

10-1-2020

Nevada System of Higher Education (NSHE) Administrative Costs, 2019

Olivia K. Cheche

University of Nevada, Las Vegas, olivia.cheche@unlv.edu

Saha Salahi

University of Nevada, Las Vegas, saha.salahi@unlv.edu

Marie A. Falcone

University of Nevada, Las Vegas, marie.falcone@unlv.edu

Caitlin J. Saladino

The Lincy Institute and Brookings Mountain West, caitlin.saladino@unlv.edu

William E. Brown Jr.

Brookings Mountain West, william.brown@unlv.edu

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Repository Citation

Cheche, O. K., Salahi, S., Falcone, M. A., Saladino, C. J., Brown, W. E. (2020). Nevada System of Higher Education (NSHE) Administrative Costs, 2019. *Higher Education Fact Sheet No. 12 1-3*.

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Nevada System of Higher Education (NSHE) Administrative Costs, 2019

Higher Education Fact Sheet No. 12 | October 2020

Prepared by: Olivia K. Cheche, Saha Salahi, Marie A. Falcone, Caitlin J. Saladino, and William E. Brown, Jr.

PURPOSE:

The purpose of this Fact Sheet is to examine expenditures of the Nevada System of Higher Education (NSHE), particularly expenses allocated to staff salaries. This data is collected from the FY19 State of Nevada operating budget,¹ and Transparent Nevada, a website that posts the salaries of public employees including NSHE staff.²

ABOUT THE DATA:

The State of Nevada FY19 operating budget shows a breakdown of the allocations issued to departments and state agencies, extending from July 1, 2018 to June 30, 2019. This includes the budget allocation disbursed to NSHE in FY19. The NSHE budget funds 8 higher education institutions in the state, system administrative costs, and more.

Transparent Nevada presents all salary records by agency type, including higher education. All salaries for higher education are categorized by year from 2009 to 2019. All employees working for the NSHE system office are listed on Transparent Nevada by name, position, and total pay. NSHE system office employees are not assigned to any of the campuses and provide no teaching, research, or service that defines the mission of higher education.

KEY FINDINGS:

1. NSHE receives the 3rd highest allocation of public funds in Nevada, ranking behind only the Nevada Department of Health and Human Services (\$5,680,798,748) and the Nevada Department of Education (\$2,343,559,125). The NSHE budget in FY19 totaled \$961,611,308.
2. In FY19, funding for NSHE system administration totaled \$26,994,333. NSHE system administration costs exceeded the budgets for the following individual colleges: Nevada State College (\$21,598,560), Western Nevada College (\$16,241,478), Great Basin College (\$15,858,678), and the Desert Research Institute (\$8,056,532).
3. In 2019, NSHE employed 164 staff members, with pay and benefits that totaled \$17,619,268. Of the 164 staff members, over half (83 staff members) earned upwards of \$100,000 in total pay and benefits.
4. Transparent Nevada reports the salary and benefits for the following State elected offices: Governor (\$194,401.11), Lieutenant Governor (\$100,089.48), Attorney General (\$187,732.39), Secretary of State (\$142,446.76), and Treasurer (\$134,300.27).³ NSHE Chancellor Thom Reilly made \$486,654.39 in total pay and benefits in 2019. On June 18, 2020, The Board of Regents of the University of Nevada hired Melody Rose as chancellor, at an annual salary of \$462,750.⁴

¹ See State of Nevada's Office of the Governor, "State of Nevada Executive Budget 2017-2019," 2017 (http://budget.nv.gov/uploadedFiles/budgetnv.gov/content/StateBudget/2018-2019/FY2017-2019_GovExecBudgetBook-Online.pdf).

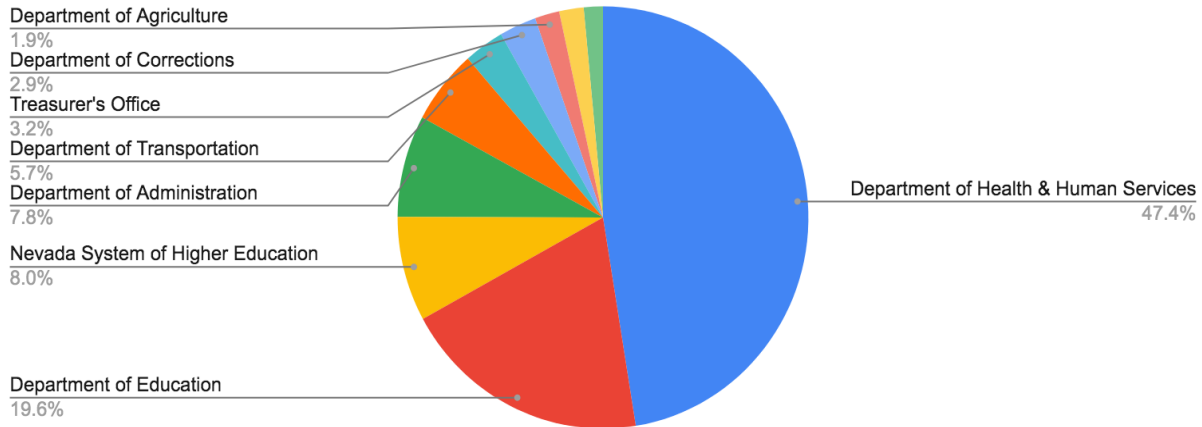
² See Transparent Nevada, "2019 Salaries for NSHE Administration," 2019 (<https://transparentnevada.com/salaries/2019/nevada-system-higher-education-system-administrati/>).

³ See Transparent Nevada, "2019 Salaries for NSHE Administration," 2019 (<https://transparentnevada.com/salaries/2019/nevada/>).

⁴ See Nevada System of Higher Education, "Contract Summary Terms for Chancellor Candidate," 2020 (<https://nshe.nevada.edu/wp-content/uploads/file/BoardOfRegents/Agendas/2020/06-jun-mtgs/supp-mat0618/BOR3MR2.pdf>).

Figure 1 illustrates the ten most expensive state agencies, according to the FY19 budget for the State of Nevada. The Department of Health and Human Services is the highest cost to the state of Nevada with \$5+ billion in budgeted allocations. NSHE ranks as the third most expensive state agency, with \$961,611,308 appropriated to fund administrative costs and the eight public higher education institutions in the state. In Nevada, the NSHE budget exceeds those of the Department of Agriculture, the Department of Public Safety, and the Department of Employment, Training & Rehabilitation combined.

Figure 1: Share of State of Nevada Budget Allocations (\$) for Top 10 State Agencies, FY19



*Adapted from the “State of Nevada Executive Budget 2017-2019” and “State of Nevada Executive Budget 2017-2019” by Brian Sandoval.

Table 1 shows the distribution of funding devoted to 37 state agencies in FY19.⁵ The five agencies with the largest budgets are listed, with all other departments displayed as a combined total. For FY19, the State of Nevada’s 37 state agencies had a budget impact of \$13,159,681,377. NSHE ranked third at \$961,611,308, following the Department of Health & Human Services, and the Department of Education.

Table 1: Budget Allocations (\$) of Top State Agencies, State of Nevada FY19

RANKING	LINE ITEM	COST (FY19)
1	Department of Health & Human Services	\$5,680,798,748
2	Department of Education	\$2,343,559,125
3	Nevada System of Higher Education	\$961,611,308
4	Department of Administration	\$935,347,959
5	Department of Transportation	\$681,925,080
6-37	All Other	\$2,556,439,157

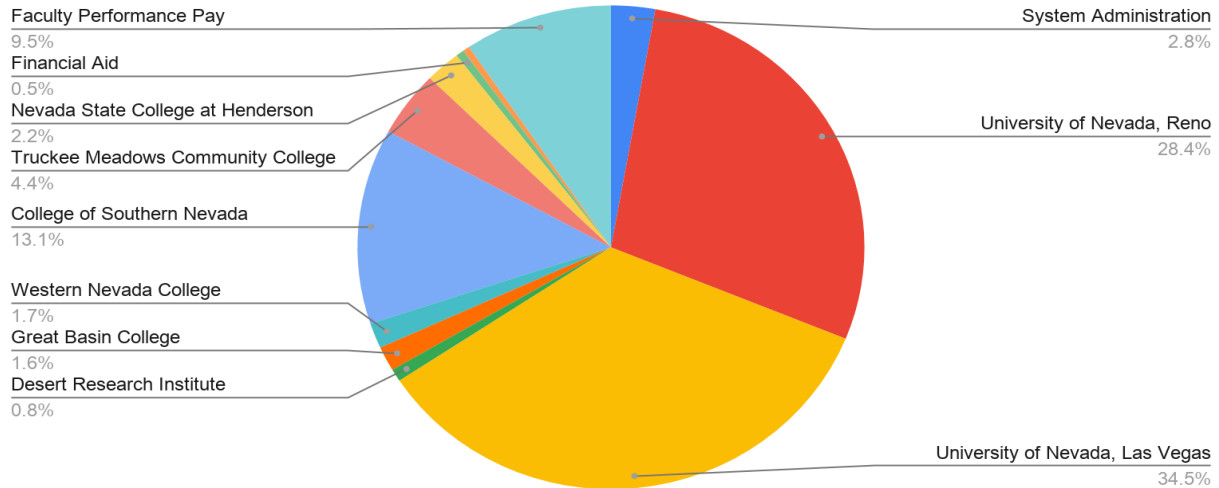
*Adapted from the “State of Nevada Executive Budget 2017-2019” presented by Governor Brian Sandoval.

Figure 2 displays a distribution of NSHE’s \$961,611,30 budget in FY19. This breakdown includes the eight public higher education institutions in Nevada, and budgets for the NSHE System Administration, Financial Aid Programs, Research, and Faculty Performance Pay. As noted earlier, more funding is distributed to NSHE System

⁵ It is important to include that the salary data included in this fact sheet is incomplete. According to the NSHE operating and self-supporting budgets the total full-time equivalent (FTE) associated with system administration, special projects, the two business centers, and system computing is \$206,800,000 (\$173,000,000 in state support and \$33,800,000 in self-supporting).

Administration than to the following colleges and programs: Nevada State College, Western Nevada College, Great Basin College, Desert Research Institute, Financial Aid Programs, and Research.

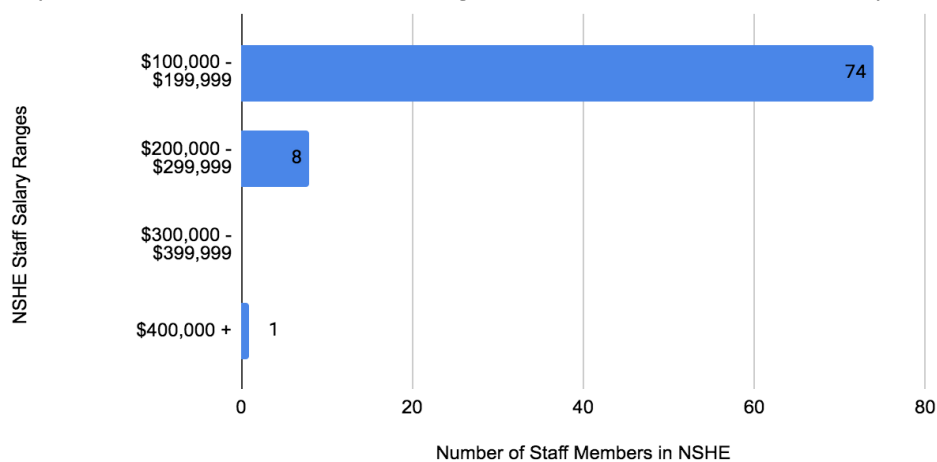
Figure 2: Nevada System of Higher Education Budget Distribution, FY19



*Adapted from the “State of Nevada Executive Budget 2017-2019” presented by Governor Brian Sandoval.

Figure 3 displays the number of NSHE system administration staff with annual salaries above \$100,000 in 2019. These earnings are further divided into categories for staff members with annual earnings of \$400,000 or more, between \$300,00 and \$399,999, between \$200,000 and \$299,999, and between \$100,000 and \$199,999. The NSHE Operating and Self-Supporting Budgets for fiscal year 2019 reported 211.8 full-time equivalent employees working in System Administration, System Computing System, Special Projects, Business Center North, and Business Center South consuming \$23,590,449 in salaries and fringe benefits.⁶ According to 2019 Transparent Nevada data, NSHE employed 164 staff members, with pay and benefits that totaled \$17,619,268. Of the 164 staff members, over half (83 staff members) earned upwards of \$100,000 in total pay and benefits.

Figure 3: NSHE System Administration staff earning above \$100,000.00 annual salary and benefits, 2019



*Adapted from “2019 Salaries for NSHE Administration” publicly available via *Transparent Nevada*.

⁶ The median household income in Nevada is \$57,598, according to the most recent year of data available (2018 dollars) from the U.S. Census Bureau (<https://www.census.gov/quickfacts/fact/table/NV/INC110218#INC110218>). In total, there are 141 individuals employed at the NSHE System Office, who earn an annual salary above the State of Nevada median household income of \$57,598.