

SENATE FINANCE COMMITTEE

MINUTES OF MEETING

FEBRUARY 17, 1977

The meeting was called to order at 4:00 P.M.

Senator James I. Gibson was in the chair.

PRESENT: Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Norman Ty Hilbrecht
Senator Thomas R. C. Wilson
Senator C. Clifton Young

EXCUSED ABSENCE: Senator Floyd R. Lamb, Chairman

OTHERS: Ronald W. Sparks, Chief Deputy, Fiscal Analysis
James L. Buchanan, Chairman, Board of Regents
Howard Barrett, Budget Director
Joel Pinkerton, Budget
Cy Ryan, UPI
Dr. Fred Anderson, Regent
Molly Knudsen, Vice-Chairman, Board of Regents
Lilly Fong, Regent
Chris Karamanos, Regent
Dr. Louis Lombardi, Regent
Brenda D. Mason, Regent
John Tom Ross, Regent
Bonnie M. Smotony, Secretary of the Board
Neil Humphrey, Chancellor

Senator Gibson said the meeting was held for the purpose of discussing with the Board of Regents problems that had arisen at an earlier meeting. He asked Mr. Buchanan to speak.

Mr. Buchanan introduced the members of the Board who were present and read from a prepared statement, copy attached. He asked the Committee to direct any questions they had to him rather than to individual regents. They preferred to make decisions as a body, as a board and as a single unit.

Senator Wilson said the Committee was interested generally in having the Board's expertise and judgment with regards to priorities, particularly in cases where the Governor has not recommended programs. He felt there was a substantial disparity in what UNS requested and what the Governor had recommended. He felt this posed a difficulty critical to long range University policy. He said the Committee felt that the priorities were the responsibilities of the Board and the Finance Committee's responsibilities were to be responsive fiscally in trying to meet those needs and priorities within the limits of the resources available. He said what the Committee would like is the benefit of the Regents' judgment as to the effect upon their priorities as the board sees them collectively, where the Governor has not concurred. If the Committee were forced to limit themselves in certain respects to the Governor's recommendations then they may take action which would affect the Board's priorities as they perceive them. He felt the Committee should remain as consistent as possible with the Board's judgment. He said he would like their judgment between the disparity of requests and recommendations, and what is critically important to their own view of priorities.

Mr. Buchanan said they started in 1976 to come up with the priorities that they presented. When they first started, the budget was \$12 million to \$14 million more than was finally actually recommended to the Governor. The Board felt the budget that was presented was a bare bones budget. They realized that the budget represented an increase of some 40% from the last budget that was requested two years ago.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
February 17, 1977
Page Two

Due to inflation and other matters they felt that the \$138 million recommended to Governor O'Callaghan was what they needed to exist. He said he realized that the Presidents, in coming before the Finance Committee, presented things that they felt were of critical importance, but some of these were things that had not even been taken up by the Board because some of these things had occurred between the last meeting and the present one. The Board is, however, in full support of what has been presented. It is the Board's position that the \$138 million is their priority list and they need those things in order to continue functioning. He said if the Legislature does not see fit to go along with this budget, then the Board will have to prioritize with the monies made available.

Senator Wilson said that would put the Legislature in the position of acting with blind wisdom.

Mr. Buchanan repeated that the \$138 million is necessary and anything less will require them to go back in session and act as a board to decide how the monies that are available will best be used to fulfill the mission. He said they did not come and ask for any new programs; they just tried to service those students on the same type of funding that they had two years ago, with the natural increases in inflation, fuel costs, and the increase in students. He said they do not presently have the same share of the budget that they had two years ago. It has been decreased from 25% to 23%.

Senator Gibson asked if there was then an \$18 million difference in their requested budget and the Governor's recommended budget.

Mr. Buchanan said this was correct. He said that the budget presented last week by the officers of the University had been cut from the original budget by \$12 million, which still left \$6 million difference. If the budget was left at this level they would have to come back and make recommendations of where this money would be cut; probably in some institutions and a curtailment of enrollment. He said the increased population and increased enrollment in the schools meant they were going to have to have additional funds. What cuts have to be made in programs will be made by the Board acting as a unit.

Senator Wilson said he was not inviting them to cut by exclusion, but he thought it might be helpful to examine in the budget document areas where the Governor has not seen fit to recommend and perhaps the Board could give them some guidance on how those cuts will be made and give the Committee a chance to concur with the Board's request. He asked if there are certain inadequate recommendations by the Executive that the Board particularly wants to address.

Mr. Buchanan insisted that this request was unfair and was something he could not do as Chairman, without full consultation with the Board, staff and input from faculty.

Senator Wilson said he was not asking him to do that. He asked if there was any way in discussing the various recommendations of the Governor, where they are not sufficient, where the Committee can share the Board's perspective on why it is important to restore that money.

Senator Hilbrecht asked how much in detail the Board of Regents examines the UNS budget and the various sub-budgets therein. The Chancellor presented 17 basic line items; is that the level where the Board of Regents becomes involved? He said the Committee was interested in how the budget was developed. How deep into the UNR budget did they go?

Mr. Buchanan said the Board had presentations, not just on a line item, but program by program. They look at the programs, there are regent's inputs to those. Their budget program is very extensive and it takes many, many meetings to come up with it.

They have a proposed budget which quite a few studied over a period of six or seven weeks. They come back in and have recommendations, change line items, go into schools: what programs they are going to accept, how much for an increase in athletics. He said they go down into the budget deep enough to determine how much in-state travel will be recommended. In the President's Office, they determine if he will have an administrative assistant and if so what will be his salary. They approve each rate increase in each staff position.

Senator Hilbrecht asked if they would go into a cost efficiency study.

Mr. Buchanan said they did not go into it that deeply.

The methods of arriving at the final figures and needs of the budget were discussed in detail. Mr. Buchanan said that no one who is not involved with the programs on a full time basis can make the best judgments. They have to depend a great deal on the budget analysis of the chancellor and the presidents.

Senator Hilbrecht asked what the problem was with the Mackay School of Mines.

Mr. Buchanan said this did not come up in the budget deliberations because the Mackay School of Mines went through an accreditation problem just recently. In that accreditation visit they said that the school needed certain new faculty members and new faculty positions in order to maintain the accreditation. He thought it was three additional positions that were needed. But the whole program at UNR, rather than adding any professors have actually lost about 10 positions in the Governor's budget. So rather than trying to add three, they are down 10. He said the exact cost of adding the three positions to the Mackay School of Mines was around \$100,000.

Senator Young said that in the last biennium 57% of the budget went to education as a whole; this time it is 56.8%. Welfare and Human Resources is up and will probably continue to rise. He said that maybe to meet the rising costs of these programs, they would have to consider an income tax, he did not know, but he did know that there was very little enthusiasm for an income tax. These requests have to be considered in that perspective.

Mr. Buchanan said they were concerned with trying to serve as many people as possible for the least amount of money.

Senator Young said he did not see how the state could continue on the same course with regards to education as they had in the past. He said by the time you got through welfare and education you only had about 18% left to run the rest of the state, including the prison system, which is about to wear everybody down.

Mr. Buchanan said he could sympathize with the problems the money committees face with all the demands which are made upon them. But he insisted that what they had presented in their \$138 million budget was necessary for the people of the State of Nevada and he believed that this amount of money should be given to accomplish that need.

Senator Young said he felt if the Regents and the UNS went for \$138 million, to be intellectually honest, they were saying that they wanted the legislature to levy higher taxes.

Mr. Humphrey said that in the 16 years that he had been representing the University at the Legislature, that question had probably been asked half a dozen times each session and he felt that the answer has to remain the same, that what was being referred to was a political and economic question that it is not the prerogative of the University to respond to.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 17, 1977
PAGE FOUR

Senator Young said he would respect his advice and his judgment.

Mr. Humphrey said he respected the problem that the Committee faced, but he did not feel that was an appropriate thing for the University to comment on, as to how much the tax rate should be, or what part of the population should pay the taxes, or what type of taxes. He said he wanted to correct the Chairman's comments on the percentage of the requests of the general fund. This year the University is presently receiving 22% of the general fund; their request would have translated to 25% of the general fund for next year. The Governor's recommendation for next year is 21%.

Senator Wilson commented on the Community College budgets as recommended by the Governor. He felt that they raised a serious policy question that had to do with the autonomy of the respective divisions of UNS. He asked if the Board had reservations about this recommendation.

Mr. Buchanan replied, the Board said the President should have his office and they believe the program has been very well handled. The Governor's recommendation guts the program and they felt it should retain its autonomy and maintain its own staff because of the particular problems inherent in the system. He said the autonomy would be fundamental to the way the UNS operates. The chancellor answers directly to the Board of Regents. On a flow chart it would be the Board, the Chancellor, and then the particular divisions. And this has worked very effectively.

Senator Wilson said he wanted to dispose of this difference between the Executive and the Community College.

Mr. Buchanan said that this was brought up at the meeting with the Governor; that the Board was opposed to that type of reorganization. He said some things had happened as far as salary deviations and some budgetary moves were made that possibly had the Governor's Office and possibly the budget office a little bit disturbed. He said he felt this was a slap on the hand of the Community College. But in essence, through part time help, it saved a lot of money and there was a redistribution of that income. The Board came down on that redistribution also, but it was amde and it was approved and they redistributed approximately \$900,000.

Senator Wilson asked if the transfers that were made were approved by the Board.

Mr. Buchanan said the transfers from salaries were approved by the Board.

Senator Wilson said if they were approved by the Board then what really is the point of the policy recommendation made by the Executive? He said he wanted to dispose of it one way or another.

Mr. Humphrey said that the argument at the time was really not how the money was going to be spent but whether it should have been there in the first place; that was the argument within the system and within the Board. He said everyone was involved, the faculties, and everything else and the argument was based upon the fact that positions had been budgeted as full time positions in instruction at Clark County Community College; they used some part time people, there was a salary savings so then there was a use of that money for other purposes. The real argument was the wisdom of whether there should have been the savings in the first place.

Senator Wilson asked if these questions were resolved within the System on the merits.

Mr. Humphrey said they were, they approved those transfers.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 17, 1977
PAGE FIVE

Senator Wilson said those transfers having been reasoned, on the merits, and approved, it would appear to him that those transfers could not be the reason, or at least justify, the recommendation made that the president and his administrative secretary be transferred to the System administration. Assuming that, was there any policy decision or discussion tendered when you presented your budget to the Executive.

Mr. Humphrey said that at the time the Executive recommended that these two positions be included in the appropriation line with System administration, he did not feel that anyone working with it perceived, at that time, the importance that was attached to that transfer. The thing that was being focused on was not the two positions that were left that would not by themselves justify an appropriation line but rather all of the positions that were removed. There was concern about these positions and they were attempting to salvage that.

A decision was made in 1967 and 1968 in organizing the system about certain functions that would be centralized in the Chancellor's office and certain that would be decentralized into the four divisions. One that was to be decentralized was controllership and general business office functions. They have developed these, but they have been slow to develop them in the Community College and some of the functions have been carried by UNR and UNLV. Then the functions began to start in the three colleges of the Community Colleges, and it was decided that in this budget they would be all brought into the President's office. They were attempting to centralize and instead the Executive Budget recommended doing away with many of those functions.

Senator Hilbrecht asked if what he was saying was because the Community College was a fledgling in nature, was a building division, that they did not have a fully developed staff or administrative staff at that time, but rather borrowed assistance from UNR or UNLV. This then is the first year that a President's budget, at least of this scale appears for the Community College division in the System budget. The Governor elected against making that an autonomous control type function.

Mr. Humphrey said they were down to the point where UNLV was offering practically no services to its sister division. UNR was still offering quite a bit and some of the services were being performed in three different places, either Clark County, Western or Northern. They were being pulled in to the Community College's central office.

Discussion followed on the management of these functions and the reasons for the Governor's determinations in the present budget. The question was raised as to whether the same kind of savings could be effected at the administrative level in other areas of the University.

Mr. Barrett said the recommendation was based on the fact that they felt there was an extra layer of administration that was not providing a service. There was no attempt to reduce the positions in Clark County by having it done centrally, nor could they find anywhere else where there was a reduction in UNR or UNLV or in Western by bringing the functions in. The recommendation was that they continue doing their accounting and their purchasing and their personnel and their administrative functions at the local level and that the president's office or the president's position continue but continue directly in the office of the Chancellor.

Senator Wilson asked if there was dialogue between his office and the system at the time the Community College budget was presented on those points. Was there concurrence with those facts, if they are facts, and can the administrative services rendered locally be reduced.

Mr. Barrett said he would have to say that there was not concurrence on the University's part. It was discussed with the Chancellor a couple of times, he did not necessarily agree with the recommendation.

Senator Wilson said he did not mean the recommendation, he meant the fact that administrative services locally had not been reduced.

Mr. Barrett said that was discussed with the Community College administration, a number of times. It was discussed in his office. They were asked for a breakdown of all that those people were doing. He said he did not remember exactly when because they had a total of 20 to 25 different meetings with the University and various University personnel from late August until right until late December.

Senator Hilbrecht asked Mr. Humphrey if it was true that there was no elimination of the diverse services rendered at the campus in the personnel area, purchasing area etc., mentioned by Mr. Barrett.

Mr. Humphrey said he thought Mr. Barrett was correct that they had not done an adequate job of pulling positions out of Clark County Community College when they were attempting to centralize.

Senator Wilson said there may be alternatives to resolving that; if centralization has not been completed, without a recommendation that all those services be transferred wholesale. He asked if that conflict could be resolved without taking the step that is being presently recommended.

Mr. Buchanan said they were going to have a meeting tomorrow in Reno and they will discuss that and come up with a Board determination policy that the Chancellor will return to the Committee next week.

Mr. Humphrey said that one of the things that had happened over the years is that 20 years ago there was one appropriation line for the University; the Budget Office and the Governor reviewed the budget and made a recommendation, showed their logic and then said that they recommended the Board's autonomy and authority to rearrange at work program time, but this was the logic as to how they reached their conclusion. The problem that everyone has participated in is, as the University System has grown, it has grown from one line to 18, and so it has by necessity involved the Governor and the Executive Budget office and the Legislature in a level of decision that used not to be the case. It may be that the time has come to rethink that whole problem: maybe the Legislature and the Governor would be more comfortable with fewer lines and allow the Board of Regents greater discretion in the monies appropriated. Because now there are 18 separate decisions that are binding. It may be that part of the problem, which the University shares with you, is that there should be fewer lines.

Senator Wilson said on the Community College situation he felt there should be ways of solving whatever the controversy is without the policy changes that are implicit in the recommendation. Maybe the recommendation is a catalyst, but he said he had serious reservations about the recommendation in the Executive budget, and having those he thought they could be of further help to the Committee later on.

Mr. Buchanan said they would discuss this tomorrow and try to get back to the Committee with a recommendation from the Board and possibly some system as to maybe some compromise on the problem.

Senator Young said he shared Mr. Humphrey's belief that perhaps the Legislature should consider less items, but he asked if the Board of Regents considered the income or the anticipated revenue for the state when it comes up with its budgets or is it done in a vacuum, so to speak.

Mr. Buchanan said he would not say in a vacuum because the Regents are all elected and they are all responsible to their individual constituents and he did not believe they could go on any reckless type program to try and spend the state's general fund.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 17, 1977
PAGE SEVEN

The thing they try to do is compromise between the needs of what they feel the people of the state are and how they can be solved with the money and facilities they have at their disposal. To answer the question, they do not consider the revenue from a standpoint of whether the state will have a surplus of \$50 million or \$30 million or be on a balanced budget and have no surplus. They look at it just to justify the needs. He felt that was the only way they could look at it. The legislature has other priorities that they look at and they are the ones that would have to decide that individual priority.

Senator Hilbrecht said he saw a distinct reason to break down, from a standpoint of academic and certain administrative or logistic responsibilities, the system in divisions as is done. He said he understood that it was important to have a president because you need someone who is responsible for certainly the academic roles of each division. But he didn't see the justification for separate personnel functions, or purchasing or administrative functions in each of the divisions. He asked Mr. Humphrey to give details on how he had progressed with his study because he liked that idea much better than the Governor's idea.

Mr. Humphrey said they were trying to reach a decision because it was being forced that they come to a decision. He said they are in the middle of the study. He hoped they would have a recommendation ready for the Board of Regents on April 1. He said if a function required 100 people to do it and there were four divisions, if it could be adequately done in each division by 25 people in the four divisions, they frequently have not seen any reason to say that the 100 people should do it centrally. If on the other hand 75 people could do it centrally, they would probably make that decision.

Mr. Buchanan said if it were centralized and a student wanted a check and you had to have a comptroller sign it, it would probably take three weeks to get a check though a business office for the student publication to buy print for the paper, as against five days when it is decentralized. It is impractical to centralize all activities.

Mr. Humphrey said the geography of the state has dictated some of the policies.

Mr. Buchanan said they get complaints from the students on this subject now and he could see it magnified 500 times if they had to send the check to Reno; he felt it just wouldn't work.

The Committee and the University representatives discussed questions relative to how the Board reached its final decisions on the budget; the increase in monies in the budget as opposed to decrease in services because of inflation; the increases in student fees; the ratio of students to teachers; the priorities that the Board recommended; the increasing costs of education and its programs as projected down the road a few years; the constant increase in students in a rapidly growing state; inflation as reflected in budgets; and faculty salaries that have fallen behind what is considered adequate.

Senator Young asked about the \$500,000 for the Mackay stadium.

Mr. Buchanan said that was not their recommendation, it was not in their priorities, that was an executive recommendation.

They discussed the expensive graduate programs, their importance to Nevada students who could not afford to leave the state to seek the degrees; their importance in the accreditation and prestige and reputation of a University.

The accreditation of the Mackay of School of Mines and the needs in order to keep it accredited were discussed.

SENATE FINANCE COMMITTEE
MINUTES OF MEETING
FEBRUARY 17, 1977
PAGE EIGHT

Senator Gibson asked about the priority in attempting to correct the situation that existed at the Mackay School of Mines; the priority of the extension of the medical school to a four year course; he asked that the staff prepare for the Finance Committee a projection on the operating costs and the general fund obligations of the medical school after the capitation funds run out; he asked them to look at the priorities of the Community College expansion in light of the Governor's projected appropriations with particular reference to the long range operating costs, say about six years. What do these costs look like for the future. He said if they would supply this information, then it was the Committee's responsibility to pick the priorities.

Senator Hilbrecht said he would like to see a balancing between the development of the existing community colleges and campuses as opposed to going into new areas such as Henderson, West Charleston, Fallon and other areas.

Senator Glaser said he would be interested in hearing how the Board felt with regard to full autonomy for the Community College, because when they were looking for a home for the Community College they gave them a home in the UNS and he felt the understanding was that they would be on a full partnership.

Senator Gibson said he had another question he would like the Board to consider and that was in view of the appropriation results of the Governor's consideration, has the board looked at the premise of appropriating general fund money to the support of athletics at the University campuses.

Mr. Humphrey asked to make a statement regarding the Community Colleges as they had been more in the news this session than any other part of the system and they had been subjected to quite a bit of criticism about the way things were going. He felt it should be understood and appreciated what has really happened here under the very excellent guidance of President Donnelly. Dr. Donnelly was not a novice to Community College administration when he was brought here. He was then and is now one of the authorities in the United States on Community Colleges. Mr. Humphrey listed his academic credits and said by hiring the right faculty and the right administrators and with the encouragement and enthusiastic response of the Board in seven years has gone from ground zero to the point where three community colleges on four campuses are open and functioning; where 16,000 students are enrolled; the FTE student is about the same size as either one of the two universities. Programs have been developed quickly and he said that Dr. Donnelly and his co-administrators and faculty have done an outstanding job. The fact that there have been some mistakes made does not negate the fact that substantial progress has been made.

Mr. Buchanan said he felt and he was sure the Board would concur, that this meeting had been most informative; he hoped something like this would continue in the next session.

Senator Gibson said the Committee appreciated the Board coming over and they were hopeful some of the problems could be worked out. Senators Echols and Wilson echoed Senator Gibson's sentiments.

The meeting adjourned at 5:50 P.M.

RESPECTFULLY SUBMITTED:

Muriel P. Mooney
MURIEL P. MOONEY, SECRETARY

APPROVED:

Floyd R. Lamb
FLOYD R. LAMB, CHAIRMAN

STATEMENT TO SENATE FINANCE COMMITTEE

FEBRUARY 17, 1977

THE BOARD OF REGENTS OF THE UNIVERSITY OF NEVADA SYSTEM HAS BEEN REQUESTED BY THIS COMMITTEE TO APPEAR AND COMMENT ON CERTAIN ITEMS RELATED TO OUR OPERATING BUDGET REQUEST FOR THE 1977-79 BIENNIUM. THE BOARD OF REGENTS IS A CORPORATE BODY, LEGALLY RESPONSIBLE FOR THE UNIVERSITY OF NEVADA SYSTEM. IT ACTS AS A BOARD AND ALTHOUGH WE MAY HAVE NINE INDIVIDUAL VIEWS AND OPINIONS ON A SUBJECT, ONCE WE HAVE ACTED AS A BOARD, THAT ACTION BECOMES THE BOARD'S POLICY.

I EMPHASIZE THIS BECAUSE WE CANNOT REALLY NEGOTIATE WITH THIS COMMITTEE IN THE WAY YOU MIGHT WISH. YOU SENATORS ARE INDIVIDUAL MEMBERS OF A COMMITTEE ATTEMPTING TO REACH A DECISION. AS A BOARD, AND AFTER DUE DELIBERATION, WE HAVE REACHED A CONCLUSION CONCERNING A BUDGET REQUEST. WE CAN EXPLAIN OUR CONCLUSIONS AND WE CAN SEEK YOUR ASSISTANCE; HOWEVER, IF WE ARE TO GO FURTHER WE MUST DO SO ONLY AFTER CONSIDERATION AT A BOARD OF REGENTS MEETING.

THE LETTER WHICH CHAIRMAN LAMB SENT TO US WAS RECEIVED MONDAY AND I WISH, ON BEHALF OF THE BOARD, TO ANSWER THE FOUR QUESTIONS YOU SAID WERE OF PARTICULAR INTEREST TO THE COMMITTEE.

QUESTION 1. THE PRIORITIES USED IN DEVELOPING THE BUDGET REQUEST FOR THE 1977-79 BIENNIUM.

WE STARTED DEVELOPMENT OF OUR 1977-79 REQUEST IN JANUARY, 1976. IN PREPARING THIS REQUEST WE WERE AWARE OF ACR9, ADOPTED BY THE 1975 LEGISLATURE, AND WE MODIFIED OUR BUDGET FORMAT AND OUR USE OF FORMULAS IN CONFORMITY WITH THE FINDINGS OF THE STUDY GROUP ESTABLISHED BY THE LEGISLATURE. THE PRESIDENTS DEVELOPED DIVISION REQUESTS IN CONFORMITY WITH BASIC GUIDELINES USED IN PREVIOUS BUDGETS OR NEGOTIATED AMONG THE OFFICERS OF THE UNIVERSITY. MOST IMPORTANT OF THESE GUIDELINES WAS THE DIFFERENTIATED STAFFING PATTERN WHICH CHANCELLOR HUMPHREY EXPLAINED TO YOU FEBRUARY 10. THE TOTAL OF THE DIVISION REQUESTS IN THE ORIGINAL COMPILATION WAS \$151 MILLION. AFTER REVIEW BY THE CHANCELLOR AND NEGOTIATION WITH THE PRESIDENTS, THE OFFICERS PRESENTED A BUDGET TO THE BOARD OF \$141,262,000. IN OTHER WORDS, \$9,780,000 HAD BEEN CUT FROM THE FIRST COMPILATION. THE BOARD ADOPTED THAT BUDGET IN AUGUST AND SUBMITTED IT TO THE GOVERNOR. I SHOULD MENTION HERE THAT THE GOVERNOR'S BUDGET OFFICE AND YOUR FISCAL ANALYSTS HAD BEEN INVOLVED IN REVIEWING THIS MATERIAL SINCE EARLY SUMMER.

AFTER THE FALL, 1976, SEMESTER STARTED IT WAS OBVIOUS THAT OUR STAFF'S ENROLLMENT PROJECTIONS WERE TOO HIGH. WE ORDERED THE BUDGET REVISED BASED ON THESE LOWER ENROLLMENTS, AND AN ADDITIONAL \$2.8 MILLION WAS CUT FROM OUR AUGUST REQUEST. THE OFFICERS HAD RECOMMENDED A REVISION OF THE REQUEST WHICH WOULD HAVE USED MOST OF THIS \$2.8 MILLION FOR FACULTY SALARY INCREASES BASED ON OUR ADOPTED FACULTY COMPENSATION GOAL. THE BOARD DID NOT AGREE WITH ITS OFFICERS IN THIS

MATTER AND THE LOWER BUDGET WAS SENT TO THE GOVERNOR.

THE PRIORITIES USED IN DEVELOPING OUR REQUEST WERE:

1. CONTINUATION OF EXISTING PROGRAMS OF INSTRUCTION, RESEARCH, AND PUBLIC SERVICE WITH RECOGNITION OF THE INCREASES IN ENROLLMENT WHICH WOULD OCCUR AND THE NECESSITY OF ACCOMMODATING TO INFLATION IN NEARLY EVERYTHING THE UNIVERSITY MUST PURCHASE.
2. AN INCREASE IN THE AVERAGE COMPENSATION OF FACULTY OF 10 PERCENT EACH YEAR IN ORDER TO MOVE CLOSER TO THE GOAL OF HAVING OUR ALL-RANKS AVERAGE EQUAL THE AVERAGE OF THE 50 PRINCIPAL STATE UNIVERSITIES. BASED ON THE DATA PRESENTED TO US, A 12.6 PERCENT INCREASE WOULD HAVE BEEN REQUIRED IN 1977-78 TO REACH THE GOAL; HOWEVER, THE BOARD DECIDED ON THE LOWER AMOUNT.

NEW PROGRAMS REQUIRING SIGNIFICANT ADDITIONAL FUNDING WERE NOT INCLUDED IN THE BUDGET. OUR STAFF HAD NOT COMPLETED THEIR REVIEW BY EARLY FALL AND THERE WAS NO CONSENSUS ABOUT THE WISDOM OF REQUESTING NEW PROGRAMS WHEN OUR ON-GOING BUDGET REPRESENTED SUCH A SIGNIFICANT INCREASE. IN JANUARY A DECISION WAS REACHED AND, BY LETTER TO THE MONEY COMMITTEES, WE REQUESTED FUNDING FOR FOUR NEW ACADEMIC PROGRAMS AND ASSIGNED A PRIORITY AS FOLLOWS:

1. CONVERSION OF THE TWO-YEAR MEDICAL SCHOOL PROGRAM TO A FOUR-YEAR DEGREE GRANTING PROGRAM STARTING FALL, 1978;
2. ACCEPTANCE OF DENTAL HYGIENE STUDENTS AT CLARK COUNTY COMMUNITY COLLEGE STARTING FALL, 1978;
3. IMPLEMENTATION OF AN M.S. DEGREE IN COMPUTER SCIENCE AT UNR; AND

4. RE-ESTABLISHMENT OF THE M.S. DEGREE IN NURSING AT UNR.

QUESTION 2. THE BOARD'S PRIORITIES IN SEEKING RESTORATION OF THE FUNDING OR THE PROGRAMS NOT RECOMMENDED BY THE GOVERNOR.

THE BOARD HAS PRESENTED THE GOVERNOR AND THE LEGISLATURE WITH THE RESULTS OF ITS BEST BUDGET EFFORT. THIS BUDGET WAS DEVELOPED WITH THE FULL INVOLVEMENT OF APPROPRIATE ADMINISTRATORS AND WITH OPPORTUNITY FOR FACULTY AND STUDENT INPUT OVER A PERIOD OF SEVERAL MONTHS. THE BOARD CANNOT AND SHOULD NOT AGREE UPON THE ITEMS WHICH IT CONSIDERS LEAST IMPORTANT IN ITS BUDGET WITHOUT FOLLOWING MUCH THE SAME PROCESS. THE BOARD UNDERSTANDS THAT SOME OF THE PRESIDENTS HAVE GIVEN YOU LISTS OF ITEMS NOT INCLUDED IN THE EXECUTIVE BUDGET WHICH THEY BELIEVE TO BE OF HIGHEST PRIORITY FOR ADDITION TO THEIR DIVISION BUDGETS. THE BOARD HAS NOT FORMALLY REVIEWED AND APPROVED THESE LISTS; HOWEVER, WE TAKE NO EXCEPTION TO OUR OFFICERS ADVANCING SUCH LISTS SINCE ALL ITEMS ARE INCLUDED IN THE REQUEST WE AUTHORIZED.

~~THE BOARD HAS PRESENTED THE GOVERNOR AND THE LEGISLATURE WITH THE RESULTS OF ITS BEST BUDGET EFFORT. THIS BUDGET WAS DEVELOPED WITH THE FULL INVOLVEMENT OF APPROPRIATE ADMINISTRATORS AND WITH OPPORTUNITY FOR FACULTY AND STUDENT INPUT OVER A PERIOD OF SEVERAL MONTHS. THE BOARD CANNOT AND SHOULD NOT AGREE UPON THE ITEMS WHICH IT CONSIDERS LEAST IMPORTANT IN ITS BUDGET WITHOUT FOLLOWING MUCH THE SAME PROCESS. THE BOARD UNDERSTANDS THAT SOME OF THE PRESIDENTS HAVE GIVEN YOU LISTS OF ITEMS NOT INCLUDED IN THE EXECUTIVE BUDGET WHICH THEY BELIEVE TO BE OF HIGHEST PRIORITY FOR ADDITION TO THEIR DIVISION BUDGETS. THE BOARD HAS NOT FORMALLY REVIEWED AND APPROVED THESE LISTS; HOWEVER, WE TAKE NO EXCEPTION TO OUR OFFICERS ADVANCING SUCH LISTS SINCE ALL ITEMS ARE INCLUDED IN THE REQUEST WE AUTHORIZED.~~

WHEN THE LEGISLATURE MAKES ITS DECISION THE UNS ADMINISTRATION WILL DEVELOP A PROPOSED WORK PROGRAM FOR 1977-78 WITHIN THE MONIES MADE AVAILABLE. AT THAT TIME THE BOARD WILL HAVE TO AGREE ON REVISED PRIORITIES BASED ON ALL INFORMATION AVAILABLE AT THAT TIME.

QUESTION 3. THE BOARD'S PRIORITIES AND JUDGMENT IN ITS LONG-RANGE PLANNING FOR THE UNIVERSITY SYSTEM, INCLUDING PROGRAMS OF THE UNR, UNLV, COMMUNITY COLLEGES AND DRI.

A TEN-YEAR MASTER PLAN FOR THE UNIVERSITY OF NEVADA SYSTEM WAS DEVELOPED UNDER THE BOARD'S DIRECTION AND PRESENTED TO THE LEGISLATURE IN 1969. THAT PLAN WAS REVISED, IN CONFORMITY WITH THE LAW, AND RE-PRESENTED TO THE LEGISLATURE IN 1971 AND AGAIN IN 1973. BY 1973 THE BOARD HAD CONCLUDED THAT TEN YEARS WAS TOO LONG A PLANNING PERIOD AND, WITH THE PERMISSION OF THE LEGISLATURE, CHANGED TO A FOUR-YEAR TIME FRAME FOR PLANNING. THE FIRST FOUR-YEAR PLAN WAS PRESENTED TO YOU IN 1975, AND THE UPDATED REVISION FOR THE PERIOD 1977-81 WAS PRESENTED TO YOU THIS YEAR.

THAT DOCUMENT, ENTITLED COMPREHENSIVE PLAN FOR PUBLIC HIGHER EDUCATION IN NEVADA, 1977-81, IS THE BOARD'S PLAN. IN SOME 150 PAGES THE PLAN DOES THE FOLLOWING:

1. EXPLAINS THE ORGANIZATION OF THE SYSTEM AND ITS FOUR COMPONENT DIVISIONS;
2. EXPLAINS IN CONSIDERABLE DETAIL OUR GOALS AND OBJECTIVES;
3. PROVIDES A DESCRIPTIVE ANALYSIS OF THE SYSTEM WITH HISTORICAL DATA INCLUDED FOR A TEN-YEAR PERIOD;
4. LISTS ALL INSTRUCTIONAL PROGRAMS BY LEVEL, FIELD, AND CAMPUS;
5. LISTS NEW PROGRAMS PROPOSED AND PROGRAMS ADDED OR DELETED

SINCE 1969;

6. PROVIDES A VERY INTERESTING COMPARATIVE ANALYSIS WITH OTHER STATE SYSTEMS OF POST-SECONDARY EDUCATION; AND,
7. EXPLAINS THE VARIOUS PROGRAMS OF RESEARCH AND PUBLIC SERVICE.

THE BOARD'S JUDGMENT IN ITS LONG-RANGE PROGRAM PLANNING IS INCLUDED IN THAT DOCUMENT. WE RECOGNIZE THAT YOU ARE VERY BUSY IN YOUR VARIOUS LEGISLATIVE DUTIES, BUT WE RESPECTFULLY RECOMMEND REVIEW OF THAT DOCUMENT BY ANY LEGISLATOR BEFORE HE OR SHE PASSES JUDGMENT ON OUR REQUESTS. THE DOCUMENT IS WELL PREPARED, AND WE BELIEVE YOU WILL FIND IT WORTHWHILE READING.

THE COMPREHENSIVE PROGRAM PLAN LEADS LOGICALLY TO A FOUR-YEAR CAPITAL IMPROVEMENT PROGRAM. THAT DOCUMENT IS ALSO PRESENTED TO YOU EACH SESSION AND IT WAS PRESENTED TO YOU BY OUR STAFF ON JANUARY 25.

QUESTION 4. THE UNDERLYING NEEDS OR FACTS UPON WHICH THE BOARD'S ACTIONS ARE BASED.

THE ANSWER TO THIS QUESTION IS INCLUDED IN THE ANSWERS TO THE THREE PREVIOUS QUESTIONS. THE UNDERLYING NEED IS THE NEED OF NEVADA CITIZENS TO BE EDUCATED. IN A STATE WITH A FAST-GROWING POPULATION, THAT MEANS THE EXPANSION OF PRESENT PROGRAMS TO ACCOMMODATE THE INCREASED NUMBERS OF STUDENTS SEEKING ADMISSION AND THE ADDITION OF NEW PROGRAMS OF INSTRUCTION AS NEEDED AND AS FUNDS BECOME AVAILABLE.

I ALSO WISH TO STRESS THE FOLLOWING. THE BOARD OF REGENTS CONSISTS OF NINE PERSONS, EACH ELECTED FOR A SIX-YEAR TERM FROM

SINGLE MEMBER DISTRICTS. WE HAVE CONSTITUENTS, JUST AS YOU DO, AND THE NEEDS AND EXPRESSED CONCERNS OF OUR CONSTITUENTS ARE NOT ALWAYS IDENTICAL FROM DISTRICT TO DISTRICT NOR, IN SOME CASES, EVEN COMPATIBLE. THE INDIVIDUAL REGENTS DO THEIR BEST TO REPRESENT THEIR CONSTITUENTS AND AT THE SAME TIME, TO PROVIDE A BALANCED SYSTEM OF HIGHER EDUCATION TO SERVE THE STATE'S NEEDS.

AS I SAID IN STARTING THIS PRESENTATION, THE BOARD OF REGENTS IS A CORPORATE BODY. OUR MAIN FUNCTION IS TO ESTABLISH POLICY FOR THE SYSTEM AND TO INSURE THAT THAT POLICY IS CARRIED OUT. WE ESTABLISH POLICY AFTER CONSIDERABLE CONSULTATION WITH THE VARIOUS FACULTIES AND STUDENT BODIES IN THE TIME-HONORED TRADITION OF AMERICAN INSTITUTIONS. OUR MEETINGS ARE PUBLIC, RELATIVELY WELL ATTENDED, AND ARE COVERED BY THE PRESS.

THE BOARD IS NOT AN EXECUTIVE NOR AN ADMINISTRATIVE BODY. WE EMPLOY PRESIDENTS TO ADMINISTER THE FOUR DIVISIONS AND WE EMPLOY A CHANCELLOR AS OUR CHIEF EXECUTIVE OFFICER. THE CHANCELLOR IS OUR REPRESENTATIVE AND IS EMPOWERED BY THE BOARD TO REPRESENT US TO YOU AND TO COORDINATE THE PRESENTATIONS BY THE PRESIDENTS.

THANK YOU FOR YOUR ATTENTION AND FOR THIS OPPORTUNITY TO RESPOND TO THE QUESTIONS YOU HAVE ASKED.

JAMES BUCHANAN
CHAIRMAN, BOARD OF REGENTS
UNIVERSITY OF NEVADA SYSTEM

2/17/77

4:00

Please print

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