

# FUNDING FORMULA: A CHEAT SHEAT

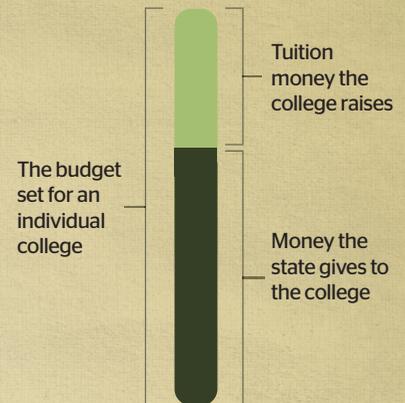
The Nevada System of Higher Education (NSHE) consists of seven institutions: the University of Nevada, Reno; the University of Nevada, Las Vegas; the College of Southern Nevada, Truckee Meadows Community College, Nevada State College, Western Nevada College and Great Basin College. These institutions range from rural community colleges to urban research institutions, and their sizes and missions vary dramatically. The NSHE's complex funding formula attempts to meet the financial needs of all seven institutions, but how well it works depends on whom you ask and which school he or she cares about most. Here, the *Weekly* breaks down the flow of money and explains some of the issues plaguing this admittedly complex formula.

## BUDGET FORMULA

The funding formula is a convoluted algorithm that legislators and regents have admitted is difficult to understand. The formula factors in things like enrollment numbers, the types and levels of courses offered, campus location (urban vs. rural) and the size and other maintenance factors of the physical campus. The funding formula does *not* factor in performance (i.e. graduation rates).

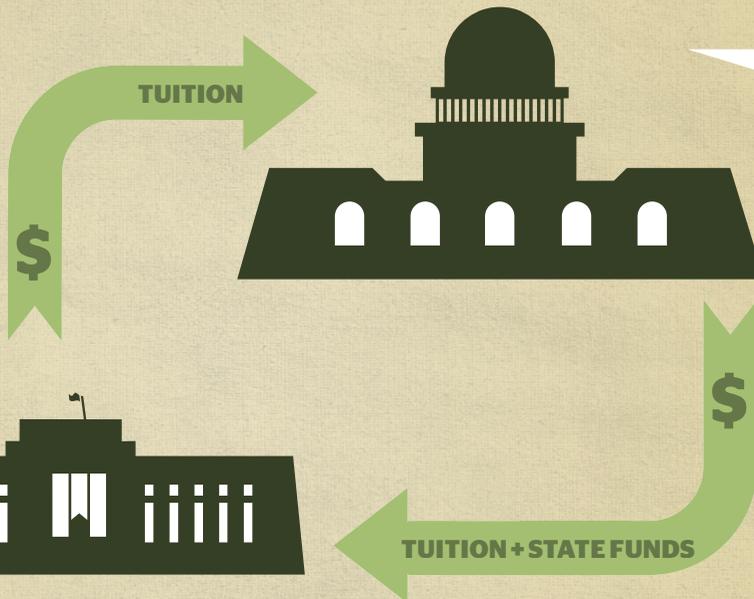
## FILLING THE BUDGET

The formula sets a budget for each institution. The state then subtracts the amount raised through tuition/fees and promises to pay the rest. In other words, the more tuition a school raises, the less it gets from the state. Institutions have no financial incentive to raise additional money through tuition and fees, because they will wind up with the same amount of money in the end anyway.



### 1 STUDENTS

Every NSHE institution raises money through student tuition and fees. In the 2009-2010 academic year, \$182 million was collected.



### 3 THE STATE

The state uses a complex algorithm to determine how much money each institution needs to operate, appropriating different amounts to each university to make up the difference not covered in student tuition and fees. The result: Institutions generating more from students receive a smaller percentage of their budget from the state. Many believe this is unfair.

### RESIDENCY

Out-of-state students pay additional tuition and fees, subsidizing the cost of education for their in-state peers. Many universities make concerted efforts to recruit out-of-state students. However, because Nevada schools turn over all tuition money to the general fund, institutions here have less incentive to recruit these students.



Furthermore, UNR gives a notable portion of its out-of-state students reduced tuition (sometimes equivalent to in-state) through the Good Neighbor and Western Undergraduate Exchange programs, possibly missing out on money it could be making.

	UNR	UNLV
In	79.5%	81.2%
Reduced	10.9%	3.7%
Out	9.6%	15.1%

BASED ON 2010 ENROLLMENT

### 2 COLLEGE

Each NSHE institution surrenders tuition and fees to Nevada's general fund, a practice that is highly criticized by education professionals, who believe student money should stay on campus. Similar practices have been phased out in many states.

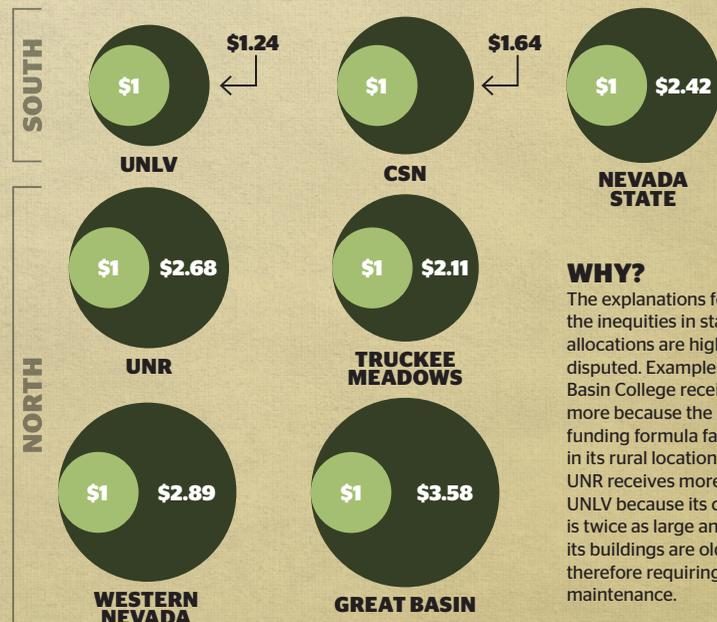


### NORTH VS. SOUTH?

Many within the educational system believe that the formula includes an inherent bias toward institutions in Northern Nevada; they view numbers like these as proof.

### INEQUITIES

There are dramatic differences in the dollars each institution receives from the state in relation to each tuition dollar raised. The darker circle represents the state funds allocated to each school.



### WHY?

The explanations for the inequities in state allocations are highly disputed. Examples: Great Basin College receives more because the funding formula factors in its rural location, and UNR receives more than UNLV because its campus is twice as large and its buildings are older, therefore requiring more maintenance.