



University of Nevada, Reno

# **Biennium Budget Reduction Plan**

**Submitted to the Nevada Board of Regents  
By Milton D. Glick, President**

**January 2, 2008**



University of Nevada, Reno  
Statewide • Worldwide

January 3, 2008

Dear Colleagues:

Attached is the Budget reduction plan I submitted to the Board of Regents for the January 7, 2008 Special Regents' Meeting on the state budget cuts.

The University of Nevada, Reno began the year with a deficit of approximately \$6M. This shortfall resulted from a combination of factors and preceded Governor Gibbons' call for an additional 4.5% general fund reduction.

The reductions ordered by the Governor of approximately \$18M combined with the initial \$6M shortfall result in a total of \$24M over the biennium for all University appropriations. This plan was assembled with due haste as required by the Regents in their response to the Governor's request. Although many campus leaders, including deans, vice presidents, Faculty Senate leaders, ASUN student leaders and the UNR chapter of the Nevada Faculty Alliance gave input and support for this plan, we have not had the discussion that a process as significant as this deserves. As such, some of the actions described here may be modified or eliminated after full review while other actions may be implemented.

In addressing these mandated reductions, I believe that the University must strive to protect its core missions of instruction and research. It is important to note that no classes will be cancelled during this biennium as a result of these budget reductions and it is our plan to increase class availability. Our goal is to maintain and enhance the quality and integrity of our academic and research programs and to provide students with access to the courses they need to make progress toward graduation. Protecting our core missions means that some units will shoulder a larger share of the necessary cuts. The reorganizations described in this proposal are intended to maximize our resources and minimize impacts on staff and programs.

Budget cuts are always a challenge—but they are particularly challenging mid-year. I want to thank all of you for joining me in meeting this challenge. We have more work to do to protect—and more important, enhance—the quality of our academic programs.

I invite you to share your concerns, ideas, and feedback at any time. Please email me at [glick@unr.edu](mailto:glick@unr.edu).

Sincerely,

Milton D. Glick  
President

**Office of the President**  
University of Nevada, Reno/0001  
Reno, Nevada 89509-0001  
775-784-4805  
775-784-6429 fax  
[www.unr.edu/president](http://www.unr.edu/president)

## OVERVIEW

The University of Nevada, Reno began the year with a deficit of approximately \$6M. This shortfall resulted from the following combination of factors: not meeting Legislative projections on enrollment; over-projecting non-resident revenue (due to the University's compliance with Western Undergraduate Exchange, or WUE, provisions); unrealized tuition revenues and a preexisting structural deficit related to the funding of undergraduate instruction. This funding shortfall preceded Governor Gibbons' call for an additional 4.5% general fund reduction.

The reductions ordered by the Governor of approximately \$18M combined with the initial \$6M shortfall result in a total of \$24M over the biennium for all University appropriations. It is important to understand that due to timing we have not had the full discussion that both good practice and Board and University policy require, so some of the actions described here may be modified or eliminated after full review while other actions, as yet unidentified, may be implemented. We have had constructive discussions with the deans, vice presidents, faculty representatives and student leaders but we would not wish to present this as anything other than the proposed plan of the President.

In addressing the Governor's mandated reductions, the University will strive to protect its core missions of instruction and research. No classes will be cancelled during this biennium as a result of these budget reductions. Our goal is to maintain and enhance the quality and integrity of our academic and research programs and to provide students with access to the courses they need to make progress toward graduation. Sheltering the academic and research functions necessarily means that reductions will be distributed disproportionately and that certain areas, and certain appropriations, will absorb a greater share of the overall reduction.

The reductions that follow are strategic reductions rather than across-the-board cuts. The organizational restructuring that will occur will result in some efficiencies, but it is clear certain functions and services will need to be eliminated over the course of the next two years. We intend to honor contractual and ethical commitments to students, faculty and staff. This intent combined with board policy means some actions will not yield immediate savings. We also plan to look for instructional efficiencies within and between colleges and departments including an examination of appropriate class sizes. Faculty workload will be examined to ensure that faculty who are not actively engaged in research are providing the appropriate amount of instructional activity.

Finally, this institution is most proud of its faculty and student leaders who have come forward in a positive manner offering suggestions to assist during this difficult time. Included in this document are recommendations for a six-month deferral for Fiscal Year 2009 (FY09) merit adjustments for all faculty and administrators and a plan to implement a per credit hour tuition surcharge in August 2008. Both of these proposals will help mitigate the impact of the budget reductions for FY09. The willingness of both the faculty and the students to participate is a strong statement of their commitment to this University and to the state.

**Budget Reduction Plan:**

- **Revert Furniture, Fixtures & Equipment (FF&E) for the Davidson Mathematics and Science Center facility. Estimated savings, \$3,732,000.** The University will begin construction shortly on the Davidson Mathematics and Science Center; however, it will not be necessary to expend funds currently appropriated by the legislature for FF&E during this biennium. FF&E funding for this facility will be our highest capital improvement priority for the 2009-2011 legislative session.
- **Delay opening of the Mathewson-IGT Knowledge Center. Estimated savings, \$2,000,000.** In order to protect the core mission of the institution and avoid large-scale employee layoffs, we will delay opening of the Mathewson-IGT Knowledge Center until July 1, 2009. This action will allow us to save approximately \$2,000,000 in Operations & Maintenance (O&M) costs appropriated by the legislature for “new space.” Library operations will remain in their current location and the Mathewson-IGT Knowledge Center will be opened when we can afford to operate and appropriately staff the building. While not optimal, delaying the opening of this facility is preferable to deep cuts in instructional operating budgets and termination of employees. We will request O&M funding for new space, along with a return to baseline library staffing, as part of the 2009-2011 biennial budget process.
- **Organizational Restructuring. Estimated savings, \$600,000**
  - **The University will take steps to reorganize including elimination of the College of Health and Human Sciences as a separate college and integration of its programs into appropriate divisions of the University.** The School of Medicine will join several academic units, including the Orvis School of Nursing and the School of Public Health, currently housed in the College of Health and Human Sciences and led by Interim Dean Charles Bullock, to build out the University of Nevada, Reno Health Sciences Division. This reorganization is driven by the recognition that optimal health care is provided by multidisciplinary teams – nurses, social workers, pharmacists, therapists, physicians and others – who train and work together, focusing on meeting the patient’s needs. In addition, the new emphasis on translational research makes this an opportunity for the growth of new research programs. This expanded division will: provide rich choices for students seeking health careers; leverage existing strengths and infrastructure to create new opportunities for learning and research; and emphasize the importance of health care to our economy and statewide community. This transition will occur July 1, 2008. John A. McDonald will serve as Vice President for Health Sciences, reporting jointly to President Glick and the Provost. He will work closely with Interim Dean Bullock and Interim Provost Jannet Vreeland meeting with stakeholders and leadership to gain their insights in managing an efficient transition and creating a nimble and

responsive leadership structure. Other organizational changes will also be discussed.

- **Streamline the University Communications division** eliminating the vice president position as well as existing vacant positions in the division.
- **Eliminate peripheral or duplicative instructional and academic support units.** The Excellence in Teaching Program (ETP) will be eliminated as a standalone function and we will work with the deans and Information Technology to develop effective functional plans to support our instructional faculty with existing resources. Savings from this re-structuring will not be fully realized until the 2009-2011 biennium. Other areas will be explored.
- **Better leverage information technology services.** Information Technology can help to reduce costs in the delivery of computing services and better leverage existing University resources. Currently, several University units provide IT services within their respective units and these activities are duplicative and pose added security concerns. In addition, the cost of these duplicative services—managed in smaller, isolated environments—are often more costly than centrally-provided services.
- **Streamline Teaching and Learning Technologies (TLT).** Two positions in Teaching and Learning Technologies related to video-based distance instruction support will be eliminated as changes in other delivery methods have eliminated the relevance of this specialty.
- **Base reductions to administrative units. Estimated savings, \$1,850,000.** Each of the five administrative vice presidents (Administration and Finance, Information Technology, Student Services, Development and Alumni Relations, and Research) will reduce their base budgets by \$375,000 over the biennium. These reductions will result in the reduction and/or elimination of current services and the likely elimination of some positions.
- **Reduce state funding for academic programs with extraordinarily high costs per full-time equivalent student. Estimated savings, \$470,000.**
  - **Gerontology Academic program.** This program costs approximately \$55,000 per student FTE. The advising responsibilities for this program will be assigned to a faculty member and the current advising position will be eliminated. The incumbent will be re-assigned to a vacant advising position in another unit.
  - **Mining Engineering program.** The cost per undergraduate student FTE for the Mining Engineering program is approximately \$54,000 per student. This program is important to a vital segment of the state's economy, but we can no

longer justify this level of state support, support equal to \$30,000 more per undergraduate student FTE than the next highest cost program in the University. To maintain this program, we are seeking help from the mining interests in the state.

- **Defer faculty and administrator merit for six months. Estimated savings, \$1,000,000.** The leadership of the Faculty Senate, along with the UNR chapter of the Nevada Faculty Alliance, has recommended, for the integrity of the institution and its academic programs, to defer FY09 faculty and administrator merit increases until January 1, 2009. We appreciate the leadership demonstrated by our faculty and their willingness to make personal sacrifices in order to preserve the core missions of the University.
- **Implement a \$5.00 per credit hour tuition surcharge beginning Fall 2008. Estimated additional revenue, \$1,500,000.** Together with the ASUN Senate leadership and the Office of the ASUN President, the Associated Students of the University of Nevada (ASUN) support the necessary surcharge of the equivalent of \$5.00 per credit per semester for three semesters. The students request that additional charges not be imposed Spring 2008 if the charges would not appear on ePaws (the online student registration system) prior to the payment deadlines for the spring semester and therefore delayed until the fall semester. The students are planning to bring a proposal to the Board by April 2008 for an additional special fee for ASUN/student activities.

*The combination of the merit deferral and the surcharge will avoid the elimination of 300 class sections per semester and enhance overall class availability.*

- **Suspend searches for faculty and classified positions to be filled prior to July 2008. Estimated savings, \$1,500,000.** As a consequence of the structural deficit noted earlier, the University in recent years has, as a matter of practice, frozen most vacant positions collecting salary savings to meet the state-mandated salary savings requirement and to cover temporary instructional faculty. All vacant positions, including those previously approved for search, will be reviewed to determine whether the position must be filled.
- **Reduce library acquisitions. Estimated savings, \$300,000**
- **Suspend instructional equipment replacement. Estimated savings, \$600,000 over the biennium.** The University is an equipment-intensive operation. These funds are vital to both the undergraduate and graduate teaching and research missions of the University and are used to upgrade teaching laboratories and acquire key pieces of instrumentation. This must be a temporary measure as the adequacy of our equipment was a subject of significant concern in our recent accreditation review.
- **Reduce/suspend Applied Research Initiative. Estimated savings, \$1,000,000.** The Applied Research Initiative is an element of our efforts for economic development.

These funds are used to form public/private partnerships to develop commercial applications for University research and to diversify the state's economy. These funds have been used to fund 15 to 20 public/private partnerships annually.

- **Off-load selected activities to non-state funds. Estimated savings, \$300,000.** Several other programs receive funding from both state and non-state sources. Where possible, a greater portion of these programs will be shifted permanently to non-state funding.

## **LAND-GRANT PROGRAMS**

The University of Nevada, Reno is the land-grant institution of the Nevada System of Higher Education. As such, its core mission includes instruction, research and outreach to the state and its citizens. From a budget perspective, our outreach mission can be divided into three areas based on funding: General statewide programs (1104 state funding); Nevada Agricultural Experiment Station (1106 state funding); and University of Nevada Cooperative Extension (1107 funding).

### **Statewide Programs (1104 funding)**

The total budget cut for Statewide Programs is \$755,620. A few of the Statewide Programs, Nevada Bureau of Mines and Geology, Seismology Laboratory, and the Research and Education Planning Center, have the ability to shift some of their costs to grant funds or other self-supporting revenues in order to absorb the budget reductions. Other programs such as Oral History, Basque Studies, and the Small Business Development Center, have much less flexibility making any budget reduction difficult.

### **FY 2008-09 Biennium Budget Reduction Plan**

- Eliminate Workstation Replacement. Estimated savings, \$104,000.
- Eliminate two vacant administrative faculty positions and move another faculty salary to non-state funds in Extended Studies. Estimated savings, \$101,000.
- Eliminate one faculty position in Basque Studies. Estimated savings, \$82,000.
- Eliminate a vacant .53 FTE classified position in Oral History. Estimated savings, \$9,000.
- Eliminate Cancer Research Laboratory Statewide Program. Estimated savings, \$73,000. This will leave \$25,000 for personnel support for FY09. This reduction will result in the eventual loss of two graduate student positions and partial technician support.
- Defer faculty and administrator merit for six months. Estimated savings, \$50,000.
- The balance will come from a combination of reductions to operating budgets and salary savings.

## NEVADA AGRICULTURAL EXPERIMENT STATION

### FY 2008-09 Biennium Budget Reduction Plan

- **Freeze 2.37 FTE in faculty positions and .50 FTE in classified positions. Estimated savings, \$527,000**
- **Reduce outreach budget. Estimated savings, \$23,000**  
NAES and CABNR outreach efforts may be reduced and may result in the reduction/elimination of some outreach publications and in-state travel.
- **Reduce all department operating budgets. Estimated savings, \$24,000**  
Already insufficient operating budgets will be further reduced. Classroom teaching materials and aids may be reduced. Fieldtrips may be curtailed.
- **Reduce Basic Research budget in Biochemistry. Estimated savings, \$46,000**  
This will impact graduate student funding and may impact the department's ability to meet current start-up commitments.
- **Reduce remote Operating & Maintenance Budget. Estimated savings, \$55,000**  
This will impact the ability to maintain the buildings and grounds at the remote locations.
- **Reduce Hatch/Multi-State and McIntire-Stennis project budgets. Estimated savings, \$160,000**  
Impacts will vary but the overall result will be a reduction of approximately one post doctorate and six graduate students supported by NAES and a curtailment of research activities. Ultimately, there may be a negative impact on the leveraging of these funds, resulting in a reduction of new sponsored project funding.
- **Defer faculty and administrator merit for six months. Estimated savings, \$64,000**

## UNIVERSITY OF NEVADA COOPERATIVE EXTENSION

### FY 2008-09 Biennium Budget Reduction Plan

- **Salary savings from positions hired in FY08 but vacant prior to filling. Estimated savings, \$105,000**  
This category represents positions that were vacant for several months before being filled. These positions are now filled and will not be available for savings in FY09.
- **Delay replacing the Western Area Horticulture Specialist and the State Horticulture Specialist (1.75 FTE). Estimated savings, \$267,000**  
With the vacancy in the Western Area Horticulture Specialist position, the Area Director will reassign supervision of classified horticulture positions in the Area. He will ensure that other faculty in natural resources areas will be available to assist the staff. Faculty in other Areas, along with extension educators with horticulture expertise who are members of the UNCE Horticulture Team, will be asked to assist with statewide programs that are the responsibility of the State Horticulture Specialist.
- **Delay filling other vacant positions and collaborations with campus faculty. Estimated savings, \$506,000**
- **Reduction in all operating budgets. Estimated savings, \$50,000**  
Focus on high-priority programs and supplement operating budgets with external funds and registration fees.
- **Defer faculty and administrator merit for 6 months. Estimated Savings, \$90,000**

### Longer term strategies

Programs and positions will be analyzed and potentially eliminated where there has been lower productivity and impact and the funding will be reallocated to higher priority programs and initiatives. Cooperative Extension will examine ways to reorganize in order to minimize negative impacts on programs. One possibility that will be considered is using more joint appointments with academic units so that existing resources can be more effectively utilized.

## UNIVERSITY OF NEVADA SCHOOL OF MEDICINE

The University of Nevada School of Medicine (UNSoM) provides the following preliminary reductions for the remainder of FY08 and for FY09. Some of the reductions will negatively impact the strategic goal of increasing our student enrollment and improving the clinical service/education we provide to our community and students. The state is experiencing a shortage in many specialties which UNSoM is trying to grow. These cuts will certainly delay providing the state with the needed physicians to service our communities. They will also increase our move toward supporting more of the programs through practice plan income, which by its nature will cause our faculty to spend more time on practice and less on instruction.

### **FY 2008-09 Biennium Budget Reduction Plan, \$3,089,000**

- All requests for hiring (faculty and staff) will be postponed to a later time in the year. Every position request will be evaluated by the School of Medicine Dean, CFO and appropriate department chairs prior to the commencement of the search so that only the most critical and essential positions will be considered.

Clinical faculty who are revenue-generating must be licensed in Nevada and credentialed with the hospital and insurance companies before assuming their duties. An ongoing assessment of faculty salary funding will re-allocate funding sources to non-state funds. Estimated savings, including incremental savings in malpractice insurance, \$1,042,000.

- Within the UNSoM Dean's Office, a reassessment of Budget and Finance, Operations, and General Counsel will allocate a portion of the salary expense for administrative faculty to clinical funds. Estimated savings, \$136,000.
- Reduce department operating and travel expenses by approximately 20% during the next six months. These reductions are spread throughout the School of Medicine departments (clinical, basic science and administration) in both Reno and Las Vegas. Areas not subject to this elected reduction include areas such as operations and maintenance, scholarships and fellowships, institutional support, community service endeavors and student services including recruitment. Estimated savings, \$347,000.
- For FY09, the UNSoM internal budget process will take a step-by-step approach to reallocate the reduced biennial budget. The budget reduction (less merit deferral) for FY09 will impact each department on a prorated basis. This reduction will impact reductions in salary, operating, travel and equipment purchases throughout the School of Medicine.
- Defer faculty and administrator merit for six months. Estimated savings, \$245,000.

**NEVADA STATE HEALTH LABORATORY**

- Realize salary savings on vacant positions. Estimated savings, \$80,000.
- Reduce operating budgets. Estimated savings, \$74,000.
- Increase fees charged for specific tests and off-load state expenses to non-state funds. Estimated savings, \$25,000.
- Defer faculty and administrator merit for six months. Estimated savings, \$3,100.

## INTERCOLLEGIATE ATHLETICS (ICA)

The state-funded portion of intercollegiate athletics' budget is allocated to specific sports with significant portions used to meet gender equity requirements. Significant progress has been made in the gender equity area as evidenced by the department's number one national ranking two years in a row. For the long term, we will examine whether continuing to support 19 sports is viable given our budget constraints.

In effecting any reduction in expenditures, the number one priority is to do so without jeopardizing the welfare of our student-athletes.

### **FY 2008-09 Biennium Budget Reduction Plan**

- **Reduce self-supporting operating budgets in order to off-load state expenses to non-state funds. Estimated savings, \$360,000.** Much of the operating budgets are fixed for items such as officials, scholarships, and conference dues. The only area where any flexibility exists is in the area of recruitment. Cuts to recruitment may seriously impact our ability to stay competitive within the conference.
- **Increase fund-raising. Estimated funds to be raised, \$230,000.** Any amount needed to comply with the budget cut will be covered by increased fund-raising efforts. While we are reticent to ask private donors to offset losses from state funding reductions, it may be necessary to avoid long-term damage to the program.
- **Defer faculty and administrator merit for six months. Estimated savings, \$22,000.**

**BUSINESS CENTER NORTH**

**FY 2008-09 Biennium Budget Reduction Plan, \$226,000**

- Eliminate state funding for three classified positions. Estimated savings, \$180,000.
- Reduce operating (non-salary) budgets. Estimated savings, \$40,000.
- Defer faculty and professional merit for six months. Estimated savings, \$6,000.

## **RECOMMENDED SYSTEM CONSIDERATIONS**

The University, its faculty, staff, and students are prepared to make difficult decisions in order to protect the core missions of the institution. We will do this, in part, by deferring capital and one-time expenditures. We urge the Chancellor and the Board to follow a similar course particularly as it relates to capital funding for the Nevada Health Sciences System and the one-time appropriation for iNtegrate, the system-wide student information system project. If these projects can be deferred, it may be possible to avoid some of the reductions proposed here and by other system institutions.

- Eliminate the funding for the Cain Hall renovation on the UNR campus, \$1.0M
- Defer Project iNtegrate, \$10.0M