

**MINUTES OF THE
JOINT SUBCOMMITTEE ON HIGHER EDUCATION AND CAPITAL
IMPROVEMENTS
OF THE SENATE COMMITTEE ON FINANCE
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-third Session
April 8, 2005**

The Joint Subcommittee on Higher Education and Capital Improvements of the Senate Committee on Finance and the Assembly Committee on Ways and Means, was called to order at 8:02 a.m. on Friday, April 8, 2005. Chair William J. Raggio presided in Room 3137 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

SENATE COMMITTEE MEMBERS PRESENT:

Senator William J. Raggio, Chair
Senator Barbara K. Cegavske
Senator Bob Coffin
Senator Bernice Mathews

ASSEMBLY COMMITTEE MEMBERS PRESENT:

Mr. Morse Arberry Jr., Chair
Ms. Chris Giunchigliani
Mr. Lynn C. Hettrick
Ms. Sheila Leslie
Mr. John W. Marvel
Mr. Richard D. Perkins

STAFF MEMBERS PRESENT:

Brian M. Burke, Senior Program Analyst
Gary L. Ghiggeri, Senate Fiscal Analyst
Mark W. Stevens, Assembly Fiscal Analyst
Cindy Clampitt, Committee Secretary

OTHERS PRESENT:

DAN MILES, Special Consultant to the Chancellor's Office, University and Community College System of Nevada
Daniel J. Klaich, Vice Chancellor of Legal Affairs, System Administration Office, Board of Regents, University and Community College System of Nevada
Carl A. Diekhans, Vice President, Administrative Services, Great Basin Community College
Marcia L. Turner, Director of Government Relations, University of Nevada, Las Vegas
Gerry J. Bomotti, Vice President of Finance, University of Nevada, Las Vegas
Ronald M. Zurek, Vice President, Administration and Finance, University of Nevada Reno
Bruce Shively, Assistant Vice President for Planning, Budget and Analysis, University of Nevada, Reno

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Becky Seibert, Acting Interim Vice Chancellor for Technology, University and
Community College System of Nevada
James Manning, Budget Analyst, Budget and Planning Division, Department of
Administration
Christine Chairsell, Ed.D, Interim Vice Chancellor, Academic and Student
Affairs, University and Community College System of Nevada
Cary S. Groth, Director, Intercollegiate Athletics, University of Nevada, Reno
Patty Charlton, Vice President, Finance and Administration, Community College
of Southern Nevada
Carol C. Harter, Ph.D., President, University of Nevada, Las Vegas

CHAIR RAGGIO:

I will open this hearing in a work session on the University and Community
College System of Nevada (UCCSN) budgets.

We will discuss the *Executive Budget* corrections and adjustments. There are
federal revenue adjustments in the Nevada Cooperative Extension budget for a
net decrease of \$18,901.

DAN MILES (Special Consultant to the Chancellor's Office, University and
Community College System of Nevada):

We have provided [Exhibit C](#), titled, "University and Community College System
of Nevada, 2005 Legislative Session, Joint Subcommittee for Higher Education,
April 8, 2005," for the Subcommittee. Budget Adjustments and Corrections can
be found on page 11 of [Exhibit C](#).

CHAIR RAGGIO:

I will note the adjustments with which the Subcommittee has the most concern.

The Community College of Southern Nevada (CCSN) would remove unfunded
space and change completion dates for a total reduction of \$1,023,514.
The Desert Research Institute (DRI) would change new space completion dates
for a reduction of \$73,730.

The University of Nevada, Las Vegas (UNLV) changes new space dates and
acreage for a reduction of \$16,606.

There is a system-wide correction for the employer paid factor error at an
additional cost of \$226,898.

System wide, there is an adjustment in properties and contents insurance for a
reduction of \$2,032,048.

A system-wide correction for cost of living (COLA) and merit increase is an
addition of \$776,635.

At the University of Nevada, Reno (UNR) there is a differential operating and
maintenance (O&M) adjustment between 10 and 15 percent creating a
reduction of \$587,776.

A system-wide adjustment for vehicle liability insurance results in an addition of
\$180,587.

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An adjustment for Allied Health Student Liability Insurance is an increase of \$38,058.

The system-wide adjustment for vehicle comprehensive and collision insurance is an increase of \$196,735.

The system-wide tort claim adjustment was discussed in the last hearing and is an increase of \$143,479.

There is a small system-wide adjustment for an increase of \$3,485 for employee bond insurance.

The new space adjustments at the UNR are a reduction of \$656,745.

The weather modification and COLA error at the DRI is a reduction of \$12,709.

There is an addition of previously omitted longevity fringe benefits system wide for an increase of \$218,266.

System wide the Retired Employees Group Insurance Assessment (REGIA) on professional COLA was understated for an increase of \$81,359.

A system-wide adjustment for unemployment insurance is requested for a budget increase of \$32,000.

The system-wide application of the unemployment insurance assessment rate is an increase of \$120,948.

Workers' compensation system wide exceeded the cap for a reduction of \$31,187.

The net total reduction over the biennium would be \$2,384,695. Does the UCCSN agree with those figures?

MR. MILES:

Yes, we have worked closely with the Subcommittee staff to identify recommendations for the adjustments.

CHAIR RAGGIO:

We will make no changes to those recommendations. We will next consider the UCCSN appeals.

MR. MILES:

The budget appeals are located on page 12 of [Exhibit C](#). The first appeal is for the Western Nevada Community College (WNCC) to add athletic fee waivers.

CHAIR RAGGIO:

That is an issue that invites immediate discussion. There is a clear policy that the Legislature does not fund athletic programs, in any form, at community colleges. We recognize those institutions have athletic programs. This was discussed at the previous meeting and we received a firm commitment that

those programs do not require state funding. How do you justify an athletic fee waiver with that policy in place?

DANIEL J. KLAICH (Vice Chancellor of Legal Affairs, System Administration Office, Board of Regents, University and Community College System of Nevada):
After the last hearing we researched our policy and the Board of Regents' minutes. As we responded to the Subcommittee through Mr. Brian M. Burke, Senior Program Analyst, we did not find a written policy. We are not present to state that no agreement exists between the Regents and the Legislature with respect to direct funding of athletic programs at community colleges.

CHAIR RAGGIO:
There is a unilateral agreement.

MR. KLAICH:
I would appeal to the Subcommittee to consider a distinction of a direct support of athletic programs at community colleges in which we are in agreement with the Chair. Those direct appropriations are not state funds. We are appealing for indirect support of those programs through limited fee waivers to student athletes at community colleges.

CHAIR RAGGIO:
Your appeal is noted.

MR. MILES:
The next appeal is for the Nevada State College of Henderson (NSCH). All of the other institutions have Nevada National Guard fee waivers that are calculated into the revenues. The appeal would add the waiver at NSCH at an estimated \$28,200.

CHAIR RAGGIO:
For clarification purposes, these matters are termed appeals because they were not included in the *Executive Budget* but were requested by the UCCSN.

MR. MILES:
The third appeal is from Great Basin College (GBC). Since the time the budget was crafted and delivered, the college has been asked to implement vocational programs in the Winnemucca, Nevada, area. It will require lease of a facility. The request is for lease expenses, including O&M costs, for approximately 4,300 square feet.

CHAIR RAGGIO:
Where is the funding for the additional programs located?

CARL A. DIEKHANS (Vice President, Administrative Services, Great Basin Community College):
These are state-funded vocational programs. The programs included are diesel, electrical, milling and welding. The mining activity has increased dramatically in northeastern Nevada and the mining administrators have asked us to provide additional training opportunities.

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CHAIR RAGGIO:
Was this in the Regents' proposed budget?

MR. DIEKHANS:
No, it was not. The request was made in February 2005.

CHAIR RAGGIO:
Have the Regents suggested this item be included in their budget?

MR. KLAICH:
This item could not be included in the budget until the next budget cycle.

ASSEMBLYMAN MARVEL:
Are the mines still subsidizing the diesel program?

MR. DIEKHANS:
No, the mines subsidized all programs approximately 15 years ago when the programs began. They provided funding for faculty. Since that time the faculty has been placed within the state budget. They are providing the equipment for the program in Winnemucca. They have pledged to raise \$20,000 for the equipment. The GBC has raised \$20,000 and expects to fund the remainder by the time the programs begin in the fall of 2005.

ASSEMBLYMAN MARVEL:
The programs have been successful. Have the mines hired most of the graduates of the programs?

MR. DIEKHANS:
Employment from the programs is nearly 100 percent. Many students leave college when they learn employable skills before obtaining their certificates or degrees.

MR. MILES:
The next appeal is for the University of Nevada, Las Vegas (UNLV) to add acreage previously unintentionally omitted at the William S. Boyd School of Law, Paradise campus. The acreage and parking areas surrounding the school were never placed into the O&M formula.

CHAIR RAGGIO:
Is the request to have the areas added to the O&M?

MR. MILES:
That is correct.

CHAIR RAGGIO:
Is the cost \$1,104,379 for a paved parking area and other acreage?

MR. MILES:
The request is based on the formula calculations for the number of acres added.

CHAIR RAGGIO:
How long has the law school been in operation?

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MR. MILES:

The school has existed for a number of years, but the oversight has just been discovered.

MARCIA L. TURNER (Director of Government Relations, University of Nevada, Las Vegas):

It is my understanding the Paradise campus of the William S. Boyd School of Law is across the street from the Thomas and Mack Stadium. It was formerly a grade school and was acquired by the university.

CHAIR RAGGIO:

For what is it currently being used?

MS. TURNER:

It is currently being used for the cooperative extension and outreach programs. It was formerly used as the law school campus.

There is a new vice president of finance. In a recent Legislative hearing, one of the other institutions realized they had acreage they had not accounted for as well.

CHAIR RAGGIO:

Please remind the universities to include those items in their next budget cycle calculations.

MS. TURNER:

I will do so.

MR. MILES:

The next appeal item is also for the UNLV requesting O&M support for the Moyer Student Union building. Calculations indicated 48 percent of the building is used for state purposes, including student study areas, computer laboratories (labs), meeting and conference rooms used by students and faculty. The request is consistent with the Jot Travis Student Union building on the UNR campus.

CHAIR RAGGIO:

I am not sure how you arrived at the calculation of state support at both student unions rather than self-supporting maintenance allocations.

MR. MILES:

As you know, the student unions are frequently used for academic purposes. They have meeting rooms and offices. In Las Vegas, they also have computer labs.

CHAIR RAGGIO:

Is that a change in usage from the original purpose at time of construction?

MR. MILES:

I will defer the question to Mr. Gerry J. Bomotti, Vice President of Finance for the UNLV.

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GERRY J. BOMOTTI (Vice President of Finance, University of Nevada, Las Vegas):
Due to growth on the campus, the Moyer Student Union building is used heavily for meeting rooms and other types of administrative support. There are offices, student study spaces and student computer labs. After review of the areas, we arrived at a figure slightly below 50 percent of the space utilized for state purposes.

We have committed to performing a more detailed review in the near future. The facility is being expanded. The appeal was made because of the uses of the facility and lack of space elsewhere on campus.

CHAIR RAGGIO:

Does the amount of \$611,368 represent the 48-percent usage derived from your review?

MR. BOMOTTI:

Yes, the request is based on the total square footage and use of the state formula to calculate the 48 percent.

CHAIR RAGGIO:

Is your testimony that 48 percent of the building is not being used for student activities?

MR. BOMOTTI:

The students use the entire building, but the administrative uses include nearly half of the building. The student areas for study and computer labs were also included in the 48 percent.

CHAIR RAGGIO:

What was the rationale for the Jot Travis Student Union?

RONALD M. ZUREK (Vice President, Administration and Finance, University of Nevada Reno):

We used exactly the same formula as the UNLV.

CHAIR RAGGIO:

What percentage was calculated for UNR's building?

MR. ZUREK:

We calculated 48 percent.

CHAIR RAGGIO:

We have an indication that the calculation for UNR was based on 62-percent state usage. Is the amount at the Jot Travis Student Union based on the full usage of the facility or upon the 62 percent?

MR. MILES:

It is based on the O&M formula of square footage and reduced to the percentage used for university or academic purposes.

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CHAIR RAGGIO:

The Subcommittee would like to see the backup for the calculations of the percentages being represented. Please furnish that information to the staff.

MR. MILES:

We will furnish the requested information.

The next appeal item is a request by the UNLV for certain parts of the athletic facilities in the budget and for the items to be added to the O&M calculation as well. These are facilities not currently included in the O&M formula.

CHAIR RAGGIO:

What is the practice of both of the universities in this respect?

MR. MILES:

It is my understanding that the UNR claims certain portions of their athletic facilities related to the administration of athletics in their O&M formulas. The UNLV request is to replicate the same level of support.

CHAIR RAGGIO:

Please explain the process used to determine the portion used as support state usage rather than having these considered self-supporting budgets.

BRUCE SHIVELY (Assistant Vice President for Planning, Budget and Analysis, University of Nevada, Reno):

We have athletic facilities included in the O&M space. One example is the Peccole Park baseball field. It is included at a fraction of the cost. Peccole Park is approximately 4,800 square feet and we include 480 square feet, or 10 percent of the time, the space is used administratively. We have similar provisions for Mackay Stadium and other facilities.

CHAIR RAGGIO:

Please provide the Subcommittee with how the calculations are made and the intended use for these purposes. Both of those facilities have large amounts of usage and revenue and we would like to see the calculation and justification for the application of the O&M formula. We simply need information on which to base our decision.

MR. SHIVELY:

Yes, sir.

MR. MILES:

The UNR is appealing to add O&M for a new parking services building they anticipate will be opened in July 2005.

CHAIR RAGGIO:

Is the completion date of the parking facility on track?

MR. MILES:

I am informed the project is on track.

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CHAIR RAGGIO:

Would the requested appeal be effective July 1, 2005?

MR. MILES:

That is correct.

CHAIR RAGGIO:

Does this parking garage fit within the formula?

MR. MILES:

The structure is not a parking garage. It is an office for the Parking Services unit totaling approximately 3,900 square feet.

CHAIR RAGGIO:

Is the request for \$61,954 over the biennium?

MR. MILES:

That is correct.

CHAIR RAGGIO:

Is the request for the full usage?

MR. MILES:

The request is for the full use computed through the O&M formula.

The next appeal is for the Community College of Southern Nevada appealing to add a collision repair building which is donated space that has been recently acquired. It is also calculated based on the O&M formula.

The next item is for the University of Nevada School of Medicine (UNSOM) to allocate a portion of the student fee increase to the student access. As you are aware, when the Regents approve student fee increases, they allocate a portion to student access for scholarships.

CHAIR RAGGIO:

Is the request for scholarship funding?

MR. MILES:

Yes, sir. This is to correct the revenue line item for the UNSOM that did not previously include student scholarships.

CHAIR RAGGIO:

How was that expressed in the Regents' budget?

MR. MILES:

The set-aside for scholarships was not included in the budget. That is why an appeal is being made at this time.

CHAIR RAGGIO:

Are we talking about the increase in student fees?

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MR. MILES:

This request only affects a portion of the increase in student fees.

CHAIR RAGGIO:

How are the student fee increases for the UNSOM being allocated under the proposed budget? What is the increase in the amount of fees for the UNSOM per student?

MR. MILES:

I do not have that information with me.

MR. SHIVELY:

I do not have the information with me at this time. I will obtain the requested information before the hearing concludes.

CHAIR RAGGIO:

We will hold that appeal at this time. The Subcommittee will want to know the amount of fee increase per student and how it is proposed as an allocation for student scholarships. When was the fee increased?

MR. MILES:

They were increased at the same time as other fees which was in the spring of 2004.

CHAIR RAGGIO:

Will the fee increase for medical students apply to current students?

MR. MILES:

Yes, it will.

The next appeal is also for the UNSOM for an accounting change to move the nonstate portion of the Pediatric, Diabetes, and Endocrinology offline.

CHAIR RAGGIO:

What is the reason for the accounting change?

MR. MILES:

Normally within the University System the state-supported budgets are in one set of budgets and self-supporting budgets are in another set. These are fees earned within the program. The request would make the fee placement consistent with accounting for other programs.

The next appeal is for the UNLV to add merit increases for positions that were excluded from the calculation because they were positions at a salary level above their category on the pay scale. The positions have since been reclassified and they are being compensated within their authorized salary levels.

The next appeal is a request for an accounting change. The State Health Laboratory was transferred to the UNR a number of years ago. A component of their budget is state supported. The change would move the self-supporting portion into its own budget.

CHAIR RAGGIO:

The next item is a request to apply the hold-harmless formula at Great Basin College. Tell us the Regents' position on this item.

MR. MILES:

This is an appeal to apply the hold harmless provisions to the GBC that have been available to different institutions of the UCCSN over the last two biennia. Under the original formula there was a recommendation that hold harmless provisions be allowed for two biennia until enrollments were stable. Then the new formula would reflect actual enrollment trends at each of the institutions.

Even though the recommendation was to limit the exemption to two biennia, we feel the application of the rule should apply institution by institution. For instance, GBC has never fallen under the hold harmless provisions. They now find themselves, because of one spike in enrollment followed by a drop-off in the next year of enrollment, being forced into a hold harmless situation. They are at an 84-percent formula funding level.

CHAIR RAGGIO:

What caused the situation?

MR. DIEKHANS:

I provided the Subcommittee with a spreadsheet titled GBC Enrollment Protection – revised 4/7/05 ([Exhibit D](#)) that reflects the erratic enrollment pattern experienced by the GBC since 1990. There was a 9.57-percent increase in 1991. A few negative percentages of enrollments followed. Then in 1997, there was a 12.61-percent increase. In 2001, we experienced an 8.93-percent decrease. From 2002 through 2004 there were increases in enrollment. The enrollment for 2005 reflects a 5.33-percent decrease.

The enrollments at GBC are influenced by the economy in northern Nevada. When the economy is good, as it was in 2004, everyone who wants to work has a job. One year ago there were over 400 houses for sale in Elko and now there are less than 50. When individuals begin a new job, they do not have time to seek further education. Over the 15 years that GBC has been in operation, the average has been a 4.7-percent increase in student full-time enrollment (SFTE) which is double the national average.

In the first year of the biennium it was a 5-percent increase. The two handwritten numbers are the projections for a three-year rolling average. The projections are 1,381 and 1,412 SFTEs respectively. That is a 2.2-percent increase. The three-year rolling average does not work for a small school such as the GBC.

We would be better served with a regular averaging formula or some type of a hold harmless provision. We have never been in this situation. There was a recruiting problem for the 2005 enrollment, but that has been resolved.

CHAIR RAGGIO:

What was your recruiting problem?

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MR. DIEKHANS:

We hired a recruiter and assumed they were doing their job, only to discover at the beginning of the fall semester, they had not. We terminated the employee and we are in the process of hiring an individual to fill that position.

CHAIR RAGGIO:

What would be the impact to the school if the Legislature chooses not to fund the appeal for \$1,321,471 million over the biennium?

MR. DIEKHANS:

That would be a severe blow to the GBC. By the second year of the biennium we would be forced to begin laying off employees.

CHAIR RAGGIO:

What does that mean?

MR. DIEKHANS:

It would harm the programs.

CHAIR RAGGIO:

Please explain what positions would be laid off.

MR. DIEKHANS:

New faculty and classified positions would be laid off that have just been hired. When faculty is hired, they must be retained until the next year due to contract requirements. Of the faculty hired this school year, the majority should have been notified of a possible layoff by December 2004 and the remainder by March 2005.

CHAIR RAGGIO:

What would be the impact if the appeal were only honored for the first year of the biennium?

MR. DIEKHANS:

That would help considerably.

CHAIR RAGGIO:

Is your testimony that the economy has improved and the recruitment issue has been rectified?

MR. DIEKHANS:

I refer the Subcommittee to the SFTE for 2004 in [Exhibit D](#). The first year of the current biennium was 2004. Great Basin College had 1,427 SFTEs. We were only funded for that year because of the previous year. The three-year rolling average for 2003 reflected a 1-percent increase, 2002 had a 4.99-percent increase, and the third year, 2001, had an 8.93-percent decrease. Almost 10 percent of our enrollment was not funded by the state. The IFC only provided funding for instructional purposes.

I expect the same situation in 2006. We will likely realize a greater SFTE than the 1,381 projected by the state. We will achieve roughly 10-percent of tuition

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and fees that can be reserved. We will not have state support for the additional SFTEs.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I am trying to understand the hold harmless situation. There was a short period of time when the formula was adjusted that the hold harmless provision was allowed.

MR. DIEKHANS:

That is correct. It was originally intended to cover the period for the switch in formulas over a period of two biennia. The GBC is in its current situation because of the three-year rolling average. The enrollments were large enough that the college has never been in a hold harmless situation until now. With the downward SFTE spike of 5.33 percent, we are already in a losing situation under the 3-year rolling average. Part of the new formula is contributing to the current shortage at the GBC.

ASSEMBLYWOMAN GIUNCHIGLIANI:

That may be. The hold harmless time period is over.

MR. DIEKHANS:

I agree.

ASSEMBLYWOMAN GIUNCHIGLIANI:

You are asking to reinstate something on which the time limit has expired?

MR. DIEKHANS:

That is our request. Otherwise, we would request the Subcommittee to reconsider the three-year rolling average.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I would like to look at the whole formula because there are inequities. That was made apparent in the Interim Committee to Evaluate Higher Education Programs (A.B. 203) interim study report. I do not recall if the inequity was because of the three-year average or because the salaries were based on hiring a large quantity of part-time individuals to get the program running.

What would prevent another college or university from coming forward to argue the three-year average is causing them to have a budget shortfall?

MR. KLAICH:

Nothing would prevent that situation. We are making the appeal as a onetime request for the GBC based on the facts presented to the Subcommittee. We are not requesting a review of the funding formulas. We agree with your comments with respect to policy decisions embodied in the study.

ASSEMBLYWOMAN GIUNCHIGLIANI:

It is worthy of discussion; however, apparently nothing in the Legislature is a onetime funding request any longer.

ASSEMBLYMAN MARVEL:

What is the term of your instructional contracts?

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MR. DIEKHANS:
Contracts for tenured faculty are unending.

ASSEMBLYMAN MARVEL:
If faculty has to be terminated, is the state subject to litigation under the contracts?

MR. DIEKHANS:
The situation would have to be a financial exigency to terminate a tenured employee without recourse.

The new faculty hired in the current year would have to have been notified by March 1, 2005, if their contract was not being renewed. We were not fully aware of the financial need in time to make those notifications. The newly hired faculty will have the right to continue employment through the next instructional year.

ASSEMBLYMAN MARVEL:
Do we have to honor their contracts?

MR. DIEKHANS:
Yes, we do.

ASSEMBLYMAN MARVEL:
That should be justification to invoke the hold harmless clause.

CHAIR RAGGIO:
What percentage of the faculty is part time?

MR. DIEKHANS:
We are near the 60:40 ratio. If you look at the credits taught, it varies from year-to-year between 58- to 62-percent full-time and 38- to 42-percent part-time faculty.

CHAIR RAGGIO:
Recognizing the need to provide proper notification prior to termination, submit a plan to the Subcommittee of what the GBC would do in the event the appeal is not funded for both years of the biennium.

MR. DIEKHANS:
We will provide that information.

MR. MILES:
The next appeal item is for the Nevada State College in Henderson. The appeal would add new lease space to the O&M formula. The NSCH has experienced tremendous growth in the past year and expects that trend to continue. They have added leased space in the urban area of Henderson. They have also brought in three portable classrooms. Their request is that those spaces be added to the O&M formula.

CHAIR RAGGIO:
Is the last appeal for the UNR?

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MR. MILES:

That appeal is to add the cost of rental space to the O&M formula. The leases were inadvertently left out of the UNR budget. The request is for \$211,012 in each year of the biennium.

CHAIR RAGGIO:

We will now hear the unfunded items requested by the UCCSN. The requests are listed on page 4 of [Exhibit C](#).

MR. MILES:

Page 4 of [Exhibit C](#) is a list of items currently unfunded in the Governor's recommended budget.

CHAIR RAGGIO:

Are the items in order of priority?

MR. MILES:

They are listed in order of priority. The Department of Administration denied several maintenance requests.

CHAIR RAGGIO:

Please discuss the items you feel are imperative for operation of the system over the next biennium.

MR. MILES:

The first priority item is to incrementally increase the funding formula percentage from the current 84.09 percent to 87 percent.

CHAIR RAGGIO:

Why is that item imperative?

MR. MILES:

Increasing the formula will help keep institutions out of a hold harmless situation. The 87 percent was estimated to be the level necessary for all institutions to remain above a hold harmless situation. That percentage was derived before the GBC went deeply into such a situation.

CHAIR RAGGIO:

Is the budget currently based at 84.09 percent?

MR. MILES:

The current budget is based on an 84.09-percent formula.

CHAIR RAGGIO:

Is the cost to raise the percentage to 87 percent nearly \$38 million in addition to the Governor's recommendations?

MR. MILES:

That number is based upon the budget's projected enrollments and the actual enrollments are slightly lower. We would expect the request to be lower if it were recomputed.

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CHAIR RAGGIO:

Would the request still be near that amount?

MR. MILES:

That is correct. I would remind the Subcommittee that during the 72nd Legislative Session, the funding formula recommended by the Governor was at 86 percent, but changed to 84 percent because enrollments increased.

The second item on the unfunded list is for technology maintenance at all of our institutions. Other portions are in the enhancement requests but are important to help UCCSN move forward in the technology arena. Ms. Becky Seibert is the interim vice chancellor for technology and will present these requests.

BECKY SEIBERT (Acting Interim Vice Chancellor for Technology, University and Community College System of Nevada):

This is the first time in several biennia in which the Governor has not included information technology in his budget recommendations. There are three critical pieces in our request. I have provided the Subcommittee with a handout titled, "UCCSN Information Technology Requests" ([Exhibit E](#)). It provides additional information that will not be part of my testimony.

My remarks are included ([Exhibit F](#)). The first request is for system computing services capacity. The total request is \$9.35 million of which \$5.85 million is a onetime request. The remainder is an ongoing request. Computing and networking is not covered under the funding formula, thus the university must return each session to request capacity for normal growth. This request is essential for the continuing stability and security of UCCSN business.

Major items in the request include additional capacity for the student information system. System demand has grown by 20 percent each year over the past 5 years. A portion of the request is for network growth in rural Nevada, links to rural Nevada used by UCCSN, K-12, rural medical clinics and state agencies that share in the cost of the network. The final portion of the basic capacity request is a fiber optic network link between Las Vegas, Nevada, and Los Angeles, California. That request would increase capacity and the cost will be shared with the states of California and Utah.

The second item in the request is a \$10 million one-shot request for a new integrated information system. This is a critical request. The three information systems used to track student, personnel and financial information were purchased in the early 1990s and the basic features have not changed since that time. Consider how technology has changed the way business is conducted both at home and work. Replacement of the three systems is desperately needed. It is a long and expensive process, and that process must begin in this biennium.

The existing systems provide reliable basic services, but they do not provide timely access to information, management tools and reporting needed for federal, state and internal accountability.

A few examples may help the Subcommittee understand what is lacking. Student data should track from admission through graduation across all

institutions, including high school records. That is not possible with the current systems. The current systems do not share information with each other. A student at the UNLV who may also be taking courses at the CCSN is maintained in separate databases.

There is another student need missing from the system. Most higher education institutions have a single Web site or "doorway" to serve the students. The students can pay fees, take courses, correspond with instructors and check on graduation status in one place. That would allow the UCCSN to provide customized support and security. Nevada students do not have that access.

We need the ability to track employees across the system. When employees are hired, online tracking would be a benefit of particular importance to community colleges which have to hire so many full- and part-time employees each semester.

We need a modern budget system that links to our accounting system. Data must be entered separately into the budgeting and accounting functions. We are considered outdated by other businesses.

Perhaps the most serious deficiency is the inability to integrate student, personnel and financial information and share it across institutions. Administrators need the ability to link data to track trends, to make cost-effective resource allocations, to make evidence-based policy decisions and to provide accountability and reporting.

Consider the dilemma of an administrator trying to decide how many faculty to hire for the coming semester without the ability to link student trends, personnel resources and financial considerations.

These reasons and others are why nearly every business, educational and governmental agency nationwide have integrated information systems. The interim study report by the Committee to Evaluate Higher Education Programs (A.B. 203) recognized this problem in the UCCSN system. The chancellor, every president and the Regents recognize this as an urgent priority. In October 2004, the Regents appointed a technology task force to address the situation. Because the task force was created in late 2004 we were not able to include a detailed request during the budget process.

CHAIR RAGGIO:

Is there a developed infrastructure plan in place?

MS. SEIBERT:

The plan development began in 2004, but it is not complete.

CHAIR RAGGIO:

What is the total cost of the plan implementation over time?

MS. SEIBERT:

I cannot provide exact figures. The cost of hardware and software for the project would be approximately \$50 million not including implementation costs

and additional staff required. The request in this biennium is for \$10 million to begin the project.

CHAIR RAGGIO:

Were the unfunded technology requests in the budget submitted by the Regents and not included in the Governor's budget requests?

MR. MILES:

The first item of \$9.35 million was directed to keeping current systems up to pace with enrollment growth, and other needs were requested as a maintenance item. The new technology infrastructure and other items were requested as enhancements because they represented a move beyond the status quo.

CHAIR RAGGIO:

If they are so essential, we need to ask the Administration why they were not included in the *Executive Budget*. We are hearing compelling testimony of the technology needs and we need an explanation of why they were not in the final budget requests.

JAMES MANNING (Budget Analyst, Budget and Planning Division, Department of Administration):

I agree that some of the issues are important. When the *Executive Budget* was being developed, we were concerned with the two times rule relating to the requests. Enhancements are governed by the two times rule. Maintenance items such as caseload are outside that consideration.

SENATOR COFFIN:

Is there a problem using the current technology classes and faculty? Ms. Seibert's testimony was that new technology would assist administrators to assign classes and locate qualified instructors. Would it also help to determine what classes are not being offered that should have been offered and are listed in the catalogs? I am referring to classes that are needed by students for graduation and are not being offered. There are times an instructor does not want to teach a particular class and their administrator lets them have their way even though it has been published.

MS. SEIBERT:

I am not part of the academic administration. I can only respond from what I have been told. Having additional information available concerning what classes students are requesting and are being turned down for would be helpful to the academic administration when establishing class schedules. We have been told there is a need for such information.

SENATOR COFFIN:

The administration should already be aware of the problem if they have listened to feedback from the students. How do we know a new system will track the necessary data to make that work?

CHRISTINE CHAIRSELL (Ed.D., Interim Vice Chancellor, Academic and Student Affairs, University and Community College System of Nevada):

We are currently researching that situation. We will make a presentation concerning advising and scheduling to the Regents at the April meeting. The

more we uncover actual needs, we discover we need more advanced technology. The UCCSN has over 100,000 students and it is difficult to get to a one-on-one relationship with each. Students do not want one-on-one student/teacher relationships. They want technology with the ability to access their program and know whether or not a course they need for graduation will be offered during the next two years.

SENATOR COFFIN:

Why is a course listed in the catalog and not offered?

DR. CHAIRSELL:

The catalog is an inventory of all courses. Usually, certain courses are offered only in certain semesters. For instance, a course will be listed in the spring catalog even though it will not be offered until the fall. If a course is no longer being offered, it should be removed from the catalog.

The catalog is published on the Web site, but the technology that Ms. Seibert is discussing would enhance the ability of students to be updated and plan for timely graduation.

SENATOR COFFIN:

I wish to disclose that my spouse, Ms. Mary Hausch, is a contract employee as an instructor at the university, and I receive feedback on these situations from both my spouse and by talking to students. The catalog is similar to a piece of literature, sometimes part fiction, which is unfortunate because people make momentous decisions to attend the university and then learn they will not graduate in four years because of a disparity in course offerings. Faculty governance must change to make faculty and their administrators more accountable.

DR. CHAIRSELL:

The issue is certainly on the radar screen of the Regents.

SENATOR COFFIN:

I broached the issue because it does us no good to invest in higher technology if the information is not entered in a truthful manner. I am not suggesting falsification or lying, but rather, that people withhold what they know.

ASSEMBLYWOMAN GIUNCHIGLIANI:

There is an argument to make for consolidation. What I am not hearing in discussion of the technology plan is that agreement has been reached by everyone who would be served by the technology.

MS. SEIBERT:

They are absolutely in agreement. We are not certain of the exact technology needed. That is irrelevant to the fact that every president understands their needs to integrate various kinds of information between the campuses.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Articulation may also be enhanced so that students can tell their information is being transferred as they transfer throughout the system.

Students are paying technology fees. Why are those fee revenues not paying for the technology enhancements?

MS. SEIBERT:

That is one of the considerations of the technology task force. They are considering various sources of revenue understanding that the state will not entirely fund the project. The current student fees are critical for continued operation at the campuses. They support the computer labs and technical student support. Technology fees would need to be increased for the fees to support technology enhancements.

ASSEMBLYWOMAN GIUNCHIGLIANI:

That is unfortunate because students are being charged a variety of fees for each class. They may only use the computer lab for one class, but every credit fee has a \$4 technology fee attached. I would rather the fees be included in tuition than hitting students with a variety of ancillary fees. Where can I find a breakdown of all the fees collected and the disbursements made to certain technologies? Are the fees allocated in a budget?

MS. SEIBERT:

We will provide that information to the Subcommittee. Each campus can provide that information.

ASSEMBLYWOMAN GIUNCHIGLIANI:

The information is not in the formula and I have not found it in any of the budgets. I would like to see the information compiled by the individual campuses. What was collected for fees and to what areas were the fees dedicated? I have had students tell me that they do not have access to certain laboratories or they have to have special codes to use lab facilities. I thought we had an open institution.

MS. SEIBERT:

We can provide you with information on the allocation of the fee revenues.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I would also like to know whether the computer labs are accessible to the students or whether they have to obtain special permission for use. That could become a hindrance. Are you exploring additional satellite opportunities in the technology planning? Students from WNCC have asked about that format. Some UNR classes can be taught via satellite in Truckee and vice versa. The WNCC students who live in Dayton or remote areas do not seem to have the same opportunity.

MS. SEIBERT:

The next request anticipates that need.

My final request is for a statewide online instruction system at a cost of \$5.8 million. The cost is approximately one-half ongoing funding and one-half one-shot funding. Every campus provides online instruction to serve both distance education and to enhance classroom instruction. The problem is that as that teaching method becomes more popular, the number of students grows and

the existing infrastructure is not able to meet the demand in the coming biennium.

The request will implement a statewide online system that will serve every campus. The system will provide the same advantages to rural students as urban students; the same advantages to working students as nonworking students. A statewide system will save revenue throughout the state at a cost of \$5.8 million. If every campus expanded individually, the cost would be approximately \$11 million. If the request is not funded, some of the larger campuses will still have the ability to expand their online education service. Some of the smaller institutions would not have the ability to continue.

CHAIR RAGGIO:

We will ask our staff and Subcommittee members with computer expertise to review the requests and suggest further recommendations.

CHAIR RAGGIO:

We will now turn to formula funding and enrollment projections. The information can be found on pages 6 through 10 of [Exhibit C](#). Are final enrollment figures now available?

MR. MILES:

Yes, we have the final enrollment figures for fiscal year (FY) 2005.

CHAIR RAGGIO:

We will look at the updated average annual SFTE enrollment projections. We will review them by institution. Please indicate any difference from that contained in the *Executive Budget*.

MR. MILES:

Page 6 of [Exhibit C](#) provides that information. The column headings indicate the actual enrollments for 2003-2004 and for 2004-2005, what was recommended for 2005-2006, what the revised three-year weighted average projection will produce and the same information in the second year of the biennium. The next column shows the difference. The difference reflects what has occurred between the Governor's recommended budget and the budget going forward.

CHAIR RAGGIO:

Each institution is readily apparent.

MR. MILES:

I can quickly summarize the data. The bottom row of the chart on page 6 of [Exhibit C](#) reflects a difference of 2,068 SFTEs lower than the Governor's recommendations. In the second year that figure is 2,940 less. Even under this circumstance, it still projects an additional 6,851 SFTEs over the biennium than actual current enrollment.

CHAIR RAGGIO:

That would reduce the appropriations reflected in the Governor's budget by approximately \$23.56 million?

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MR. MILES:

That information is found on page 7 of [Exhibit C](#). We have included schedules reallocating funds based upon the new enrollment figures.

CHAIR RAGGIO:

The question was whether the adjusted enrollments would reduce the amount? What did you mean by the term reallocation?

MR. MILES:

I meant reallocation between institutions. There are some that increase and some that decrease based upon the new enrollments.

M-200 Demographics/Caseload Changes – Page UCSN-32

The middle two columns on page 7 of [Exhibit C](#) indicate the net change from the Governor's recommendation. The total is \$23,564,107 over the biennium. Under the circumstances, the UNR budget would be reduced by approximately \$3.5 million and \$4.9 million respectively. The UNLV would increase by approximately \$1.4 million. These are adjustments to the *Executive Budget* decision unit M-200 growth recommendations. The net result of M-200 is listed in the far right column of the chart on page 7 of [Exhibit C](#).

CHAIR RAGGIO:

These are not necessarily reductions, but reductions in what was recommended in the budget. If the Subcommittee wants to see the outcome, the far right two columns of the chart on page 7 of [Exhibit C](#) would provide that information.

MR. MILES:

For example, at the UNR they receive approximately \$190,000 in FY 2006 and approximately \$3 million in FY 2007. The UNLV, which currently has significant enrollment growth, would have a substantially better outcome. The CCSN, which is currently experiencing a flat enrollment, would receive a small increase in the first year and a slightly higher increase in the second year of the biennium.

CHAIR RAGGIO:

Do the figures for the GBC reflect the hold harmless issue discussed earlier?

MR. MILES:

That is correct. The far two right columns on page 7 of [Exhibit C](#) show the effects of the hold harmless situation. Their current adjusted Base Budget, with maintenance items added, would be reduced below current levels by \$673,523 in the first year and \$647,948 in the second year if the hold harmless is not funded.

Truckee Meadows Community College (TMCC) would be adjusted to \$3.6 million in the first year and \$4.3 million in the second year. Their enrollment grew appreciably in the past year.

The WNCC has a slow growth pattern and will receive small increases over the biennium.

In the enrollment figures, NSCH is using an institutional figure. They do not have three years of weighted average yet to make the computations. We have included an increase in enrollment higher than the Governor's recommendations for that institution. The NSCH nearly achieved an enrollment in the current year equal to what was budgeted for FY 2006. The budget projected 996 SFTE for FY 2006. The average annual SFTE in the current year was 964. We know they are underbudgeted in terms of enrollment. The NSCH made a modest calculation and recommended an increase from the budgeted 996 SFTE to 1,123 SFTE in the first year and another 150 SFTE over the Governor's recommendations in the second year of the biennium. That more accurately reflects what will happen at the NSCH. At the same time, the school is experiencing capacity issues.

Returning to page 7 of [Exhibit C](#), the DRI is in a hold harmless situation under the formula. They are only included in the formula for their O&M costs for the state buildings. Their calculation reveals a hold harmless situation there as well.

Pages 8 through 10 of [Exhibit C](#) reflect formula calculations for nonformula budgets regarding equipment replacement.

M-200 Demographics/Caseload Changes – Pages UCCSN-101, 107, 113, and UCCSN-119

The schedule on page 9 of [Exhibit C](#) reflects the amount of money available for decision unit M-200 for growth of the community college institutions at the funding level recommended by the Governor. In the 72nd Legislative Session the situation was similar, but with an effect in the opposite direction. The new enrollments in 2003 were far in excess of what was recommended in the *Executive Budget* at that time. The Legislature was faced with adding approximately \$21.9 million to the higher education budget to maintain the funding level recommended by the Governor at 86 percent, but the Legislature chose to stay with the dollar figure recommended in the budget. That is the reason the funding percentage slipped from 86 percent to 84.09 percent.

Currently, enrollments are less than what was recommended in the budget. Theoretically, the amount of money calculated under the formula is less than what was in the *Executive Budget* by the \$23 million we have already discussed. The schedule on page 9 of [Exhibit C](#) depicts what would happen with redistribution between the institutions and campuses if we hold at the Governor's level of funding. That is the solution selected by the Legislature in 2003. For those institutions negatively impacted, by enrollments, the impacts are not as great. For those institutions positively impacted the impacts are now greater.

CHAIR RAGGIO:

What if the enrollment figures had come in much higher at the end of March? Would the UCCSN testify that we should stay with the funding as recommended in the Governor's budget and ignore the fact there are increases in enrollment?

MR. MILES:

No, sir.

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CHAIR RAGGIO:

That is the problem. What good is a formula based on enrollments if we only apply it when it has a positive impact?

MR. MILES:

Two years ago the Legislature applied the formula in the opposite direction.

CHAIR RAGGIO:

I understand that.

MR. MILES:

All we are requesting is the application of the 2003 solution.

CHAIR RAGGIO:

Where do we draw the line with the funding in the formula driven by enrollment? You seem to be saying, "An error occurred, but we still want the funding increase." It sounds good, but the Legislature answers to the public. We need justification for our decisions.

MR. MILES:

I was attempting to use the example of 2003 as justification for the request. We asked for the extra \$21.9 million, but we understood that was not possible at the time.

Please keep in mind that our goal, and the request of the Regents, was to aspire to a funding level of 87 percent. Our calculations seem to point to 87 percent as the percentage that would keep the institutions out of harm's way in terms of changes in their enrollment.

In this case, if the Legislature chose to stay at the Governor's recommended funding level, it could take credit for allowing the funding percentage to creep up to approximately 86 percent.

The cost of the hold harmless for the GBC would drop significantly with the increased percentage of funding we recommend from what was indicated under the original reallocation. It would drop from over \$600,000 each year to slightly more than \$400,000 in the first year and \$300,000 in the second year.

CHAIR RAGGIO:

The cost to achieve that savings by increasing the percentage rate is \$23 million overall.

MR. MILES:

Moving from the Governor's budget, it would be a neutral change.

CHAIR RAGGIO:

We will now discuss the student fee and tuition revenue rejections. Are those included in [Exhibit C](#)?

MR. MILES:

I personally have a copy of the data, but it is not included in [Exhibit C](#).

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CHAIR RAGGIO:

The information we have is a corrected template concerning student fees and tuition modifications based on the changes in enrollment. The template indicates, by campus, the corrections based on the enrollments. The increases over the biennium total \$5,058,030. Is that correct?

MR. MILES:

That is correct.

CHAIR RAGGIO:

These are new estimates based on new enrollment figures. The Subcommittee has been provided with a total of what each campus will receive in additional student fees. Is that correct?

MR. MILES:

In some cases the calculation is an increase, and in other cases the calculation is negative.

CHAIR RAGGIO:

Do you have further testimony to provide on the template?

MR. MILES:

Yes, sir.

Customarily the Subcommittee staff and representatives from the institutions meet and review the student fee and tuition revenues projected for each of the campuses based upon the new enrollments. In this case, the reprojections indicate there is an increase of approximately \$5 million available for the budgets.

CHAIR RAGGIO:

The point is the student fees and tuition increases should be an offset to the General Fund.

MR. MILES:

That is an offset to the General Fund.

During this hearing we have reviewed adjustments and corrections that would net a reduction in General Fund requirements of approximately \$2.5 million. We are now looking at a schedule of recalculated student fee and tuition revenues that would net a savings to the General Fund of approximately \$5 million. Page 12 of [Exhibit C](#) lists appeals totaling approximately \$7.3 million. Those are additional costs to the General Fund. The net savings are nearly equal to the total amount requested in the appeals.

CHAIR RAGGIO:

Are you suggesting that if there is \$5 million in budget savings, it should be applied to the appeals list?

MR. MILES:

Yes, that savings coupled with the savings from the technical corrections that the Subcommittee and the UCCSN agreed were correctly calculated today.

SENATOR CEGAVSKE:

I wish to disclose that I have a son who is a student at UNLV and my questions are somewhat based on information I have received from him. I am looking at a fee notice my son received. In one semester he is being billed for a student faculty fee of \$130, health charge of \$47, a Rebel recycling fee of \$1 and two other categories under special fees. One category is "PEX132004" with no charge. The other category is "PEX132005" with a fee of \$5. In addition, there is a student scholarship fee of \$2 and a technology fee of \$64. The total in these fees each semester is \$251.

If I had a student who was signed up in any of the sports, additional fees would be required and students would be required to find sponsors for their organizations.

Why is student involvement and activities listed under sports marketing? This activity is cheerleading.

An allocation is made to cheerleading and then the students are required to raise funds to pay back whatever allocation is made. Is there one balance that keeps rotating with students required to replenish the account?

In reference to Senator Coffin's earlier comment, my second son is scheduled to graduate in December 2005 and some of the times it is the student who fails to enroll in a timely manner. There are times where classes fill up so fast that a student cannot attend a specific class. Yet there are other classrooms that are nearly empty.

I also wish to commend the UCCN for their book entitled "University and Community College System of Nevada, 2005 Legislative Session, Joint Subcommittee for Higher Education, Responses to March 2, 2005, Legislative Budget Hearing" ([Exhibit G, original is on file at the Research Library](#)). You answered my questions concerning student government staffing under tab 10 of [Exhibit G](#). It appears the student union activities at the UNR are extensive and that they are less active at the UNLV.

CHAIR RAGGIO:

I have just received a report on the gaming collections for the month of March 2005, and the collections were 30 percent less than the previous year.

ASSEMBLYWOMAN GIUNCHIGLIANI:

At some point a discussion on student fees seems appropriate to determine if the solution might be to use tuition adjustments to cover the wide variety of fees. Nevada still has one of the lowest tuition rates in comparison to other states.

CHAIR RAGGIO:

We will now turn to athletic fee waivers. The issue was discussed in the 72nd Legislative Session when we were requested to support the waivers, and, because of financial constraints, we were not able to accommodate the request. The UCCSN indicated its willingness to cover fee waivers with formula funding. They indicated an understanding that the next Legislature would support the fee waiver and the Governor has included that support in the *Executive Budget*.

I will note that it is not the practice for one Legislative body to bind the next to an agreement. The athletic fee waivers during the last Legislative Session were estimated to be \$1.76 million in the first year and \$1.79 million in the second year.

The amount now requested for the fee waivers at the three institutions offering them is \$3.5 million in the first year of the biennium and over \$3.6 million in the second year. Our concern is what waiver allocation is appropriate? A decision is necessary to fully fund the waivers or to require the UCCSN to use formula funding for this purpose. What is the suggestion of the UCCSN?

MR. MILES:

We were pleased the Governor included athletic fee waivers in the *Executive Budget*. The numbers cited by the Chair are in response to a question from Legislative staff as to the total cost of the fee waivers. As you have noted, the initial response was higher than current figures. The fee waivers were initially calculated at approximately \$4 million. The current calculation indicates the cost to cover full funding of the fee waiver to be \$3.5 million in each year of the biennium.

CHAIR RAGGIO:

I assume all waivers are not provided at 100 percent? What policies are in place recognizing this is a cost to the system?

CARY S. GROTH (Director, Intercollegiate Athletics, University of Nevada, Reno):

The waivers provide resources that allow the universities to be competitive and equitable. Waivers are provided to all sports and both genders. They can be, and are, split. Waivers are not given to all student athletes.

CHAIR RAGGIO:

Is that true at both institutions?

Ms. GROTH:

Yes, at both institutions.

CHAIR RAGGIO:

Why are fee waivers provided at the CCSN? Apparently \$112,000 is provided annually in fee waivers at the institution. We discussed the policy for community colleges when the WNCC program was heard earlier.

PATTY CHARLTON (Vice President, Finance and Administration, Community College of Southern Nevada):

The CCSN was included and requested the funding during the last biennial cycle. It was our understanding we were to be treated in the same manner as the UNLV and UNR. Two sports are provided: men's baseball and women's softball.

CHAIR RAGGIO:

Are the athletic programs supported by state funding?

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Ms. CHARLTON:

Only the fee waivers are funded by the state. All other funding is received through donations.

CHAIR RAGGIO:

Were you present for the earlier discussion?

Ms. CHARLTON:

Yes, I heard it.

CHAIR RAGGIO:

That funding is in jeopardy.

Ms. CHARLTON:

I understand.

CHAIR RAGGIO:

What if athletic fee waiver support were limited to the amounts that would be waived with respect to the part supported by the state budget? This could become a runaway situation.

MR. MILES:

The amounts that you have seen are in response to the question from your staff and reflect the amounts for full waivers.

A portion of those student fees are distributed to other areas besides the state budget. We could calculate the amounts for the Subcommittee that support the state budget.

CHAIR RAGGIO:

There needs to be some control on the policy. The program is worthwhile and everyone recognizes the athletics programs are an important part of the revenue for the universities. It appears we are trying to create a blank check in this aspect of the funding formula. We will consider determining what portion of the athletic fee waivers is in support of the state budget and then determine a proper appropriation. Please provide the Subcommittee with the necessary information to make that determination.

Ms. GROTH:

The National Collegiate Athletic Association (NCAA) has allocated maximum scholarship numbers to both the UNR and the UNLV for the sports we offer. That could provide a cap for the number of scholarships. As specific programs, such as track or soccer, are added waivers could be requested at that time. Currently, both institutions are bound by the NCAA limitations on scholarships.

CHAIR RAGGIO:

The Subcommittee understands what rules you are bound by. We are discussing how the athletic fee waivers will be funded through either formula funding or a separate appropriation. That is the information we will need.

MR. MILES:

We will provide the requested information to the Subcommittee.

SENATOR MATHEWS:

When the information is provided, I would like it to include the number of students served by athletic fee waivers at each of the institutions. I would also like information on how the funding is earmarked in the basketball and football program receipts.

SENATOR COFFIN:

I agree with the Chair on the need to set policy and limits for athletic fee waivers, but I do not want to lock the waivers into the three existing programs. All the colleges should have limited support. Athletic programs provide name recognition in unique ways and build community pride. I feel the cost would be minimal.

CHAIR RAGGIO:

Do we now want to start recruiting athletes to the community colleges?

SENATOR COFFIN:

I think that is appropriate. We should salute Mr. Ryan Moore, an athlete on a scholarship at the UNLV, who finished in a tie for ninth place in the Masters Golf Tournament today. He is an NCAA Champion, U.S. Amateur Champion and Western Amateur Champion.

SENATOR MATHEWS:

I want to also congratulate the UNR basketball team.

CHAIR RAGGIO:

We will now turn to the National Guard fee waivers. Was the total 2004 expenditure in the amount of \$461,726? What is the current status? There was a problem because some campuses offered the waiver and others did not. Do National Guard waivers need to be included for the NSCH?

MR. MILES:

There is an appeal to include the NSCH in the National Guard fee waivers. The recalculation of the student fee and tuition revenue, already discussed, generated significant General Fund savings and included National Guard fee waivers in the calculation.

CHAIR RAGGIO:

The intent of the program was to sunset. There is sentiment among the Legislators to continue the program. It is one way of showing our appreciation for Nevada residents who serve in the Nevada National Guard. We need to decide whether or not to continue the program and if the fee waivers should be included in the NSCH budget.

SENATE BILL 78: Makes permanent authority of Regents of University of Nevada to grant waivers for registration and laboratory fees for active members of Nevada National Guard. (BDR S-89)

MR. KLAICH:

We have appeared with Major General Giles E. Vanderhoof, The Adjutant General of Nevada, Office of the Military, before other committees of this Legislature and he has spoken eloquently concerning individuals who have

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benefited from the previous proposal in Senate Bill(S.B.) 78 with respect to the program and requested that the sunset be lifted. We have testified in support of making the National Guard fee waivers permanent.

CHAIR RAGGIO:

We will now turn to the issue of fee allocations and fee increases. The Regents were proposing these appropriations for student access scholarships in the state-supported budget. We will begin with the fee increases.

The Regents have proposed that universities increase fees by \$7 in FY 2006 and \$7.25 in FY 2007. Is that correct?

MR. MILES:

I will trust the calculations of your staff.

CHAIR RAGGIO:

Will staff confirm those figures?

BRIAN M. BURKE (Senior Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Those calculations are correct.

CHAIR RAGGIO:

Of those fees, \$1 is directed to capital improvements, \$3 in FY 2006 and \$3.12 in FY 2007 are to be distributed to student access scholarships. The remaining \$3 in FY 2006 and \$3.13 in FY 2007 will be distributed to the state operating budget.

The NSCH is slightly different. Capital improvements are distributed at \$0.50 in each year of the biennium and \$1 for general improvements, \$2 for scholarships and \$1 toward the state budget.

At the community colleges, \$0.75 is distributed to general improvements and \$0.75 for scholarships. Is the increase at the community colleges \$1.75 per credit for each year?

MR. BURKE:

That is correct.

CHAIR RAGGIO:

Add the proposed increases to the percentage of student fees that contribute to the state budget portion of the system. Our concern is the fact that student fees seem to be decreasing in the amount distributed within the state budget to support the university.

MR. MILES:

When establishing new fees, it is the policy of the Regents to first consider capital obligations, especially at this time. Some of the campuses are using student fee revenues to support revenue bonds that support general construction. Examples are the UNR Knowledge Center and the Science, Engineering and Technology Building at the UNLV. The balance is divided

equally between student access scholarships for need-based scholarships and for the state budget. The policy was implemented approximately five years ago.

CHAIR RAGGIO:

Is your information included in [Exhibit G](#)?

MR. MILES:

The information is found behind tab 9 of [Exhibit G](#).

Let us consider the university undergraduate rates. In 2001 the undergraduate student fee was distributed to the state budget at 73.99 percent. Under the current proposal the percentage would reduce to 64.49 percent by 2007. If we look back ten years, the rate of state support was 66 percent. We would simply be back to where we were at that time.

We must look at combining the amount distributed to the state budget with the amount distributed to need-based scholarships. The scholarship funding from student fees should be considered in the amount distributed to the state budget because it relieves the state of increasing the amount available through the state General Fund. Over the past several years the state has been unable to increase the scholarship funds supported by the General Fund. That was one reason the Regents took this action. If need-based scholarship revenue is counted with the percentage to the state budget, the percentage is approximately 74 percent in FY 2007 in support of the state budget. That would represent an increase over the past five years.

CHAIR RAGGIO:

The Legislature has a responsibility to the taxpayers in this state. Is there some point at which tuition should be supporting the UCCSN rather than General Fund support? The Regents should be mindful of this. If other uses are increasingly carved from the tuition, it becomes a policy issue. We all agree that scholarships are admirable and important.

MR. MILES:

I agree. This discussion represents a message that will be carried to the Regents as they set fees in the future. The Subcommittee needs to look at the bottom line. On page 73 of [Exhibit G](#) you will see that throughout the past five years student fee and tuition support of the state budget has been at approximately 20 percent of the total. The General Fund has been at approximately 69- to 70-percent funding level. The state support percentage increased to 77.38 percent when the estate tax was discontinued. The *Executive Budget* continues the 20-percent funding level. We are status quo in terms of student support for instructional budgets at the institutions.

CHAIR RAGGIO:

The Legislature has raised the issue. There is certainly public comment on the level of funding for the UCCSN. Most Legislators are advocates of higher education. However, there is sentiment that the state funding level is too high and tuition is not high enough.

MR. MILES:

We will take that message to the Regents.

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ASSEMBLYWOMAN GIUNCHIGLIANI:

Please provide the Subcommittee with information concerning the tuition levels and how it compares to other states. The tuition should reflect certain specific costs rather than adding student fees for every instance.

MR. MILES:

We will provide the information and the Regents' policy for setting fees to the Subcommittee.

CHAIR RAGGIO:

We will turn our attention to the adjusted Base Budget and consider the property insurance issue. Considerable savings were identified. The information is located in [Exhibit G](#) behind tab 16.

The amount saved was \$1.3 million in the current year and slightly over \$1 million in each year of the next biennium. Is that correct?

MR. MILES:

That is correct.

CHAIR RAGGIO:

The UCCSN first proposed to revert \$842,000 because they wanted to use a portion of the savings for public safety. We are advised there is now a new plan.

MR. MILES:

The \$1 million in each year of the biennium are shown in [Exhibit C](#) under the list of adjustments and corrections as a savings to the state General Fund.

CHAIR RAGGIO:

How did the \$842,000 reversion dwindle to \$65,000?

MR. MILES:

Our intention for the current year savings was to offset a portion of the savings with other insurance-related costs including a buildup of the deductible pools to avoid appearances before the Interim Finance Committee (IFC) if we have more than one catastrophic event. That was the initial plan.

Since that time the various campuses to which the funds are budgeted have indicated there are needs on their campuses as well. Because the UCCSN is funded at 84.09 percent, total costs cannot be accommodated within our budgets. The institutions are continually looking for savings that can be used to fund other needs.

The proposal will be presented to the Regents next week and, if approved or modified there, will come before the IFC when they next meet.

CHAIR RAGGIO:

The problem is that in the budget review process when savings are identified, the agencies have a desire to utilize the savings in another program area. In the meantime, the Legislature is constructing a budget that funds not only the issues of the UCCSN, but those of all the needs presented to this body. If the

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Subcommittee holds the UCCSN to the original plan to revert \$842,000, we would like to see a list of specific uses planned for the remaining amount of over \$1 million.

MR. MILES:
We will provide the requested information.

CHAIR RAGGIO:
We will now turn to the remedial course enrollments which can be found behind tab 12 of [Exhibit G](#).

MR. MILES:
We were asked to calculate the effects of the remedial issue under two different scenarios. The first query was, "What would be the change in formula budgets for the two universities if the remedial SFTE were removed from the three-year weighted average." Those results are presented on page 80 of [Exhibit G](#).

Because the Regents approved the nonstate funding of remediation in the second year of the biennium, the Subcommittee asked whether or not that could be moved to the first year of the biennium. The Council of Presidents met concerning the question. They felt strongly that the nonstate funding could not be implemented in the first year of the biennium because course catalogs have already been printed and students have begun registering. They also felt students needed some lead time because in 2006 the academic standards will change.

CHAIR RAGGIO:
What happens physically that prevents the provision from being implemented?

MR. MILES:
Course catalogs would have to be changed. The student population, currently in high school and others who are planning on college attendance, must be informed.

CHAIR RAGGIO:
What is the most effective way to implement remedial program changes concerning movement of remedial programs to the community colleges rather than the universities? Please provide the Subcommittee with a format that reflects the most cost efficient and effective way to make the changes.

MR. MILES:
The position of the UCCSN was to allow the three-year weighted average to run its course. We are continually adding and subtracting courses. We felt that making programmatic changes would be confusing in terms of growth patterns for each of our institutions. This was our position at the hearing on March 2, 2005.

CHAIR RAGGIO:
We asked you to return with a reconsideration of that position.

MR. MILES:

That is correct. The response is found in [Exhibit G](#) behind tab 12, page 80. The chart recalculates the decision unit M-200, Demographics/Caseload Growth. If there was a switch to remove the remedial SFTE in the first year of the biennium, as well as the second year, it would cause a reduction of more than \$3 million in each year of the biennium for the UNLV and UNR. We believe it is only practical to implement the change in the second year of the biennium. The results of that calculation are found on page 82 of [Exhibit G](#). There would be no change in FY 2006 with a reduction to the two universities of \$3,804,355 in FY 2007.

CHAIR RAGGIO:

Why is it necessary to follow the plan suggested by the Regents? Is it because of the need to reprint course catalogs?

MR. KLAICH:

I will ask Dr. Carol C. Harter to respond directly to your question. The other message we took from the March 2, 2005, hearing was that we should be creative in implementation of the change as quickly as possible. Dr. Harter can speak to both issues.

In the previous hearing we heard testimony from Dr. Raymond W. Alden III with respect to the likelihood, in his opinion and that of his colleague at the UNR, that removing the remedial programs from the universities to the community colleges would not impact the SFTEs and that we should allow the formulas to run their course.

CHAIR RAGGIO:

We understand there is a monetary consideration. The issue is students are studying at the community colleges.

CAROL C. HARTER, PH.D. (President, University of Nevada, Las Vegas):

There are two separate issues. I will first address the timing of when we are able to implement the changes and the negotiations we have had with the CCSN in the process.

It is difficult to implement the full change in 2005 for several reasons. Students are already registering for August classes. To change the course schedule, location and instructors for those classes is nearly impossible this late into the process. Recognizing the difficulties, administrators, CCSN faculty and the UNLV have worked together to create a new program we will implement in 2006.

The remedial courses for the UNLV students will be taught by the faculty from the CCSN on the campus of UNLV. Both campuses have a space problem. It would be impossible to provide space for remedial instruction on the campus of CCSN in August 2005. The UNLV has agreed that when we are not using our space, beginning in 2006, the CCSN faculty will come to the campus of UNLV to teach the courses. The time frames will typically be evenings, Saturday mornings and late on Friday. The CCSN will get credit for the SFTE, but they will provide the service to our students on our campus.

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CHAIR RAGGIO:

Who will pay the salary of the faculty from the CCSN teaching remedial courses at the UNLV?

DR. HARTER:

They will earn the salary for teaching those courses.

CHAIR RAGGIO:

What institution will pay the salaries?

DR. HARTER:

The CCSN will pay the faculty. We discussed a method to pay the salaries and recharge the institution and decided the best method was for the CCSN to pay the salaries directly.

CHAIR RAGGIO:

Would the UNLV incur any costs for teaching the remedial students?

DR. HARTER:

We would incur no costs except for the O&M for the classroom space and other space costs. We would essentially contribute those costs because the students are enrolled in the UNLV.

CHAIR RAGGIO:

Are the classrooms utilized for other classes as well?

DR. HARTER:

That is correct.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I am aware of a Capital Improvement Program project for CCSN. Enrollment at the CCSN is down and enrollment at the UNLV has increased. How is it that the UNLV has space that the CCSN does not?

DR. HARTER:

The space we will provide will not be used during traditional schedule periods. The good news is that space utilization has been considered continually. There are periods of time that are less popular with students. However, if students are required to attend remedial classes, we will fill those unpopular time frames with faculty teaching remedial courses. This will increase our space utilization in those time periods when it is difficult to utilize space for elective courses.

ASSEMBLYWOMAN GIUNCHIGLIANI:

When considering space utilization, did you consider the issue I raised in the last hearing concerning how placement of students into remedial courses is approached? In some cases it appears students are "dumped" into these classes.

DR. HARTER:

We will review the methods we use to place students. The thresholds we have used to place students in a series of areas are very high. We will reassess what levels are appropriate for placement. We will use standardized test scores to

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create a "red flag." At certain levels of standardized test scores we will ask students to participate in a diagnostic program to assess their remedial needs.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Does that mean you will no longer use the American College Test (ACT) scores which were previously used to place students into the program?

DR. HARTER:

We use the ACT scores to determine students who must take a diagnostic examination.

ASSEMBLYWOMAN GIUNCHIGLIANI:

The ACT scores are not the proper tool for that purpose.

DR. HARTER:

The ACT scores provide educators with a signal to use diagnostic testing to further determine the needs of the students.

ASSEMBLYWOMAN GIUNCHIGLIANI:

Does the diagnostic testing lead to a diagnostic program that ultimately leads to a remedial program?

DR. HARTER:

No, if a student does not pass a diagnostic test, they are placed in a remediation program.

ASSEMBLYWOMAN GIUNCHIGLIANI:

The allocations need to follow the student. I am still at the place where remediation programs are supposed to move to community colleges. That is where the responsibility and funding should be directed.

DR. HARTER:

When those seats are vacated by remediation students in 2006, they will be rapidly replaced by students taking other courses. The university received over 22,000 Web site inquiries for upper-division courses we could not fill because our faculty was being used to instruct remediation classes. We will lose few, if any, students when remedial students are moved. The allocation should only follow after proof that there is a difference in enrollment. The formula is based on the previous three years of enrollments. If we begin projecting enrollments based on assumptions, we will immediately undermine the assumptions that are included in formula funding.

ASSEMBLYWOMAN GIUNCHIGLIANI:

I do not buy that argument. The issue is that you have known of the change since the 72nd Legislative Session. You should have anticipated the reduction in allocations.

DR. HARTER:

We anticipate we will fill the enrollment projections.

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ASSEMBLYWOMAN GIUNCHIGLIANI:

Remediation allocations follow the remediation classes and the instructors providing it, not the university if you are no longer providing the instruction.

SENATOR CEGAVSKE:

I thought that once students were preparing for high school graduation and planning to attend a university, they are tested so that we know whether or not they need remediation. We should be directing them to the community college for remediation and they should not be in the university system until the remediation has been completed. I am confused as to why we are still seeing the remediation allocations in the university budgets. I agree with Assemblywoman Giunchigliani.

CHAIR RAGGIO:

The intent is to make the changes as quickly and effectively as possible. Someone will lose revenues, but that cannot become the overriding issue.

DR. CHAIRSELL:

Confusion is evident concerning where the student is attending and who is providing their instruction. The universities are made up of students living in dormitories who have no transportation. Those students may need remediation, and our intention is to bring the instruction to them. The university will provide the cost of the space to provide a service to the students.

A statewide remediation task force has been instituted and many of the concerns raised today are being addressed by the task force. I agree the ACT and Scholastic Aptitude Test (SAT) scores are not good skills indicators. I will provide the Subcommittee with written documents concerning discussions held and other task force information.

SENATOR MATHEWS:

Do athletes who need to raise their grade point averages need to travel to community colleges for the necessary classes?

DR. CHAIRSELL:

Not currently. Remediation is currently being instructed at the universities. The state funding will end in 2006. We want to ensure we make accommodations for students who have been accepted at the universities or the NSCH and not impose traveling to another campus on the students. The allocations will follow the student to the community college that is providing the remediation whether or not they are providing the instruction at a high school or on a university campus.

CHAIR RAGGIO:

The decision was made for the UCCSN to join the State of Nevada Federal Insurance Contributions Act (FICA) alternative plan. It is administered by the state's deferred compensation committee. As a result, the UCCSN is relieved from matching the allocation resulting in savings. Do we have an estimate on the amount of savings resulting from this decision?

MR. KLAICH:

No, we do not.

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CHAIR RAGGIO:

Is there an effective method to obtain a savings estimate?

MR. KLAICH:

We have not found a method to make that calculation.

MR. MILES:

A response to that question is found behind tab 18 of [Exhibit G](#). There are two issues involved in determination of the savings making it difficult for us to determine the amount of savings realized.

CHAIR RAGGIO:

There will be some savings because the UCCSN is not required to provide a match for a large number of the employees.

MR. MILES:

There can be savings because of not needing matching funds. There are legal issues that need to be clarified. Once that occurs, we believe individuals will join the alternative plan over a long period of time, but some will always remain under the Social Security Administration system. Until we know how that will transition, there is no method to determine the savings.

The other reason is that the bulk of the UCCSN positions is in nonstate-supported budgets. They work at the Lawlor Events Center or the Thomas and Mack Center.

CHAIR RAGGIO:

Are you saying that if an individual works for the Lawlor Events Center or in other nonstate budgets, they are not considered state employees?

MR. MILES:

They work under self-supporting budgets. Their salaries are not paid by the state. They are paid by income to the centers.

CHAIR RAGGIO:

Who provides the match in those instances?

MR. MILES:

The employer, who would be either the Lawlor Events Center or the Thomas and Mack Center, would pay their FICA contribution but not from state funds.

CHAIR RAGGIO:

Are those funds generated within the self-supporting budgets?

MR. MILES:

Yes, through rental and use of the facilities.

CHAIR RAGGIO:

We may consider a directive that when savings are recognized, those savings in state-supported budgets would revert to the General Fund. Is that fair?

MR. MILES:

In some instances these institutions have earned full-time faculty positions through the formula. Some of those have to remain vacant or be divided to allow hiring of part-time individuals. If those funds are reverted, the Legislature would be undermining a portion of the Base Budget.

SENATOR COFFIN:

What is the incentive for the employee to select the FICA alternative if no match is provided?

MR. MILES:

The employee would own the fund and would be invested unlike the Social Security contributions.

SENATOR COFFIN:

Is this a personal account?

MR. MILES:

It would be a personal account.

SENATOR COFFIN:

Then there would be no savings. Is that correct?

MR. MILES:

It saves the matching contribution from the institution.

SENATOR COFFIN:

Why would the employee do the institution a favor?

MR. MILES:

This is a statewide program not a UCCSN program.

SENATOR COFFIN:

Is it in lieu of benefits in the other agencies?

MR. MILES:

I do not have that answer. I am aware that the Department of Personnel conducted a study, or white paper, on the proposal.

SENATOR COFFIN:

I can understand why the alternative would be desirable as a supplement but not as the primary contribution without matching funds.

CHAIR RAGGIO:

We will now discuss the law school fees. We heard this morning that there is a fee increase for medical students. I am not aware whether or not there is also an increase in dental school fees.

It has been brought to the attention of the Subcommittee that the UCCSN is increasing the law school student fees by \$1,655 each year. Further information is located under tab 11 of [Exhibit G](#). Is the increase subsidized rather than being

passed on to the existing students? There must be justification for the change. It is not standard practice. What kind of example are you setting?

DR. HARTER:

The issue was the size of the law school fee increase. Dean Richard J. Morgan conducted a thorough market study of western schools that were similar in contiguous places to the William S. Boyd School of Law at the UNLV. It was his belief, in the interest of fairness, an increase representing the median of western states was appropriate. He asked that the increase be directed, at least in part, as scholarships to students who had financial needs. The increase is 23 percent. Because this is the largest increase being requested, it would become effective with the new law class in 2006. In three years all students would pay the new higher tuition rate. It was not the intent to impose the large increase on current students who would not have had the opportunity to plan for it.

CHAIR RAGGIO:

We are all advocates of the law school. It is a fact that there are thousands of students whose desire is to enter law school or medical school but cannot. Why are we not offering the same opportunity to current medical school students who are facing fee increases?

DR. HARTER:

I believe the issue has to do with the 23-percent level of the law school increase.

CHAIR RAGGIO:

Is the UNLV willing to accommodate the delayed increase?

DR. HARTER:

The Regents set the tuition level for incoming classes.

CHAIR RAGGIO:

We will now review indirect cost recoveries (ICR) listed in [Exhibit G](#) behind tab 14. This is the Governor's recommendation to allow the retention of indirect cost recovery. There was an issue that the recommended amounts in the *Executive Budget* did not fully remove all of the indirect cost recovery from the state-supported budgets. We asked the UCCSN for a list of the planned uses for those revenues.

MR. MILES:

The question was how each campus planned to use the ICR funds they were allowed to retain. Page 92 of [Exhibit G](#) contains the response from the UNR indicating the immediate use would be for lab remodels, research equipment, acquisition and replacement. Also included would be construction planning for the proposed biotechnology building and faculty support. All items are research related. In the future the funds would likely be utilized to pledge revenues against revenue bonds to construct the biotechnology facility.

The UNLV has responded their immediate uses would be to support research and infrastructure needs including renovation of research facilities, labs and

start-up cost requirements including equipment, other capital investments and other major purchases for core research shared among many researchers.

CHAIR RAGGIO:

The budget as presented did not fully remove ICR funds. What is the amount of fees not removed?

MR. BURKE:

The amounts are \$913,954 in FY 2006 and \$1.26 million in FY 2007.

CHAIR RAGGIO:

If it was the Governor's intention to allow the universities to fully retain cost recovery, is it the Budget Division's intention to submit a budget amendment to allow the retention?

MR. MANNING:

At this point, it is not the intention of the Governor's budget to address the additional funding of approximately \$2.2 million.

CHAIR RAGGIO:

If it was the Governor's intention to allow the universities full retention of the ICR funds, then \$2 million needs to be replaced somewhere in the budget. The Budget Division needs to suggest where those funds would be recovered.

MR. MANNING:

The recommendation is to leave the budget recommendation as it stands and go forward. If the Legislature allows 100 percent of the cost recovery retention, we can capture that full amount in the next budget cycle. We do not intend to add additional funding to cover that item at this time.

CHAIR RAGGIO:

Does the Budget Division have any suggestions or comments on any of the items discussed during this hearing?

MR. MANNING:

I am in agreement with most of the issues discussed at this hearing. One of the main issues appeared to be the formula funding calculation and the decrease in the SFTE. The Budget Division stance is that we are willing to keep the General Fund allocations as they are as a result of slightly increasing the formula.

CHAIR RAGGIO:

Please clarify your last comment.

MR. MANNING:

The Governor's budget is in agreement with that.

CHAIR RAGGIO:

Are there further items to be discussed from the UCCSN today?

MR. MILES:

We would like to return to the unfunded items list on page 4 of [Exhibit C.](#)

Although items 1 and 2 have already been discussed, those are the highest priority items. Item 1 can be achieved by leaving the Governor's recommended funding with the UCCSN.

Item 3 is a request for the nursing initiative. When the UCCSN and the Legislature developed a plan, in 2003, to double nursing enrollments, a part of the plan included state funding for two summer schools. In the meantime, summer school SFTEs related to student nursing would begin to be counted in the three-year weighted average with the intent the summer schools would eventually pay for themselves. Two summers of additional funding were needed to initiate the program. In 2003, only the first month of the first summer school was funded because the other two months of summer school fell outside the current biennium and were not funded. We are requesting funding for the summer session at \$460,000. Those funds would pay for the extension of faculty contracts from 9 to 12 months.

The second request, under item 3 in the unfunded list, is a request to initiate a bachelor of science in nursing degree program at the GBC which would be the fourth bachelor program at the GBC. It would bring the four-year program to northeastern Nevada.

CHAIR RAGGIO:

What is the cost of that request?

MR. MILES:

The cost is approximately \$250,000. In light of the GBC dilemma with the hold harmless situation, that request for the four-year nursing program is critical.

The next request, under item 3, is to fund the doctorate nursing program at the UNLV. We have doubled our enrollment in nursing programs, but we cannot locate enough qualified teaching staff. The UNLV has agreed to step into that gap.

The next item is a request from the community colleges concerning the nursing faculty to student ratio. Under community colleges, the nursing program is considered with other high-cost programs at a 14:1 teaching ratio. The licensing agency requires that an 8:1 ratio be maintained in clinical classes.

SENATOR MATHEWS:

The reason this item is always present under the unfunded items is that the two universities already have a teaching ratio of 8:1. If the formula was such that the community colleges did not have to take from one area to staff another, this item would not continually appear in the unfunded items list. Nursing students can graduate from a two- or four-year college and still not be allowed to sit for their boards because the teaching ratios are not 8:1. We need to change the formula so the community colleges meet the requirement.

MR. MILES:

The fourth request for unfunded items in [Exhibit C](#), page 4, are all health related. The Subcommittee may recall that the Governor funded the added residency program for the School of Medicine and also provides funds for the

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Lou Ruvo Alzheimer's Center in the second year of the biennium for its administrative costs.

The unfunded items include CCSN's four-year dental hygiene program. They needed additional program funding to increase classes to the size requested by dentists in the area.

The School of Medicine had other items they had requested but were not included in the *Executive Budget*. One was to establish a clinical academic development initiative which would enhance their research capabilities; establish an office of professional development to coordinate faculty professional development; enhance existing basic and clinical science departments to expand their clinical expertise in specialized areas including new staff positions; provide classified staff to support the services conducted at the School of Medicine; support for a position within the Division of Medical Nutrition; provide operating support funding for the Medical Education Counsel created by A.B. 11 of the 20th Special Legislative Session; and establish a new associate director of the Las Vegas Office of Rural Health. The total for these requests is \$4.36 million.

The UNLV makes a request for a School of Public Health. This would be a new program and the allocation would fund the dean of that school and some professional positions. Health is a major growth area in this and every other state.

I would like to mention the GBC Rural Medical Services. They provide a large amount of emergency medical technician (EMT) training in the northeastern portion of the state. It is a key program, but the funding has expired. There is a bill in this session that would provide funding for rural EMT training.

MR. KLAICH:

The bill, S.B. 124, was heard on April 7, 2005, in the Senate Committee on Transportation and Homeland Security.

SENATE BILL 124: Provides for imposition of surcharge for certain traffic violations to be used to support emergency medical services and services for treatment of trauma. (BDR 43-887)

ASSEMBLYWOMAN GIUNCHIGLIANI:

We have the response on the merit pool, but at some point that item will be brought up for further discussion.

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If the Lou Ruvo Alzheimer's Center is approved, it will not be ready until 2009. You are asking for staff in the current budget in decision unit E-201. That is something I am concerned about at this point. Staffing does not need to occur in this biennium.

ASSEMBLYMAN PERKINS:

After the hearings on the UCCSN budgets, there is still confusion on several points. It would be helpful if we could get a side-by-side comparison of what savings were found in various budgets and what requests were made using

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those savings. The shifting and moving of funds is making it difficult to follow the dollars. We are all in favor of higher education, but it is also important, as stewards of the tax dollar, to follow funds directly.

MR. MILES:

In the Governor's budget the DRI's cloud seeding program has been removed. The intent was the DRI could continue to appear before the IFC to request funding for that program. If the Legislature chooses not to place that item in the budget, we would like the privilege to continue with appeals before the IFC.

CHAIR RAGGIO:

Seeing no further items before the Subcommittee, the meeting is adjourned at 10:45 a.m.

RESPECTFULLY SUBMITTED:

Cindy Clampitt,
Committee Secretary

APPROVED BY:

Senator William J. Raggio, Chair

DATE: _____

Assemblyman Morse Arberry Jr., Chair

DATE: _____