

He said the majority of the time would be spent on unresolved areas, specifically weights, operations and maintenance (O&M), and other key areas discussed by the subcommittees.

Chairman Horsford said he was disappointed about an issue with the consultants. He said that several people mentioned disagreement between consultants and the data of the consultants. He said he had been a legislator for eight years and had great respect for the legislative process. Chairman Horsford said the role of an interim committee was to do its work independently and comprehensively while relying on the resources available. The week before the Committee began it received a request by NSHE to include the evaluation of its alternative funding formula proposal (also referred to as the Chancellor's proposal) in conjunction with the Committee's legislative direction. The Committee agreed to have the selected consultant review and evaluate NSHE's proposal in addition to its other tasks. Chairman Horsford said that in December 2011, the Committee's initial request for proposal (RFP) process resulted in one response. Due to the lack of responses, the Committee released an additional RFP on January 20, 2012, and SRI International was selected from the group of bidders. On January 22, 2012, a contract was entered into between NSHE and the National Center for Higher Education Management Systems (NCHEMS) and signed by the Chancellor on February 9, 2012. He noted that NCHEMS had also participated in the bid process. Chairman Horsford found that inappropriate and thought the information should be part of the official record. **He said he did not have an issue with NCHEMS or the credibility of their work.** He did however, have an issue with the lack of transparency regarding who was doing what work, for whom, when and how.

Chairman Horsford said a letter was sent to the Chancellor and the Board of Regents (Exhibit C) that outlined six areas where the Committee and NSHE were in complete agreement:

- Remove politics from higher education funding as much as possible by replacing the old formula with something transparent and credible.
- Separate student fees from state allocations with no offset of state support to campuses that enhance student derived revenue.
- Use Nevada's dollars to fund Nevada's students by excluding non-resident students from the formula and state allocations.
- Fund instruction and student success rather than building maintenance or other functions.
- Produce an equitable outcome across all regions of the state and proportional to institutional mission as measured in state support per full-time equivalent Nevada student.
- Include a component based on outcomes specific to each campus or each tier's mission.

Additionally, the letter outlined four areas that required further discussion. The first area was how the weights per student credit hour would be applied on each campus, and whether those weights should reflect the cost of instruction in a given discipline, or the