

UCCSN Board of Regents' Meeting Minutes January 3-4, 1992

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BOARD OF REGENTS

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

January 3, 1992

The Board of Regents met on the above date in the Computing Center Video rooms at the University of Nevada, Reno and the University of Nevada, Las Vegas, for an emergency meeting.

Members present: Mrs. Carolyn M. Sparks, Chairman (Las Vegas)

Mrs. Shelley Berkley (Las Vegas)

Dr. James Eardley (Reno)

Mr. Joseph M. Foley (Las Vegas)

Mrs. Dorothy S. Gallagher (Elko)

Dr. Lonnie Hammargren (Las Vegas)

Mr. Daniel J. Klaich (Reno)

Mrs. June F. Whitley (Las Vegas)

Members absent: Dr. Jill Derby

Others present: Chancellor Mark H Dawson (Reno)

President Anthony Calabro, WNCC (Reno)

President Joseph Crowley, UNR (Reno)

President John Gwaltney, TMCC (Reno)

President Paul Meacham, CCSN (Las Vegas)

President Robert Maxson, UNLV (Las Vegas)

President Ron Remington, NNCC (Elko)

President Jim Taranik, DRI (Reno)

Mr. Donald Klasic, General Counsel

Mr. Ron Sparks, Vice Chancellor

Mrs. Karen Steinberg, Acting Vice Chancellor

Ms. Mary Lou Moser, Secretary

Chairman Sparks called the emergency video meeting to order at 1:35 P.M., stating the purpose of the emergency meeting was due to the January 2, 1992 Nevada Supreme Court decision in SNEA vs. Daines. The Governor has stated that he would announce his budget cuts on Wednesday, January 9, 1992. The Board of Regents was informed that if it wished to submit its input to the Governor before he announced his plans, the System's input had to be submitted by no later than Tuesday, January 7, 1992.

This unforeseen event and the need to take immediate action before January 7, 1992 required an emergency meeting of the Board of Regents to discuss this matter and to take action if necessary. The two University Presidents were unavailable to meet with the Board from Sunday, January 5, 1992 through Thursday, January 9, 1992 because of attendance at the NCAA Convention.

General Counsel Klastic stated that the Attorney General's Office had been contacted and recognized the emergency status in holding this meeting.

Chairman Sparks made the following opening remarks:

"We have called this emergency meeting of the Board of Regents because the timing of the Governor's budget does not permit us to review these plans at our regular meeting next Thursday and Friday.

"This Board takes its responsibility for the running of higher education in Nevada very seriously. We realize we are an autonomous body, but we still share in the overall budget of the State. Our responsibility is to the taxpaying citizens and to the students who attend our institutions as well as the faculty and staff who run them.

"Due to the severe impact the budget problems of the State will have on higher education, we feel it is our fiscal responsibility to be sure the Campuses have the best and most beneficial use of the funds provided. We have spent the last 10 years recovering from the previous disaster. We now face losing all we have worked to replace and build in the System and the tremendous strides we have made to accommodate the growth in Nevada.

"We will review the plans as submitted by the Campuses and decide whether to forward the plans with the bottom-line figures to the Governor for inclusion in his budget plan. At our meeting next week we will be able to fine-tune the specifics within the plans and follow up on discussions that arise at today's meeting.

"This will be an open meeting and we will have input from all interested parties."

1. Discussion of Governor's Budget Reduction Request

The Governor has requested the Board of Regents to submit an 8.5% and a 12% budget reduction plan. The Presidents have submitted these budget reduction plans, filed in the Office

of the Regents.

Chancellor Dawson stated that the Campus reduction plans have been submitted and the 12% reduction plan indicates a very severe scenario. The 12% reduction plan would require the System to maintain the hiring freeze which would save \$5.8 million over the biennium. At an average salary of \$40,000 there would be 144 positions affected by way of layoffs. An additional workforce reduction of \$6 million would be realized by laying off 151 classified positions.

It is proposed that a one-time student fee increase be implemented of \$10 per credit hour at the Universities and \$5 per credit hour at the Community Colleges. By collecting this surcharge from students, the System would generate \$6.8 million, which would save 170 positions.

Chancellor Dawson stated that 321 positions would be terminated (160 faculty positions). Chancellor Dawson indicated that \$8.7 million would be returned by eliminating the minor repair and improvements request and \$2.3 million from the merit funding pool.

He strongly encouraged the Board of Regents to request a special session of the Legislature if the 12% reduction

plan was to be implemented. The Legislature would then be able to address the issues of additional revenue, equitable treatment, and rescinding the cost-of-living salary increase.

Mr. Foley stated that he agreed with Chancellor Dawson's remarks. Although it is a matter of opinion, Mr. Foley stated that he felt if the Legislature approved new taxes beyond the employer tax, which was approved, then the State would not be in this position. For years the citizens of Nevada have supported higher education, in fact a poll indicated that 90% affirmed a desire for quality higher education in Nevada. No other State agency has that claim from the people of Nevada. He stated that he felt the Governor now insists on removing the option of raising taxes to support higher education. He indicated that if the 12% reduction plan is approved by the Governor, then the Board of Regents should demand a special session of the Legislature.

Dr. Eardley requested the Presidents to address the reduction plans as they pertain to their own institutions.

President Crowley stated that UNR's 1991-93 budget increased

by 9.6% the first year of the biennium and 6% the second year. This budget increase was the smallest throughout the UCCSN institutions. UNR has established a Planning Committee which consists of 25 faculty, Administrators and students. This Committee has discussed different possibilities in handling the reductions. He indicated that each possibility affects another area; i. e., if enrollment caps are instituted, it will affect the quality of faculty due to the layoffs. The more faculty that are laid off, the more increase in class size and an increased workload for the remaining faculty. If layoffs occur, the faculty population would be at 370, which was the faculty population in 1986-87. He indicated that it took six years to achieve the faculty/student ratio of 21:1. If a student fee surcharge was implemented, it would retain the quality of the faculty; without the surcharge, it would decrease student enrollment.

President Crowley suggested the following alternatives:

- 1) Reduce programs. This may possibly eliminate an entire College and would only save \$2 million without the student fee surcharge. This process is addressed in the UCCSN Code, but takes a very long time to accomplish.

2) Eliminate positions of non-tenured faculty. At present, the market for faculty has been tremendous because Nevada's higher education system is very attractive. The System would lose diversity with the women and minority faculties if non-tenured positions were eliminated.

If layoffs are mandated at UNR, President Crowley stated that accreditation would be affected. He is hopeful that the State's economy is only a temporary situation. However, it would set the System back by 10-12 years if the 12% reduction plan were implemented.

He suggested that the Board of Regents provide the bottom figures of the 8.5% and 12% reduction plans, but to stress the importance of the set-back.

Mrs. Whitley stated that by capping enrollments it would deprive the current student body and would be a dramatic effect on the Freshman students. UCCSN may lose these students to other schools around the country.

Mrs. Berkley entered the meeting.

Mrs. Gallagher questioned whether the Board should declare a financial exigency. General Counsel Klasic stated that it was a contractual right of the students who are enrolled, although the catalog language states that UCCSN may declare financial exigency. He stated that the Board of Regents may choose to perform immediate cuts, although the UCCSN Code is flexible in dealing with emergency situations.

Dr. Eardley stated that the Governor will be declaring budget reductions throughout the State of Nevada, and it is the Board's responsibility to relay pertinent information to the Governor prior to his official statement. Then, after the Governor's statement has been made, the Presidents should report back to the Board with their final plans for implementation. He requested additional information regarding student fees and the effect of non-teaching faculty being eliminated.

President Crowley stated that if the 12% reduction plan is approved and a student fee surcharge is not implemented, UNR would have to lay off 170 employees; 55 faculty, 39 Administrators, and 76 classified. If the 8.5% reduction plan is approved without a student fee surcharge, 26 employees would be laid off; 9 faculty, 6 Administrators,

and 11 classified.

Chairman Sparks indicated that the Board of Regents needed to determine whether UCCSN would submit the 8.5% and 12% reduction plans to the Governor, or let the Governor make his own decision. Then at the regularly scheduled Board of Regents' meeting, the Campus detail information would be discussed.

Dr. Hammargren entered the meeting.

Mr. Klaich stated that the Board should forward the requested information to the Governor and should not deny the Governor any valuable input regarding the reduction plans, but that the Board of Regents should not be bound to the specifics in the plans submitted by the Campuses. He felt that the Board of Regents should spend more time on this subject. He suggested that a 6% reduction plan also be submitted to the Governor. He stated that he was concerned about UCCSN acquiring more than the share of the State's problem. UCCSN received approximately 20% of the State's General Fund, but is being requested to submit 40% of the State's overall deficit. He felt the Board should request the Governor to call a special session of the Legislature if higher educa-

tion has to contribute a disproportionate share to the deficit.

Mr. Klaich stated that years of work may be washed away and it will take years to regain, it is very depressing and destroys everything we have worked for. He stated that he was concerned about the student fee surcharge. He felt that the students have received fee increases during the past two years and that every option should be considered before implementing a student fee increase. He suggested that the Campuses look at increasing teaching faculty workloads and suspending tenure points, such as research and community service.

Upon questioning, Vice Chancellor Sparks indicated that the reduction plan requests are to be absorbed over the biennium.

Mr. Klaich moved that the Board of Regents forward to the Governor the budget reduction plans of 6%, 8.5% and 12% as submitted by the Campus Presidents. Further, that the Board of Regents indicate that, if a reduction is required in the UCCSN budget, that the Board of Regents offer the plans as illustrative only of the devastating impact of such

cuts on UCCSN and reserve the authority to allocate cuts mandated by the Governor as the Board of Regents see fit.

And if the proportion of cuts allocated by the Governor to UCCSN is greater than our share of the General Fund, the Board of Regents call for the Governor to convene a special session of the Legislature to address this budget crisis.

Dr. Eardley seconded.

President Maxson stated that UNLV's situation is very similar to UNR. They have spent a number of hours in addressing this issue. He stated that the University is "people driven"; however, if UNLV was requested to make dramatic reductions, it would have to lay off employees. By limiting enrollment the part-time faculty would also have to be released. He stated that students are attending UNLV, but with the current hiring freeze and without filling the vacant positions it will pose a problem in teaching these students.

President Maxson stated that he had mixed feelings about the student fee surcharge. Several UNLV students are working to support their education and if an additional surcharge is required of these students for the sake of employing teaching faculty, it then becomes an unending cycle of events.

And if the operating budgets are reduced, Campus safety, Library operations, and other vital support functions to students would be affected.

President Meacham stated that there is no such thing as a temporary faculty/student ratio change. It has taken UCCSN several years to achieve the current ratio and if it were to be revised, UCCSN would probably have to live with it for many years to come. He informed the Board that CCSN has been very conservative and has devised a savings plan that has been in effect since the first indication of reduction plans in August, 1991. CCSN has projected a 3% enrollment increase, but in actuality CCSN has realized a 15% increase. CCSN has two new buildings coming on line within the next year and they must be operational by the Fall semester. He stated that CCSN should not be penalized for being conservative and starting earlier than the other Campuses in cost savings.

Mrs. Whitley questioned the impact on scholarships. President Maxson responded that UNLV will be discontinuing scholarship funding if the 6%, 8.5% or 12% reduction plan is implemented. He stated that at 12% UNLV would lose students and would lose \$2 million in anticipated tuition in

these reductions. He stated that new scholarship funding would be used for next year, which amounts to \$288,000.

Mrs. Berkley stated that scholarships are so important to the institutions and this should be made known to the Governor and the people in Nevada.

President Gwaltney stated that it should be made known that if any plan is submitted, it is not cast in concrete and that the Board of Regents, in conjunction with its Presidents, be allowed to make adjustments to the plans. He encouraged the Board to strongly suggest the 6% reduction plan to the Governor. He did not support the student fee surcharge. He felt the surcharge would only be a contribution to the institution if implemented. TMCC would have to lay off 30-37 salaried positions, of which 15 would be classified if the 12% reduction plan is accepted. In addition, TMCC would have to discontinue 35-40 classes and would have to turn away 800-900 students. He stated that the TMCC Child Care facility is scheduled to open in the Fall, but if the 12% reduction plan is implemented, there will not be any equipment or furniture, and although it would open, it would be a disappointment to all who are associated with the facility.

President Calabro agreed with his fellow colleagues and added that any reduction plan would affect the accreditation efforts at WNCC, Library facilities, safety and security, and academic programs that may have to be eliminated. He mentioned that historically, during recession periods, people attend Community Colleges to enhance their job performance or to learn a different profession in order to obtain a more viable occupation.

President Taranik stated that DRI receives less than 1% of the total System budget from the State's General Fund. The reduction plans would have significant impact to DRI's Libraries and Campus improvements. If 12% reduction is implemented, DRI would have to lay off personnel. Although DRI employs 355, there are only 25 State funded positions, which are management positions. At 12% it would be an absolute disaster for the System to slide backwards to the 1980 status and would be devastating to Campus facilities.

President Remington stated that 8.5% reduction would be a burden to NNCC, but a 12% reduction would be a catastrophe. The 12% reduction plan impacts the merit pool. The Community Colleges have worked for several years to establish a salary schedule for Community Colleges and this schedule

would be destroyed at a 12% reduction. It would be devastating to lose the support funding which the System has fought hard to obtain.

General Counsel Klasic explained the process in which a financial exigency could be declared.

Upon request, Mr. Klaich divided the original motion into two parts.

Mr. Klaich moved that the Board of Regents forward to the Governor the budget reduction plans of 6%, 8.5% and 12% as submitted by the Campus Presidents. Further, that the Board of Regents indicate that, if a reduction is required in the UCCSN budget, the Board of Regents offer the plans as illustrative only of the devastating impact of such cuts on UCCSN and reserve the authority to allocate cuts mandated by the Governor as the Board of Regents see fit. Dr. Eardley seconded.

Mr. Klaich moved that if the proportion of cuts allocated by the Governor to UCCSN is greater than our share of the General Fund, the Board of Regents call for the Governor to convene a special session of the Legislature to address

this budget crises. Dr. Eardley seconded.

Mrs. Gallagher stated that she was very aware that this is not a temporary situation and concurred with Mr. Klaich in regard to submitting the three reduction plans with the caveat that the Board of regents would be able to change allocations within the Governor's reduction plan. She felt that the people of Nevada did not want any new taxes and encouraged the Presidents to look for avenues that would retain quality at the institutions. There is not much time to instigate these two-year reductions within 18 months. The plans must be expedited after the Governor makes his announcement.

Mr. Klaich repeated the two motions and a roll call vote was taken on the first motion:

Motion carried on roll call vote:

Aye: Regents Berkley, Eardley, Gallagher, Hammargren,

Klaich, Whitley and Sparks

Nay: Regent Foley

Absent: Regent Derby

President Crowley stated that there is no way to reduce the budgets without pain. The UCCSN has spent years in building the System and the reductions will impact the research institutions, economic development programs, and faculty recruitment efforts. He related a scenario in which student wages may have to be reduced which would effect employment of students, who in turn would have, in some way, given the wages back to the economy. Again, this causes a cyclical reaction. It will not be easy to devise an overall balance. He felt that it was the Board of Regents' responsibility to submit to the Governor the reduction plans along with scenarios which have been discussed during this meeting.

Chairman Sparks clarified that the Governor would be making his public address on Wednesday, January 8, 1992 and the Board of Regents will be meeting on Thursday and Friday, January 9-10, 1992. At that time, the Presidents would be able to address the specific details of the reduction plan announced by the Governor.

Mr. Foley left the meeting.

Dr. Jim Richardson, UNR faculty, stated that he strongly

supported the Regents' motions. A special session should be called if UCCSN is requested to support the Fair Share. There needs to be equity between all State agencies. It was his understanding that K-12 is exempted from the reduction plans. UCCSN should not have to contribute to the General Fund if the K-12 is not contributing. K-12 projections are down, whereas, the UCCSN projections have been increased. He suggested that the Board support a 6% reduction plan. He cautioned the Board in requesting a special session, in that the 4% cost-of-living increase may be discussed and retracted. He suggested that the students be addressed when discussing the student fee surcharge. The Board of Regents should know what their opinion is if a surcharge is implemented to save 170 faculty positions. The surcharge should be implemented as a last resort before laying off personnel.

Mr. Klaich stated that he has expressed publicly and privately his opinion on the student fee for surcharge. He clarified that a balance should be held throughout the System, where possible.

Dr. Eardley suggested that the Presidents review the faculty workload and work ethic. He felt that Administrators

should be teaching classes and requested the Presidents to address this possibility when devising the reduction plans. Dr. Eardley stated that he was surprised that this possibility was not discussed in the plans submitted by the Presidents.

President Meacham, Remington and Calabro stated that they have all addressed this possibility. President Calabro stated that it may cause a loss in access and productivity.

Mr. Klaich explained the reasoning for the second motion.

If there is a \$120 million deficit in Nevada and higher education's share is 20% of the State's budget, \$23.5 million would be our fair share if at 6% reduction, but at 12% reduction our share would be \$48 million and he felt that it is worth fighting for, although he is aware that it would be a serious risk to undertake.

Mrs. Berkley stated that she had serious reservations about the motion. The Governor is certainly aware of the implications, and the Legislature is hesitant in that they feel the citizens of Nevada want to decrease the business tax. She stated that the reduction plans are devastating and that UCCSN does not want to lose more than what it already

has. Going into a special session may jeopardize UCCSN's budget plans.

Mr. Klaich clarified that he was not fighting with the Governor and stated for the record that the Governor has been placed in an exceptionally difficult position. UCCSN has a problem with K-12 in that they are not contributing their fair share. He felt that the Legislature would be able to clear up the ambiguity this has caused.

Mrs. Berkley stated that the Nevada tax structure is a problem and the only way to remedy this situation is to establish a stable tax structure. She felt that UCCSN should know the Legislature's stance before calling a special session.

Dr. Hammargren suggested that the second motion be tabled until the regularly scheduled meeting of the Board on January 9-10 after the Governor's recommendation has been announced.

Mrs. Gallagher agreed with Mrs. Berkley's concerns. She is aware that the Governor does not want to call a special session of the Legislature. If the business tax is repealed

then what would replace that income for the State? She felt that a special session could be dangerous for UCCSN and agreed to table the motion until next week.

Mr. Hammargren moved to table the motion until the regularly scheduled meeting of the Board of Regents on January 9-10, 1992. Mrs. Whitley seconded.

Motion carried on roll call vote:

Aye: Regents Berkley, Eardley, Gallagher, Hammargren,

Whitley and Sparks

Nay: Regent Klaich

Absent: Regents Derby and Foley

Chairman Sparks thanked everyone for their time and bringing questions before the Board of Regents. The discussion will be continued at the next meeting.

The meeting adjourned at 3:40 P.M.

Mary Lou Moser

Secretary of the Board

01-03-1992

