

# UCCSN Board of Regents' Meeting Minutes July 30-31, 1990

7-30-1990

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BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

July 30, 1990

The Board of Regents met on the above date in the Pine Auditorium, Jot Travis Student Union, University of Nevada, Reno.

Members present: Mrs. Dorothy S. Gallagher, Chairman

Mrs. Shelley Berkley

Dr. Jill Derby

Dr. James Eardley

Mr. Joseph M. Foley

Dr. Lonnie Hammargren

Mr. Daniel J. Klaich

Mrs. Carolyn M. Sparks

Mrs. June F. Whitley

Others present: Chancellor Mark H Dawson

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

President John Gwaltney, TMCC

President Robert Maxson, UNLV

President Paul Meacham, CCCC

President Ronald Remington, NNCC

President James Taranik, DRI

Mr. Donald Klasic, General Counsel

Dr. Warren Fox, Vice Chancellor

Mr. Ron Sparks, Vice Chancellor

Ms. Mary Lou Moser, Secretary

Also present were Faculty Senate Chairman Richard Brown (UNR),

Isabelle Emerson (UNLV), Paula Funkhouser (TMCC), Louis Grandieri

(Unit), Michael Mc Farlane (NNCC), Steve Mizell (DRI).

Chairman Dorothy Gallagher called the meeting to order at 8:10

A.M., Monday, July 30, 1990.

1. Approved the Consent Agenda

Approved the Consent Agenda (identified as Ref. A, filed

with the permanent minutes) containing the following:

(1) Approved the following interlocal agreements:

A. UNS Board of Regents/UNR and State Department of  
Education (interlocal contract)

Effective: August 6, 1990 to June 30, 1991

Amount : \$3,120 to UNR

Purpose : UNR to provide tuition waivers for 30  
students of "Special Problems in Edu-  
cation" class, conducted under direc-  
tion of Dr. Neal Ferguson, Division  
of Continuing Education.

B. UNS Board of Regents/UNLV and State Job Training  
Office (interlocal contract)

Effective: September 1, 1990 to August 31, 1991

Amount : \$27,445 to UNLV

Purpose : UNLV to conduct research monitoring  
progress of former JTPA participants.

Dr. Eardley moved adoption of the Consent Agenda, and ap-  
proval of the prepared agenda with the authority to change

the order of items as specified throughout the meeting.

Dr. Derby seconded. Motion carried.

Chairman Gallagher relinquished gavel to Regent James Eardley, Chairman of the Budget and Finance Committee, which sat as a Committee of the Whole.

## 2. Budget and Finance Committee

The Budget and Finance Committee, meeting as a Committee of the Whole under the Chairmanship of Regent Eardley, acted as follows:

Vice Chancellor Sparks presented a draft of the UNS 1991-93 Biennial Budget Request which consists of a Base Budget and Priority Requests for New Funding.

The Base Budget extends the current year (FY 91) operating budget into the next biennium with adjustments for projected student enrollment increases, requests to fund previously approved budget formulas, and adjustments for past legislative actions, inflation and selected special adjustments.

Priority Requests for New Funding will strengthen existing

programs, provide funds for new initiatives and new program development, provide salary increases for UNS professionals, and strengthen management and computing systems.

A total of 225.5 new faculty are requested in the Base Budget along with 53 additional classified support staff directly tied to instruction. Funds to improve formulas recommended to the 1987 Nevada State Legislature by an interim legislative committee which studied how Nevada funds higher education also are included in the Base Budget request.

These formulas are designed to shore up the infrastructure of UNS institutions by providing a stable, dependable budget addressing basic needs.

Student enrollment is projected to increase by approximately 13% over the biennium. UNS exceeded budgeted enrollments in 1989-90 and therefore, fiscal 1991 enrollments have been re-projected as well.

Included in the Base Budget is an increase in non-resident tuition from the current level of \$1650 per semester to \$1800 per semester to become effective Fall, 1991 and to \$1950 effective Fall, 1992. Resident fees for University students are increased by \$3 per credit (\$2 to be retained

in the operating budget and \$1 outside) effective Fall, 1991, and \$2 per credit (\$1.25 to be inside the operating budget and \$.75 outside) effective Fall, 1992. Graduate fees are increased by \$6 per credit (\$4 to be inside the operating budget and \$2 outside) effective Fall, 1991, and by \$7 per credit (\$4.50 to be inside the operating budget and \$2.50 outside) effective Fall, 1992.

For the Community Colleges, resident fees are increased by \$2 per credit (\$1.50 to be inside the operating budget and \$.50 outside) effective Fall, 1991, and by \$1 per credit (\$.75 to be inside the operating budget and \$.25 outside) effective Fall, 1992.

These increases are intended to help fund the new formulas for added support services, Libraries, equipment and Graduate Assistants as well as costs associated with increases in enrollment.

The Base Budget requested for fiscal 1991-92 increases by 26.2% over 1990-91 and by an additional 9.5% for fiscal 1992-93. The total Priority Requests for New Funding is \$89.6 million. Summary schedules of the biennial budget requests are outlined in the draft of the UNS 1991-93

Biennial Budget Request, which was distributed at the meeting and is filed in the Regents' Office.

Mr. Foley distributed a questionnaire which was compiled by the UNLV Alumni Association. The questionnaire is filed in the Regents' Office.

Vice Chancellor Sparks stated that the Base Budget provides funds necessary to maintain existing programs. Due to the enrollment growth projections, approximately \$13 million will be requested to maintain the budget the first year of the biennium. The parameters set by the Board of Regents are as follows:

1. Full funding of the formulas adopted in 1986 by the Legislative Committee Studying Funding of Higher Education. To provide full funding of these formulas it will cost about \$22.2 million for the first year of the biennium. These formulas include the following:
  - a. Support services formulas for academic support, student services, institutional support and operation and maintenance of facilities.

- b. Improved full-time/part-time instructional ratios at the Community Colleges to provide the four institutions with more full-time faculty. Currently the ratio is 60% full-time, 40% part-time. UNS seeks the ratio enjoyed nationally, 70%/30%, to provide a more stable workforce.
  
  - c. A Graduate Assistant formula for UNR and UNLV to increase Graduate Assistant salaries and to create addition Graduate Assistant positions.
  
  - d. Library book acquisition formulas based upon the number of programs offered, number of faculty and number of students.
  
  - e. An annual equipment replacement formula based upon equipment inventories and price indexes.
2. A 5% cost-of-living increase for all professional employees for each year of the biennium is included in professional salaries, and will cost approximately \$5.6 million the first year of the biennium.
3. Teaching Assistants, Letters of Appointment, wages and

departmental operating costs have been increased by 5% per year to provide for anticipated cost-of-living increases, and will cost approximately \$2 million for the first year of the biennium.

4. A 3% merit pool for all professional employees is included in professional salaries, and will cost \$1.1 million for the additional 1% being added the first year of the biennium.

5. Funds to maintain equipment purchased with "one-shot" appropriations and Estate Tax funding as provided by the 1989 Legislature are included at 6% of the acquisition costs, and will cost \$500,000.

6. Special provisions addressing unique situations are incorporated, such as utility rate increases, increased utility usage, expected increases in insurance costs, increased rent, postage, and mandatory federal regulations for the handicapped. This will cost about \$4.5 million the first year of the biennium.

7. Grants-in-aid have been adjusted for fee increases and Graduate Assistants, and will cost approximately \$3.3

million for the first year of the biennium.

8. State funding to continue the EPSCoR Program for the second year of the biennium is included in the Special Projects budget. The State will be asked to increase funding by \$519,612.

9. Operating funds have been added for new facilities scheduled to come on line during the next biennium, and will cost approximately \$600,000.

All of these numbers are estimated costs for the first year of the biennium and subject to adjustments when the base budget is finalized.

The primary components of the formulas are the student/faculty ratios and student enrollment projections for each Campus. The tables in the budget document display current ratios, enrollment projections, and the supporting formulas used to construct the budget. Vice Chancellor Sparks indicated that the Base Budget increase in 1992 is \$52.8 million, and will increase by \$23.4 million in 1993.

Mr. Foley requested a response to a more equitable distri-

bution for UNLV which was posed by the UNLV Alumni Association questionnaire. Vice Chancellor Sparks stated that full funding of the formulas will resolve most of the differences and directed Mr. Foley to pages 27 and 53 which address the budget for scholarship funding. Scholarship funding has been equalized within this budget request. Pages 102, 104 and 105 address partial funding for instructional operating increases where the budget request will allow the Campuses to achieve 1/2 of equalization during the next biennium with full equalization by the following biennium. Vice Chancellor Sparks explained that the budget request was built to include this equalization over two bienniums and, in fact, the funding recommended for UNLV would have taken them more than 1/2 towards equalization during the next biennium (approximately \$70 below UNR).

There was a lengthy discussion in regard to equalization of salaries for new faculty, and Vice Chancellor Sparks indicated that the budget request reflects the agreement that new faculty would be budgeted at the current year's average budgeted salary for existing faculty. UNR's average faculty is approximately \$47,000 and UNLV's approximately \$45,000. Vice Chancellor Sparks felt very strongly that salaries may be over budgeted in this request and suggested that we avoid

over budgeting in Instruction so that funds might be allocated to other critical areas. He stated that there has already been a request for transfer of funding from that instructional operating budget to other sources such as academic support and instructional support which might indicate an excess in the current budget in instruction.

Dr. Eardley stated that both UNR and UNLV were competing to hire new faculty. The established formula determines how many new faculty are to be allotted to each Campus by the number of students. He stated that new hires for the last year were budgeted at an equal salary level between the two Campuses. He questioned why there was a difference in this budget request, and Vice Chancellor Sparks indicated that UNLV over budgeted the salaries in the past, therefore, the Campuses agreed to use the current year's average budgeted salary for existing faculty. President Maxson explained that UNLV could have hired all full professors which would have increased the average salary, but being conservative had hired some instructors. He explained that local instructors are hired to fill positions and that UNLV can hire three junior professors to one full professor. He requested that new faculty positions be funded at the same level between the Universities and that the Community Col-

leges have the same equity level between their institutions.

Mrs. Gallagher stated that she was very concerned about the integrity of the Base Budget. The University of Nevada System has agreed with the Governor's Office and the Legislature to guard and preserve the approved parameters of the Base Budget which enables the Legislature to understand and accept the budget request at each legislative session. The Base Budget must maintain consistency at each legislative session. She stated that if the Base Budget did not follow the established guidelines, then it would be subject to a line-item review by the Legislature. The Base Budget, as it is presented at this time, is not difficult to defend and the Legislature does not question the Base Budget too often, because of the guidelines that have been set. UNS needs to lobby other priorities during the legislative session, and to present the Base Budget with little change in its structure.

Mr. Foley stated that he did not feel it was the responsibility of the Chancellor's staff to meet with the Governor and the Legislative Counsel Bureau to discuss the UNS budget requests. He stated he felt that a change in this process is needed, however, other Regents did not agree

with this viewpoint.

Vice Chancellor proceeded to review the individual Campus budget requests and answered various questions presented by the Board.

Dr. Hammargren entered the meeting.

Mr. Foley moved approval for partial equalization of the instructional operating budget and that the differences on each Campus be reduced by 1/2 and moved into the Base Budget. Mrs. Sparks seconded. Regents Gallagher and Klaich opposed.

Vice Chancellor Sparks indicated that the Presidents had agreed to place the equalization funds in Priority 2: Improving Instruction.

Mr. Klaich stated that the guidelines of the Base Budget have already been stretched by including the cost of living increase. He emphasized that UNS must be very candid when presenting the budget to the Governor and Legislature.

President Crowley stated each Campus had backed out certain

priority requests in order to keep the budget creditable.

He questioned if the Campuses could now include the removed priority requests into the budget, with the Board indicating no further changes should be made.

Motion carried.

Mr. Foley moved approval of the salaries for new faculty to be comparable for both Universities and for the four Community Colleges. Mrs. Sparks seconded. Motion carried.

Vice Chancellor Sparks reviewed the Priority Requests for New Funding. UNS requests new funding which is grouped into four categories: requests for new initiatives and new program development, requests for improving instruction, professional salary and compensation requests, and requests for improvement of management and computing system. The requests have been prioritized as follows:

Priority No. 1: Professional Compensation and Part-Time  
Community College Faculty Salary Increase

Priority No. 1 contains the UNS request for increases in salary and compensation for faculty and Administrators.

Results of the latest salary surveys indicate that UNS has fallen further behind in its goals to be among the institutions within the top quartile of the 51 principal land-grant Universities. In fiscal 1988, the average salary level for UNR faculty was 10.7% below the top quartile while UNLV faculty salaries were 14.2% below. The fiscal 1990 survey indicates that UNR is now 13.4% below the top quartile, and UNLV is 14.6% below. The UNS Community Colleges in fiscal 1988 were 15.2% below the top quartile of the 47 medium-enrollment urban Community Colleges surveyed. The fiscal 1990 survey now shows them to be 21.1% below.

The proposal contained in this priority calls for UNS to pick up 5% of the employees' current 10% contribution to their retirement system in the first year of the next biennium and the additional 5% the second year. By the end of the biennium UNS professional employees would have 100% of their retirement contributions paid by the State as is the case with other State employees and public school teachers.

Additionally, this priority provides for increasing the part-time faculty salary allocation at the Community Col-

leges to the same level at all institutions and increasing the allocation to \$18,375 in fiscal 1992 and to \$19,294 in fiscal 1993.

Dr. Derby moved approval to increase allocation of part-time salaries to be equalized to the full-time salary level and accomplish this over the next two biennium. Mrs. Whitley seconded.

Mrs. Gallagher and Mr. Klaich felt that if this is approved then the Legislature would have to be re-educated on the definition of part-time faculty, which are an intricate part of the System. There is a difference between staffing ratio and the funding ratio. The Legislature may be confused on this issue and may think that UNS is deleting the part-time faculty, which is not true. This perception problem must be addressed. Mr. Klaich stated that he was sympathetic to the funding needs of the Community Colleges but this is a serious distortion of funding formulas which are being discussed at the last moment of the budgeting process.

Dr. Derby stated that her intentions are to place the part-time salaries at the same level as they were prior to 1975.

She felt that as it is now, UNS is doing a disservice in underpaying part-time faculty.

President Crowley stated that this change will cost several million and is changing the priority budget. The Campuses have backed out some of their own priorities to keep in line with the Board's parameters. He requested that the Campuses be allowed to come forth with their other priorities for reconsideration. His request was denied.

Motion carried. Regents Gallagher and Klaich opposed.

It was clarified for Vice Chancellor Sparks that this change would occur in Priority 1, not the Base Budget. Vice Chancellor Sparks proceeded with the review of the priorities.

#### Priority No. 2: Improving Instruction

This priority contains UNS requests for improving instruction. Included in this request are changes in student/faculty ratios, request for instruction and research equipment, faculty travel and development funds, scholarships for disadvantaged students, additional instructional operating support for faculty, and the addition of teaching

assistants at WNCC.

Except for instruction and research equipment, the largest single request in this priority is for changes in the student/faculty ratios. The budget request outlines the current ratios along with the proposed changes on page 99.

### Priority No. 3: Improving Management and Computing Systems

Included in Priority No. 3 are the Campuses administrative and academic computing requests, the UNS request to establish a Southern Regional Data Center and to complete the Management Information System, funding for the Community Colleges Business and Industry, and Mining Technology programs, science and technology funds for DRI and some additional facilities planning staff for the Chancellor's Office.

The request to establish the Southern Regional Data Center and to complete the Management Information System allows for UNS to continue efforts to enter into a mainstream computer environment and to provide modern hardware and software for administrative and academic computing needs. The Campus computing requests contain funding for both academic and

administrative computing activities.

#### Priority No. 4: New Initiatives and Support Programs

Contained in Priority No. 4 is a request to spend \$5 million over the biennium in estate tax funds for program development. Currently there are virtually no funds available for the Campuses and DRI to use in developing programs. Use of the estate tax funds for this purpose would comply with the intent that estate tax funding be used to enhance and develop programs in higher education.

Funding is also requested in this priority for State matching of a new experimental program to stimulate competitive research (EPSCoR). This competitive grant is currently being reviewed by the National Science Foundation and will require State matching if UNS succeeds in its application.

Provision is made in this priority for the expansion of the University Press publications program and the establishment of a Southern Nevada Office for the Press. Other programs requested include land acquisition for the two Universities and research projects for DRI.

Mr. Foley moved approval to consider any other budget requests and encouraged all Presidents to submit requests for needs. Mrs. Berkley seconded.

Clarification was made that the 1991-93 Biennial Budget Request must be presented to the Governor's Office on September 1, 1990 and that the next meeting of the Board of Regents is scheduled for August 30-31, 1990. It is too late to make substantial changes to the budget request. Faculty members are involved in this process and it would be difficult to gather information from them during the Summer. It was suggested that the budget be approved today.

Mrs. Berkley withdrew her second. Motion died for lack of second.

The open meeting recessed at 12:50 P.M. and reconvened in a Close Personnel Session at 1:00 P.M., Monday, July 30, 1990, with all Regents present.

### 3. Personnel Session

Upon motion by Mr. Klaich, seconded by Mrs. Whitley, the Board moved to a closed personnel session for the purpose

of discussing the character, alleged misconduct, professional competence or physical or mental health of a person in accordance with NRS 241.030.

Upon motion by Mrs. Whitley, seconded by Mrs. Sparks, the Board moved to open session. Motion carried.

The open meeting reconvened at 2:10 P.M., Monday, July 30, 1990, with all Regents present, except Regent Hammargren.

#### 4. Report of the Investment Committee

The Investment Committee met in Reno on July 11, 1990 to review the Evaluation Committee's report on the three bids received in response to an RFP for UNS Custodial Banking Services. The Investment Committee had forwarded for Board consideration a recommendation to award the bid for UNS Custodial Banking Services to Security Pacific Bank.

Mr. Klaich commended Secretary Moser for the thorough and descriptive set of minutes she prepared for the July 11, 1990 meeting.

Mr. Klaich moved approval to award the bid for UNS Custo-

dial Banking to Security Pacific Bank. Dr. Eardley second-  
ed. Mrs. Gallagher abstained due to conflict of interest.

Motion carried unanimously.

Mr. Foley stated that he felt that the evaluation process  
on custodial banking should be made by the Board of Regents  
and that the Chancellor' staff should be available for an-  
swering questions and explaining the day-to-day process.  
He requested that the evaluation process be discussed by the  
full Board, and Mrs. Gallagher assured him that this would  
be a topic of a future Regents' Workshop.

#### 5. Report on Law School, UNLV

President Maxson introduced Dr. John Unrue, UNLV Provost  
and Vice President for Academic Affairs, who is working  
with the Advisory Committee for a Proposed Law School at  
UNLV. Dr. Unrue stated that a consultant, Dr. Steve Smith,  
Dean of Law at Cleveland University, has been hired and is  
finalizing a feasibility study on the need for a Law School  
in the State of Nevada. Dr. Smith has worked closely with  
the Center for Business and Economic Research at UNLV and  
has stated that there is a sufficient demand for a Law  
School in Nevada at this time.

Dr. Hammargren entered the meeting.

Recommendations from Dr. Smith include a high quality school criteria be established with strong faculty members, research records, publications, high standards of students, a library containing 250,000-300,000 volumes, which would cost approximately \$2.5-3 million, faculty salary be placed above the national average, financial aid for students, and a guaranteed low student/faculty ratio.

Dr. Smith has related that it will be an expensive program and that the greatest initial cost will be the 130,000 net square foot building, which he estimated at \$15-18 million.

Dr. Smith has also estimated \$5-6 million would be needed to operate the school on an annual basis. Private funding will be necessary, but UNLV must have a dependable base funding from the State Legislature.

Dr. Unrue stated that UNLV is aware of the UNS budget process and does not want to violate the process. On behalf of the Committee, he requested \$750,000 from the Legislature to be granted for architectural planning.

Dr. Eardley questioned whether money had been allocated in the priority for capital improvements, and Dr. Unrue stated that at this time it had not.

Mr. Klaich felt that the request was not being processed in the correct fashion in that the Law School Program has been pre-supposed prior to the building request. Dr. Unrue stated that the Committee was being presumptuous, but has received approval of the Advisory Committee to develop plans for the Law School. Mr. Klaich stated that he had received the last report on a proposed Law School which indicated there was not a need for a Law School in Nevada. He requested a survey and report be compiled similar to the study chaired by Mr. William Beko.

Upon questioning, it was concluded that a discussion of a proposed Law School has not come before the Council of Presidents. President Maxson stated that the Advisory Committee was approved by the Board of Regents, therefore the Committee took it upon themselves to hire a consultant and will be receiving his report soon.

Mr. Foley, member of the Advisory Committee, stated that a feasibility study was being prepared and will be presented

to the Board of Regents at the August meeting. He stated that there should be some consideration to approach the upcoming Legislature for funding.

Mrs. Berkley stated that she was uncomfortable in approving the request for \$750,000 for planning purposes without a feasibility study to review.

Chairman Gallagher stated for the record that there is some urgency for this discussion, in that if approved, the budget would have to be altered prior to the September 1 deadline in which the budget must be presented to the Governor.

Vice Chancellor Sparks indicated that an amendment to the budget could be requested after the budget is submitted to the Governor and emphasized that this request would not require a change in the priorities.

President Maxson stated that the feasibility study will be sent to the members of the Board of Regents prior to the August meeting, therefore Board consideration can be given to the proposed Law School and be placed on the capital improvement list.

The meeting adjourned at 3:05 P.M.

Mary Lou Moser

Secretary of the Board

07-30-1990