

Remarks Before Senate Finance/Assembly Ways and Means
Joint Subcommittee on K-12/Higher Education/CIPS

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Thank you Mr. Chairman. For the record, I am Michael Wixom, Nevada System of Higher Education Regent for District 6 in Clark County. Thank you for allowing me the opportunity to say a few words today regarding the funding formula revisions that were proposed by the Higher Education Funding Formula Interim Committee, and then adopted, in large part, by Governor Sandoval.

In recent weeks, and in particular, over the past few days, there has been a great deal of confusion about the funding formula proposal presented by the Interim Committee. My purpose today is to clarify any such confusion and to state my view, as a member of the Board of Regents and as a voting member of the Interim Committee.

By way of background, the Interim Committee met over a period of about nine months, beginning in November, 2011. Members of the Interim Committee included Senator Horsford, the Chair, and Senators Parks and Kieckhefer, from the Nevada Senate and Assembly Persons Smith (now Senator Smith), Aizley and Hickey from the Nevada State Assembly. I was included as a voting member of the Interim Committee along with Board of Regents Chairman Jason Geddes and

Vice Chairman Kevin Page. The Governor was also represented as were members of the business community.

We met seven times as a full committee and an additional eight times as subcommittees, deliberating and taking testimony for more than thirty six hours. We were aided in our work by SRI International, our consultant, which provided the Interim Committee with an analysis of higher education funding formulas from across the country. The task of the Interim Committee was to provide suggestions for revisions to the current funding formula in an effort to make the formula as equitable and understandable as we possibly could.

SRI did not itself present any suggested funding formulas. That task was left to the Interim Committee. At the direction of Chairman Geddes, Vice Chairman Page and I, the Chancellor did make proposals to the Interim Committee, but only after such direction and extensive consultations with the Presidents and the Board. The minutes of the Interim Committee will reflect that I, among others, clearly disclosed the role of the three Regents in that process.

For whatever reason, during the last few meetings of the Interim Committee, and since then, some have started to refer to the proposed funding formula as the "Chancellor's Formula." Such a title is profoundly misleading and fails to respect the work of the Interim Committee. In point of fact, the proposed formula was the work of an entire committee, following extensive public hearings and input from

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each campus and all of the presidents in the Nevada System of Higher Education. Numerous faculty, students and administrators from throughout the System testified during the process, along with members of the business community. After this extensive process, most of the recommendations of the Interim Committee were unanimously approved. And later, when the formula was presented to the Board of Regents for its input and approval, and after extensive review and debate by the Board of Regents, the vote approving the formula was twelve to one.

The proposed formula was not and is not the "Chancellor's Proposal." It is the proposal of the Interim Committee, which was adopted almost unanimously by the Board of Regents. It is our very best effort to make much needed changes to the present funding formula.

I understand fully that the proposal does not meet the expectations of everyone—whatever those expectations and objectives may be; no such proposal ever does, nor can we realistically expect that it will meet everyone's expectations and objectives. However, in my view, and in the view of the Interim Committee and the Board of Regents, it does move Nevada much, much further down the road toward a funding formula that meets the goals I stated earlier—equity and simplicity, along with meaningful performance measures as well as strategic alignment with Nevada's economic development goals.

In brief, the funding formula proposal is much more understandable than the prior formula. The proposed formula is geared towards productive outcomes. The proposed formula allows the campuses to maintain control of tuition and fees (which has long been an objective sought in particular by both UNLV and UNR). The proposed formula finally resolves historical inequities in the funding for CSN (which my friends in the legislature from Southern Nevada should note have put CSN at an enormous disadvantage). The proposed formula includes significant mitigation dollars for the campuses most severely affected by the realignment of state funding. The proposed formula also lays a ground-work for future revisions to the funding formula as we learn more about the needs of our State. Finally, it is based on best practices in higher education finance and administration as reported to the Interim Committee by SRI.

Please also allow me to make a statement about the role of the Chancellor and the Presidents in this process. The Chancellor speaks for and at the direction of the Board of Regents. The Board of Regents has decided, wisely in my view and experience, that the Nevada System of Higher Education has one voice--and that voice is through the Chancellor and the Chair of the Board. Like any other similar large and complex institution, we have a Board and a chief executive officer. Therefore, the Presidents all collaborate and communicate extensively

with and report to both the Chancellor and the Regents, and the Chancellor reports to the Board.

My experiences over the past twenty five years as an attorney advising both very large and very small companies, and my experience on the Board for the past eight years (both before and after the Presidents began reporting to the Chancellor), has taught me that any other process would lead to enormous confusion, miscommunication and misinformation--particularly in our communications to this body where we have long heard of the difficulty caused by conflicting voices and agendas. Indeed, in the past, an organizational structure that allowed eight presidents to present their own case to the legislature created almost chaotic confusion, miscommunication and misinformation between the System of Higher Education and the public and other governmental entities, most importantly the legislature.

Also, my experience as Chair of the Board of Regents has demonstrated to me that there is no way by any stretch of the imagination that the Nevada System of Higher Education could have managed the massive funding reductions we suffered without such a vertical reporting and accountability structure.

While members of the Board of Regents may disagree from time to time, as we should, I am confident that each member of the Board understands clearly our fiduciary responsibilities to our constituents, to our students, to the faculty,

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researchers and administrators of the Nevada System of Higher Education, and to the State as a whole. In furtherance of those responsibilities, we voted overwhelmingly in favor of the proposed funding formula. I urge you in the strongest possible terms to support these changes.

In the future, I hope, for the sake of a clear and productive discussion of the underlying issues, which are so important to us all, that those who discuss and debate the proposed funding formula remember that it is not the product of any one person. Please remember, instead, that it is the product, and I believe (while not perfect) a very good product of a long, deliberative, informed, inclusive -- and most importantly public process.

Thank you for your time. That concludes my testimony, and I am happy to answer any questions.