UCCSN Board of Regents' Meeting Minutes
April 18-19, 1991

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BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

April 18, 1991

The Board of Regents met on the above date in the Green Room,

Artemus Ham Concert Hall, University of Nevada, Las Vegas.

Members present: Mrs. Dorothy S. Gallagher, Chairman

Mrs. Shelley Berkley

Dr. Jill Derby

Dr. James Eardley

Mr. Joseph M. Foley

Dr. Lonnie Hammargren

Mr. Daniel J. Klaich

Mrs. Carolyn M. Sparks

Mrs. June F. Whitley

Others present: Chancellor Mark H Dawson

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

President John Gwaltney, TMCC

President Robert Maxson, UNLV

President Paul Meacham, CCSN

President Ronald Remington, NNCC

President Jim Taranik, DRI

Mr. Donald Klasic, General Counsel

Dr. Warren Fox, Vice Chancellor

Mr. Ron Sparks, Vice Chancellor

Mrs. Leslie Jacques, Acting Secretary

Also present were Faculty Senate Chairmen Alan Balboni (CCSN), Richard Brown (UNR), Diane Dietrich (Unit) and Isabelle Emerson (UNLV).

The meeting was teleconferenced to the System Administration building in Reno with Regents Derby and Eardley present.

Chairman Gallagher called the special meeting to order at 1:45 P.M. stating the purpose of the meeting was to prioritize a list of potential budget reductions received from the Nevada State

Legislature's Assembly Ways and Means Subcommittee on Higher Education.

The Assembly Ways and Means Committee had requested each State agency to reduce its budget by 10%. The Board of Regents stated its position that it opposed any reductions in the Executive Budget relative to the University of Nevada System because such reduction would severely damage the System's ability to deliver quality education to Nevada's citizens.

In response to the Board of Regents' opposition to any reductions, the Assembly Ways and Means Subcommittee on Higher Education submitted a list of potential budget reductions and requested the Board of Regents to prioritize this list and explain how they would affect the System. The list was as follows:

1. Elimination of merit pay for Deans and above;

2. Delay hiring of new classified support positions in instruction until August 1;

3. Allocate total student fee increases "inside" the budget;

4. Reduce Grants-in-Aid by 25%;

5. Eliminate 15:1 developmental ratio in Community Colleges;

6. Change in support service recommendation from executive recommended levels to 25% and 30%;

7. Increase classified support ratio to 5.5:1;

8. Retain 25.2:1 regular ratio at the urban Community Colleges; and

9. Reduce new faculty salaries in instruction to 90% or 95% of executive request.

Mr. Klaich stated that he had received a "draft" letter from Chairman Gallagher and Vice Chairman Sparks, which was in response to the Subcommittee's request to prioritize potential budget reduction areas. In response, Mr. Klaich stated that he had reviewed the Subcommittee's list and noted that if each of these items were reduced according to the Subcommittee's request, it would require an approximate 3% reduction or a $5.9 million reduction to the Executive Budget for the System. Mr. Klaich explained each item from the above list and stated the financial

impact each would carry. He felt that each of these items is a necessary part to the UNS budget and did not want to dispose of any of the items. Mr. Klaich emphasized that a 3% reduction across the board for the institutions would not be equal and that UNS should seek equitability for its institutions.

Mr. Foley stated that he believes the Governor and the Legislators are strong supporters of higher education, so, in that regard, equality is the issue. The Legislators have a tax measure which should be presented to Nevada citizens for their support. Nevada citizens should be made aware that growth and quality of education are dependent on their support of a tax increase. Mr. Foley requested Vice Chancellor Sparks to give a status report on the UNS budget and the proposed tax measures.

Dr. Hammargren entered the meeting.

Vice Chancellor Sparks gave a legislative update. He stated that the Legislature has completed its UNS budget hearings, and they are now hearing appeals. The UNS capital improvement budgets will be coming before the money committee within a few weeks.

He stated that current revenues are not meeting revenue projections, and projected revenues based on the Business Activity

Tax will not meet the projected needs.

Mrs. Berkley stated that it is important to maintain goodwill with the Legislature by not antagonizing them, but UNS should not give up its fight for its budget requests. She questioned if there was some way to comply in a manner which explains why the cuts are so detrimental to UNS.

Vice Chancellor Sparks distributed material outlining the suggested total budget reductions of the Assembly Ways and Means Committee. He explained each item in detail with discussion following.

Mrs. Sparks suggested that rather than prioritizing the budget reduction requests, the Board of Regents request each institution to reassign the reductions throughout the Campus. Since each Campus is different and has its own special needs, this would be fair to each Campus and would make it equal throughout the System.

President Gwaltney requested clarification in that if a 3% reduction were required would this be a 3% reduction for each Campus and unit? Mrs. Sparks stated she felt that UNS should abide by the stated percentage cut for each Campus.

Mr. Klaich stated if that were so, it would leave UNS open to a differential 3% reduction among the institutions and cause a "whipsaw" effect. He explained that if the reductions are differential, then next legislative session UNS would approach the Legislature to provide equitability between the institutions. He agreed with Mrs. Sparks' suggestion in regard to the institution reassigning the reductions throughout its own Campus.

President Maxson stated he felt that it is the Board's decision on whether to accept or oppose the budget reduction request. He stated that he would not be unhappy if the Board did not respond at all to the Legislature and he felt that numerical facts need to be presented in regard to Mr. Klaich's earlier remarks. As a casual observer, President Maxson suggested that each institution take the same reduction in the operating budget and make recommendations to the Board of Regents outlining where the reductions will be made. Thereafter, the Board could approve the reductions for each Campus. He further suggested that if the Board should respond to the Assembly Ways and Means Subcommittee's request, the numerical figures should not be mentioned. He felt that the "whipsaw" effect could either work to UNS' advantage or disadvantage, and that it should not be a concern at this time.

President Meacham supported President Maxson's suggestions and added that he felt the Legislature would support the reductions being made at the Campus level with Board of Regents' approval.

Mr. Klaich emphasized that the UNS budgets, in the past, have been approved line by line by the Legislature, and that UNS does not want to return to that practice and added that UNS must be very careful what it asks for.

Mrs. Sparks stated that UNS is not asking Assembly Ways and Means to "calculate" the UNS budget, but to balance the budget for the State of Nevada and that it is the Board's responsibility to create its own budget.

Chairman Gallagher welcomed Dr. Jim Richardson and commended him for his efforts on behalf o the University of Nevada System at the Nevada Legislature and added that he is a team player and has been very effective.

Dr. Richardson gave an update on his efforts at the Legislature indicating he had spoken with several of the Legislators about UNS' concern over the budget and revenues. He stated he is very optimistic for UNS and does not think the Governor's recommended

budget will be reduced any further for UNS. He suggested that the Board reaffirm its autonomy in that the Board of Regents is a very strong governing body in the State of Nevada; reaffirm that the recommended reductions would adversely affect the faster growing Campuses; and adopting a 3% reduction across the board would adversely affect the slower growing Campuses. There needs to be a reduction that will affect each Campus equitably. He suggested that the Board of Regents prepare a statement that reaffirms its right to make the budget reductions and submit a sophisticated critique of the requested reduction items to be presented to the Legislature.

Mrs. Berkley suggested that when responding to the Legislature, a percentage number not be given; Presidents demonstrate where the reductions would take place; and the enrollment caps be removed because it would dramatically impact the southern institutions.

Mrs. Gallagher stated that the enrollment caps are the only way to come up with a 10% difference. Mrs. Berkley questioned if the taxes are not raised, would it be necessary for enrollment caps. Mrs. Gallagher replied that it would bring UNS back to the 10% reduction and that it will be necessary to raise the taxes if higher education is going to maintain quality education

for its citizens.

Mr. Foley questioned what the impact would be for UNLV if the 9 requested reduction items were to go into effect, and Vice President of Finance, Buster Neel, gave an explanation.

Dr. Eardley agreed that the Board of Regents should make a decision whether or not to prioritize these recommendations. He stated that if there is a potential for reductions, the Board of Regents should be held responsible. Although the Legislature has the money to allocate, the Regents have the responsibility as elected officials to govern the institutions and maintain fiduciary responsibility. He stated that he felt it would have a terrible effect if the reduction were made across the board for each institution, and that capping enrollment would especially be harmful to UNLV at this time.

Dr. Derby stated that the Board of Regents should respond to the Legislature reaffirming the Regents' autonomy and its accountability to the Legislature. She stated that the reductions should be equitable for all institutions.

President Crowley stated that UNS is partners with the Legislature, in that the Legislature appropriates the money. They are

comprised of people who have differences of opinion, different constituencies, and different priorities. In the end, they compromise and make the law. He gave a historical point of view on the relationship the University of Nevada System has had with the Legislature. In the past, UNS was not invited to participate in the closing of the budgets and has worked very hard over the years to arrive at a point where it is an integral part of the budget process and that it is now involved in the closing of the UNS budgets. UNS has had that opportunity for at least the last three legislative sessions, since 1985. They have looked to UNS for help, and it has been given, and it is a wonderful position to be in, and UNS must not do anything to destroy the position which it has come to occupy in that respect. The UNS position is accommodative, not confrontational, with the Legislature. President Crowley stated he believes that in the end, UNS will not suffer any great cuts to its budgets, and that the Legislature will come down on the side of education because they will give in to the great needs of the State of Nevada.

President Crowley made the following suggestions in regard to the Board of Regents' response to the Assembly Ways and Means Committee:

1) The need to be accommodating;

2) The need to indicate why the 9 requested reductions will not work for UNS; and

3) To request that the Legislature inform UNS of any additional reductions.

Mr. Klaich moved approval that the Board of Regents respond to the Assembly Ways and Means request to prioritize budget reductions by:

1) Affirming the authority of the Board of Regents to budget for the University of Nevada System including that for any required budget cuts such budgeting to be in consultation with the Chancellor, the Presidents, and the Legislature.

2) Reaffirm the Board's prior position that any reduction from the Governor's recommendation cannot be tolerated;

3) Request that, if any budget reduction is required by the Committee, the Committee advise the Board of the exact size or percentage of the cut; the Board then to assume

its responsibility to apportion the reduction equitably among the System institutions or units; each institution or unit will incorporate the reduction within its respective budget and the budget reduction as so implemented will be approved by the Board and reported to the Legislature;

4) Provide a critique in sufficient detail of the list of potential areas of budget reduction identified by the Assembly Ways and Means Subcommittee, which shows the severe negative impact of such cuts upon the System; and

5) Thank the Committee and the Chairman for the positive manner in which our budgets have been heard to this point and their support of higher education.

Mrs. Berkley seconded.

Chairman Gallagher requested that the above motion be incorporated into a letter, which will be sent to the Assembly Ways and Means Chairman Matt Callister. She stated that a "draft" of the letter will be circulated to the Regents and Presidents prior to it being sent, for any additions, deletions or cor-

rections.

President Crowley stated that he drafted a letter which captures all of the points made in the above motion. Dr. Eardley requested President Crowley to read the last paragraph of his letter:

> "If reductions in the Executive Budget are required, we request that they be applied equitably among the major divisions of the System, that is the 7 institutions and System Administration, and in such a way that they would not disproportionately affect any institution(s). The Board after appropriate consultation would wish to implement any legislatively mandated reductions so as to minimize negative impacts on particular institutions and assure comparable, consistent, and fair treatment throughout the System as utilized in developing our budget request."

Mr. Klaich stated that if the Legislature requests the reductions, the Board of Regents may have to hold a special meeting to request the Presidents to submit the reductions, which the Board of Regents will consider.

President Maxson requested that the word "equitable" in the above motion under 3) be changed to the word "equal". Regents Berkley and Sparks agreed with the language change. President Crowley felt that the Board was reacting prematurely, in that it may not even come to a reduction. He agreed with the original language. Mrs. Sparks stated that if any other word but "equal" is used, it would leave UNS open to legislative interpretation. Chairman Gallagher disagreed and stated that if a reduction were to be mandated, the Board of Regents would discuss the reduction and resolve the issue. Dr. Derby felt that the word "equitable" was a more flexible word to use at this point in the Board's deliberations, and the implications must be examined prior to changing the wording to "equal".

President Crowley stated that this discussion is destructive and it is difficult for both the University Presidents to agree because they come from their own points of view. The uniqueness among the institutions was discussed, and President Crowley stated that when "equality" was discussed, in that every institution will be reduced equally by a certain percentage, that does not recognize uniqueness among the institutions. The Board of Regents should be concerned about each institution's uniqueness and the disproportion of the impact on those budgets at UNR as they are at UNLV or the Community Colleges, in order to maintain

their uniqueness. He reminded the Board that UNR has $25 million worth of budgets that are outside the basic instructional budget, which none of the other institutions have, and that is what makes UNR unique along with being a land grant institution. The School of Medicine, the Cooperative Extension Service and the Agriculture Experiment Station are statewide programs that are housed at UNR and include their own budgets. These budgets have not participated in the Governor's recommendation for the increase which is driven by growth considerations and formulas. However, it is being discussed that these budgets be considered for decrease. If the Board instructs the Campus to take the budgets for basic instruction and apply an equal reduction, then he stated he would agree, but questioned how he should take a 3% reduction to the School of Medicine budget and tell them that there will be no merit money and that they can't participate like everyone else can in the inflationary increases so they can operate their programs. There are 257 faculty positions and 158 classified positions throughout UNR, and President Crowley stated that he could not do them justice if they have to be equally treated.

Dr. Hammargren called for the question.

Mrs. Sparks moved approval to amend the motion by replacing the

word "equitable" with "equal" under point 3) of the above motion.

Mrs. Whitley seconded.

Motion failed upon roll call vote.

Ayes: Regents Berkley, Foley, Sparks, Whitley

Nays: Regents Derby, Eardley, Hammargren, Klaich, Gallagher

Motion carried on the original motion upon roll call vote.

Ayes: Regents Berkley, Derby, Eardley, Foley, Hammargren, Klaich, Gallagher

Nays: Regents Sparks, Whitley

Chairman Gallagher requested that a "draft" letter be written in response to the Assembly Ways and Means' request, and that the letter be facsimilied to the Regents and Presidents for approval.

Mr. Foley requested that the person(s) who prepare the letter be indicated on the facsimile.

The meeting adjourned at 3:40 P.M.

Leslie C. Jacques

Acting Secretary

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