



University of Nevada, Reno
Statewide • Worldwide

2009-10 Executive Board
Elliott Parker, *Chair*
Eric Herzik, *Chair Elect*
Maggie Ressel, *Parliamentarian*
Jodi Herzik, *At Large*
Dean Dietrich, *At Large*
Bill Follette, *Ex Officio*
Michelle Hritz, *Senate Manager*

Senate Resolution Regarding Faculty Furlough

On September 24, 2009, the Faculty Senate of the University of Nevada, Reno passed the following resolution regarding the sense of the senate, supporting the following recommendations for the Board of Regents:

- 1) We ask that the Board of Regents modify the current policy on furloughs, and extend exemption from mandatory furloughs to those professional employees paid with grants, contracts, fees or other non-state sources if the revenues lost are greater than the salary savings, as long as these revenues cannot be captured in other ways.
- 2) We ask that the Board of Regents delegate the implementation of this policy to the presidents. The presidents should then be required to report back to the Board of Regents on all such exemptions, detailing why their decisions to exempt certain faculty meet the above conditions.

This sense of the senate was adopted by unanimous vote.

Our rationale is as follows:

It is clear that the Legislature's primary intent in SB 433 was to reduce Nevada's general fund expenditures for the current biennium. As much as possible, the Legislature also wanted to be fair, to have the burden shared equally, to expect less work in return for less pay, and to save as many jobs for state employees as possible during the budget crisis.

Second, the Legislature clearly understood that the Nevada System of Higher Education was a special and complicated case, and gave the Board of Regents the flexibility to institute pay cuts in other ways if necessary. The Regents are doing their best to support the legislative intent while making adjustments for the differences in faculty contracts, tenure and notice requirements, and this is in the best interest of NSHE in the future.

Third, the Governor also made clear that part of the reason he thought higher education should receive the lion's share of the budget cuts was because NSHE had more options for seeking outside funding, through tuition, grants and contracts. DRI is one example, but not the only one, of this entrepreneurial model. While the Governor's budget proposal was not feasible in the short-run, we do agree with the long-run goal of becoming more reliant on grants and other non-state funds.

Thus, we support the current emergency policy of the Board of Regents as long as we remember that the first priority of furloughs is to save the state and the system money. Some furloughs, however, do not accomplish this goal.



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We strongly oppose mandatory furloughs for faculty who are entirely grant-funded, unless the funds used to pay their salaries can be used for other purposes without putting the grant or contract at risk. We also oppose mandatory furloughs for other faculty who bring in direct revenues to the institution that at least equal the cost of their associated salaries, even if some portion of their salary is paid with state funds. Such furloughs cost us money that could be used for other purposes. We believe that such furloughs also undermine the goal of becoming less reliant on the state general fund.

The Regents have already agreed that grant-funded faculty at the Desert Research Institute should be exempted because furloughs would be costly to the institution and the system. The University of Nevada School of Medicine is also prepared to request their own exemption based on the health and welfare clause of SB 433, since a furlough means fewer patients will be seen, and lost practice plan revenues will far exceed any salary savings. The state's universities both have units, and individuals, who work on the exact same business model as DRI and UNSOM. The best solution is to have one simple exemption that fits DRI, UNSOM, and all other cases, something that we can easily explain to the public and the legislature, instead of two or more different exemptions.

The principle is simple, and any citizen or legislator can understand it. The purpose of a furlough is to save the state money, and the budget crisis is driving it. If there are specific and defensible cases in which a furlough will actually cost the state money, then a furlough should not be required regardless. System presidents should be given the authority to make those calls, and be accountable to the Regents for making them.