

Sense of the Senate
Approved by the Senate September 9, 2011
Endorsement of UNR and NSHE Efforts to Achieve Higher Education Funding Reform

For a very long time, Nevada's higher education funding system has been strongly controlled by the state legislature. The legislature sets a base level of state funding for NSHE, determines the cost of student tuition, and sweeps most student tuition cost dollars (about 70%) into the state's general fund. Until the recent past, it also subdivided UNR's appropriation into various budgetary lines and restricted how university administrators could use these lines.

This top-down, rigid process may have made sense at one time, but it has out-lived its usefulness. Very few states currently fund their university systems this way, in part because it creates an overly complicated budgetary process, in part because it reduces incentives for universities to be more accountable and entrepreneurial, and in part because states increasingly expect universities to become more autonomous. It makes even less sense in tight budgetary times, as it leads to extreme volatility in university budgets and prevents rational budget planning.

In recent legislative sessions, the NSHE Chancellor and Board of Regents, as well as UNR Presidents Glick and Johnson, have sought to align the higher education funding system in the state of Nevada with common practice elsewhere. They have made strides. However, after several years of severe cuts in state appropriations, this university can no longer afford incremental change.

Therefore, the faculty senate of the University of Nevada, Reno endorses and encourages efforts to revamp the NSHE funding process and formula. In particular, we strongly believe that the following should be elements of this reform:

- Tuition retained on campuses, with increased flexibility to set tuition rates by the individual campus
- Revisions of the funding formula that stress performance-based metrics
- Enrichment of the funding formula for research university programs that are crucial for economic diversification activities

We stand at a decisive moment in the university's history. The University of Nevada, Reno faculty is committed to recovering the momentum lost by deep budgetary cuts, and to sustaining this campus as a premier institution for higher education. A vibrant system of higher education that is capable of meeting the diverse educational demands of its population is essential for the economic prosperity of our state. Like NSHE's chancellor and UNR's president, we believe that a 21st century funding process is critical to achieving these goals.