

UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA

REPORT TO THE GOVERNOR'S TASK FORCE ON TAX POLICY IN NEVADA

EXECUTIVE SUMMARY

Funding for the University and Community College System of Nevada (UCCSN) constitutes a major piece of the Nevada state budget. Historically, 19% to 20% of the state budget supports higher education. Adequate and stable state resources, therefore, are of major importance to the System and the success of higher education in Nevada. The UCCSN's budget issues can be divided into two types-- immediate needs (that is those budget issues faced today) and those to be faced over the long term.

The UCCSN currently faces several issues, which, if not resolved in the next budget cycle, will immediately impact the System's ability to meet its mission and dash any hope of reaching its goals in the future. These include:

- ~~the~~ replacement of the estate tax
- ~~the~~ raising the level of formula funding to allow institutions the opportunity to meet the challenge of higher enrollments, and
- ~~the~~ the provision of equipment money to meet current needs

The overriding long-term budget issue will be meeting the demands of what is expected to be significant enrollment growth. This growth will be fueled by general population growth, increases in the number of graduating high school seniors, and new initiatives to increase the continuation rate of high school seniors and increase diversity of the student body. Issues of future growth will also impact the UCCSN's need for an expanded capital program.

The following summarizes the estimated additional costs of these budget issues:

	Annual Cost (<u>millions</u>)
Immediate Needs:	
Replacement of the Estate Tax	\$ 38
Increase Formula Funding %	22
Special Equipment	10
Future Needs:	
Growth Driven Cost Increase by FY 2011	\$ 566

Nevada has a choice. It can continue business as usual or it can choose to provide higher educational opportunities to all its citizens and enhance the state's effort to grow the Nevada economy.