

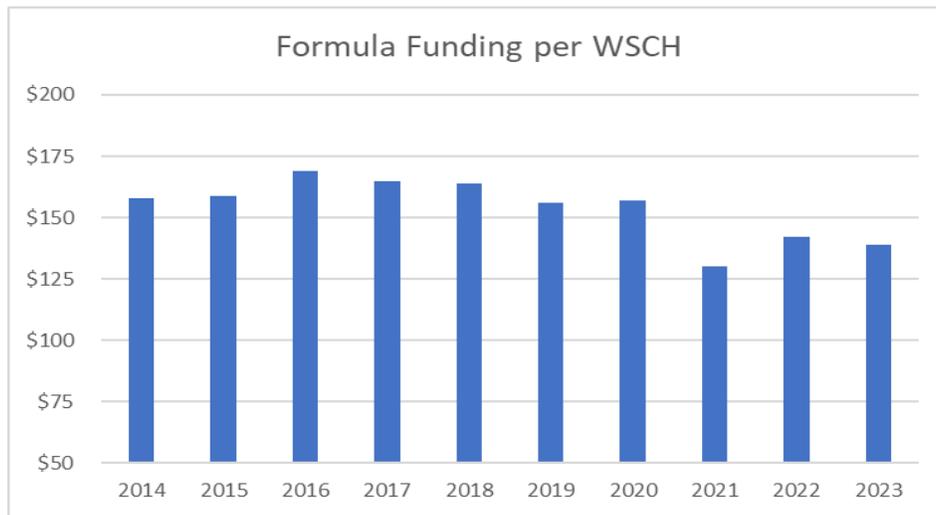
Impacts of FY 2022 and 2023 12% Budget Reductions on the Nevada System of Higher Education

Budget Reductions

Budget Reductions	FY 2022	FY 2023	Total
Formula Institutions	62,308,481	62,308,481	124,616,962
Professional Schools and DRI	13,228,113	13,228,113	26,456,226
Other	9,760,451	9,760,451	19,520,902
Total Budget Reductions	85,297,045	85,297,045	170,594,090

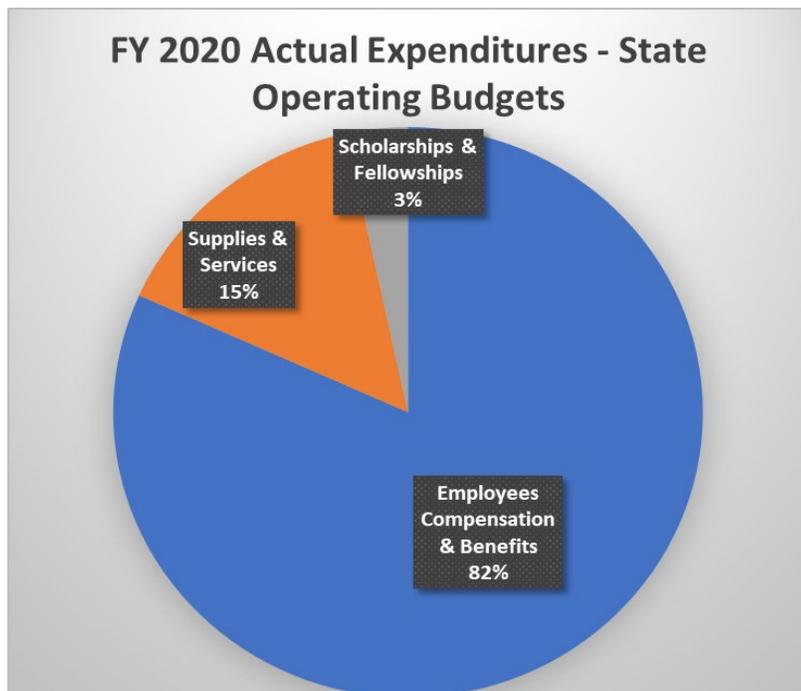
The reduction for each NSHE budget account, excluding the Capacity Enhancement account, was calculated at 12.19% of the original legislatively approved budget for FY 2021.

Impact of Budget Reductions on WSCH



The budget reductions from FY 2021 – FY 2023 reduce the inflation adjusted funded value per WSCH to its lowest level since the Great Recession. Reduction to the WSCH value erodes NSHE institution’s ability to fully staff classrooms and student support services.

What expenses are funded in state-supported budget accounts?



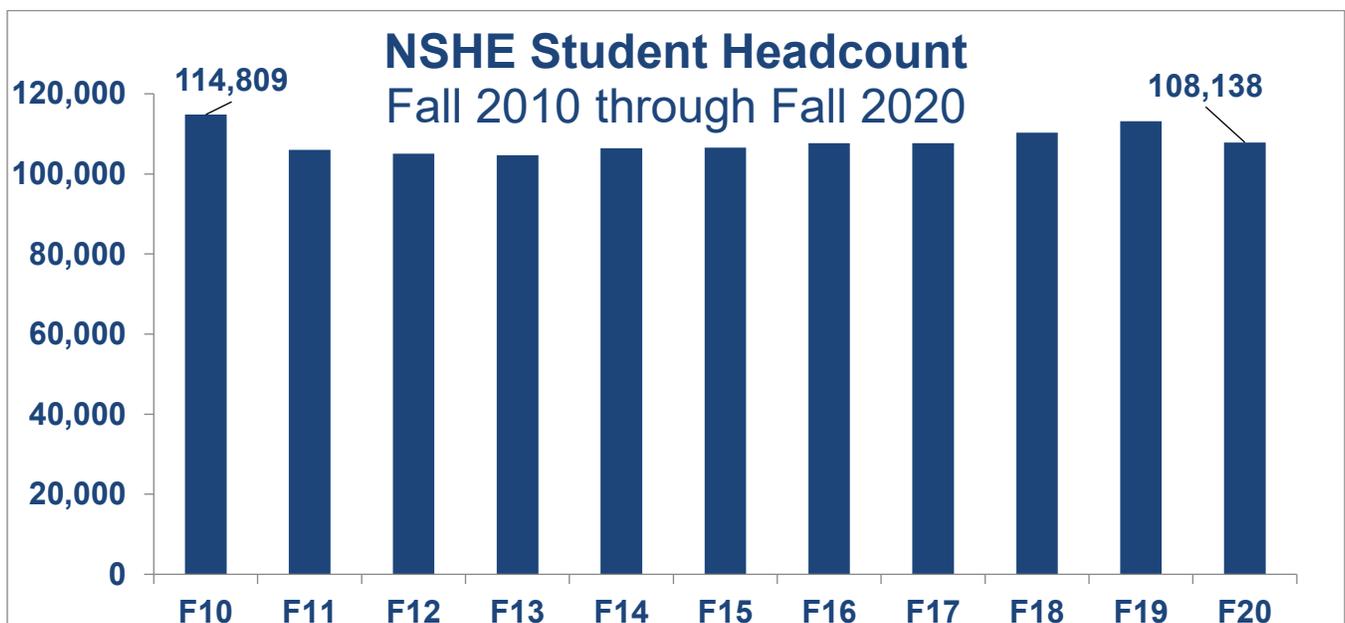
State Operating Budgets	
Employee Compensation & Benefits	\$845 million
Supplies & Services	\$154 million
Scholarships & Fellowships	\$35 million
Total	\$1.03 billion

Impacts of Budget Reductions

- Across the System over 400 positions will need to be held vacant to meet required budget reductions
- While 2021 enrollment dipped, with vaccine rollout progressing and an anticipated return to in-person instruction in the Fall, enrollment is expected to begin to recover
- Budget reductions threaten the ability of UNR and UNLV to maintain RU/VH (R1) status under the Carnegie Classifications. Specifically, necessary employee-to-student and faculty-to-student ratios that must be maintained will be threatened due hiring freezes. Further, capacity to engage in service learning/community engagement and research activities supporting R1 status will be diminished
- Institutions will face delays in hiring advisors resulting in reduced advising capacity which will impact their ability to mee the Board’s target of 350:1at a particularly critical time when the Board is mandating that upon initial enrollment all first-time degree or certificate seeking students are required to meet with an academic advisor or counselor prior to the date of matriculation
- Student services at all institutions will be negatively impacted at a time when students need additional supports to ensure student success, particularly in light of the additional stress that students and their families are facing as a result of the COVID pandemic
- In FY 2021 appropriations for NSHE budget accounts were reduced by \$137.8 million from the original legislatively approved amount. The dip in enrollment due to the pandemic and limited in-person student activities for FY 2021 also reduced registration, housing, and other fees adding these revenue shortfalls on top of the reduction in state appropriations

Enrollment Trends

- Assuming the vaccine rollout continues as planned, there are no new significant setbacks related to the virus, and institutions are able to safely resume in-person classes and services in the fall, we anticipate enrollment would return to a pattern similar to recent pre-pandemic years



Impacts of FY 2022 and 2023 12% Budget Reductions

University of Nevada, Las Vegas

UNLV operates with substantially reduced staffing compared to national averages.

- UNLV has only 0.21 employees per student FTE compared to 0.40 for all R1 universities (0.30 for public R1 institutions). UNLV is 109 of 131 R1 institutions in employees per student FTE (72 of 94 among publics).
- We invest our limited dollars into faculty -- our average faculty per student FTE is at the R1 average of 0.04 (0.04 for publics). We are 59th out of 131 R1 institutions in faculty per student FTE (38th of 94 among publics). However, increasingly these are instructional faculty compared to tenured or tenure track faculty.
- Our shortfall occurs in administrative staffing, where we are 100th out of 131 R1s (64 of 94 publics) in administrative staff per student FTE. UNLV is at 0.13, roughly half of the R1 average of 0.27 (0.19 for publics). This leads to significant challenges in providing top-level student services, which are needed to support our many first-generation and low-income students. For example, presently we have a 493-to-1 student-to-academic advisor ratio when 350-to-1 is considered the national standard. Delaying plans to hire additional advisors was one of the first consequences of the FY20 budget cuts. The cuts being considered would delay these plans even further.

For UNLV, a budget cut of 12 percent would represent a reduction of approximately \$41.2 million annually across the university, including more than \$6.6 million desperately needed by our new School of Medicine to continue to hire staff and build out operations, and more than \$3.2 million combined for our law school and School of Dental Medicine. This equates to many hundreds of lost or unfilled positions across the university, substantially hindering our educational and public service mission. Over the past biennium, the university has already had to absorb cuts of approximately \$60.4 million and has correspondingly had to significantly curtail our hiring and spending. In other words, we have lost additional ground compared to national averages in dollars and thereby staffing per student, and this will be compounded further by the cuts that are being considered. These reductions will continue to erode our ability to support the students who come to us for their education, potentially leading to declines in our retention and graduation rates. This is accompanied by a tremendous increase in need for support services due to the pandemic, especially mental health and wellness services.

The emergency relief funding received from the Federal Government has helped offset losses in revenue in self-supporting programs and with other emergency needs, such as technology for remote learning, enhanced cleaning requirements, and additional mental health and wellness services. But those funds cannot be used to support ongoing staffing.

As the state seeks to advance its economic and social outcomes, higher education must be a key area of investment. Institutions such as UNLV are vital partners of the state in economic development and diversification. We contribute essential resources not only in the form of skilled graduates to enter our workforce but also in terms of research and technology to help

corporations, public agencies, and schools continue to innovate and meet the needs of our state and citizenry. For example, the UNLV School of Medicine and Department of Public Safety have been instrumental in the management of COVID-19 testing and vaccinations for members of the public. Our vaccination point-of-distribution (POD) has been widely recognized as a model of efficiency and excellence. Continued funding reductions would limit our ability to serve our community in these and many other ways in the future.

Summary of State Allocations and Proposed Budget Reductions

<u>Unit</u>	<u>State Support</u>	<u>Proposed Cut</u>
Main Campus	\$181,632,636	\$29,088,116
School of Medicine	\$41,464,109	\$6,640,397
Law School	\$10,456,418	\$1,674,576
Dental School	\$9,806,394	\$1,570,476
Non-Formula	\$13,679,093	\$2,190,682
Total		\$41,164,247

University of Nevada, Reno

Increase to student time-to-degree as a result of:

- Reduced course offerings due to inability to hire new/replacement faculty.
 - For those pursuing degrees that require lab classes, time-to-degree may be greatly impacted due to reduced offerings.
- Lack of advising due to inability to hire new/replacement student advisors.
 - Increased student time-to-degree results in a negative financial impact and delayed entry into the workforce for students as the additional time spent completing their degree results in increased costs in academics, housing, regular living expenses, and additional loans.

Negative impact on the student learning experience as a result of:

- Larger class sizes due to inability to hire replacement/new faculty and maintain student-to-faculty class ratios.
- Reduction in mentorship, service learning, and research opportunities due to increased teaching loads.
- Reduction in elective offerings due to faculty need to focus teaching loads on required courses as a result of the lack of new/replacement faculty hires.
- Increase in the use of instructors who often do not have the depth of experience educating University students as full-time faculty, to teach required courses as a result of the lack of new/replacement faculty hires.

Threat to University's Carnegie R1 classification and community-engaged designation

- Reduces the University's capacity to engage in service learning/community engagement and research activities.
 - Additionally, lack of grant-funded research results in a decrease in funding to the University, a decrease in graduate student opportunities and an increase in time-to-degree for doctoral students.

Reduction in student services and opportunities as a result of:

- Reduction of student employee positions and assistantships which provide learning opportunities and financial resources to students.
- Reduction in funding for recruitment and retention efforts, which stops pipelines to higher education and transfer of knowledge regarding ways to obtain a post-secondary education. This would include pipeline program from undergraduate and high schools to the School of Medicine and STEM fields.
- Reduction of access to facilities and technology that support academic success, which would include a reduction in Library hours, lendable technology, and access to campus WiFi.
- Reduction in services to support students experiencing stress, depression, and anxiety.
- Reduction in these services and opportunities is detrimental to the success of those students from low socioeconomic backgrounds, first-generation students, and those from marginalized groups.

Negative community and state impact due to:

- Increased time-to-degree results in a decrease of qualified professionals being able to service our communities statewide. The longer time-to-degree is due to the inability to hire new/replacement faculty resulting in reduced course offerings.
 - Notably this would impact nursing, where state law (NAC 632.675) requires an 8:1 student/faculty ratio for clinical activities, which represents the majority of nursing course work.
 - Decreases in the graduation Social Workers, which is needed especially due to the general strain on the population's mental health due to COVID-19.
- Reduction in community-based programs that promote health, nutrition, youth education, and economic development, among others.

Threats to accreditation and program sustainability due to:

- Inability to hire replacement faculty may jeopardize accreditation of professional programs.

- Redirecting faculty away from research and service learning/community engagement activities in order to meet teaching load needs for required courses is detrimental to the University's Carnegie R1 classification and Community-engaged designation.
 - Additionally, lack of grant-funded research results in a decrease in external funding to the University.

Nevada State College

As a young institution with a mission to serve a diverse and deserving student population, a 12% (or \$2,571,853) budget reduction to Nevada State College would be significant. These proposed cuts would reduce the College's operational budget as well as hinder our ability to hire the additional student support and full-time faculty necessary to keep pace with rapid growth in student enrollment.

Impact summary of 12% Budget Reduction for FY 2021-22 and 2022-23:

- **The cuts come at a time when the College is experiencing rapid growth.** Nevada State College's historic rates of growth continue to outpace increases from caseload growth adjustments. Currently, the College is projecting up to a 15% year-over-year increase in full-time equivalent students (FTE) for Fall 2020. Additionally, the College has increased its total number of graduates by 80% since 2015. A 12% budget reduction will continue to widen the disparity between caseload growth and increased demands that come with expanding enrollment.
- **Reduction in per-student funding.** Given Nevada State College's growth, this budget reduction will invariably decrease funds available on a per-student basis and negatively impact areas such as advising and tutoring. As an example, budget reductions will likely increase the ratio of advisors and tutoring available and other support programs critical to student success. Underscoring the importance of these services, first-time, full-time students utilizing advising services had an 83% retention rate compared to a 64% retention rate of students that did not utilize services. Similarly, students utilizing tutoring services that did not utilize services. Similarly, students utilizing tutoring services had an 83% retention rate compared to a 77% rate of students that did not (using 2018 data).
- **Inadequate number of full-time faculty.** Due to a lack of resources, Nevada State College has overly relied on part-time faculty compared to other NSHE institutions. For example, as noted in the 2020 NSHE faculty workload report, Nevada's other four-year institutions have higher percentages of credit hours taught by full-time faculty (53.9% of credits hours are taught by full-time faculty at the universities vs. 42.1% at Nevada State College). The same is true for all of NSHE's community colleges with the exception of Western Nevada College.

Desert Research Institute

- The 12 percent budget cuts translates to nearly \$1 million per year for the state portion of DRI's budget.
- It is important to note that DRI has not received any direct Federal funding for COVID relief via CARES or HEERF II.
- Additionally, all DRI faculty and staff were required to take six furlough days, even those who are funded through federal grants and contracts. Those furlough days further reduce the ICR that is generated that help to support the institution.
- We are holding off on filling two vacant positions (HVAC technician and the Vice President for Finance)
- DRI's portion of the investment income distributions have historically been used for faculty support and strategic initiatives, but we are now forced to use them to fill any operating budgetary gaps that are resulting from the COVID-19 pandemic, including State or Institutional funding shortfalls.

College of Southern Nevada

The 12% budget reduction for fiscal years 2021-22 and 2022-23 jeopardizes the momentum, which has seen the CSN graduation rates almost double in the past three years and limits our ability to comply with accreditation and federal financial assistance requirements. **To meet the required \$12.8 million budget reduction target, CSN will** reduce personnel costs by almost \$4M (or 3%) and operations by \$2.9M. Further reductions are offset by investment income distributions, reserves and general improvement fee revenue.

The payroll reduction translates to **a position freeze of a minimum of 39 positions**. The frozen positions will impact the capacity of CSN to reach important NSHE standards like the 350 to 1 student to advisor ratio, which is currently at twice the recommended ratio or approximately 750 to 1. Moreover, the inability to hire needed management and administrative positions threaten our ability to generate timely financial and administrative reports necessary to comply with federal and state requirements to retain program and institutional accreditation and Department of Education Financial Aid standards. The reduction in positions is already adversely impacting workload and staff morale.

CNS will also reduce operational costs such as supplies, equipment, professional development, and travel to essential expenses by justification. Reductions in operating of approximately 19% will affect essential supplies for classes and the libraries, which will have a direct impact on instruction and student support. Maintenance and facility projects associated with CSN's aging infrastructure, such as elevator repairs, heating, ventilation and air conditioning (HVAC) system upgrades, and general maintenance critical to sustain building operations, will need to be delayed.

In summary the 12% budget reduction reduces the capacity of CSN to sustain staffing, operational, and service standards that have contributed to unprecedented gains in student success and graduation rates.

Great Basin College

GBC has not fully recovered from previous severe budget reductions from the last great recession and the implementation of the new funding formula. Over 80 positions were eliminated, with only 15 positions restored. Nevertheless, GBC refocused, put in solid operations plans and successfully increased enrollments and began new high demand technical and health occupation programs.

GBC's focus of managing the budget cuts was to continue to remain stable and sustainable. The budget reductions will have a significant impact on college operations and include keeping positions vacant, transferring expenses to one-time funding sources, and some reductions in operating. Reducing services to students, instructional activities, and implementing layoffs are the last resort in addressing these budget reductions.

Great Basin College has critically looked at all vacant positions due to the hiring freeze and budget reductions. These vacancy savings are approximately 14 full time positions and 16 FTE related to par-time positions. These vacancies include 4 academic faculty positions. Keeping these positions vacant will reduce the ability for students to enroll in classes, increase student to faculty ratios, and can impact timely graduation and entrance into the workforce. It will also impact the levels of services to students, including access to the library and timely communications with departments such as Admissions and Records and Financial Aid. Great Basin College will move part-time positions, including tutors, facilitators, and lab aides to non-state funds, to provide these critical services to students to assist with their successful educational experience.

Great Basin College will fund operating, supplies for departments and classes through non-state sources. This allows the college to keep academic operating budgets at the same level. It is critical for the teaching faculty to have funds to operate their academic programs to provide access to classes to students, adequate teaching materials and supplies. However, this will reduce the funds available to buy students supplies for their classes and may limit some lab experiences. In addition, it impacts the college in its ability to keep up with classroom and lab equipment to ensure that the students have the most up-to-date equipment and they pursue their educational goals.

The funds being used to partially offset the budget reductions are primarily one-time funds, including institutional reserves, and will have lasting impacts on the institution in the future.

Truckee Meadows Community College

TMCC will be leaving 50 positions vacant for up to two years as a result of the 12% planned reduction. Four full-time employees and one half-time employee have been non-renewed, in addition to vacancies related to voluntary separations. The resulting savings is approximately \$3.5 million dollars, including fringe benefits, in the first year of the biennium.

Further reductions will have the following effects:

- 1. Limited ability to expand availability of high-demand courses.** Elimination of capacity funding will undercut our ability to expand high-demand courses to ensure full-time students are able to progress through their degree pathways as seamlessly as possible.
- 2. Increased program and course fees to students.** Numerous programs are temporarily relying more heavily on their Differential Fees and Lab Fees in order to cover increased costs of operating during Covid. Programs include Dental Hygiene, Nursing, Radiologic Tech, Vet Nursing, and Public Safety. Reductions that exceed 12% will make it impossible to maintain high-cost programs to the level of excellence that Nevada's students deserve.
- 3. Extended impact on Academic Advising and Student Success.** Academic Advisement at TMCC has lost two full-time positions since July 1, 2020 (20% of staff) leaving our student:advisor ratio at the highest numbers seen in many years (appx 1200:1). This comes at a time when students need more assistance, not less. An additional 12% cut will further restrict access to this service and remove any hope of restoring these positions during the biennium.
- 4. Stalled diversity efforts will negatively impact the most vulnerable populations.** Programs aimed at addressing graduation and completion gaps for under-represented students, such as the TMCC Men of Color Mentorship Program, the Students of Color Program, and other Diversity, Equity, and Inclusion initiatives, will not have the opportunity to expand to assist the most vulnerable populations that have been affected by this pandemic. Additional cuts will also impact services to Veteran students and the certification of their education benefits.
- 5. Reduced student Mental Health services mean less student persistence.** Retention and Support Services will be unable to continue our agreement with UNR Psychiatric and Behavioral Health Services to provide evaluations and therapy for students with severe mental health challenges - this will impact student persistence and campus climate.
- 6. Decreased access to student support and success services.** If Retention and Support Services has a further reduction in staff, they will have to cut services to students: job readiness/job search assistance, counseling outreach and workshops. Disability Resource Center (DRC) supports that are not required accommodations (such as proactive outreach, helping students build executive functioning skills) may be cut. All of these services directly impact student success as demonstrated by several years of data.
- 7. Loss of internships and employment preparation.** If cuts exceed 12%, Retention and Support Services will be unable to support paid internships when there are no other funding options. This will impact our collaborative relationships with some employers and severely constrict a research-based strategy that helps students prepare for the workforce. Cuts in excess of 12% will also further limit the pre-employment testing that is currently offered for community partners/employees.

Western Nevada College

Similar to the other NSHE institutions, the 12% budget reduction for fiscal years 2021-22 and 2022-23 jeopardizes many of the essential services that aid in the success of our students across many areas of the college. Additionally, the reductions have added unsustainable workload levels to team members as the reductions in budget have drastically impacted the number of vacant positions we can fill.

To meet the required 12% (\$1.8 million) budget reduction target, WNC has had to reduce personnel costs by approximately \$1.3M and operations by \$215K. Further reductions in other areas of our operations we needed. These include offsets by investment income distributions, reserves and general improvement fee revenue.

The payroll reduction translates to a position freeze of a total of 21 positions. The frozen positions impact the ability of WNC to reach important NSHE standards related to success in existing programs and future programs that may be developed.

Moreover, the inability to hire needed management, faculty, and administrative positions threaten our ability to generate timely financial and administrative reports necessary to comply with federal and state requirements to retain program and institutional accreditation and Department of Education Financial Aid standards. The reduction in positions is already adversely impacting workload for team and staff morale across the college.

WNC will also reduce operational costs such as supplies, equipment, professional development, and travel to essential expenses by justification. Similar to other colleges in the system, the maintenance and facility projects associated with WNC's aging infrastructure, such as general repairs, heating, ventilation and air conditioning (HVAC) system upgrades, and general maintenance will need to be delayed.

The 12% budget reduction reduces the capacity of WNC to sustain staffing, operational, and service standards.

System Administration Office (\$611,162 Reduction)

- Critical professional positions will be held vacant during each year of the biennium resulting in process delays and additional workload on already taxed staff members.
- Maintenance of already aging plant and equipment will be deferred until a future biennium resulting in increased costs to address health and safety concerns, remediate problems, and achieve operating efficiencies.

System Computing Services (\$2,315,233 Reduction)

- SCS will not be able maintain critical services that keep NSHE Institutions operating.
 - Outages will prevent students from registering for classes, receiving financial aid, paying tuition bills, obtaining transcripts, or taking classes online.

- Outages may interrupt employee payroll across NSHE.
- SCS will be unable to extend more shared services to achieve greater efficiency across NSHE, which in turn enables the institutions to offer more value-added services to students.
- SCS will hold 12 of 98 positions vacant during each year of the biennium. To maintain critical services, our staff will be unable to take vacations for more than a few days at a time. That is not sustainable. Without adequate staffing, sooner or later systems will fail for extended periods of time and institutions will not be able to operate.

System Sponsored Projects Office/EPSCoR (\$274,994 Reduction)

- The System Sponsored Projects Office (SSPO) operating budget is maintained as State-funded program match for federal grants and contracts that require matching funds. The \$274,994 reduction to the System Sponsored Projects budget will lower the amount of funding available to NSHE for required match. NSHE Institutions may be required to provide their own institutional matching funds at a time where their own budgets are being reduced as well.
- Without required cost share, SSPO may not be able to apply for or to accept federally funded projects that require cost share, thus reducing research and student programs state-wide as the majority of SSPO/EPSCoR funds are used for subawards to the various NSHE institutions for implementation of projects.