



James E. Rogers
Chancellor

Nevada System of Higher Education

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Senator Bob Beers
VIA E-MAIL

Dear Senator Beers:

I am writing as Chancellor of the Nevada System of Higher Education to have you clarify your views on economic and budget issues. I understand you feel the growth of budgets in the public sector should be driven **ONLY** by population growth and the rate of inflation. Because the material in your blog uses 1996 as a base year, let me also use that year.

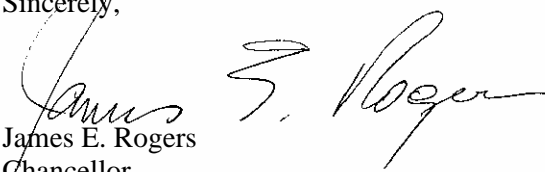
In 1996, the NSHE General Fund budget was \$215,717,355. It is currently \$630,632,711, a difference in the General Fund Budget of 192 percent since 1996. In 1996, Nevada's population stood at 1,696,405. Today that number is 2,718,337. Nevada's population has grown by 60 percent.

The Bureau of Labor Statistics tells us the CPI for all urban consumers increased by 32 percent in the same period. I would expect you would use the 32 percent figure plus the population change to conclude that the NSHE General Fund budget should have grown by only 92 percent.

On a per capita basis, the NSHE General Fund budget has grown beyond the 92 percent you would approve. Nevada's population has grown 60 percent since 1996, the CPI has changed by 32 percent, and the NSHE General Fund Appropriation has grown by 192 percent. If the NSHE budget had grown at the rate your formula would have allowed, it would seem NSHE would not be 49th or 50th in any survey of U.S. education. The System's ranking would then have to be measured by where it stands in relation to third world countries' education systems.

In as much as you profess to be a financial analyst whose own professional fiscal and management skills would have resulted in an increase of the NSHE budget during this time by only 92 percent, I would appreciate your written observations and conclusions of all the specific areas of NSHE where the budgets could have been controlled to meet your standards.

Sincerely,


James E. Rogers
Chancellor