

MEMBERS PRESENT

Chairman Bremner
 Vice Chairman Hickey
 Mr. Bergevin
 Mr. Brady
 Mr. Coulter
 Mr. Glover
 Mr. Horn
 Mrs. Hayes
 Mr. Marvel
 Mr. Rhoads
 Mr. Robinson
 Mr. Vergiels
 Mrs. Westall
 Speaker Barengo

ALSO PRESENT:

Bill Bible, Fiscal Analyst; Judy Matteucci,
 Deputy Fiscal Analyst; Mike Alastuey, Deputy
 Budget Director (SEE ATTACHED GUEST LIST)

Chairman Bremner called the meeting to order at 8:00 a.m.

A.B. 56

Dr. Donald Baepler, Chancellor University of Nevada System, said that due to the uncertainty in projecting enrollment at the university system, the 1979 Legislature budgeted the two universities for a zero increase in enrollment; however, in fact, the two universities experienced approximately a 6% increase in enrollment for each year of the biennium which resulted in considerable excess revenue. The Interim Finance Committee did not have the authority to authorize the university to spend the excess revenues, thus, the request is being made of the Legislature.

Dr. Joseph Crowley, President, University of Nevada, Reno, (EXHIBIT A), told the committee that the university is 243 FTE enrollments above what was anticipated and has necessitated that money be expended to accommodate the increased enrollment. Thus, authority from the Legislature is being requested to spend \$194,210 in salaries and \$122,099 which is money in utilities that can be taken from excess revenues. Dr. Baepler said the total amount requested for spending authority is \$728,000.

Mr. Hickey asked what was the actual FTE figure. Dr. Baepler said a projected FTE of 6,431 and the actual FTE figure for this year of 6,673 reveals 242 FTE in excess of where it was anticipated the university would be when the request was made of the Interim Finance Committee.

Dr. Leonard E. Goodall, President University of Nevada, Las Vegas, (EXHIBIT B) said that UNLV is similar to UNR in that enrollment has run ahead of what was anticipated which resulted in a request of Interim Finance for authority to expend excess revenues. Interim Finance approved the expenditure of \$537,690 of excess revenue and the Interim Finance Committee provided \$39,991 to make a total expenditure of over \$577,681. Again, the enrollments this fall are running ahead of what was anticipated and caused additional expenditures in both faculty and instructional equipment and resulted in additional revenues in the amount of \$130,000 that would enable the university to turn back to Interim Finance the \$39,991 and would then request authorization to spend the additional \$90,009 in the current fiscal year.

UNIVERSITY OF NEVADA

Mr. Bob Cashell, Chairman of the Board of Regents of the University of Nevada System, said that the budget requested by the university is not a budget of "wants" but one of "needs".

Dr. Baepler said the university is increasingly concerned with the image that Nevada presents to the country with respect to its support of higher education and stressed the importance of Nevada seeking diversification to its economic base because higher education is pivotal to attracting the kinds of industry that the state of Nevada needs. Dr. Baepler referred the committee to a handout which summarizes the University of Nevada System's budget request for the coming biennium (EXHIBIT C). He noted that inflation in a higher education setting cannot be gauged by the CPI because there are areas where inflation has moved much more rapidly, for example, library books and scientific equipment; this couples with enrollment increases of 6% to 7% at the universities and 20% at the community colleges.

The national average student/faculty ratio, Dr. Baepler continued, is approximately 15 full-time students for each full-time faculty member which means that each faculty member must teach 75 students in a 3 credit class. The University of Nevada System has slipped away from that national average until now; the university average is 20 to 1, and in the community colleges, in excess of 22 to 1. He added that the Governor's recommendation is to move the universities to a 22 to 1 ratio, meaning each professor would handle 110 students per semester, and the community colleges to 26.4 to 1.

Additionally, Dr. Baepler said that the Governor recommends increasing tuition fees 25% to 30%. Considering the revenue projections contained in the Executive Budget and if the Regents do not increase tuition fees there will be a severe revenue shortfall and the budgets would have to be trimmed in excess of \$1 million at each of the two universities. If the Regents comply with the Governor's recommendation and increase student fees, he predicted that there would be a severe drop off in the number of students who can afford college.

Dr. Baepler said the university is concerned about the cutbacks by the Executive Budget in the area of maintenance and janitorial positions, and funds the positions at only 95% which means the university would have to assume a 5% vacancy even in the reduced numbers of classified positions that have been recommended in order to pay the salaries of those particular positions.

Dr. Baepler said the university supports the concept of a reservoir of funds available to Interim Finance should utility rates accelerate at a pace more rapid than can be projected at this time.

Dr. Baepler told the committee that the CPI for the western states is projected to increase 30.1% which would mean that faculty salaries would need a retroactive increase of approximately 15.1%, and then in order to keep up with inflation 15% for each year of the biennium would be needed.

Dr. Gary Jones, Co-Chairman of a system-wide committee of faculty members that have been studying the salary issue, suggested that the requested 15% salary increase per year for the biennium be broken down into two subgroupings - one of which would be tied to the CPI and the other would be a merit promotion equity pool equivalent to 3½%.

Mr. Marvel asked if other universities were following the CPI as a salary indicator. Mr. Jones said most universities break their salary increases into an adjustment comparable to the CPI in an effort to cope with the increased cost of living.

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Chairman Bremner asked Mr. Jones if he would be willing to give up tenure in exchange for the salary increases. Mr. Jones said that speaking for himself, he would.

Mr. Hickey expressed his concern for the validity of the CPI index. Mr. Jones said that a better index would be more acceptable. Dr. Baepler pointed out that the many other state colleges and universities did not adhere to the Presidential salary guidelines that were set during the 1979 Legislature as did Nevada.

Chairman Bremner noted that the national average student/faculty ratio is 15 to 1 and asked if the ratio was on the rise due to economic conditions across the country. Dr. Baepler said projections for the next 10 years reveal increases in tenths of a percent, not from 15 to 1 to 22 to 1.

In response to Mr. Hickey's question on setting guidelines for class room size, Dr. Baepler said some classes are functionable at 200 students in a class and the only way to have some upper division classes at a small number is to average them out by the lower division at a large number.

Mr. Glover asked if percentage predictions were being made on the number of students that would drop out of school if the tuition rates were increased. Dr. Baepler said an arbitrary figure of 10% is being predicted.

Mr. Marvel asked how the tuition fees of universities with a 10 to 1 student/faculty ratio compared with the tuition fees at the University of Nevada System. Dr. Baepler said the 10 to 1 student/faculty ratios are those at private colleges where tuition might run as high as \$10,000 a year.

Chairman Bremner asked if the ratios at the private institutions were included in the 15 to 1 national average and Dr. Baepler said they were.

Mr. Horn asked Dr. Baepler to provide the committee with a summary list of all the requested new positions, by institution - both the agency request and the Governor's recommendation, and the positions requested to be eliminated.

Mr. Hickey suggested that the Legislature set a tuition fee limit of \$10 and let the Board of Regents determine how this money should be collected and spent.

Dr. Baepler said the Regents have the authority to determine student fees. However, the Legislature determines the amount of revenue acquired from student fees in setting the budget; and if the fees are not set to meet that revenue, there is a shortfall.

Mr. Coulter asked how a greater variation of classes and class times offered would affect enrollment. Dr. Baepler said the enrollment would increase if new programs were introduced. Additionally, Mr. Coulter noted that if the university kept tuition the same and offered more courses they would increase their revenue. Dr. Baepler said that increased enrollment would require more professors, supplies and support personnel. He noted that enrollment generates only 17% or 18% of the total cost of instruction.

Mr. Coulter said that more emphasis should be placed on teaching and less on "research and community service". Dr. Baepler said that a work load of 2 courses per semester is average and allows the teacher time for students, research and public service. Mr. Coulter said that in consideration of the economic situation, more

emphasis should be placed on teaching. Mr. Cashell, Chairman of the Board of Regents, said that the university is addressing the faculty work load and is planning on implementing, in Sept., a schedule of 15 credit hours per teacher.

Chairman Bremner asked who sets the faculty work load standards. Mr. Cashell said that the Board of Regents, academic vice-presidents and the faculty all have input in setting the standards.

Chairman Bremner pointed out that tuition at UNR generated 14% of total revenue and, additionally, the Governor has indicated that all states are planning on raising tuition fees. Dr. Baepler said he was aware of that but has not seen any legislation to that effect from neighboring states.

Mr. Glover asked for an explanation of what a professor does in the area of "community service". Dr. Baepler said that community service is anything that a professor does that is related to his discipline that helps the community.

Mr. Glover asked if a record is kept of the various types of community services performed. Dr. Baepler said that when a faculty member comes up for review, he is expected to provide evidence that he has accomplished a creative endeavor in the area of community service.

Mrs. Hayes said that small classes were not necessary at the university level because college students do not need that "individualized" attention. Dr. Baepler said that small student/faculty ratio simply is a function of permitting the professor to spend more time with the students and permits him to teach with a better teaching style. He added that if the university stays at the present level of 20 to 1, it would mean classes of 150 to 200 students.

Mr. Coulter expressed his concern that greater emphasis is being placed on "research" rather than teaching as a means of acquiring merit salary increases. Dr. Baepler said that research is a learning process which produces faculty expertise.

Mr. Rhoads asked for an explanation of the "research" performed by the professors. Dr. Baepler said that when teachers are asked to teach the majority of the time then the entire characteristic of the institution is changed into a teaching institution and it is no longer a university. Mr. Rhoads asked for an example of a straight teaching institution today and Dr. Baepler said there is not one today but in the 1950's and 1960's there were some basic teaching institutions.

Mr. Hickey asked Dr. Baepler to provide the committee with a written summary of the results of the "research" efforts accomplished at the two universities during the last two years.

Chairman Bremner announced the Higher Education Subcommittee which includes: Chairman, Mr. Bremner, Mr. Hickey, Mrs. Westall, Mr. Marvell, and Mr. Brady.

Mr. Coulter asked that the requested list of research accomplishments be broken down by department and institution.

Mrs. Westall asked about the role of the community colleges. Dr. Baepler said that characteristically the community college is not a research institution. Mrs. Westall told the committee that the community colleges represent money well spent in helping people acquire an education.

University of Nevada - Las Vegas

Dr. Leonard Goodall, President of the University of Nevada, Las Vegas, detailed for the committee the budget requests of the university and his comments are contained in EXHIBIT D. Dr. Goodall pointed out to the committee comparative figures for tuition fees throughout various institutions in the western United States (Page 4 of EXHIBIT D) and noted that most are lower than Nevada's. He said that if increases are being considered in other states, they are not to the degree of increase that is being proposed in the Governor's recommended budget.

Chairman Bremner referred to the graph (EXHIBIT E), which reveals that Nevada spends less per capita than neighboring states and asked if the quality of education is less because of that. Dr. Goodall said that the best institutions in the other states are institutions that we should not compare ourselves with. Chairman Bremner said that taking this data into consideration, perhaps Nevada is doing a good job with less money and other states are overspending.

Dr. Goodall compared teacher salary increases in Nevada with neighboring states and noted that, while during the last year of the biennium Nevada had a 6% increase, other states were experiencing between 11% and 13% increases.

Chairman Bremner then referred to Mr. Cashell's previous statements about increasing the work load for each professor and asked if this in effect would lower the student/faculty ratio. Dr. Goodall said that increasing the work load would be a factor in that teachers would have less time to spend with individual students but it would not change the student/faculty ratio unless enrollment increased without increasing faculty.

Mr. Bergevin referred to the "Instruction" category and noted that considering the ancillary and classified positions in relation to the teaching positions it appeared "top heavy". Dr. Goodall said that the university has 368 professional positions and 303 classified personnel.

Mr. Hickey referred to a study which revealed that Las Vegas, in comparison to several other western cities, was no less capable of attracting industry than the other cities. He added that while Nevada rates 47th in the nation in funding of their university system, it is still able to produce a quality education and maintain equality with other western cities. Dr. Goodall said that the university system ranks far behind other metropolitan areas in offering graduate or advanced courses.

Mr. Robinson asked what predictions are being made on the impact on enrollment on the possible loss of federal student loans and research grants. Additionally, he asked for information on the number of teachers who are in the "research" process, full-time or part-time, rather than teaching. He noted the impact on the student/faculty ratio if more teachers were actually teaching rather than doing "research".

Dr. Goodall said it was impossible to predict the impact of the loss of federal student loans. Additionally, he pointed out that at UNLV there are not large numbers of faculty off of teaching responsibilities because of research projects.

Dr. Goodall pointed out to the committee that the Alumni Relations Office was only 50% funded as recommended by the Governor.

He stressed the importance of this office if the university is expected to increase the private dollars to compensate for the loss of public dollars.

Chairman Bremner asked how much revenue the Alumni Relations Office has actually generated. Dr. Goodall said that he would provide the committee with that information.

Dr. Goodall stated that while the university is opening two, possibly three, new buildings the Governor is recommending 20 fewer janitors for the coming biennium. UNLV currently has 56 janitors - the university requested 10 more but the Governor's budget reduces that number to 36.

Chairman Bremner asked Mr. Alastuey for an explanation of the cuts in janitorial services. Mr. Alastuey said that the Budget Office in comparing the square feet cleaned at UNR to UNLV found discrepancies and reduced the number of janitors to 17,000 feet per each janitor as is the case at UNR. Mr. Coulter asked if consideration had been given to using students for the janitorial services who perhaps would work for less money. Dr. Baepler said that in the past the university tried using students in the maintenance area and it has not been effective and the difference between the minimum wage paid to students and the entry level wage for a full-time janitor is not that significant.

Mr. Hickey asked what square footage is now being cleaned per janitor at UNLV. Mr. Alastuey said that at the present time the average square footage cleaned at UNLV is under 10,000 feet and the average at UNR is 17,000 feet.

Mr. Cashell continued that several years ago UNR elected to take the money from Buildings and Grounds and put it in the area of instruction, not because of an excess in the maintenance area but because the money was needed more in the instruction area. Mr. Cashell added that Harrah's Club cannot be cleaned for the same amount as Boomtown can. Dr. Goodall said the philosophy used by the Budget Office does not consider the fact that different institutions have different expenditure levels.

Mr. Robinson noted that perhaps a middle ground could be established in the square footage cleaned at both institutions. Mr. Cashell said that the quality of cleaning at UNR is not adequate and stressed the importance of preventive maintenance.

Mr. Coulter asked if contractural services had been considered, noting that Washoe County recently experienced a 70% cut in maintenance costs due to contractural services. Mr. Herman Westfall, University of Nevada, Las Vegas, said that at one time contracting for these services was considered but it was determined that private employees would clean the same number of square feet as State employees. Chairman Bremner asked if the cost was more or less. Mr. Westfall said that bidding was not considered. Chairman Bremner said that further consideration should have been given to this process to see if a cost saving could be accomplished.

Chairman Bremner noted that in the 1980-81 Work Program shows that the university will spend \$515,000 for book acquisition and the 1979 session of the Legislature authorized an appropriation of \$557,829 for book acquisition and asked for an explanation of the difference. Dr. Goodall said that he did not have that information, but would provide it to the committee.

Additionally, Chairman Bremner noted that in the past books were having to be replaced because of theft and vandalism. Dr. Goodall said that security systems have been established, however, there is still a loss factor. Chairman Bremner asked what portion of this request is to replace books that were purchased previously. Dr. Goodall said that not a large percentage is for replacement. This amount reflects the large increase in annual subscriptions. He added that the new addition to the library is designed to prevent book loss. In response to Chairman Bremner's question, Dr. Goodall said that the new security system is cost effective.

Dr. Goodall pointed out that consideration should be given to increasing grants-in-aid fees if tuition is raised. Mr. Hickey asked what would be the impact on enrollment if the tuition fees were raised 25% for in-state and 33% for out-of-state students. Dr. Goodall said that is a definite problem in this budget.

Dr. Goodall pointed out to the committee that the university assumes a 2% savings on the funding of the classified positions and the Executive Budget assumes a 5% savings and would cost the system approximately \$130,000 each year of the biennium to move the 5% assumption back to the 2% which historically has proven to be more realistic. Dr. Goodall added that the 25% increase in tuition fees is too drastic; secondly, there is concern about the increase in conjunction with the impact of the cuts in federal programs and impact of the increase on enrollment.

Chairman Bremner said that this committee is more interested in the quality of education rather than the number of people being educated. Dr. Goodall agreed and stated that if cuts have to be made, it will be made by limiting the enrollment of new students.

Chairman Bremner referred to Page 3 of EXHIBIT D and asked if the figures under the "Tuition and Fees" and "In-state Fees" columns just reflect UNLV. Dr. Goodall said they did.

Mr. Coulter said he was concerned about the increase in tuition fees, particularly the out-of-state fees, as a more "cosmopolitan" atmosphere exists at a university when a variety of students are attending.

Mr. Coulter additionally asked what would be the main objective for UNLV in the future in terms of education, research or community service. Dr. Goodall said that UNLV is primarily an education institution.

Mr. Coulter asked what is the amount of "release time" allowed for individual teachers. Dr. Goodall said that little actual "release time" is allowed other than those under federal grants.

Mr. Coulter referred to a faculty workload study at UNLV and noted that an average professor would work 48 to 68 hours a week, when actually only 8 to 10 hours are spent teaching and the rest of the time is spent in research, advising and community service. Dr. Goodall said the actual time spent teaching would vary from department to department, and in most cases 1 to 2 hours of preparation time is necessary for every hour in the classroom.

Mr. Marvel asked if the Governor's recommended budget contains allowances for the 25% increase in tuition. Dr. Goodall said that it does.

Mr. Robinson asked for information on what, if any, increases in tuition were being considered by other neighboring state's institutions. Chairman Bremner said that Bill Bible would provide the

committee with that information.

Mr. Brady pointed out that it appears that the university is stressing quality education without the cost.

Mr. Cashell told the committee that in 1971 when the out-of-state tuition was increased the enrollment dropped 14% and in 1977 the tuition was raised again and enrollment dropped 5%.

Chairman Bremner said that at the present time tuition only pays 14% of the cost of the university and efforts should be made to reallocate funds to reduce the General Fund appropriation.

Mr. Hickey said that more consideration should be given to the role of the community colleges and perhaps a different philosophy should be adopted to emphasize their importance in the higher education system.

Mr. Coulter asked how many UNLV faculty are on sabbatical each year. Dr. Goodall said that 2% of the faculty (7 teachers this year) are on sabbatical, either half-time or full-time. Mr. Coulter asked what requirements in terms of productivity are required for faculty on sabbatical. Dr. Goodall said they are required to return to the campus and provide written reports on the accomplishments and its impact on their job. Additionally, Mr. Coulter asked for information on sabbatical accomplishments throughout the university system, including the community colleges and the amount of money involved. Dr. Goodall said he would provide that information to the committee.

Chairman Bremner asked that information on the university system's graduate programs, the number of students served, the number of faculty involved and the total overall cost be provided to the committee. Dr. Goodall said that they would provide this information.

When Mr. Horn asked why the additional position was requested for the President's office, Dr. Goodall said that his office has no support other than secretarial and this request is for a staff person to help serve the needs of the President's office.

Intercollegiate Athletics - University of Nevada, Las Vegas

Mrs. Hayes asked for an explanation of the "ticket problem" that has existed at the university. Dr. Goodall said that the problem with the tickets was discovered by the university through an internal audit and steps have been taken at all levels to correct the situation. Efforts have been made to not lose a single dollar of public gift or ticket revenue in the process.

Mrs. Westall asked what outside revenues are collected by the university. Dr. Goodall said that ticket revenues and scholarship contributions are outside resources. Mrs. Westall asked if UNLV had a higher percentage of outside resources than does UNR. Mr. Cashell said that UNLV has more large corporations to draw from but over recent years the fund raising at UNR has increased.

Mr. Hickey asked if the Board of Regents have preview over the outside contributions. Dr. Goodall said that the Board of Regents has control over the collection and distribution of all outside revenue.

Mr. Horn asked if a position existed in the budget that is funded by both the Athletic Department and the Alumni Fund Raising Department. Dr. Goodall said that there is no one in the Athletics

Department that is associated with the Alumni Development Office; however, one person in the Athletic Department has his salary split between the university and the University Rebel Club, which is not an alumni organization.

Statewide Programs - University of Nevada, Las Vegas

Mr. Hickey asked how many people are being served by "Continuing Education." Dr. Goodall said that Continuing Education serves up to 16,000 in a given year in a wide variety of programs. Additionally, many of the programs are self-supporting.

Business Center South

In response to Mr. Horn's question on who is served by the Business Center South, Mr. Herman Westfall, Vice-President of UNLV, said that it serves the Community College and the University of Nevada, Las Vegas in the areas of the Controller's Office, Purchasing and Personnel. Additionally, Mr. Horn asked what dollar amount of the Business Center South's budget is allocated for the Community Colleges. Mr. Westfall said that it is not divided because some staff work for both the Community Colleges and the University. Mr. Horn asked Mr. Westfall if he would have any objection to splitting the services of the Business Center between the University and the Community Colleges. Mr. Westfall said the existing system was approved by the Board of Regents and such a decision should be made by them. Mr. Horn corrected Mr. Westfall by pointing out that it was approved by the 1977 Legislature. Mr. Cashell said that he would prefer the question be addressed by the Board of Regents and then presented to the Legislature.

Mr. Coulter asked for an explanation of the UNLV Museum. Dr. Goodall said the museum is located on the campus and serves a large number of school children on a regular basis. In addition, he noted that the Las Vegas area offers very little in the way of museums.

In reply to Mrs. Westall's question on the "Letters of Appointment", Dr. Goodall said they are teachers who are hired part-time to teach one course and this helps keep down the cost of instruction. Mrs. Westall asked for the actual number of man-hours spent under the Letters of Appointment category. Dr. Goodall said he would provide that information to the committee.

UNIVERSITY OF NEVADA, RENO

Mr. Joe Crowley, President of UNR, presented the budget to the committee and his comments are contained in EXHIBIT F.

Dr. Crowley said that two high growth programs at UNR, and most in need of additional positions, are Engineering and Business Administration. Mr. Hickey asked what number of graduates there have been from these two programs. Dr. Crowley said he would provide the committee with the actual figures but would assume it would be parallel with the high growth.

Dr. Crowley said that the School of Nursing is a need-base program and indications are that there will be a deficit of registered nurses by the year 1985. He added that a need exists for a more extensive Masters Nursing Program within the system, and for continuing education to response to the nursing recertification requirements.

Chairman Bremner referred to a plan adopted by the Board of Regents in 1978 to limit the growth in the undergraduate category to institute a masters program and asked Dr. Crowley what affect this has had on the overall nursing program. Dr. Crowley said there is a need for masters trained nurses; however, the greater need is for nurses trained at the undergraduate level. The high level of demand for undergraduate level trained nurses and continuing education may lead the university to abandon the masters program.

Mr. Hickey asked what impact the loss of federal dollars will have on the masters programs at the university. Dr. Crowley pointed out that the Speech Pathology and Audiology masters program at UNR will have to be discontinued after this year if the federal funds are not available.

Dr. Crowley said that two offices in the institutional support area are the Office of Information and Alumni/School Relations and are being proposed for elimination in the Executive Budget. He stressed the importance of these two programs in relation to the growth experienced at the university system. Chairman Bremner pointed out that these programs are adding increased costs to the taxpayer.

Mr. Coulter asked if the Office of Information was formerly called the News Bureau, and Dr. Crowley said that was correct. Mr. Coulter noted that this program is proposed to be eliminated in the Executive Budget and would eliminate 4 positions at an appropriation of \$65,000; however, the university is proposing a new position of Vice President of Public Affairs for \$50,000.

Dr. Crowley said that the university has experienced a substantial reorganization of the administration over the past two years. Previously, a position called the Vice President of University Services existed and has been integrated into a position called the Vice President of Public Affairs and the functions that were previously under the old program were transferred into the new program. Mr. Coulter asked for additional information. Mr. Don Jessup, Vice President of Business, UNR, clarified the issue by pointing out that the Executive Budget under this category does not show any previous funding during the current biennium for that position; however, that position was funded under Statewide Programs because Continuing Education which was a large part of Vice President of University Services' responsibilities was housed in Statewide Programs.

Mr. Glover asked if the hours that the library is open to the students have been cut back. Dr. Crowley said that the hours have been cut because the federal funds that helped to operate the library have been eliminated. Mr. Glover said, referring to the fact that much emphasis has been placed on the importance of the library, that funds could be shifted to better accommodate the students.

Additionally, Mr. Glover asked how many positions in the university's budget are required because of federal law. Dr. Crowley said the university has an Office of Institutional Research which is responsible for providing information on federal regulatory requirements: however, he did not have an exact number of actual positions required to fulfill the requirements but the impact is substantial.

Mr. Hickey asked what has been the approach of the system in regards to salary increases versus possible lay-offs. Dr. Crowley

said that on a previous occasion the faculty senate did support a lower figure for faculty salaries in order to preserve the positions. He added that he could not speculate on that being the case today since the faculty salaries at UNR since 1974 have declined about 34% in purchasing power.

Dr. Crowley said that the most serious difficulty the university has with the fee and tuition increases is that they present severe planning and management uncertainties by being a "sleeper" in the budget.

Chairman Bremner asked Mr. Alastuey to explain the vast difference between the Governor's recommendation for the "Utility" line item in comparison to the appropriation requested by the university. Mr. Alastuey said the utility estimates were formulated by the Budget Office based on an approximate 60% increase from the 1979-80 actual amounts the first year of the biennium and 20% increase the following year. Chairman Bremner pointed out to the committee that the shortfall in the utilities for the university is detailed on the chart on page 16 of EXHIBIT F.

In response to Mr. Hickey's question on how many people are being served by the Continuing Education program, Dr. Crowley said he would provide the committee with that information. Mr. Hickey additionally asked why the budget request for UNR is 3 times greater than that of UNLV. Dr. Crowley said the service area of UNR is significantly greater. Mr. Hickey asked for greater detail in writing on the reason for the greater appropriation.

Mr. Coulter asked how many administrators at UNR are also teaching classes. Dr. Crowley said that he has encouraged them to do so. Mr. Coulter requested that Dr. Crowley provide the committee with a list of administrators that do teach a class and those that do not. Additionally, Mr. Coulter asked if there is a minimum number of contact hours that a faculty is expected to teach beyond those they do not receive release time for. Dr. Crowley said that release time is an area where greater control is warranted. Apart from the release time granted to department chairmen, the bulk of release time granted at the university is for research. Mr. Coulter referred to a Workload Report which revealed that six departments in Arts and Science Division alone had a 6 hour credit load, and 3 had below 6 credits.

Dr. Crowley said that faculty member's time differs greatly from college to college and department to department depending on the emphasis. Dr. Crowley said the direction the university is taking is that if a faculty member is granted 3 credits of release time in order to perform research that the research was performed and had identifiable results.

Mr. Coulter told the committee that recently he received information that a particular dean was gone 18 weeks last year and a professor was given 6 credits of release time to fill in for the dean that was gone. Dr. Crowley said that is not a common occurrence.

Mr. Robinson referred to Page 5 of EXHIBIT F which shows the number of ancillary positions in relation to the instruction area and asked for an explanation. Dr. Crowley said that due to pressures from both inside and outside the university system to add various functions and increased obligations; for example, School Relations, has necessitated the increased personnel. He further added that staff is necessary to satisfy the various requirements of the federal laws.

Mr. Robinson said that he is "irritated" by the number of Iranians on the UNR campus and their very vocal dislike of the American people. Dr. Crowley said that in general the Iranians are a quiet group.

Mrs. Westall said that the main objective of any university or public school is to train a person to earn a living and added she totally agreed with the Governor's recommendation to reduce the budget for research. Dr. Crowley said that in his view a university without a general studies or liberal arts program is not a "university".

Mrs. Hayes referred to the "Instruction" line item in the budget that requests \$100,000 the first year of the biennium and \$110,000 the second year for a Marching Band. Dr. Crowley said that the Marching Band was started in the fall of this school year in response to a demand of the public and begun largely with private donations; however, it was determined to ask for state appropriations for the coming biennium but was not recommended by the Governor and is not a priority item considered by the university.

Chairman Bremner adjourned the meeting at 11:58 a.m. and informed the committee that the university's budgets would be continued the next day beginning at 7:00 a.m.

DATE: Feb. 9-1951

WAYS AND MEANS COMMITTEE

GUEST LIST

NAME (PLEASE PRINT)

REPRESENTING:

Jeffrey J. McIlrath

DRI - UNIV. OF NEVADA SYSTEM

John E. McBride

REGENT - UNIV. of Nevada System

William W. Hall

University of Nevada System

Kenneth P. Bantidge

University of Nevada System

John Jessup

UNR

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James Cardley

Truckee Meadows Com College

DAVID WILKINS

" " " "

John Crowley

Univ. of Nevada, Reno

JACK DAVIS

WESTERN NEVADA Com College

Bill H. Anderson

UNR - SCH. OF MEDICINE

Russ Hunt

Business Center South UNLV, etc

Tom Young

Clark County Community College

John E. Stone

Clark County Community College

John Johnson

Clark Co. Com College

John Com Ross

U.N.S. Regent

Mitchell Lundberg

AP

CHRIS BRODERICK

LV Review Journal

WILLIAM BERG

NORTHERN NEVADA Com College

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UNIV. OF NEVADA - RENO

Keith Evans

Clark County Community College

Ralph Johnson

Clark County Community College

Paul L. Johnson

Univ. of Nevada - Reno

David R. Clark

College of Agriculture - UNR

Mike Alastair

Univ. of Nevada

Mike Stevens

Boys Division

REQUEST TO INCREASE AUTHORIZED EXPENDITURES 1980 - 81

In February of 1980, The University of Nevada, Reno made a request to The Interim Finance Committee for authorization to spend \$370,000 in income collected above the amount included in the authorized Expenditure Act for 1980-81 and to appropriate an additional \$41,000 (See table #2). The purpose of this request was to provide instructional services for the number of FTE students which exceeded the number projected in the Executive Budget and accepted by the 1979 Legislature. The following table illustrates the difference between the various projections and the actual enrollment for each year of the biennium.

TABLE # 1

Date/Source	(1)	(2)	(3)	
	Projected FTE Students	Actual FTE Students	#	%
<u>1979/80</u>				
1. 1979 Executive Budget	6012	6314	302	5.0
<u>1980/81</u>				
2. 1979 Executive Budget	6012	6673	661	11.0
3. 1980 UNR Interim Fin. Req.	6431	6673	242	3.8

The Interim Finance Committee was advised by the Attorney General's office that they did not have the authority to increase the authorization, therefore, the Committee agreed to sponsor a bill during the 1981 Legislative session to grant the authorization. The Committee also appropriated the requested \$41,000.

As soon as the fall, 1980 enrollment was known, it became evident that the 1980-81 annual enrollment would exceed the February projection, on which the Interim Finance Committee action was based, by 242 FTE students (tables #1, line 3, column 3). Consequently, the University hired additional part time faculty, full time lecturers and graduate fellows in various departments including English Composition and Foreign Language, to provide instruction for the unanticipated enrollment increase.

This action has caused the University to overcommit resources for professional salaries and graduate assistant salaries in instruction in the amount of \$194,210 (See attachments A & B).

In addition to the extra expenditure for instruction, it appears that the unusual increase in natural gas rates in the Reno area will cause the University to spend \$122,089 more than was budgeted for purchased utilities in 1980-81 (See attachment C).

The total request beyond the \$411,000 already requested is \$519,500. The University is requesting, therefore, that it be authorized to spend additional revenue generated by student fees, indirect cost recovery and investment income (See attachment D) in the amount of \$728,000. This

EXHIBIT A

amount includes \$41,000 to be used in lieu of the amount already appropriated by Interim Finance. It is our intent that these appropriated funds would be returned to the state if authorization is given for the University to spend its own generated income. (See table #2)

TABLE # 2

	(1)	(2)	(3)
	<u>State Approp \$</u> <u>Requested</u>	<u>Increase in</u> <u>Auth Exp Req.</u>	<u>Total</u> <u>Request</u>
1. Original Request From Interim Finance	\$41,000	\$370,000	\$411,000
2. Revised Request	- a	<u>\$728,000</u>	<u>\$728,000</u>

- a. Since our current revenue estimate is adequate to cover our entire request, we are recommending the return of the \$41,000 Interim Finance appropriation.

ATTACHMENT A

PROFESSIONAL EXPENDITURES PROJECTED TO 6/30/81

	<u>BUDGET</u>	<u>ENCUMB.</u>	<u>BALANCE</u> (col. 2 - Col. 1)
Agriculture	488,868	509,998	- 21,130
Arts & Sciences	4,679,305	4,777,118	- 97,813
Business	962,062	983,094	- 21,032
Education	789,115	789,402	- 287
Engineering	734,979	731,466	+ 3,513
Home Ec.	269,830	257,876	+ 11,954
Mines	470,929	453,075	+ 17,854
Nursing	307,739	294,780	+ 12,959
Health Science	168,416	195,906	- 27,490
Letters of Appt.	150,396	214,416	- 64,020
Total Instruction	9,021,639	9,207,131	- 185,492
Academic Support	1,107,051	1,094,765	+ 12,286
Student Services	496,005	515,032	- 19,027
Instl Suppt.	414,511	448,002	- 33,491
Oper. & Maint Plant	121,571	121,571	-0-
Research	3,920	3,920	-0-
Total Other Functions	2,143,058	2,183,290	- 40,232
TOTAL UNR	<u>11,164,697</u>	<u>11,390,421</u>	<u>-225,724</u>

ATTACHMENT B

GRADUATE FELLOW EXPENDITURES PROJECTED TO 6/30/81

	<u>BUDGET</u>	<u>ENCUMB.</u>	<u>BALANCE</u>
Agriculture	8,630	5,400	+ 3,230
Arts & Science	312,838	329,446	- 16,608
Business	17,260	20,450	- 3,190
Education	4,315	4,500	- 185
Engineering	25,890	26,930	- 1,040
Home Ec.	8,630	1,860	+ 6,770
Mines	<u>30,205</u>	<u>27,600</u>	<u>+ 2,605</u>
TOTAL Instruction	<u>407,768</u>	<u>416,186</u>	<u>- 8,418</u>
Acad Suppt	5,215	6,300	- 1,085
Student Services	12,945	19,700	- 5,755
Instl Suppt .	-0-	1,900	- 1,900
Total Other Functions	<u>19,160</u>	<u>27,900</u>	<u>- 9,740</u>
TOTAL UNR	<u>426,928</u>	<u>444,086</u>	<u>- 17,158</u>

University of Nevada-Reno



Office of the Vice President for Business
Room 110, Clark Administration Building
University of Nevada-Reno
Reno, Nevada 89557

(702) 784-6516

ATTACHMENT C

The actual expenditures for purchased utilities for the first six months of the current fiscal year amount to \$1,326,771. Historically, the first six months expenditures amount to 49.5% of the total annual expenditures. Therefore, it is assumed that the total costs for the year will be \$2,680,345 ($1,326,771 \div .495$). The 1980-81 budget for purchased utilities is \$2,557,578. The difference is:

1980-81 Budget	\$2,557,578
Projected Annual Cost	<u>2,680,345</u>
Shortfall	\$ (122,767)

KDJ (2/81)

University of Nevada-Reno



Office of the Vice President for Business
 Room 110, Clark Administration Building
 University of Nevada-Reno
 Reno, Nevada 89557

(702) 784-6516

ATTACHMENT D

REVENUE OF AUTHORIZED WORK PROGRAM

	FISCAL YEAR			
	<u>Budgeted</u> ^a	<u>Received Through 11-26-80</u>	<u>Estimated To 6-30-80</u>	<u>Over or (Under)</u>
Registration Fees	\$2,004,953	1,074,676	1,015,324	85,047
Non-Resident Tuition	1,332,949	735,000	698,009	100,060
Misc. Student Fees	30,000	9,213	20,787	0
Misc. Revenues	75,000	35,387	59,613	20,000
Res. Inc. Cost Allocation	275,503	102,839	205,161	32,497
Training Grants Inc. Cost Allocation	134,600	46,176	142,824	54,400
Federal Subvention	110,000	0	108,402	[1,598]
Oper. Capital Invest. Inc.	403,250	172,216	328,034	97,000
	<u>\$4,366,255</u>	<u>2,175,507</u>	<u>2,578,154</u>	<u>387,406</u>

^a Includes the \$411,000 original request, therefore, the total revenue anticipated above the authorized expenditure is \$798,406.



UNIVERSITY OF NEVADA, LAS VEGAS

4505 Maryland Parkway

Las Vegas, Nevada 89154

Office of the President

February 6, 1981

Mr. William A. Bible
Fiscal Analyst
State Budget Director's Office
Carson City, Nevada

Dear Bill:

I am writing to confirm our telephone conversation. As you know, the Interim Finance Committee action last year allocated us \$39,991 and authorized us to spend \$537,690 of our own excess revenues, for a total expenditure authorization of \$577,681. We now have a firm figure for this year, and we estimate excess revenues of an additional \$130,000. Therefore, we would like to return the \$39,991 to the State and receive authorization to spend the remainder. Subtracting the \$39,991 from the original figure and then adding in the \$130,000 would provide us with a spending authorization of \$667,690.

The additional expenditures would be for library acquisitions of \$41,350 and instructional equipment of \$48,650. Of the instructional equipment amount, \$18,650 would be pledged to match a grant of National Science Foundation funds which totals \$160,000.

Given the budget outlook for the next biennium, we are doubtful that these needs can be met either from the regular budget or from "one shot" appropriations. We hope to partially alleviate these problems at this time.

We will have available for you detailed information on the sources of the excess revenues and the expenditures to be made.

I hope approval can be secured for this request. Thank you very much.

Sincerely,

A handwritten signature in cursive script that reads "Pat".

Leonard E. Goodall
President

LEG/pf

EXHIBIT B



University of Nevada System

405 Marsh Avenue
Reno, Nevada 89509
702/784-4901

DONALD H. BAEPLER, CHANCELLOR

1.

February 4, 1981

MEMORANDUM

To: Members of the Assembly Ways and Means Committee
Members of the Senate Finance Committee

In analyzing the executive budget recommendation to the Nevada State Legislature, there are several concerns that are of importance to each institution in the University of Nevada System. These concerns may be summarized as follows:

1. During the current biennium, our faculties have seen their purchasing power eroding month after month. We received an eight percent salary increase for the first year of the biennium and a six percent increase in the second year of the biennium. It is now projected that by June 30, 1981 our faculty will require a 15.1 percent increase in salaries on a retroactive basis just to restore the purchasing power that they enjoyed at the start of this biennium. It remains the system's highest priority to provide the faculty with a 15 percent "catch-up" factor as well as a "keep-up" factor of 15 percent for each year of the coming biennium. This is of critical importance to us if we wish to retain well-qualified professionals in our university system and if we are to be in a position to recruit highly qualified scholars as vacancies occur in the future.
2. The combined effects of inflation and enrollment increases place severe strains on all operational aspects of our budgets. Although inflation figures relating to the CPI are alarming, our community colleges and universities experience even higher inflation rates than those which are used in the common indexes. Items such as library books and scientific equipment, both of which are of extreme importance to our institutions, have experienced inflation rates far in excess of those quoted in the common literature. The general quality of higher education suffers when operating and support budgets do not keep up with the general inflation rate, and when specialized areas such as library budgets and equipment budgets do not reflect the actual inflation rates as they apply to these specific areas.
3. The best indicator of quality in higher education is the student-faculty ratio. At universities and four-year colleges throughout the United States the average student-

EXHIBIT C

Members of the Assembly Ways and Means Committee
Members of the Senate Finance Committee
February 4, 1981
Page Two


faculty ratio is approximately 15:1. Nevada, which a decade ago was approximately at the 15:1 figure, has suffered a continuous erosion of this quality indicator and today at its two universities stands at 20:1 and at its four community colleges at approximately 24:1. Our proposed budget was designed to move Nevada in the direction of the national average. The Governor's proposal would place the universities at a 22:1 student-faculty ratio and the community colleges at a 26:1 student-faculty ratio. Unquestionably, this ten percent dilution of our already high student-faculty ratios would cause a deterioration in the quality of higher education in Nevada which would be embarrassing to the state. To the best of our knowledge, such a ratio would place Nevada in position number 50 out of the 50 states in terms of per capita support for higher education. In an era when Nevada is attempting to attract non-polluting industries and businesses to the state in an effort to diversify its economic base, such a demonstrated lack of support for higher education would certainly be detrimental to this effort. Certainly, a state that ranks at or near the top in per capita income cannot afford to project the image of being the lowest of the 50 states in its efforts to support education.

4. While diluting the student-faculty ratios by ten percent and by providing insufficient funds for operating and libraries as a function of inflationary increases, the executive budget proposes a 25 percent increase in student fees. This increase would make Nevada one of the highest states in the West in terms of student fees and, in our opinion, would diminish the ability of people to attend our universities and our community colleges. We propose to study this problem with the legislature in an attempt to arrive at a defensible fee structure which would not jeopardize our enrollment, and which would be equitable with the quality of educational services that we can provide.
5. The executive budget proposes a drastic erosion of support services both in terms of maintenance positions such as janitorial positions and in non-instructional support positions. The university system does not want to engage in an era of delayed maintenance which ultimately will cost the state much more money than if we meet our maintenance problems on a timely basis and, in fact, engage in preventative maintenance.
6. The problem of utilities plagues every state agency. The University of Nevada System feels that the projected

Members of the Assembly Ways and Means Committee
 Members of the Senate Finance Committee
 February 4, 1981
 Page Three

utility budgets in the executive recommendation, even though we vigorously pursue energy conservation, will not be sufficient to meet our minimal needs. We urge the legislature to establish a reserve fund for the Interim Finance Committee which state agencies may draw upon if the funds budgeted for utilities are insufficient.

7. The university budget request makes no allowance whatever for the possible realization of the MX project. It is difficult to project the impact of the MX on higher education in the state of Nevada, but it is possible that a tremendous influx of people as a result of the implementation of the MX system could place a tremendous strain on higher education in the state of Nevada.
8. The executive budget reduces the numbers of classified personnel within the University of Nevada System but does not provide sufficient funding to fully employ those positions which are recommended. The system would have to experience a five percent vacancy rate in its classified positions in order to fully pay those classified persons who are employed. Our salary savings in the classified area on an historical basis average two percent per year, and we do not feel that we can accommodate the five percent vacancy rate, particularly since classified positions have been significantly reduced.
9. The grants-in-aid allocated to the various institutions are based on current registration fees. If tuition and fees are to be increased, the grant-in-aid figures will have to be revised to reflect the increase in such fees.



 Donald H. Baepf
 Chancellor

b1

University of Nevada, Las Vegas

Summary Statement on Biennium Budget, 1981-83

The biennium budget request for UNLV for 1981-83 is for \$53.6 million (\$24.8 million in 1981-82 and \$28.9 million for 1982-83). The executive budget recommends \$46.8 million. Included in the recommendations is an assumption of a 25% fee increase for in-state students and 33% for out-of-state students. The major impacts of the executive budget, and the funds needed to meet the most severe of the problems are outlined below.

Additional Funds Needed Above Executive Recommendations

I. Student/faculty ratio. The single most significant decision in the executive budget is the recommendation to raise the student/faculty ratio from 20:1 to 22:1. This would have a major negative impact on the quality of higher education in Nevada. Although we had hoped to actually improve the student/faculty ratio during the coming biennium, UNLV and UNR are both prepared now to accept a budget which would maintain the current 20:1. The funds required for that at UNLV in addition to the executive budget would be:

1981-82	\$385,536
1982-83	415,346

Legislative staff inquired as to our high growth areas, those with accreditation problems, and those with waiting lists for entrance. If we were to meet only the new faculty needs in those areas, the costs would be less than those stated above, but would still require the following for new faculty in business, hotel administration, nursing and geoscience:

1981-82	\$ 232,000
1982-83	172,000

II. Restoration of existing positions. The executive budget eliminates a number of positions now in the budget and essential to the current level of campus operations. The major example is the elimination of 20 janitorial positions during a biennium when at least two and perhaps three new buildings will become available for use. The amounts needed to restore existing positions which would be eliminated are as follows:

Office of academic affairs		
.5 administrative assistant	1981-82	\$ 16,124
	1982-83	16,124
 Instructional positions		
1.6 classified	1981-82	\$ 19,650
	(restored in 1982-83)	

EXHIBIT D

Deans' Offices		
.33 assistant deans	1981-82	\$ 24,938
1.0 secretary	1982-83	24,938
Audio-Visual Services		
2.0 Technicians	1981-82	\$ 22,503
	1982-83	22,503
Library		
1.0 Professional librarian	1981-82	\$ 22,460
	1982-83	22,460
Vice President for Administration		
1.0 secretary	1981-82	\$ 17,535
	1982-83	17,535
Concert Hall		
1.0 Director	1981-82	\$19,631
	1982-83	19,631
Alumni Relations Office		
.5 Director	1981-82	\$ 20,785
.5 secretary	1982-83	20,785
Janitorial Services		
20 positions in 1981-82	1981-82	\$ 241,767
15 positions in 1982-83	1982-83	163,370
Maintenance Supervision		
	1981-82	\$ 13,100
	1982-83	13,100

III. High priority new items. In addition to the above two categories, which simply maintain our existing level of services, the following high priority items are of critical importance to UNLV. The library item, in particular, should be noted because inflationary pressures make the increase necessary to maintain even minimal adequacy in that area.

To restore library acquisitions budget to original request	1981-82	\$ 241,458
	1982-83	271,153
To make Development Office full-time instead of half-time	1981-82	\$ 30,902
	1982-83	30,902
To provide grants-in-aid if fees are raised as recommended	1981-82	\$ 224,343
	1982-83	238,024

IV. Tuition and fees. The executive budget recommends a 25% fee increase for in-state students and 33% for out-of-state. In addition to the equity of the matter when students are already paying one of the highest rates in the West,

there is the problem of not knowing the impact of the increase on the enrollment level itself. The following amounts would be needed to keep fees at their present level.

To maintain tuition and fees at present level

All tuition and fees	1981-82 \$ 1,619,093
	1982-83 1,667,464

To maintain in-state fees	1981-82 \$ 1,179,093
	1982-83 1,214,464

Conclusion. The items identified above represent only a small portion of the total budget request submitted by UNLV. These are those high priority items which we believe to be essential to maintaining the present level of quality at UNLV. Support for these items will be crucial for UNLV and will be a good investment for the state.

EXHIBIT II

40.

Tuition Figures for Western States

In-State Tuition 1980-81

UNR	\$ 720
UNLV	720
Northern Arizona	600
Arizona State	600
University of Arizona	600
University of Utah	651
Utah State	651
Weber State	633
Montana State	572
University of Montana	626
University of Idaho	474
Boise State	475
Idaho State	460
University of California - 9 campuses	776
California State - 19 campuses	219
University of Colorado	894
Colorado State	850
University of Wyoming	592
University of New Mexico	664
New Mexico State University	704

Statement on Biennium Budget Request of

The University of Nevada, Las Vegas

1981 - 1983

Prepared by

Leonard E. Goodall

President

February, 1981

Statement on Biennium Budget Request of

The University of Nevada, Las Vegas

1981 - 1983

The University of Nevada, Las Vegas is completing a decade of very rapid growth with every indication that the growth pattern will continue. From 1970 to 1980, headcount enrollment grew by 75 percent, from 5,679 to 9,939. The full-time equivalent student growth during the decade was 56 percent, from 4,137 to 6,444. This was roughly parallel to the population growth of southern Nevada, and we assume that our growth in the future will continue to be closely tied to the growth and development of the area. Within these general figures, certain programs can be identified which have experienced especially rapid growth. In just the last year (1979-80 to 1980-81), for example, enrollment in the College of Business and Economics has grown by 14.3 percent, Hotel Administration by 14.6 percent, and Nursing by 17.2 percent.

The real value of the University is seen equally well in qualitative as well as quantitative measures. Every major metropolitan area in the southwest that has experienced significant growth in recent years has seen the development of a university as an integral part of its overall population growth and economic expansion. This would be true of the University of Houston, San Diego State, Arizona State, and in the Las Vegas area, of UNLV. The universities have provided a cultural focus for areas and have been important to business decisions to locate in a certain area, in addition to providing undergraduate, graduate and continuing education opportunities.

The unfortunate fact for Nevada is that our support of higher education in recent years has not kept up with either national or regional trends. Exhibit I and Exhibit II illustrate this fact. The first shows that our state support for the University System is one of the lowest in the West, and the second indicates that we have compensated for this by asking the students to bear an unusually large portion of the total costs of their education. The budget recommended for your consideration would shift even more of the costs to the student, raising not only a basic question of equity but also presenting very serious problems in terms of estimating the impact of the increase on enrollment. This latter point will be discussed later in this presentation.

The following comments outline UNLV's budget request for the coming biennium and discuss the impact of the reductions recommended in the executive budget. Information is provided on three budget areas: UNLV's general budget, inter-collegiate athletics, and statewide services.

UNLV GENERAL BUDGET

The total biennium budget request for 1981-83 is \$53,643,317 (24.8 million in 1981-82 and \$28.9 million in 1982-83, which is an increase of \$15,382,597 over the 1979-81 Work Programs exclusive of classified salary adjustments for the 1981-83 budget request. The \$24.8 million request for 1981-82 represents an increase of 23.9% over 1980-81. The \$28.9 million requested for 1982-83 would be 16.6% more than the amount requested for 1981-82. The classified salary adjustment for 1981-83 is not included. The following paragraphs attempt to show where the increases occurred in the major functions as they appear in the budget.

Instruction

University Request. To arrive at the estimated annualized FTE for the years 1981-82 and 1982-83, we had to begin with the base of the year 1979-80. We made the assumption that the increase in FTE for 1980-81 would be 2% and that there will be a 3% increase for each year of the new biennium. We arrived at an annualized FTE of 6,468 for the year 1981-82 and 6,662 for the year 1982-83. Our larger-than-expected enrollment increase in 1980-81 means that these budget projections are already too low. Nevertheless, these conservative projections are the basis for the established budget requests. This provides for a total of 324.08 professional positions in Instruction for 1981-82 and 334.08 for 1982-83, an increase of 20.9 the first year and an additional 10 positions for the second year of the biennium. These numbers include 1981-82 requests for an additional 6 FTE in Business, 1.5 in Hotel Administration, 1.0 in Nursing, and 1.0 in Geoscience, all high demand and high priority items for us. For 1982-83, additional faculty are requested in these fields as follows: Business, 5.0; Hotel Administration, 1.0; Nursing 1.0. The parameters also provide for 33.33 FTE positions for graduate assistants for 1981-82 and 34.32 FTE graduate assistants for 1982-83. This is an increase of 5.33 FTE positions for the first year of the biennium and 1 FTE additional position the second year of the biennium. In addition, the graduate assistant salaries will be increased to \$5,000 the first year of the biennium and \$5,750 the second year of the biennium. Applying the parameters results in an increase of 6.50 new classified positions for 1981-82 and an additional 2 positions for 1982-83. Student wages in the Instruction area were increased over the 1980-81 budget by 18.37% the first year and 13.48% the second year of the biennium. There is no way to determine the amount of students that will be employed.

Determination of operating budgets was based on need. In addition, we made the assumption of an inflation factor of 13% for 1980-81 over that of 1979-80 and an additional 12% for each year of the new biennium. Obviously, this is a guess on our part and it may not be adequate. When the inflation rate is compounded, it results in an almost 42% inflation factor for the second year of the biennium over that of the year 1979-80. The increase in operating for the Instruction area for 1981-82 over that of 1980-81 is \$361,759, an increase of 71.3%. The second year

of the biennium shows an increase of \$166,566 over the first year or 19.12%. A large part of the increase is that of the Marching Band which has a budget request in operating of \$100,000 the first year of the biennium and \$112,000 the second year of the biennium.

Executive Budget Recommendations. The single most significant policy decision which the executive office appears to have built into its budget recommendations is the recommendation that we increase our student/faculty ratio from 1:20 to 1:22. This has a very serious impact on our funding of faculty positions. Where we have requested 324.08 FTE for the first year of the biennium, the budget recommendation is for 304.68. Our current figure is 303, and this means that we will have to absorb all of the larger-than-expected enrollment increase of this year plus next year's enrollment increase with virtually no increase in faculty positions. In the second year of the biennium, our request is for 334.08 FTE positions, but the recommendation is for 313.81.

Other segments of the budget which are based on the formula for instructional positions have received similar cuts. This would apply to classified and graduate assistant positions as well as operating funds.

There are no funds at all recommended for the marching band. This means that we will either have to secure private funding for the band, implement the alternative discussed last year of increasing ticket prices to support the band, or consider suspension of the band activities.

Research

University Request. The biennium budget request has a request of \$100,000 for each year of the biennium. However, during the current biennium, there have been no research funds available from state appropriations.

Executive Budget Recommendations. The budget recommendation for the next biennium includes a figure of \$17,500 for research. While this is far from adequate, it is commendable that the principle of funding of research is to be established.

Academic Support

University Request. The Academic Support area shows an increase of 3 professional positions the first year of the biennium with no additional positions the second year and an increase of 9.5 classified positions the first year and an additional 3 classified positions the second year of the biennium. These increases are almost exclusively that of the Library and Audio-Visual. The Library's new positions are necessary because of the opening of the Library addition which almost doubles the existing space. The dollar increase requested for this area of the budget is 52.0% the first year and 6.6% the second year. The same assumptions were made for inflation as in the Instruction area, and both the Library and Audio-Visual are planning the buying of supplies and equipment for

the opening of the Library addition. Audio-Visual needs additional equipment as well as replacement for obsolete equipment. The Library is requesting an increase in the first year of the biennium of \$304,287 in book acquisitions over that of 1980-81 which amounts to 59.1% increase. The second year of the biennium the request is \$87,478, which amounts to 9.7%. The acquisitions problem has reached a critical point at UNLV. In 1970, 52% of the library budget was going for acquisitions, and 48% for salaries and operations. Inflationary pressures on operating and personnel costs have been so severe that by 1980, 40% of the budget went to acquisitions and 60% to salaries and operations.

Executive Budget Recommendations. Our major concerns in academic support are that the recommended level of professional positions for the library is actually one less than we currently have. Also, the book acquisition budget has been seriously reduced, in spite of the continuing inflationary trends that libraries face in this area.

We also appear to have lost the two classified positions in Audio-Visual Services that we had recovered only during the second year of the current biennium. That office had been funded at 8 professional positions in earlier years and was cut to 6 in 1979-80, a cut that had a very negative impact on the office's ability to serve the academic units of the campus. It was restored to 8 in 1980-81, but the executive budget calls for it to be reduced to 6 again in the next biennium. This will inevitably have a serious impact on the campus.

Student Services

University Request. The requested budget increases for Student Services are fairly moderate. Requests include 1 new professional position for the first year of the biennium and 4 classified positions for the first year of the biennium with no additional requests for the second year. These positions are scattered throughout the budget function with the major increase being in Financial Aid and the separately budgeted unit, English As A Second Language. Operating increase requested is a moderate one barely covering inflation.

Executive Budget Recommendations. No funding at all has been recommended for English As A Second Language.

Institutional Support

University Request. The requests in this area are for 2 additional professional positions for the first year of the biennium and 1 additional professional position for the second year. The position for the second year is the Director of the Special Events Center that is scheduled to open in November, 1982. The requested increase in classified positions includes 3 new positions the first year of the biennium and an additional 3 classified positions the second year.

The positions for the first year will be assigned as follows: 1 in Central Services, 1 in Campus Security, and 1 in Alumni Relations. The positions for the second

year will be assigned as follows: 2 in Campus Security and 1 in the Special Events Center. The requested increase for wages and operating is moderate, and again, is a little higher than our projected inflation rate.

Executive Budget Recommendations. A number of very serious budget reductions have occurred in this area. The Alumni Office has been reduced by 50%, the position of Manager of the Concert Hall has been eliminated, the classified position in the Vice President for Administration office has been eliminated, and the request for a Director for the Special Events Center (Thomas Mack Arena) has been eliminated. Loss of the Concert Hall position will make it virtually impossible to continue the level of programming that currently exists in that facility. If construction on the new arena goes forward on schedule, it will be absolutely essential to have a position budgeted to begin coordination of operations of that building during the second year of the biennium.

Operation and Maintenance

University Request. The biennium budget request of operation and maintenance of Physical Plant shows a significant increase. However, it must be kept in mind that there will be two new buildings to maintain, heat and cool, as well as the anticipation of continued high increases in energy costs. Operation and Maintenance is requesting an \$832,711 increase in 1981-82 over the amount budgeted in 1980-81, an increase of 19.9%. In 1982-83 they are requesting a budget increase over 1981-82 of \$1,201,883, an increase of 23.9%.

As you know, the Library addition will be completed during the 1980-81 fiscal year, but we received no funds for its maintenance for 1980-81. The Library addition increases the square footage maintained by Operation & Maintenance under this budget by 10%. We are also expecting the Fine Arts Building to be completed not later than mid-year of 1981-82 fiscal year. The maintenance of both of these buildings is included in the Operation & Maintenance budget request for 1981-82. In 1982-83 we are expecting the completion of the Special Events Center, and we have budgeted the utilities for this facility for one-half of the year. We have used an approximate 13% per year inflation factor for utilities.

The budget request includes an increase of 19.60 classified positions for 1981-82 and an additional 8.0 classified positions for 1982-83 to maintain these buildings and care for the surrounding grounds. The requested increase is substantial, but we feel it is justified.

Executive Budget Recommendations. Next to the change in the student/faculty ratio, the most significant policy change impacting upon this budget is in the area of maintenance services. Although we are opening at least one and perhaps two new buildings during the coming biennium, the number of janitorial staff recommended in the budget has been reduced by 20, from 56 to 36. We believe this would mean that the amount of area to be cleaned by each of our janitors would be one of the highest for any state facility in Nevada.

Scholarships and Fellowships

The budget request increase for this is small, amounting to only \$5,698 the first year of the biennium and \$8,006 the second year of the biennium. The increase is based on student FTE and past experience for the other areas.

Reserves

All professional compensation in the 1981-83 biennium budget for existing as well as new positions is budgeted at the 1980-81 salary scale. The 15% increase in professional compensation for each year of the biennium is budgeted in the Reserve accounts. The first year this amounts to \$1,671,748, and amounts to 6.7% of the entire budget. The 1982-83 budget request figure of \$3,678,611 amounts to 12.7% of the budget.

INTERCOLLEGIATE ATHLETICS

University Request. The Intercollegiate Athletics biennium budget request shows an increase in 1981-82 of \$234,976 over the 1980-81 budget. This is 35.1% increase over the 1980-81 budget. The request for 1982-83 is for an additional \$135,781, which is a 15.0% increase.

The Director of Athletics has taken a different approach to budgeting athletics in that his primary objective is to have all of the full-time permanent positions paid from state-appropriated funds. His objective in this budget request is to move 6.32 professional positions and two classified positions the first year of the biennium and another professional position the second year from estimated budgets to the state-supported budgets. This still leaves 12.5 full-time current professional positions to be paid from soft-money accounts as well as part-time appointments for minor sports.

Another major change is that, other than grants-in-aid, no operating or travel is requested in this budget.

Executive Budget Recommendations. Without providing any breakdown by categories, the recommendation appears to apply a straight percentage increase to this category, recommending \$742,524 in 1981-82 and \$816,776 in 1982-83.

STATEWIDE SERVICES

The biennium budget request for Statewide Services shows the largest percentage of increase than any of the other appropriations. However, it must be kept in mind that the base is small. The increase, including projected professional salaries increases is \$270,464, an increase of 101.9% for 1981-82 over 1980-81. The second year the total request is for \$109,804, a 20.5% increase over 1981-82. Statewide Services budget is broken into three areas which include Center for Business & Economic Research, Continuing Education, and UNLV Museum.

Center for Business and Economic Research

The Center for Business and Economic Research has requested an increase of \$63,265 in 1981-82 over 1980-81, a 57.4% increase. For the second year, the request is for \$39,131, an increase of 22.6% over 1981-82. Both of these increases are exclusive of professional compensation increases requested. The request includes one new professional position for each year of the biennium, and for the first year only the request includes .67 FTE new graduate assistants and one new classified position. The requested increase for operating and wages is \$6,307 and \$5,363 respectively the first year, an increase of 51.9% and 62.8%. The second year of the biennium has an operating increase of \$1,810, or 9.8%, and wages of \$6,828, an increase of 50.1%.

Continuing Education

The Continuing Education biennium budget request asks for an increase of \$48,631 for 1981-82 over that of 1980-81, an increase of 87.1%. The second year of the biennium the request is for an increase of \$1,271 over 1981-82, an increase of 39.5%. These increases are also exclusive of the professional salaries increase. The request includes one new professional position and one new classified position for each year of the biennium. Requests for operating funds increased by \$10,239 the first year of the biennium and \$1,740 the second year.

UNLV Museum

The budget request for 1981-82 for the UNLV Museum is \$118,565 over 1980-81, an increase of 119.2%. The second year budget request shows a decrease of \$33,937 from the 1981-82 request. Again, these requests are exclusive of professional compensation increases. The decrease in the 1982-83 budget is because the first year of the biennium request for operating included a large amount of funds for equipment that would not be needed the second year of the biennium. The UNLV Museum budget shows an increase in the first year of the biennium of .75 professional positions and 2.5 new classified positions. There are no new requests in the second year of the biennium.

Executive Budget Recommendations

The budget recommendations include no increases at all in staff for any of the units in Statewide Services.

REVENUE ESTIMATES

We are concerned about the potential validity of the revenue estimates if the in-state and out-of-state fee increases recommended in the executive budget are implemented. In particular, it is likely that the out-of-state tuition increase will have a negative impact on revenue by drastically decreasing the number of out-of-state students coming to UNLV. In addition, this will have the obvious negative impact on quality by reducing the desirable mix of in-state and out-of-state students which enhances the quality of the educational experience on campus.

The impact on in-state students will be two-fold. First, a 25% fee increase will undoubtedly have a negative impact on the numbers of students who decide to attend UNLV. Second, since many of our students take less than a full load because of work and other obligations, they are likely to react to the fee increase by reducing course loads. The student who has been taking nine hours will now enroll for three or six. The result will be fewer than projected FTE and less than projected fee revenues.

CONCLUSION

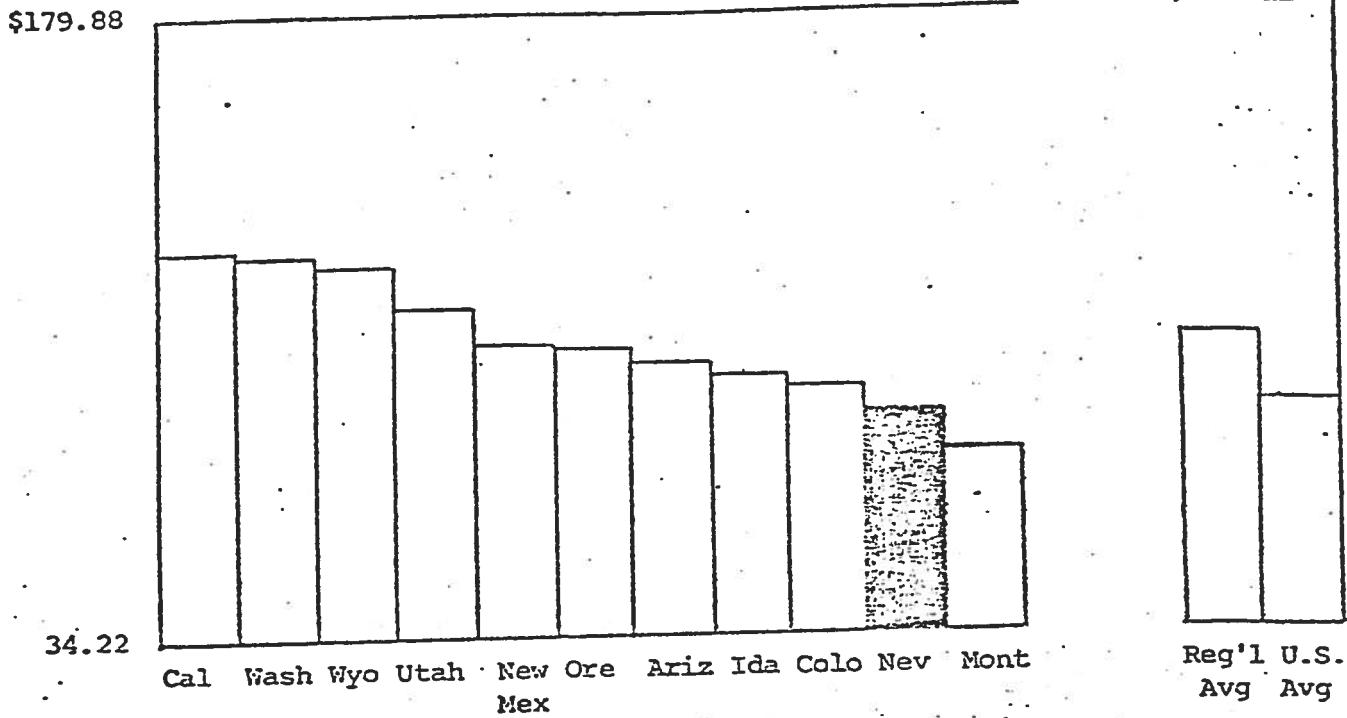
University officials fully recognize the severe financial constraints facing the state in the coming biennium. With that in mind, this presentation has reflected our priorities. We have not discussed here the very legitimate needs for new programs such as water resources or architecture, although those are needed now and the need will become more acute in the future.

Our budget reflects the very real needs of UNLV to continue to provide service at the present level of quality. Support for this budget will represent a good investment for the people of the state.

EXHIBIT I

APPROPRIATIONS FOR HIGHER EDUCATION
IN ELEVEN WESTERN STATES

1979-80 Appropriations Per Capita



1979-80 Appropriations Per \$1000 Personal Income

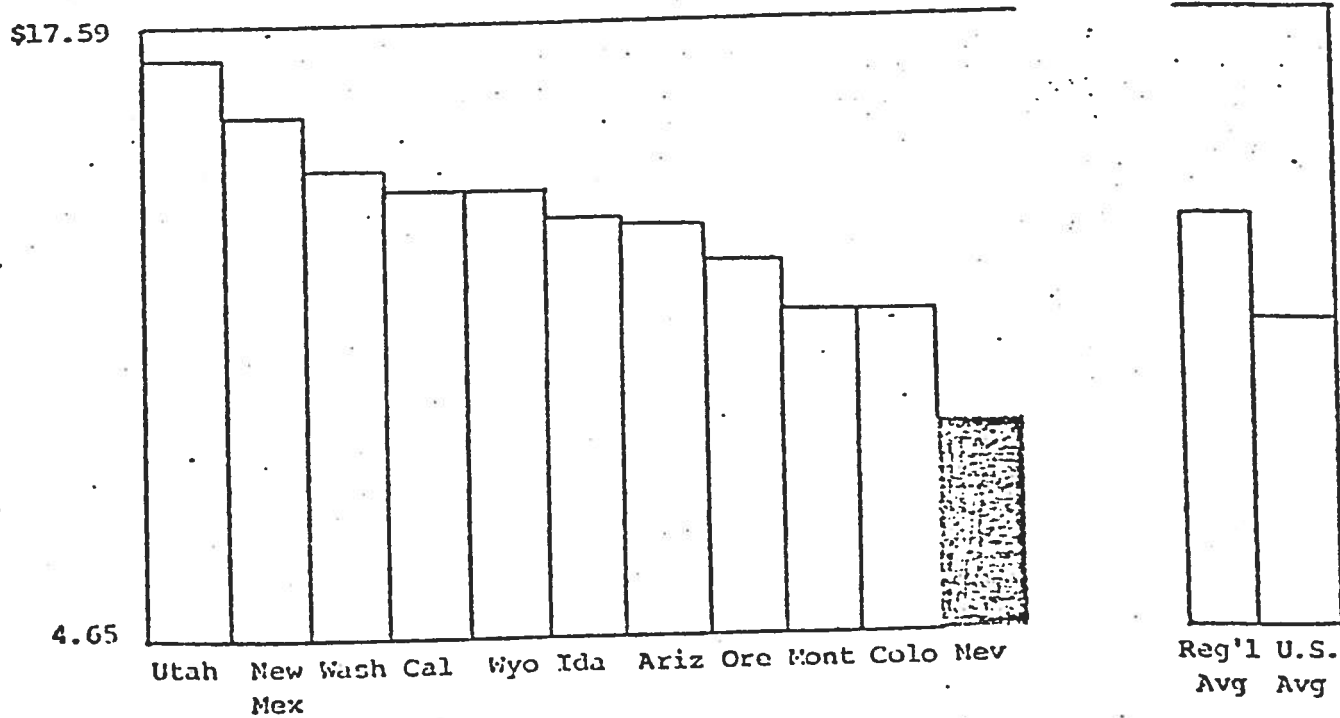


EXHIBIT E

Statement on Biennium Budget Request of

The University of Nevada, Reno

1981-1983

Prepared by

Joseph N. Crowley

President

February, 1981

EXHIBIT F

SUMMARY - UNR

The attached statement outlines the principal aspects of the UNR budget request and the Executive Budget recommendations for the 1981-83 biennium. The University request, which covers the basic UNR budget and six additional appropriation areas, is based on the need to keep up with inflation and to increase positions in relation to enrollment growth to levels determined by the 20-1 student faculty ratio. Major priorities include funding for high growth programs, such as Engineering, Business Administration and Mathematics; programs meeting particular needs in the state, such as Nursing, Education Administration and Speech Pathology and Audiology; and programs such as Chemical and Metallurgical Engineering and Foods and Nutrition, where accreditation or other special needs exist. The Executive Budget recommendations would make it impossible to accomplish any of these priorities. It proposes substantial reductions in existing positions and contains significant shortfalls in such areas as library book acquisitions, classified salaries, utilities and grants-in-aid. In addition, the Executive Budget poses a severe problem with its recommendation for major increases in fees and tuition. These increases engender very difficult planning and management problems and imply a further funding reduction of uncertain but potentially serious magnitude. Finally, the Executive Budget suggests cutbacks in other appropriation areas, most notably in the Agricultural Experiment Station and the Cooperative Extension Service, which would require the University to deal with growing demands with substantially reduced resources.

The following table summarizes UNR's budget priorities, in terms of number of needed dollars. The table covers both the University's request and the funding shortfalls proposed in the Executive Budget.

SUMMARY OF ADDITIONAL UNR FUNDING NEEDS
FOR 1981-83 BIENNIUM*

	<u>1981-82</u>	<u>1982-83</u>
<u>I. UNR Budget Request</u>		
A. High Growth Programs	\$ 242,560	\$ 114,340
B. Need Based Programs	91,775	21,435
C. Other Program Needs	183,561	71,460
D. Associated Needs	63,565**	25,647**
Sub-Total	\$ 581,461	\$ 232,882
Previous Years Increase***		633,792
Total UNR Budget Request	\$ 581,461	\$ 866,674
<u>II. Executive Budget Shortfall</u>		
A. Position Reductions	\$ 470,462	\$ -
B. Library Book Acquisition	172,863	120,693
C. Classified Salary Reserve	177,605	88,021
Sub-Total	\$ 820,930	\$ 208,714
Previous Years Increase***		894,814
Total Executive Budget Shortfall	\$ 820,930	\$1,103,528
<u>III. Utilities Shortfall</u>		
Total Utilities Shortfall	\$1,157,267	\$1,429,982
TOTAL UNR	\$2,559,658	\$3,400,184
<u>IV. Other Appropriation Areas</u>		
A. Intercollegiate Athletics	\$ 68,000	\$ 68,000
B. Agriculture Experiment Station	304,617	365,973
C. Cooperative Extension Service	293,337	349,430
D. Statewide Programs	76,624	83,520
E. Business Center North	85,375	93,059
TOTAL OTHER APPROPRIATION AREAS	\$ 827,953	\$ 959,982
GRAND TOTAL	\$3,387,611	\$4,360,166

STATEMENT BY JOE CROWLEY, PRESIDENT OF UNR
ASSEMBLY WAYS AND MEANS COMMITTEE
FEBRUARY 9, 1981

I come before you at this Session in a rather different position than was the case in 1979. Two years ago, UNR had gone through a period of moderately declining enrollments, expecting that trend to turn around but hard put to defend our projection of three percent enrollment increases for each year of the biennium. We faced an Executive Budget that recommended a substantial reduction. Despite our difficult situation, the Legislature was very helpful in restoring some of the proposed reduction and in providing a mechanism for additional restoration should the enrollment picture improve. The picture did improve and the additional restoration was granted. This year, we are in the midst of an enrollment boom that has doubled our projected increase for the current biennium. We have been heartened by that growth and encouraged by the burgeoning interest in the University expressed by students of all ages and by the community in general. We have been very pleased with the results of the changes that have been instituted to make UNR a more efficient, visible and outreaching institution. However, there is one similarity between our current situation and that of 1979. We again come before you facing an Executive Budget that, despite all our progress, recommends a substantial reduction in funding. So, again, we need your help.

I understand that the state is now in a period of economic uncertainty and that there is difficulty in stretching resources to meet needs. The University's responsibility is to build that understanding into its budget request, to make that request responsible, cost-effective and answerable to the demonstrable higher educational needs of Nevada. That is the kind of budget request we have assembled. It is a request that was reasonable in the initial funding it proposed, but one that, in light of economic circumstance, we reduced several times.

What we present then, is a budget request based primarily on three considerations:

1. A faculty salary increase as our highest priority.
2. An increase in positions tied to the 20-1 student-faculty ratio and to a projected three percent per year growth in full time equivalent enrollments.
3. Adjustments in operating funds to permit us to keep pace with inflation.

My purposes this morning are to discuss with you some of the details of our request, in particular, highlighting our major priorities, and then to comment on certain aspects and impacts of the Executive Budget recommendations. It might be helpful, first, to provide some brief background information.

The 1970's and 1980's at UNR

It is instructive to consider the University's request for the 1981-83 biennium against a background of our budgetary history over the course of the 1970's. The following tables summarize that history.

TABLE I

UNR -- A 12 Year Profile
FTE Positions and Work Program Expenditures*

	1969-70		1980-81-	
	FTE	\$	FTE	\$
<u>Instruction</u>				
Professional	334.47	4,878,152	338.29	10,080,236
Classified	68.86	585,257	61.60	999,881
Teaching Assistants	44.50	333,750	31.50	411,842
Wages		76,553		91,111
Operating		355,602		465,190
Out-of-State Travel		26,344		16,194
Total	447.83	6,255,658	431.39	12,065,174
<u>All Other</u>				
Professional	57.09	923,624	73.18	2,400,225
Classified	242.21	1,697,201	281.00	4,585,226
Teaching Assistants	1.85	13,900	1.66	21,791
Wages		90,209		196,134
Operating		1,315,831		4,610,872
Out-of-State Travel		7,329		5,072
Total	301.15	4,048,094	355.84	11,819,320
<u>Totals</u>				
Professional	391.56	5,801,776	411.47	12,480,461
Classified	311.97	2,282,458	342.60	5,585,107
Teaching Assistants	46.35	347,650	33.16	433,633
Wages		166,762		287,245
Operating		1,671,433		5,076,062
Out-of-State Travel		33,673		21,986
Total	748.98	10,303,752	787.23	23,884,494

*The Table includes for 1969-70 only those programs which are a part of the UNR appropriation area for 1980-81. For example, Intercollegiate Athletics was a part of the UNR budget in 1969-70 while it is now a separate appropriation area. It is not included, nor are any other such programs in the Table figures for 1969-70.

TABLE IIFTE Fall Gross Enrollments
and Student-Faculty Ratios

	<u>1969-70</u>	<u>1980-81</u>
Undergraduate	5,413	6,299
Graduate	721	843
Total	<u>6,134</u>	<u>7,142</u>
Student-Faculty Ratio	18.3-1	21.1-1

Of course, there have been ups and downs during the years since 1969-70, but the recent pattern is one of considerable growth. There has been minimal growth in instructional positions, although to maintain the student-faculty ratio that obtained in 1969-70 would require 52 more professional positions than we have this year. There has been significant growth in support positions, largely staff in vital support areas such as the Library, Student Services and Buildings and Grounds. There has been a substantial decline in the purchasing power of instructional operating dollars. This year's figure is worth 45% of the figure for 1969-70. To put it another way, it would require \$318,165 more than is allocated for instructional operating this year to equal the purchasing power of the 1969-70 expenditure.

With all of the above, we have held our own in terms of the cost per FTE student, as Table III makes clear:

TABLE IIICost Per FTE Student
1969-70 and 1980-81

	<u>1969-70</u>	<u>1980-81</u>	<u>1980-81</u> <u>Adjusted for inflation</u>
Instruction	\$1,020	\$1,689	\$ 767
Other	660	1,655	751
Total	<u>\$1,680</u>	<u>\$3,344</u>	<u>\$1,518</u>

When adjusted for the Consumer Price Index inflation increase for the period involved, the per student cost for the current year is 162 dollars less than the figure for 1969-70. The actual instructional cost per FTE student, when adjusted for inflation, is 24.8 percent less (i.e., \$767 for 1980-81 compared with \$1,020 for 1969-70). A large part of the growth in "other" costs results from an extraordinary increase, approximating 333 percent, in utilities expenditures since 1969-70. We estimate our utilities expense at slightly in excess of \$600,000 for that year. In the current year, we have allocated \$2.6 million for utilities.

In general, the profile of UNR during the past 12 years -- a period of growth in enrollments, decline in instructional resources and substantial inflation in instructional support costs --- is in keeping with national trends for public universities. We began the decade in a weaker position than most such universities. We ended the decade in approximately the same relative position. For the decade ahead, however, Nevada has an unusual opportunity to move against prevailing national trends, to develop among the states a position of leadership in higher education. This opportunity is provided by Nevada's favorable demography for the 1980's.

Numerous projections suggest that for most of the nation, the 1980's will be a period of significantly declining enrollments in, and therefore declining state expenditures, for public colleges and universities. The basic reason for this projected decline is the substantial reduction in the birthrate which began in the 1960's and continued into the 1970's. That reduction, it is anticipated, will lead to a 25 percent drop off nationally in numbers of high school graduates and a parallel decrease in numbers of entering college students. This trend is already in evidence. In many states, there is also anticipated a significant outmigration of population, leading to a further decline in college enrollments.

Nevada, however, is one of the few states (seven or eight, mainly in the West) where the national trend is not expected to develop. Projections vary -- and there are many available -- but the pattern that typically emerges from them for Nevada is one of growth rather than decline. We have authorized two independent studies on UNR enrollment in the 1980's. Both suggest an increase in full time equivalent students in the neighborhood of 20 percent over the course of the decade.

If the state is willing to match that growth with commensurate increases in funding support, Nevada can dramatically alter its standing in those many measures of support for higher education that consistently place us in an inferior position. The enrollment growth we have experienced during the past two years is, we believe, a portent of what lies ahead. The 1981-83 biennial budget becomes, in that context, a critical step into the future. That future can be a bright one for both the University and the state, if we take advantage of the opportunity we have. The benefits of a strong higher education system for attracting appropriate types of industry, for providing a desirable environment for the economic diversification we need, have been mentioned. The biennium ahead will be critical in determining whether those benefits and that strength will be available.

The UNR Request

The UNR budget is comprised of seven separate appropriation areas including Business Center North. Page numbers for these areas in the University Budget request and in the Executive Budget are as follows:

	<u>Executive Budget</u>	-46- <u>University Budget</u>
University of Nevada, Reno	189	43
Intercollegiate Athletics	200	139
Agricultural Experiment Station	202	179
Cooperative Extension Service	204	169
School of Medicine	205	117
Statewide Programs	214	151
Business Center North	218	369

Dean Robert Daugherty will be presenting the budget for the School of Medicine. My remarks will be confined largely to the UNR appropriation area, though I will allude to certain needs in the other areas as well.

The basic UNR budget looks toward a total revenue increase of 24 percent for the first year of the biennium and 15 percent for 1982-83. The Executive Budget, by way of comparison, suggests annual increases of nine percent and 10 percent, respectively. However, most of the total revenue growth in the Executive Budget is to be accomplished by large-scale increases in fees and tuition, a subject about which I will have more to say later.

The highest priority in our budget request, as noted earlier, is for faculty salaries. Beyond that, our most critical need is for a moderate number of instructional positions. The fundamental justification for these needed positions is enrollment growth. Such growth, over the past two years, has been experienced in most departments of the University. In some areas, however, it has substantially outstripped our ability to provide faculty positions to deal with it.

High Growth Programs. The two colleges most affected, and most in need of additional positions, are Engineering and Business Administration. In Engineering, the full time equivalent student population has grown by 80.9 percent since 1975, 28.4 percent since 1978 and this year by 9.6 percent. In Business Administration, there has been a 27.4 percent increase since 1975, 15.9 percent since 1978 and 6.0 percent during the current year. Full-time equivalent faculty positions have increased since 1975 by 6.1 percent in Engineering and 16.8 percent in Business Administration. Table IV summarizes what has occurred in these two colleges.

TABLE IV
Enrollment and Faculty Positions in Two Colleges
1975 - 1980*

	<u>1975 Enrollment</u>	<u>Faculty Positions</u>	<u>1978 Enrollment</u>	<u>Faculty Positions</u>	<u>1980 Enrollment</u>	<u>Faculty Positions</u>
Engineering	240.4	25.76	338.6	26.09	434.8	27.32
Business Adm.	742.7	30.74	816.6	34.39	946.3	35.89

* In terms of full time equivalents

There are other high growth programs which have had to contend with enrollment increases without added staffing help. The most significant examples are listed in Table V:

TABLE V
Other High Growth Programs

<u>Program</u>	<u>FTE Student Increase Since 1975</u>	<u>FTE Student Increase Since 1978</u>
Mathematics	36.3 %	22.8 %
Educ. Found. & Media	15.8 %	9.0 %
Recreation and P. E.	31.0 %	8.3 %
Political Science	29.4 %	24.7 %
Foreign Languages	11.9 %	26.4 %
English	11.1 %	18.0 %

The full time equivalent instructional staff in these programs totaled 71.11 in 1975. The total staff is 69.77 for the current year.

Need-based Programs. Although the University offers no programs for which a demonstrable need does not exist, there are several departments which are under pressure to satisfy high existing and potential demands in Nevada but currently lack the staff to do so. Two notable examples are the Orvis School of Nursing and the Department of Educational Administration.

Recent projections indicate that, at current rates of production, there will be a considerable shortage of Registered Nurses in Nevada by 1985*. The deficit in these projections range from 1,200 to 2,000. The Orvis School of Nursing is the largest producer of RN's in the state. Significant increases in the numbers of the students trained in this program, and in the programs of other state educational institutions, will be necessary if this deficit is to be made up. Additionally, there are demands for greater numbers of nurses with Masters degrees and for continuing education courses related to state re-certification requirements. Neither demand can be met without improvements in existing staffing levels.

The Department of Educational Administration is a department offering only graduate degrees. Although, again, the demand is heavy in this area, the department has had to limit enrollments because of staff limitations. Three professionals teach in this program, with student-faculty ratios in recent years

* The Greater Nevada Health Systems Agency, (Where Have All The Nurses Gone July, 1980, and Nursing Manpower Coalition, Nursing Personnel Projections for 1985.

ranging from 17.3 to 1 to 21.7 to 1. These ratios are substantially higher than they should be for a graduate level program.

A third, but somewhat different example of a program responsible for meeting a singular need in the state is the Department of Speech Pathology and Audiology. The bachelor's degree in this department is pre-professional. The master's is the terminal professional degree. UNR provides the only education in this area in the state. Until this year, the master's program was subsidized by federal funds. These funds have run out and, for 1980-81, the University supported the program with contingency funds. That support cannot be continued, however. Unless state funds are forthcoming for the 1.75 faculty positions and associated operating costs needed to sustain the master's program, the program will lose accreditation and will necessarily be terminated. In that event, there will also be no source of continuing education courses to meet certification requirements for practicing Nevada professionals and the state-funded speech and hearing positions in rural schools will be difficult to fill. The vast majority of speech pathologists and audiologists in Nevada are graduates of UNR. There is a clear need for more, but without additional state funding the need cannot be met.

A similar, although somewhat less critical problem, confronts the Department of Medical Technology, which has lost federal funding support for one faculty position out of the five required to operate the program. This program is the only one in Nevada providing clinical technicians for our hospitals and laboratories.

Other Professional Position Needs. In some disciplines, such as Chemistry and the Foods and Nutrition component of Home Economics, we are lacking critical specialties. A few departments -- Music and Chemical and Metallurgical Engineering most notably -- can achieve accreditation only with the addition of a professional position. In the area of instructional support, positions are needed in several divisions to meet expanding internal service requirements. Instructional media design, Student Services and the Library are the leading examples.

Associated Costs. In relation to the programs outlined above, additional classified positions and operating funds are also needed. Another component of our request, with a high priority for the University, is the Library book acquisition fund. This component is described later in the presentation. The specific funding requirements for these programs are described in the Table on page 50 C and in the summary attached to this presentation.

Intercollegiate Athletics. The principal priority in this area is for additional grants-in-aid. The most fundamental need here is for increased scholarship support for the women's athletic program. While we have been able to increase funding for this program over the last several years, additional support is needed to help meet the mandates of Title IX of the Education Amendments of 1972. The final Policy Interpretation of the Title IX regulations was published last year and federal compliance review activities are underway. Further, a problem of serious magnitude for the athletic program is inherent in the Executive Budget approach to grants-in-aid. That is, although that budget suggests major increases in fees and tuition, it proposes no increase in grants-in-aid funding. This presents a problem for the University in general, but

the problem would be particularly critical for Intercollegiate Athletics, which is recommended in the Executive Budget for only 11 percent and 10 percent budget increases for the next two years. It would mean, in effect, a large scale reduction in funding for that department because the numerous in-state and out-of-state grants-in-aid awarded by the department would need to be paid at the increased fee and tuition levels. Thus, any increase in fees and tuition should carry with it the same percentage increase in grants-in-aid funding.

Agricultural Experiment Station. The University request for this appropriation area is for an overall 19 percent increase for 1981-82 and 15 percent for 1982-83. This is essentially an inflation-based budget, with a small number of additional positions to provide needed research in such fields as meat production and energy systems. We have requested 3.5 new professional positions for the biennium, to add to the existing complement of 45 positions.

Cooperative Extension Service. The CES request is similar to that of the Experiment Station, with 19 and 15 percent increases, respectively, for 1981-82 and 1982-83. The basic need is for positions in Extension Service offices around the state, including a youth agent for Carson City and Lyon County (.50 of this position to be paid from county funds), an urban horticulturalist for Clark County, an Extension Home Economist for Lincoln County and a Superintendent for the large Gund Ranch property in Central Nevada. This would add a total of three FTE professional positions to the 73 currently employed by CES.

Statewide Programs. The entire request in this area is to offset the cost of inflation. No new positions of any type are proposed, despite the growing demand for services furnished by the research and public service units encompassed by the Statewide Programs appropriation.

Business Center North. This Center services all of the activities of the University System in northern Nevada and some activities (Cooperative Extension, DRI and the Computing Center, for example) which are statewide in scope. Approximately 70% of the System's business needs are processed through the Center. Major increases in enrollment and a considerably augmented volume of other Center activities have markedly expanded the demand for service. Seven additional classified positions (a 12 percent increase) are sought to meet this demand.

EXECUTIVE BUDGET IMPACTS

Although, as noted, the Executive Budget reflects a small increase in funding for UNR for the 1981-83 biennium, that budget actually imposes a series of reductions for the University. In total, these reductions add up to a substantial retreat from existing levels of support. This retreat occurs in the context of double digit enrollment growth and of demands for programs and services that have already exceeded our resources. The reductions are recommended, or implied, in a variety of areas and in a variety of ways. The following material summarizes the most critical Executive Budget recommendations and shortfalls.

Reductions In Existing Positions. By changing the student-faculty ratio from the 20-1 formula that has been employed for the past decade to the 22-1 formula described by the Chancellor, the basic UNR budget is cut back by 9.65 instructional faculty positions. There is a related reduction of 3.6 classified positions in instruction. (See page 190) This is a general position reduction, with no specific indication as to where the cuts might be made. However, the Executive Budget does propose specific cuts in certain areas. Alumni Relations, School Relations and the Office of Information are proposed to lose 4.75 professional and classified positions. (See page 195) In fact the recommendation for the latter two offices is for zero funding for the biennium. School Relations was established four years ago in response to voluminous and long standing criticisms from public school educators and counselors, parents and prospective students, that the University was not disseminating adequate information, providing necessary contacts and explaining programs and options to Nevada high school students and their families. The office has done an outstanding job, turned a bad situation into a good one and is now proposed in the Executive Budget for elimination.

The Office of Information is imperative to the functioning of the University in media and community relations. No institution of the size, scope and complexity of UNR can ignore its obligation in this area. The office has been state funded for 27 years and its functions were first undertaken as a separate and identifiable responsibility as far back as the 1920's. It too has performed smoothly and efficiently and with strong community support in recent years. It too is recommended for elimination.

Two other critical programs proposed for position reduction are the Agricultural Experiment Station and the Cooperative Extension Service. In the former case, 8.75 professional and classified positions are cut. (See page 202) In the Extension Service, the figure is 9.3 (See page 204) To accomplish this reduction, positions will be terminated in at least nine counties, programs will be reduced in 4-H, irrigation and renewable resources and the operations of four Field Laboratories (Newlands, Pahrump, Southern Nevada and Main Station) will be diminished.

Library Book Acquisitions. The Executive Budget recommends that the Book Acquisition Fund remain next year at exactly the same level as for 1980-81 and then be increased by 10 percent for 1982-83. (See page 191) In reality, this recommendation imposes a 32 percent decrease in the Fund for the biennium. The inflation rate for books and periodicals has consistently been much greater than the ordinary rate. For several years it has been running at 20 percent or above. The library is at the heart of all the University's missions -- teaching, research and public service. It is an indispensable recourse that must at least be maintained at current levels. Merely catching up with the reduction suggested in the Executive Budget is a process that could take a decade or more.

Utilities. The difference between our own projection of utilities funding needs and that of the Executive Budget amounts to \$2.5 million for the biennium. (See pages 197-98) We must be able to plan as carefully as possible in allocating funds to this major component of our budget. Given the significant difference in the two projections, we cannot plan appropriately unless there is

either a restoration of a large portion of our utilities or a mechanism established whereby we can secure needed funding from the state should we experience the shortfall we believe will occur if the Executive Budget figures are accepted.

It should be noted that we are not profligate in our utilities expenditures. We have in fact given conservation a very high priority over the last seven years. That effort has been quite successful. Since 1973, our consumption has increased only two percent for electrical energy and four percent for natural gas, with a corresponding increase in the campus utility service area of approximately 29 percent. We estimate that, because of this program, which has achieved widespread recognition, we are saving \$650,000 during the current year.

Classified Salary Reserve. The Executive Budget allocation of nine percent to meet a 14 percent proposed salary increase does not square with our experience with classified salary savings. The UNR vacancy rate averages about two percent (not five percent) annually. For the biennium, the recommendation leaves us with a shortfall in excess of \$200,000 in classified salaries, or, in other terms, an additional reduction of 15 classified positions.

Fees and Tuition. Here, I need to emphasize what has been previously observed by others. The Executive Budget proposal for a 25 percent increase in the per credit fee and a 33 percent increase in non-resident tuition may well be the single most critical problem we have with that budget. It suggests that the cost of our program for resident students, already among the highest in the Western states, be made higher still. It suggests that students, who already furnish a greater percentage of our revenue in relation to the general fund appropriation than is the case in most Western states, increase that percentage even more. It proposes in the context of the remainder of the Executive Budget, that students pay a significantly higher price for a program of significantly less quality. However, our most serious difficulty with the fee and tuition increases, is that they present us with severe planning and management uncertainties. It is difficult for us to project, as does the Executive Budget, that these major increases will have no effect on enrollment. We believe it possible, even likely, that the recommended increases, will produce a serious revenue shortfall. Certainly, that has been our experience in the past. That possibility, or likelihood, is something we cannot contend with in September. We would need to plan for it in advance. To put it another way, the proposed fee and tuition increases are very likely in reality a hidden additional reduction of substantial magnitude.

I commented earlier on the related problem in grants-in-aid funding. To provide a manageable approach to budgeting, in my view, any fee and tuition increases must be considerably lower and fairer, and they must be matched by a parallel augmentation of grants-in-aid funding.

SUMMARY

Perhaps the best way of summarizing this presentation is to note that none of the major priorities -- none of the obligations we have in high growth programs, need-based and other programs -- can be satisfied if the Executive Budget prevails. Far from meeting these obligations, we will be faced with the necessity of enrollment limitations in areas such as Business, Engineering and

elsewhere; with the possibility of terminating certain programs; with the further possibility of serious accreditation difficulties in major program areas; and with the necessity of examining the deleterious and demoralizing alternative of terminating younger faculty.

We believe we have prepared a responsible and responsive budget request. We believe we have considered the economic uncertainties facing Nevada. We believe that the Executive Budget recommendations will produce decidedly adverse results well beyond the range of the biennium. We need your assistance. The following summary Table describes the kind of assistance we need.

TABLE VI *
 SUMMARY OF ADDITIONAL UNR FUNDING NEEDS
 FOR
 1981-83 BIENNIUM

	1981-82			1982-83		Total \$
	Prof. Pos.	Class. Pos.	Total \$	Prof. Pos.	Class. Pos.	
I UNR Budget Request						
A. High Growth Programs						
College of Engineering	3.00		78,670.00	1.00		28,585.00
College of Business Adm.	2.00		52,445.00	2.00		57,170.00
Other Listed Programs	4.25		111,445.00	1.00		28,585.00
B. Need-Based Programs						
Nursing	1.50		39,335.00			
Education Administration	1.00		26,220.00	.75		21,435.00
Speech Pathology	1.00		26,220.00			
C. Other Program Needs	7.00		183,561.00	2.50		71,460.00
D. Associated Needs						
High Growth		1.68	27,435.00		.73	12,995.00
Needs-Based		.82	15,390.00**		.14	4,642.00**
Other		1.27	20,740.00		.45	8,010.00
Subtotal	20.75	3.77	581,461.00	7.25	1.32	232,882.00
Previous Years Increase ***				20.75	3.77	633,792.00
Total	20.75	3.77	581,461.00	28.00	5.09	866,674.00

<u>II Executive Budget Shortfall</u>						
<u>A. Position Reductions</u>						
General Reductions	9.65	3.60	334,613.00	--	--	--
Specific Reductions	2.50	2.25	102,300.00	--	--	--
Assoc. Cost Reductions			33,549.00	--	--	--
 B. Library Book Acquisition			172,863.00			120,693.00
C. Classified Salaries			177,605.00			88,021.00
Subtotal	12.15	5.85	820,930.00			208,714.00
Previous Years Increase***				12.15	5.85	894,814.00
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Total Executive Budget Shortfall	12.15	5.85	820,930.00	12.15	5.85	1,103,528.00
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Cumulative Total I & II	32.90	9.62	1,402,351.00	40.15	10.94	1,970,202.00
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<u>III Utilities Shortfall</u>						
Total Utilities Shortfall			1,157,267.00			1,429,982.00
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Cumulative Total I, II & III	32.90	9.6	2,559,658.00	40.15	10.94	3,400,184.00

* This table does not include funding reductions and needs generated by the Executive Budget recommendations for fee and tuition increases, nor for the funding requirements of any alternative set of increases. It also does not include reductions and needs in grants-in-aid funds related to fee and tuition increases.

** Includes operating funds for Speech Pathology

*** Increased by 9% salary increase for 1982-83

TABLE VII
SUMMARY OF 1981-83 BIENNIAL NEEDS IN OTHER APPROPRIATION AREAS

	1981-82			1982-83		
	<u>Prof. Pos.</u>	<u>Class. Pos.</u>	<u>Total \$</u>	<u>Prof. Pos.</u>	<u>Class. Pos.</u>	<u>Total \$</u>
I <u>Intercollegiate Athletics</u>						
A. Executive Budget Shortfall			68,000.00			68,000.00
II <u>Agriculture Exp. Station</u>						
A. Budget Request	2.50	1.00	94,350.00	1.00		33,941.00
B. Executive Budget Shortfall	4.50	4.25	210,267.00			
Subtotal	7.00	5.25	304,617.00	1.00		33,941.00
Previous Years Total				7.00	5.25	332,032.00
Total Agric. Exp. Sta.	7.00	5.25	304,617.00	8.00	5.25	365,973.00
III <u>Cooperative Ext. Service</u>						
A. Budget Request	2.00	1.00	67,814.00	1.00		29,693.00
B. Executive Budget Shortfall	7.30	2.00	225,523.00			
Subtotal	9.30	3.00	293,337.00	1.00		29,693.00
Previous Years Total				9.30	3.00	319,737.00
Total Coop. Ext. Serv.	9.30	3.00	293,337.00	10.30	3.00	349,430.00
IV <u>Statewide Programs</u>						
A. Executive Budget Shortfall	1.62	1.50	76,624.00			
Previous Years Total				1.62	1.50	83,520.00
Total Statewide	1.62	1.50	76,624.00	1.62	1.50	83,520.00
V <u>Business Center North</u>						
A. Budget Request		5.00	85,375.00			
Previous Years Total					5.00	93,059.00
Total B.C.N.		5.00	85,375.00		5.00	93,059.00
Grand Total	17.92	14.75	827,953.00	19.92	14.75	959,982.00