer a bachelor's degree in social work where they attend three years at GBC then the last year at UNR.

SENATOR NEAL:

The \$5 million funding formula study discusses categories of students taken into consideration for the new formula. How will African American students be considered across the institutions? How will these factors discussed today be examined for the future funding formula?

MR. ERQUIAGA:

I want to go back to the request about longitudinal data in the mental and behavioral health space. My staff has run those numbers for nursing and teaching. I will have those numbers run for the mental and behavioral health space and bring the information back to you.

Here is how one might approach the funding formula study. For ten years, we have had a performance-based formula targeting disciplines and credit types. In a funding formula review, we should look back to see if African American students benefited from this funding formula and what the completion and persistence rates across all ethnic or racial groups were. We might infer, as you have, people were treated differently based on their starting point in the current funding formula. Before we tinker with the existing formula, we should do an analysis of the last ten years.

We could look at the performance by discipline type, by weight type and then across our students. This is one place a review of the ten-year-old funding formula could start. What are the actual outcomes? I can tell you how much

funding rolled to the institutions, and I can tell you in the aggregate, graduation rates across institutions have all gone up but not for all populations equally. We ought to disaggregate and look backwards over ten years of data.

The institutions have talked about new categories or considerations that might be added to a funding formula. One category is student types, and in the current formula there is no allowance for that. One might experiment with modeling during a study such as this about what weights would look like. In addition to weighted student credit hour performance, the institution might get additional funds based on student types, such as part-time students, students in some level of poverty or traditionally marginalized students whose enrollments remain flat. Another suggestion would be to look at adequacy based on student type to get to some of these populations. This is being done in a couple of states today. A look at considering institution type in terms of workforce development and certificated programs could be added to a new funding formula.

Governor Joe Lombardo asked me what portion of workforce development and certificated programs should be State supported, and should they count for some weighted student credit hours or some other level because of need. Historically, the State has incentivized the professional positions such as nursing and teaching. It becomes a very complicated funding formula review. It is not only about how to reapportion existing funds from an efficiency perspective. It is important for the System, Nevada and this legislative body to examine what outcomes are expected from NSHE in terms of economic mobility and then roll backwards to be able to change the slope on graduation or persistence by demographic group or institution type. I need these funds.

SENATOR NEAL:

The different level of supports should be in the formula. The support for a returning adult is different from the support for a first-year student. What they need is an entirely different category of support, because the system is set-up to assume they are 18 years old, not 45 years old.

MR. ERQUIAGA:

I agree. One-third of our students are in the nontraditional age band, and there is no recognition of that. If you look at the data, cost and the time the course is

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offered is important to them. The way courses are provided, in the classroom or online are also factors. We are not funded for time and modality; we are funded for a brick-and-mortar model.

I look forward to this funding conversation as it is critical for the performance improvement you expect from NSHE and for the economic mobility we all hope for Nevadans.

ASSEMBLYWOMAN JAUREGUI:

Would you give us the background on a name change for NSC and why you are interested in doing this change?

Ms. POLLARD:

I have recommended to the Board of Regents for its consideration, renaming NSC. My predecessor started this work many years ago, looking deeply at the value proposition and how the institution brands itself in the broader community.

Most of higher education does not have a distinction between the word college and university, and it is based often on what side of the Mississippi River it is located. What we have found is very clear. Many of our students have brand confusion or dissonance when they understand what higher education is. In our region, we have a phenomenal community college called CSN. Nevada State College is a four-year institution offering the baccalaureate degree and niche graduate programs, and it is also called a college. Students are confused with the notion of attending college once and then attending college again and understanding this value proposition.

Depending on which survey you look at, Nevada ranks 46th, 47th or 48th in terms of the number of adults who have earned a college credential. We must change the education narrative of the State. Workforce development is economic development. For us to be able to have a different narrative around what higher education is, we must stay with the times. At Nevada State College our student population is important to us. They are 50 percent first-generation college students and 70 percent students of color. Eighty percent of them stay local to become teachers, nurses and leaders of our community, They want a name that has the same value proposition as universities in our community.

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Studies show students who have attained a degree, enrolling first in college then moving to a university, see a \$5,000 to \$7,000 increase in their annual salaries. Why would we deny those students access to that? If the name university has a value proposition for them, let us change the name.

We have a phenomenal set of R1 institutions and a robust community college system. I have no interest in NSC competing with them. We are uniquely geared toward producing students to step in and build the middle class. University is a recognized name. We are not asking for a funding formula change. In fact, I reject that premise, I do not want any part of the land grant university conversation. Nevada State College occupies an existing space. I am hopeful the Board of Regents will consider this request.

ASSEMBLYWOMAN MONROE-MORENO:

If there is a name change for NSC, are there any financial implications to the budget or to the system? Will student fees be increased?

MS. POLLARD:

There is no fiscal impact to the State. The overall fiscal impact is small and primarily around marketing. We will use existing operational dollars or private philanthropy to accomplish this. There will be no changes in the funding formula and no changes in scholarships. It is a renaming, not a mission change, not a formula change, not a status change and not any of the other rumors that abound.

MR. ERQUIAGA:

The Board of Regent's conversation thus far has included direction to my office to examine the policy handbook and ensure what President Pollard has just indicated to you, that there will be no change. This conversation will happen at the next Board of Regents meeting and would be about ensuring the Legislature similarly codifies this. While the intent is very clear from President Pollard, as the Acting Chancellor of NSHE, I must worry about what some future president, future sister institution or some other group might infer. My commitment to President Pollard, to my Board and to this body has been we would follow any such decision, to codify into law and into policy what she said remains true.

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ASSEMBLYWOMAN MONROE-MORENO:

Do we have a time frame of when the Board of Regents would be deciding? Is there a bill draft request prepared to codify this language by the Legislature?

MR. ERQUIAGA:

The NSHE Board of Regents will consider the matter at its March 9 and March 10 meeting. It is on the agenda. Yes, there is a bill draft. I spoke to a senator who has a placeholder bill and has asked me for language particularly addressing the land grant status and include clarification of what a university is. The word "university" appears in the *Nevada Constitution*. The lawyers want to be sure our intent is clear to create differentiation in the manner described for you.

ASSEMBLYWOMAN MONROE-MORENO:

Will student fees be increased for students attending Nevada State College?

MR. ERQUIAGA:

No. The Board of Regent's direction and the president's request has been to clarify the handbook such that student fees and admission requirements remained the same. It is in our interest to make a change in policy and in legislation to ensure this remains true in the future.

CHAIR DONDERO LOOP:

We will move to public comment.

KENT ERVIN (Nevada Faculty Alliance):

We work to empower our members to be fully engaged in our mission to help students succeed. Higher education develops responsible citizens, promotes social and economic mobility and trains Nevada's workforce for economic development. Our public colleges and universities provide professional education career and technical training, and multiple talent pathways for economic prosperity. A long-term national trend has decreased State support for higher education and increased student tuition, reducing affordability and accessibility for students. In Nevada, as shown in our written submission, State appropriated revenue per student FTE enrollment decreased by 34 percent after inflation from years 2007 to 2022, while resident student fee revenue per student FTE increased by 65 percent above inflation. State contributions to the cost per

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student has declined significantly over the same period from about 66.67 to 0.50 percent.

There are good things in the Executive Budget. Graduate assistantships are crucial for our graduate students to survive and to complete their programs. One-shot funding for pandemic related enrollment declines at three community colleges are sorely needed. The proposed budget brings NSHE's State appropriated operating budget back from pandemic cuts; however, it does not fully address the high inflation over recent years. We will still have to stretch to do more with less.

We support the formula funding study. The study should not only consider the cost of offering courses and degrees but also the support and resources our diverse student population needs to excel. Investing in higher education for Nevada's economic prosperity means reversing the long-term decline in State support and making higher education more affordable and accessible for students.

AMANDA VASKOV (Director of Government Affairs, Associated Students of the University of Nevada):

Associated Students of the University of Nevada is the undergraduate student government of UNR. Regarding the funding formula, I want to echo the Chancellor's remarks today on State investment into higher education. Our student government has a very strong policy stance, and the students do not support the imposition of any additional student fees. State investment helps prevent the imposition of new student fees and has a great impact. Budget restorations outlined in the Executive Budget are crucial to our education.

Many students felt their quality of education was negatively impacted by COVID-19. We are ready for full COVID-19 recovery and more continuity in our course instruction. We cannot do this without the help of investment. Yesterday, some of you may have seen the 40 plus UNR students we brought for our day at the Legislature. Several of them are passionate about a budget matter that was not included in the Executive Budget. That is the capital improvement request for planning dollars for a new life sciences building on our campus. The outdated Fleischman Agricultural Building is simply no longer adequate research space for thousands of our students who are studying the life

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sciences. As a political science student, I can speak to the nature of this building. We look forward to contributing our input on higher education matters in the future.

PAUL J. MORADKHAN (Las Vegas Chamber of Commerce):

The Las Vegas Chamber of Commerce supports the NSHE budget presentation today. These investments are important to workforce development and diversification efforts throughout our State and of course, in southern Nevada. This is especially true in the area of health care. Investment of an additional \$9.2 million in the UNLV medical school is essential to growth in faculty positions in our system. This investment in the long-term allows UNLV to grow the medical school capacity from 60 to 92, to 120.

BARRY COLE:

I am a retired psychiatrist and volunteer faculty for the Psychiatry and Behavioral Sciences at UNR. I want to point out something positive. We are on the verge of graduating 20 new psychiatrists a year between our three residencies in Nevada. In Reno though, we have a slight problem. Four out of five will leave. They will leave because California runs ads in our State psychiatry meetings brochure saying, "come to California, you will start at \$279,000 year." It is very difficult to convince new residents to set up a brick-and-mortar practice when they are already \$250,000-\$400,000 in debt by the time they finished their training.

We need to look at interesting models, perhaps prioritizing Nevadans getting into Nevada residencies. There are some technicalities about that. They want support, such as a housing stipend. One option would be looking at those graduate teaching assignments and remembering it is the residents who teach the medical students when they rotate through psychiatry. Can they get an enhancement this way?

There are 250 members of the Nevada Psychiatric Association. We hope you will consider the needs of mental health in Nevada. Please support our graduating psychiatry residents, so they will not leave.

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DOUG UNGER (Nevada Faculty Alliance):

As faculty, colleagues and I look over the NSHE funding in the Executive Budget, we are relieved to see proposed restorations of most budgets to pre-pandemic levels. We are especially relieved at restorations of formula gaps due to pandemic enrollment drops, essential for our community colleges and at restored funding for our professional schools. I like to call them "white collar workforce development" since 60 percent or more of our professional school graduates remain in Nevada.

Those of us devoted to graduate education are grateful for proposed increases in graduate assistantship stipends. This should get us close to parity in support offered by competitive graduate assistant programs. It should help our graduate students better subsist as they earn their advanced degrees, a leading factor to how both UNLV and UNR achieved R1 Carnegie Research status. The R1 ranking contributes to attracting industry and economic development for the State. Leaving NSHE budgets essentially flat or catching them up to four years ago after factoring for inflation, tells faculty we will continue to need to do more with less, as we have been doing since the Great Recession.

These are at best B minus budgets overall in my gradebook. I am concerned our State will miss out on crucial opportunities to build and grow our colleges and universities for a future in which our students will need advanced skills, critical thinking and more sophisticated knowledge to be able to prosper in a faster changing, more uncertain world.

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CHAIR DONDERO LOOP:
This meeting is adjourned at 11:03 a.m.

RESPECTFULLY SUBMITTED:

Dee Chekowitz-Dykes,
Committee Secretary

APPROVED BY:

Senator Marilyn Dondero Loop, Chair

DATE: _____

Assemblywoman Shea Backus, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
	C	3	Dale Erquiaga / Nevada System of Higher Education	Nevada System of Higher Education Budget Presentation