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

Members present: Mr. Robert Cashell, Chairman

Mr. John R. Mc Bride, Vice Chairman

Mr. James L. Buchanan, II

Ms. Frankie Sue Del Papa

Mrs. Lilly Fong

Mrs. Dorothy Gallagher

Mr. John Tom Ross

Mrs. June Whitley

Member absent: Mr. Chris Karamanos
Others present: Chancellor Robert M. Bersi

President William Berg

President Joseph Crowley

President Jack Davis

President James Eardley

President Clifford Murino

Also present were Faculty Senate Chairs and Student Association Presidents.

The meeting was called to order by Chairman Cashell at 8:20 A.M.

1. Budget Contingency Plan for FY 83

On May 6, 1982 Governor List requested all State agencies to prepare a contingency plan calling for reductions of up to 10% of their budgets for FT 83 in response to what now appears will be a shortfall in State revenues. The University System, recognizing the seriousness of the State revenue situation, agreed to cooperate in this effort.

The following Budget Contingency Plan for FY 83, as prepared by the Presidents, was presented for consideration:
<table>
<thead>
<tr>
<th>Action</th>
<th>Budget</th>
<th>Reductions $</th>
<th>Cumulative $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduce operating expenditures</td>
<td>$1,350,000</td>
<td>$1,350,000</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>2. Transfer expenditures from state to non-state sources</td>
<td>900,000</td>
<td>2,250,000</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>3. Eliminate equipment acquisitions</td>
<td>135,000</td>
<td>2,385,000</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td>4. Eliminate or modify programs</td>
<td>115,000</td>
<td>2,500,000</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>5. Freezing of vacant and new professional and classified positions</td>
<td>1,100,000</td>
<td>3,600,000</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>6. Action through declaration of financial exigency</td>
<td>*</td>
<td></td>
<td>10.0%</td>
<td></td>
</tr>
</tbody>
</table>
*Due to the UNS 1982-83 contractual relationships with its employees, further budget reductions would require the State of Nevada's economic condition to deteriorate to a point where the UNS would be compelled to declare a state of financial exigency.

Director of Financial Planning, Mr. Ron Sparks, explained that financial exigency could occur only if the State appropriation to the System were frozen in some degree. This declaration would be necessary to attain the addition 5% after items 1 through 5 had been enacted, and could include such items as reduction in contractual salaries, work furloughs, program modifications and program eliminations.

Upon questions by Regent Fong, it was pointed out that it is not the intent to freeze all vacant positions in the System, that some of these positions will be filled depending upon the needs and priorities of the various institutions; and that the Presidents may have to include in cutbacks some of those programs which are the least productive and cost effective.

Regent Del Papa stated that she wanted the faculty and
others in the System to realize that this is not an easy
decision for Regents to make and that they will certainly
do all they possibly can to be certain that all State agen-
cies and groups contribute a fair share to any State emer-
gency.

When asked to give a brief overview of the current State
budget situation and the reason for this proposed contin-
gency plan, Mr. Sparks related the following:

The projections indicate at the present time that the
State will probably begin next fiscal year (July, 1982)
with about a $42 million unappropriated balance in the
State General Fund.

If revenues were spent as currently appropriated by the
Legislature, that $42 million will decline by about a
$5 million deficit by the end of the current fiscal
year (June, 1983). In order to avoid a deficit, and, of
course, the State of Nevada, by Constitution, cannot
have a deficit budget, the Legislature in all likelihood
will ask that a 1977 appropriation by the State Retire-
ment Board of $20 million be returned. That 1977 ap-
propriation was made with the contingency that should
there be an emergency, the funds would be returned.

Providing the $20 million Retirement Board appropriation is returned, there will then be an approximate balance of between $15 and $20 million at the end of next year.

The key point, and the most critical point, that most seem to overlook, is that Nevada will probably spend about $40-50 million more next year than it earns. This means that the first call on any new money, after next year, must first go to meet that $40-50 million deficit.

It will take about a 12-13% increase in revenue to cover this amount, while revenues have been increasing only about 7 1/2% each of the last two fiscal years.

The current request for contingency planning is only just the beginning if the aforementioned does become reality: if revenues do not increase greater than the 7-1/2 percent, if services aren't cut back, or if the revenue structure isn't changed.

President Crowley expressed concern and asked for a clarification that if only a portion of the 10% reduction was necessary, whether all institutions would be affected. He pointed out that his concern is that in the proposal, all
institutions shared in item 1, but almost all of items 2 and 3 were from UNR, who could thus suffer a substantially disproportionate cut than would others.

Regent Ross thanked the Administrators and Mr. Sparks for their efforts in having worked out the contingency plan.

All Regents expressed a desire that the plan will not have to be implemented.

Mr. Mc Bride moved that the contingency plan be approved as proposed, providing that a full 10% cutback was required, but that if less than the full 10% is sufficient, that all institutions then share proportionately in the reductions.

Motion seconded by Mrs. Gallagher, carried without dissent.

2. Budget Transfer Authority

Current Board of Regents Budget Transfer Policy delegates to each President the authority to transfer up to $10,000 into or out of each operating account, while the current Board of Regents Bylaws, approved March, 1982, provide for delegating to each President the authority to transfer funds without an upper limit.
Vice Chancellor Dawson explained that while Presidents do have the authority to transfer funds without the upper limit by virtue of the Bylaws, the matter was placed on the agenda because it is a major deviation from the current practice.

Chancellor Bersi further stated that a quarterly report of transfer activities would be submitted for Board review, and that his staff would be monitoring transfers on a daily basis.

Ms. Del Papa moved for approval. Motion seconded by Mrs. Gallagher.

Mr. Buchanan objected to such authority being given the Presidents, stating that he felt this was an erosion of Board authority. Mrs. Fong also disagreed with the move, reminding the Board of past experiences in this same area.

Ms. Del Papa, Chairman of the Budget Committee, stated she had discussed the situation with the Presidents and Chancellor's staff and felt the Presidents needed the flexibility to manage their own Campuses and that there was sufficient control for the Board to be able to determine the proper handling of funds. Mrs. Whitley declared that if the Board was going to give a person responsibility, that
the authority to act should also be given.

It was further pointed out by Mr. Dawson that the current policy of the Controller's Office will not allow accounts to show a deficit; therefore, Presidents needed the flexibility to be able to authorize transfers to handle accounts, such as utilities, when the need arises, without waiting a month to six weeks for the item to appear before the Board.

Motion carried with Mr. Buchanan voting no and Mrs. Fong abstaining.

3. Signature Authority for Deputy Controller

Vice Chancellor Dawson requested approval for signature authority for Mr. Art Roberto, newly appointed UNS Deputy Controller, in addition to that previously authorized for UNS Controller Janet Mac Donald.

Mr. Mc Bride moved approval of the request. Motion seconded by Ms. Del Papa, carried without dissent.

4. Appointment of Dean, College of Engineering, UNR
President Crowley recommended the appointment of Dr. Peter A. Krenkel as Dean of the College of Engineering, UNR, effective July 1, 1982, at a salary of $54,000 with the rank of Professor, with tenure, in the Department of Civil Engineering. Background material on Dr. Krenkel was distributed to the Regents and is filed with the permanent minutes.

Mr. McBride moved for approval. Motion seconded by Mrs. Fong, carried without dissent.

5. Appointment of Acting Director, Water Resources Center, DRI

President Murino recommended approval of the appointment of Dr. Paul R. Fenske as Acting Executive Director, Water Resources Center, DRI, effective July 1, 1982, to replace Dr. Peter A. Krenkel.

Mrs. Fong moved for approval. Motion seconded by Mrs. Gallagher, carried without dissent.

Vice Chancellor Dawson asked for consideration of an emergency item, noting that the Board of Regents had in April, 1982, established the University of Nevada System Foundation Trustees.

At that time, the Board had not been apprised of the need to
establish the Board of Regents Endowment Development Account
 Fund within that Foundation.

Mr. Buchanan moved to accept this matter as an emergency item.
Mrs. Gallagher seconded. Motion carried.

Mrs. Fong moved to establish the Board of Regents Endowment
Development Account Fund within the UNS Foundation. Motion
seconded by Ms. Del Papa, carried without dissent.

The meeting adjourned at 8:50 A.M.

Mary Lou Moser
Acting Secretary of the Board
05-22-1982