

BUDGET FORMULAS AND FORMATS FOR
THE UNIVERSITY OF NEVADA SYSTEM



Bulletin No. 77-5

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

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LEGISLATIVE COMMISSION

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Assembly Concurrent Resolution No. 9—Assemblymen Mello, Howard Dreyer, Robinson, Bremner, Glover, Wittenberg, Brookman, Weise, Dini and Ashworth

FILE NUMBER.....104

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the budget formulas and budget format used for the University of Nevada System.

WHEREAS, Appropriations made for the support of the University of Nevada System constitute a significant proportion of the total state appropriations; and

WHEREAS, The appropriations made to the University of Nevada System result from the development and application of complex budgetary formulas; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to study the budget formulas used for the University of Nevada System, including component parts of the formulas, comparisons with formulas of similar institutions, the relationship of budget formulas to actual expenditure patterns and presentation in an appropriate format for review by the legislature; and be it further

Resolved, That the legislative commission be assisted in this study by the budget division of the department of administration and the various divisions of the University of Nevada System; and be it further

Resolved, That the legislative commission report the results of its study and make appropriate recommendations to the 59th session of the legislature.

REPORT OF THE LEGISLATIVE COMMISSION

To the Members of the 59th Session of the Nevada Legislature:

This report is submitted in compliance with Assembly Concurrent Resolution No. 9 of the 58th session which directed the legislative commission to make a study of the budget formulas and budget formats used for the University of Nevada System. The report contains the methodology, findings and recommendations of the subcommittee appointed to conduct the study.

Assemblyman Donald R. Mello served as chairman of the subcommittee with Senator B. Mahlon Brown as vice chairman and Assemblymen D. Roger Bremner and Melvin B. Howard as members.

Assembly Concurrent Resolution No. 9 resolved that the legislative commission be assisted in the study by the budget division of the department of administration and the various divisions of the University of Nevada System. This assistance was freely given and the subcommittee wishes to especially acknowledge the advice and participation of chancellor Neil D. Humphrey and Mr. K. Donald Jessup of the University of Nevada System and Messrs. Howard E. Barrett, William A. Bible and Joel Pinkerton of the budget division.

The subcommittee wishes to give its special thanks to Mr. John F. Dolan and Mrs. Yhvona F. Martin from the office of fiscal analysis. Mr. Dolan was the primary staff assigned to the subcommittee and carried the major responsibility for research and report writing. Mrs. Martin served as subcommittee secretary responsible for meeting arrangements, minutes and typing.

The report of the subcommittee was accepted by the legislative commission on April 22, 1976.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada

SUMMARY OF RECOMMENDATIONS

1. The subcommittee endorses the concept of objective formula budgeting for the instruction and departmental research (I & DR) functional grouping in the teaching appropriation areas of the University of Nevada System. I & DR is the largest functional grouping in the system and formula budgeting will thus apply to nearly 50 percent of the total system operating budget.
2. Since historically, the governor and legislature have not recognized a formula approach for functional groupings other than I & DR, the subcommittee recommends that the budgets for each cost center in these functional groupings be separately justified. This approach can be compared to budgets generated by formula and, over time, the formula approach for these functional groupings may gain credibility.
3. Formulas, once devised and generally accepted, must not be taken for granted as satisfactory for all time. The subcommittee recommends that the University of Nevada System, the budget division in the department of administration, and the legislature continually monitor accepted formulas for equity and adequacy in meeting the objectives of the system.
4. The subcommittee endorses the system budget request format presented at the October 22, 1975, subcommittee hearing and shown in Appendix D of this report.
5. The subcommittee recommends that actual historical costs be displayed in the request format, especially in the non-formula appropriation areas and in the justified functional groupings of the formula appropriation areas.

REPORT TO THE LEGISLATIVE COMMISSION OF ITS
SUBCOMMITTEE ON BUDGET FORMULAS AND
FORMATS FOR THE UNIVERSITY OF
NEVADA SYSTEM

I. INTRODUCTION

Chartered in 1864, opened for instruction in 1874, moved to Reno in 1886, expanded to the south in 1955, established community colleges in 1967 and reorganized as a system in 1968, the University of Nevada System represents Nevada's commitment to public higher education. During the last 110 years the number of students enrolled in the system has grown from only a dozen in Elko in 1874 to over 30,000 (almost 17,000 full-time equivalent) in the fall of 1975.¹ The initial building and 20 acres have expanded to a system size of over 2.2 million assignable square feet of building space and 12,300 acres today.¹ With almost 2,400 employees and an annual general operating budget over \$47 million, the university system is a major public enterprise in Nevada in 1975.¹

Assembly Concurrent Resolution No. 9, 1975, recognizing that appropriations made for the support of the University of Nevada System constitute a significant proportion of total state appropriations, that a majority of these appropriations are derived from a formula budget procedure and that the appropriate display of budgetary data is important for legislative review, directs the legislative commission to study the system budget formulas and formats and report its findings and recommendations to the 59th session of the legislature.

This report presents the findings and recommendations of the subcommittee appointed by the legislative commission to conduct the study directed by A.C.R. 9. The sections that follow outline the methodology for the study, display the system organization, present budget figures and examine the system budget process, review the pros and cons of a formula budget concept, discuss the major elements in the Nevada formulas, describe various budget formats and elaborate on the subcommittee findings and study recommendations. Appendices contain statistical tables, detail on cost centers, and other supplemental materials.

In the formula aspect of this study, the subcommittee did not attempt to designate specific student faculty ratios or assign unit costs within a formula. The study focused on the formulas generally, i.e., the formula approach as opposed to alternative approaches and discussion of the elements of the formulas. Specific ratios and unit cost recommendations are appropriately reserved for the biennial budget review.

A.C.R. 9 included for study "comparisons with formulas of similar institutions." In approaching this comparative mandate, the subcommittee experienced some difficulties, particularly the limited prior comparative studies of budget formulas and diversity of budget formulas in use. These difficulties were partially overcome by obtaining the most complete and recent comparative studies and by sending a questionnaire to the major universities in the United States to solicit information on their budget formulas.² What comparative data these efforts produced are used in this report and included in the appendices.

In 1955, the Nevada legislature appropriated \$25,000 for an investigation of the University of Nevada. This analysis was conducted under the auspices of the legislative commission by a survey team of out-of-state personnel headed by Dr. Dean E. McHenry. In 1956, the nearly 300-page McHenry committee appraisal of the University of Nevada was issued.³ The McHenry committee observed:

An initial impression gained by Survey personnel, and one that has persisted, is that many in the executive and legislative branches of Nevada lack confidence in the University of Nevada or its present administration. The gulf of misunderstanding and suspicion is so great that strenuous efforts are justified to bridge it * * *.⁴

State officers charged with handling budget matters feel that the University in 1955 was rather noncooperative in furnishing the full facts to Governor and Legislature * * *.

The reasons for executive and legislative suspicions are numerous. They include: (1) doubt as to the authenticity of University enrollment figures presented; (2) lack of clear and full data

on costs such as per student, administrative, and other; (3) concern lest additional moneys will be used to raise, disproportionately, salaries of favorite faculty and administrative personnel; (4) fear that added funds will be used to launch some new school, college, or project for which there is no real need.⁵

The intervening 20 years since the McHenry appraisal and particularly with the reorganization to a system in 1969 have seen the decline of this suspicion and noncooperation. Throughout the course of this study, university officials, at all levels, have been most cooperative and budget data are readily available and competently prepared. In addition to any of the study findings and recommendations which prove useful, the spirit of cooperation and insight gained by all participants in the study should prove beneficial in the preparation and review of the system's budgets.

II. SUBCOMMITTEE STUDY METHODOLOGY

The subcommittee conducted its study through public hearings, subcommittee working sessions, a number of informal conferences with university officials and budget division staff, review of the literature, questionnaires to major colleges and universities in the United States and contact with several professional organizations in the field of higher education.

The subcommittee held four separate formal meetings outlined below:

1. The first meeting was a public hearing on the Reno campus on October 22, 1975. At this hearing, testimony and supplemental material was presented by university officers, faculty and classified employees.
2. The second meeting was a public hearing on the Las Vegas campus on December 12, 1975. Testimony was again presented by system officers and faculty.
3. The third meeting was a subcommittee working session conducted at University of Nevada, Las Vegas, on December 13, 1975, with input from the legislative counsel bureau

staff, the chancellor's office and the budget division. At this meeting consensus was achieved on a recommended format for the 1977-79 system budget request, specific recommendations were adopted and counsel bureau staff were instructed on the preparation of the draft report.

4. The fourth meeting in Carson City on January 31, 1976, included review and adoption of the draft report and a general discussion of university budgeting with several regents and officers of the university system.

In addition to these formal meetings, the subcommittee chairman met informally with the chancellor and counsel bureau staff to discuss the study and chart its course. The chairman and the staff also visited the Reno campus and met with the university controller, the desert research institute business manager, the director of the system computing center and the director of the university press. Staff from the legislative counsel bureau, the chancellor's office and the budget division met on numerous occasions to share ideas and develop suggested formats for consideration by the chancellor and subcommittee.

III. SYSTEM ORGANIZATION AND BUDGET CLASSIFICATION, BUDGET CHARACTERISTICS AND BUDGET PROCESS

ORGANIZATION AND BUDGET CLASSIFICATION

The University of Nevada System, governed by a nine-member elected board of regents, is organized with a chancellor, four divisions and two service units to carry out the system's responsibilities for education, research and public service. This organization is displayed in Chart 1 (page 9). The four divisions are University of Nevada, Reno (UNR), University of Nevada, Las Vegas (UNLV), community college division (CCD) and the desert research institute (DRI). The two system service units are the university press and the computing center. The divisions are administered by presidents and the service units by directors.

For budget presentation, the system is further divided into a number of "appropriation areas." The appropriations areas are listed in the general appropriations act, and general fund support for specified areas cannot be transferred among

the areas. Chart 2 (page 10) displays the system appropriation areas for the 1975-77 biennium.

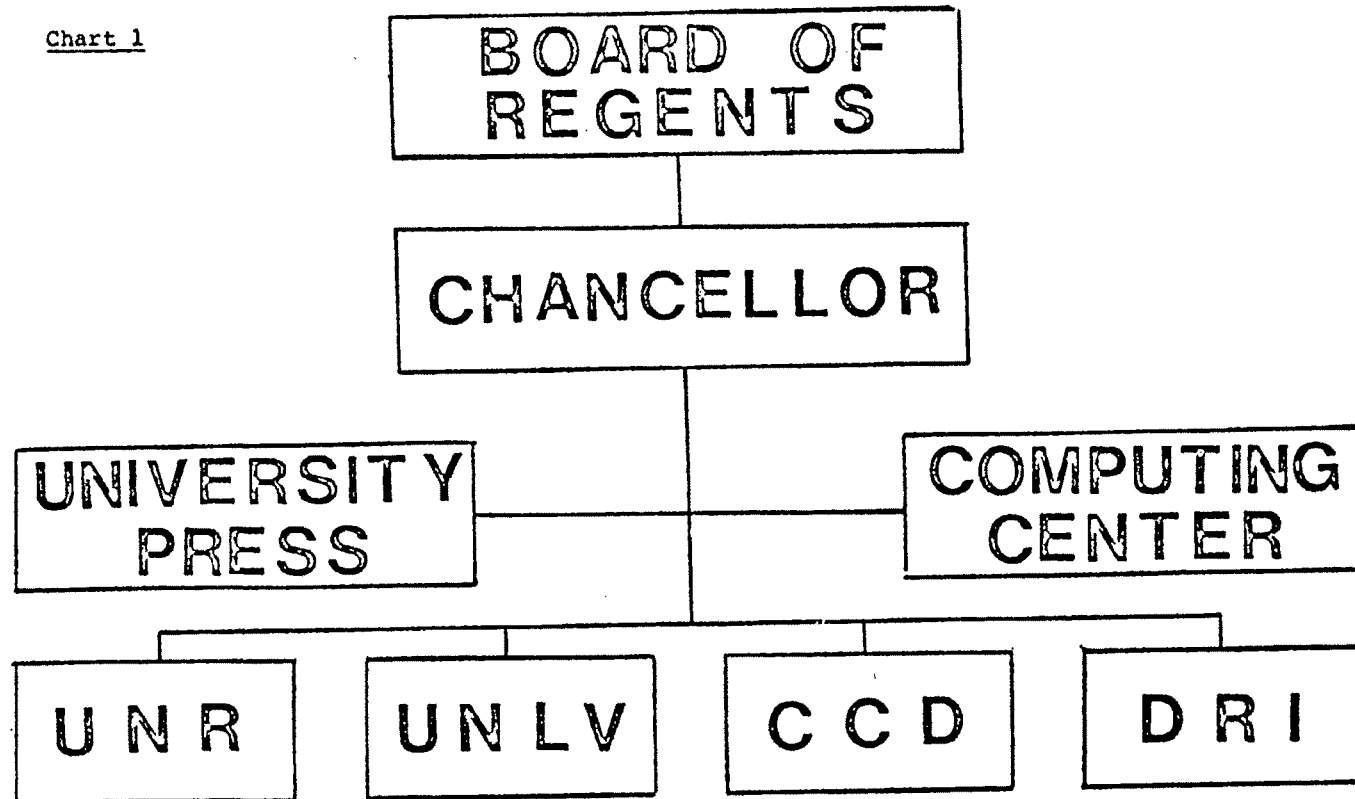
Each appropriation area is further subdivided into functional groupings, cost centers and objects of expenditure.⁶ The functional groupings are standard for most of the appropriation areas and generally conform to the national taxonomy recommended by professional organizations such as the National Center for Higher Education Management Systems (NCHEMS) at WICHE and the National Association of College and University Business Officers (NACUBO). The standard functional groupings facilitates national comparisons and assists in management of an appropriation area. The standard functional groupings are identified as "general administration," "general expense," "student services," "instruction and departmental research (I & DR)," "library," "operation and maintenance of plant," "grants-in-aid," "research stimulation," "sabbatical leaves," and "contingency reserves."⁷ The functional groupings are directly related to formula budgeting and distinct or subformulas are used to develop budget requests for several of the functions.

Cost centers under a function are the budgetary accounts against which expenditures are recorded. The cost centers generally reflect the various offices and teaching fields--office of the president, registrar, economics department, political science department and others. Objects of expenditures are the articles purchased or the services obtained--professional salaries, out-of-state travel, utilities and others.

An example of this budget schema would be:
UNIVERSITY OF NEVADA RENO (Appropriation Area)
 GENERAL ADMINISTRATION (Functional Grouping)
 CONTROLLERS OFFICE (Cost Center)
 OUT-OF-STATE TRAVEL (Object of Expenditure)

In terms of budget format, this schema allows the detailed display of budgetary data down to individual positions and objects of expenditure and the aggregation of data in numerous ways. A fuller discussion follows in the budget format section of this report.

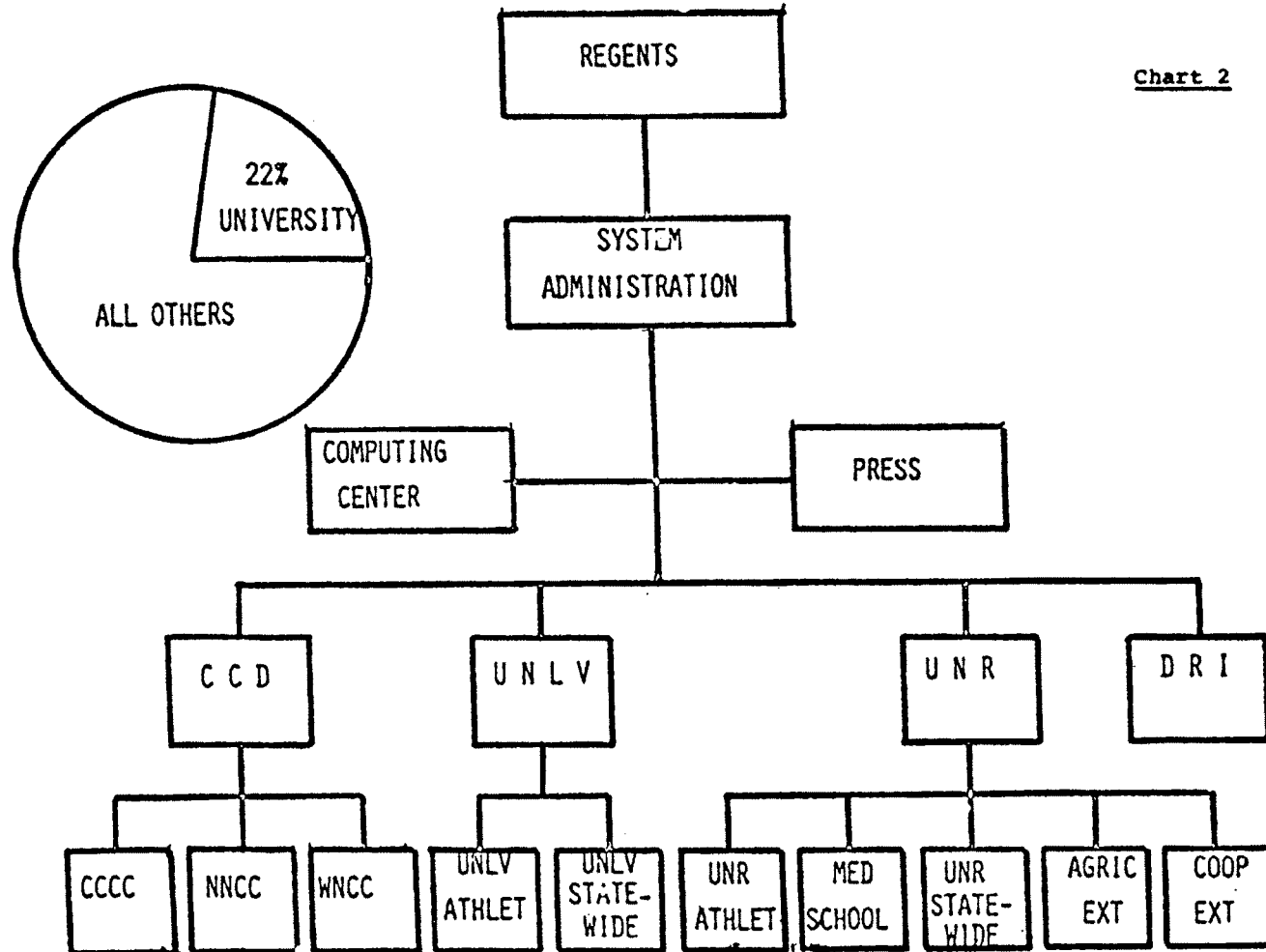
Chart 1



UNIVERSITY OF NEVADA SYSTEM

UNIVERSITY OF NEVADA SYSTEM - APPROPRIATION AREAS
BIENNIAL GENERAL FUND - OPERATING BUDGETS 1975 - 1977

Chart 2



BUDGET CHARACTERISTICS

This section is designed to give some of the budget characteristics of the university system budget, that is, to compare the relationship of state support for the system with state support for other governmental functions, display resources by appropriation areas and show revenue sources and other characteristics. In most instances the 1975-76 work program is used to illustrate the budget characteristics.

Chart 2 (page 10) contains a small pie chart which shows that the general fund appropriations to the University of Nevada System general operating budgets represent approximately 22 percent of the total general fund appropriations for the 1975-77 biennium. This percentage translates into slightly over \$80 million in general fund support for the biennium. Viewed as state support for a governmental function, higher education (represented by the University of Nevada System) is second only to state aid for public education (K-12).

Table 1 (page 12) shows the University of Nevada System resources by appropriation area for the 1975-76 work program. This table shows both the resources for general university operations and the estimative budget resources. General university operations include the basic education, research and public service responsibilities of the system while estimative budgets are the auxiliary operations (dorms, food service, motor pool), athletic activities supported by student fees and gate receipts, desert research institute grants and contracts and press operations funded through sales. Throughout this study the subcommittee was primarily concerned with general university operations since only these activities are funded with state support.

Table 1

UNIVERSITY OF NEVADA SYSTEM
RESOURCES BY APPROPRIATION AREA

<u>Appropriation Area</u>	<u>General University Operations</u>	<u>1975-76 Work Program</u>	
		<u>Estimative Budget Resources</u>	<u>Total Resources</u>
System Administration	\$ 497,066	\$ 16,987	\$ 514,053
UNR	16,991,556	3,085,265	20,076,821
Medical School	1,309,779	72,084	1,381,863
ICA - UNR	571,247	158,450	729,697
Statewide Programs - UNR	1,036,077	985,089	2,021,166
UNLV	12,598,428	1,798,312	14,396,740
ICA - UNLV	571,247	645,401	1,216,648
Statewide Programs - UNLV	176,595	518,700	695,295
CCD - Administration	339,409	---	339,409
CCCC	3,802,445	---	3,802,445
NNCC	585,694	---	585,694
WNCC	2,681,382	---	2,681,382
Agriculture Experiment Station	2,155,956	83,000	2,238,956
Cooperative Extension Service	1,729,537	64,879	1,794,416
System Computing Center	1,153,809	263,068	1,416,877
Desert Research Institute	815,995	3,448,757	4,264,752
University Press	111,721	69,609	181,330
National Direct Student Loans	75,000	---	75,000
	<u>\$47,202,943</u>	<u>\$11,209,601</u>	<u>\$58,412,544</u>
	80.8%	19.2%	100%

Source: Prepared by the Office of Fiscal Analysis from data in the 1976-76 Work Program for General University Operations-University of Nevada System

Table 2 (page 14) and chart 3 (page 15) display the sources of revenue for the support of the general university operations. As can be seen, state appropriations account for nearly 80 percent of the revenue. The source "miscellaneous receipts" includes interest income earned from student fees and tuition, rentals and indirect cost recoveries on funded research projects.

Table 3 (page 16) and chart 4 (page 17) show the general university operations for 1975-76 by objects of expenditures. Compensation accounts for nearly 80 percent of total and over 50 percent of the total is compensation for the 1,260 professional employees in the system. Among the major operating expenditures are library book acquisition and the costs of operating the physical plant (utilities, maintenance).

Table 2

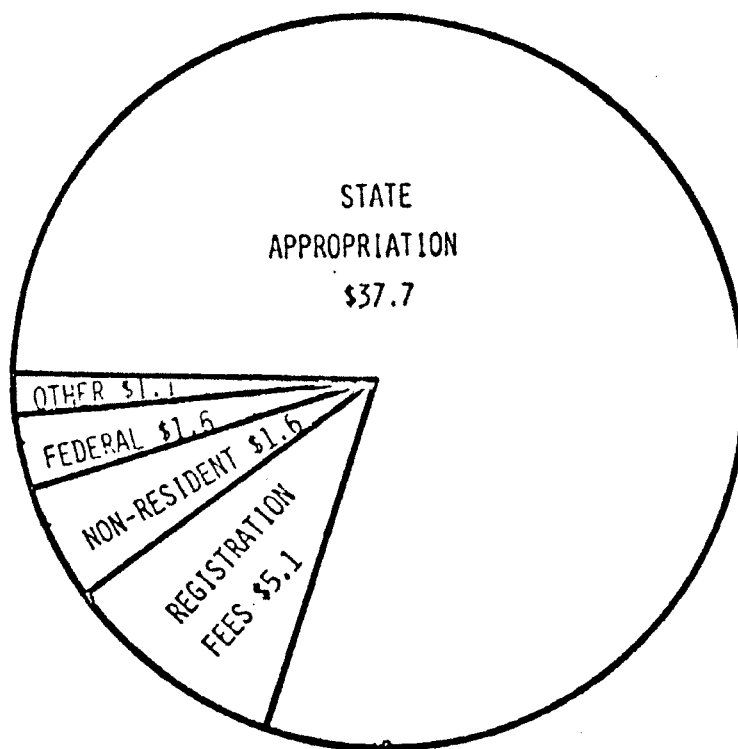
UNIVERSITY OF NEVADA SYSTEMS
GENERAL UNIVERSITY OPERATIONS
1975-76 REVENUE BY SOURCE

<u>Revenue Source</u>	<u>1975-76 Work Program</u>	<u>Percent of Total</u>
State Appropriation	\$37,719,159	79.9%
Registration Fees	5,117,799	10.8
Non-Resident Tuition	1,648,040	3.5
Misc. Student Fees	168,000	0.4
Federal Funds	1,634,945	3.5
Misc. Receipts	915,000	1.9
	<u>\$47,202,943</u>	<u>100.0%</u>

Source: Prepared by the Office of
Fiscal Analysis from data in the
1975-76 Work Program for General
University Operations-University
of Nevada System

Chart 3

UNIVERSITY OF NEVADA SYSTEM - REVENUE BY SOURCE 1975 - 76



\$ IN MILLIONS

STATE APPROPRIATION	79.9%
REGISTRATION FEES	10.8%
NON-RESIDENT TUITION	3.5%
FEDERAL FUNDS	3.5%
OTHER	<u>2.3%</u>
	100 %

Source: Prepared by the Office of Fiscal Analysis from data in the 1975-76 Work Program for General University Operations-University of Nevada System

Table 3

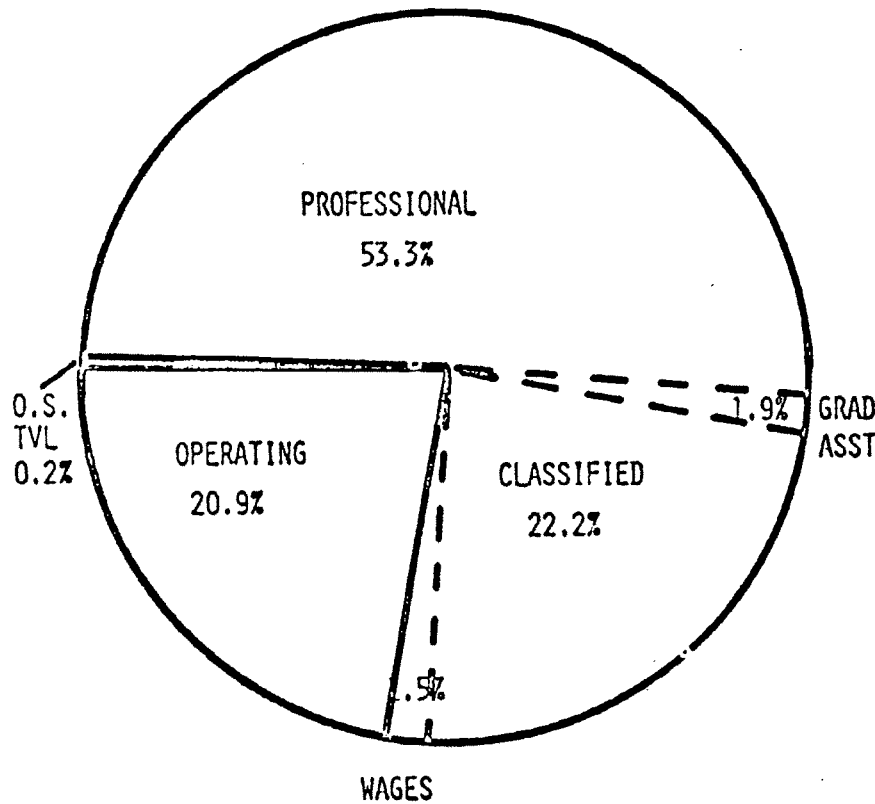
UNIVERSITY OF NEVADA SYSTEM
GENERAL UNIVERSITY OPERATIONS
EXPENDITURE BY OBJECT
 1975-76

<u>Expenditure Object</u>	<u>1975-76 Work Program</u>	<u>FTE Positions</u>	<u>Percent of Total</u>
Professional Compensation	\$25,160,820	1260.82	53.3%
Graduate Assistant Compensation	884,333	86.73	1.9
Classified Compensation	10,480,465	394.95	22.2
Wages	705,341	150.72	1.5
Compensation	\$37,230,959	2393.22	78.9%
Operating	9,879,422		20.9
Out-of-State Travel	92,562		0.2
	<u>\$47,202,943</u>	<u>2393.22</u>	<u>100.0%</u>

Source: Prepared by the Office of Fiscal Analysis from data in the 1975-76 Work Program for General University Operations-University of Nevada System

Chart 4

UNIVERSITY OF NEVADA - EXPENDITURES BY OBJECT 1975 - 76



PROFESSIONAL	\$25.1
GRADUATE ASSISTANT	.9
CLASSIFIED	10.5
WAGES	<u>.7</u>
COMPENSATION	37.2
OPERATING	9.9
O.S. TRAVEL	<u>.1</u>
TOTAL	\$47.2

\$ IN MILLIONS

Source: Prepared by the Office of Fiscal Analysis from data in the 1975-76 Work Program for General University Operations-University of Nevada System

Table 4 (page 19) segregates the appropriation areas according to those developed primarily under a formula concept and those developed by other than the formula approach. The formula appropriation areas account for 80 percent of the total.

Finally, table 5 (page 20) displays the functional groupings in the teaching or formula appropriation areas. As can be seen, I & DR is the largest functional grouping, accounting for 55 percent of the total in the formula appropriation areas. The nearly \$21 million work programmed in I & DR represents 45 percent of the total fiscal 1976 work program.

UNIVERSITY BUDGET PROCESS

The university system budget process begins at least a year in advance of the legislative session when target budgets, forms and instructions are developed by the chancellor's office and sent out to the divisions and service units. The target budgets are developed from the application of the formulas to enrollment projections plus assumptions on such factors as inflation and salary increases.

In the divisions, the target budgets are discussed among faculty, department chairmen, deans and presidents. The presidents are responsible for coordinating the budget development and submitting their recommendations on to the chancellor's office.

Table 4

UNIVERSITY OF NEVADA SYSTEM
FORMULA & NON-FORMULA APPROPRIATION AREAS
 1975-76

<u>Appropriation Areas</u>	<u>1975-76 Work Program</u>	<u>Percent of Total</u>
<u>Formula</u>		
UNR	\$16,991,556	
Medical School	1,309,779	
UNLV	12,598,428	
CCCC	3,802,445	
NNCC	585,694	
WNCC	2,681,382	
Formula	<u>\$37,969,284</u>	<u>80.4%</u>
<u>Non-Formula</u>		
System Administration	\$ 497,066	
ICA - UNR	571,247	
Statewide Programs - UNR	1,036,077	
ICA - UNLV	571,247	
Statewide Programs - UNLV	176,595	
CCD Administration	339,409	
Agric. Experiment Station	2,155,956	
Cooperative Extension Service	1,729,537	
System Computing Center	1,153,809	
Desert Research Institute	815,995	
University Press	111,721	
National Direct Student Loans	75,000	
Non-Formula	<u>\$ 9,233,659</u>	<u>19.6%</u>
TOTAL Appropriation Area	\$47,202,943	100.0%

Source: Prepared by the Office
 of Fiscal Analysis from data in
 the 1975-76 Work Program for
 General University Operations-
 University of Nevada System

Table 5

UNIVERSITY OF NEVADA SYSTEM
FUNCTIONAL GROUPINGS IN FORMULA APPROPRIATION AREAS
1975-76

<u>Functional Grouping</u>	<u>Work Program</u>	<u>Percent of Total</u>
General Administration	\$ 2,492,140	6.6%
General Expense	1,530,778	4.0
Student Services	2,094,512	5.5
Instruction & Departmental Research	20,987,694	55.3
Library	2,951,537	7.8
Operation & Maintenance of Plant	6,856,833	18.0
Grants-in-Aids	652,736	1.7
Contingency Reserves	403,054	1.1
	<u>\$37,969,284</u>	<u>100.0%</u>

Source: Prepared by the Office of Fiscal Analysis from data in the 1975-76 Work Program for General University Operations-University of Nevada System

In the teaching appropriation areas, targets are developed for each functional grouping and the basic assumptions to develop the targets explained.⁸ The allocation of the functional target among the cost centers is the responsibility of the president. While the target budgets are guides for the president, deviations from functional targets must be justified to the chancellor. The presidents submit their recommendations to the chancellor and, after discussion and negotiation, a joint recommendation is made to the board of regents for its review and adoption. The regents' request is then submitted to the state budget division, the governor and the legislature. Chart 5 (page 22) displays the University of Nevada System schedule for development of the 1977-79 budget.

The target budget process described above refers to the budgeting for previously authorized and funded programs. New programs are proposed, evaluated and requested through a phased review procedure adopted by the board of regents in 1969. There is a three-step process prior to program initiation:

1. Phase I: Proponents present the basic ideas and outline of the proposed program to the board of regents. The board decides to authorize a detailed study or rejects the proposal. If authorized to continue, a detailed analysis is prepared, including projected costs. At this point, the proposal is reviewed and recommendations made by committees and administrators in the division and by the chancellor.
2. Phase II: The detailed analysis and recommendations are presented to the board of regents. The board then rejects the program or approves it subject to funding.

Acceptable programs are prioritized by the board and presented to the governor and the legislature in a separate format clearly designated as "new programs."

3. Proposed programs are included in the budget request and, when funded, are initiated.

Chart 5

University of Nevada System Schedule
For Development of 1977-79 Budget

December 1975	<ol style="list-style-type: none">1. Budget format agreed upon with state budget office and legislative commission subcommittee.2. Target budget formulas developed. (This process includes interaction with divisions, three presidents and with the state budget office and legislative subcommittee due to A.C.R. 9, 1975.)
January 1976	Budget call issued to divisions.
January-February	Divisions work on request document as coordinated by presidents.
March	Division request budgets submitted to chancellor. Requests analyzed and draft No. 1 UNS document prepared and reviewed with presidents.
April	Draft No. 2 of UNS budget completed and reviewed.
May	Draft No. 3 of UNS budget to board of regents.
June-July	Board of regents considers and adopts final UNS budget.
September 1	Budget submitted to state budget office.
September-November	Review process with state budget office and legislative office of fiscal analysis.
November-December	Governor's hearings.
January 1977	Budget to legislature.

IV. THE FORMULA APPROACH TO BUDGETING FOR HIGHER EDUCATION

Among the major changes in higher education in the United States are large increases in enrollments, the states' take-over of a service that was traditionally a responsibility of the private sector and the development of "higher education systems" in the states, i.e., multiple institutions or multiple campus locations within a state. Since World War II, total enrollments have increased by over 600 percent and by 1973 over 9 million students were enrolled in postsecondary institutions. This increase in enrollment has been much larger than the corresponding increase in the population. Most of this growth has occurred in publicly supported institutions. In 1945 enrollments were split 50 percent-50 percent between private and public institutions; by 1973, private enrollments accounted for only 25 percent of the total enrollment.⁹

This increase in enrollment in publicly supported institutions has caused a corresponding increase in the growth rate of state appropriations for public colleges and universities. The increased demand for state appropriations to be distributed among multiple institutions has underscored the need for finding a systematic and objective approach for budgeting higher education.

" * * * each state government must confront the question of how it is to achieve some appropriate degree of equity in the provision of state appropriation support to these various campuses and their various programs."¹⁰

Increasingly, the states are embracing the budget formula approach as the most acceptable method for equitably distributing state appropriations among their multiple institutions of higher education. Budget formulas are defined as objective procedures for estimating the future budgetary requirements of a college or university through the manipulation of variable quantitative higher education data by preestablished fixed formula factors. The formula thus allows common variable data (such as enrollments) to be applied to a fixed formula factor (such as student-faculty ratio) to produce a budget need (faculty required to instruct the enrollment). Institutions or programs with similar missions are thereby assured equity in budget development and the subsequent

distribution of appropriations. Since enrollments will vary among similar institutions and programs, total appropriations will correspondingly vary but equity is achieved through the application of identical formula factors.

There are alternatives to objective budget formulas but none yet devised which can insure the same degree of equity in multiple institution or multiple campus states. "In every state there is essentially only one alternative to this issue of state appropriation support. The choice is between political competition among the several institutions or some kind of objective formula to distribute the appropriation on an equitable basis."¹¹ Millett's conclusion is shared by 33 states which currently use the formula approach for budgeting higher education. This compares to only six states utilizing budget formulas in 1954. Table 6 (page 25) displays the states using budget formulas in 1975.¹²

Before turning to an examination of the Nevada formula, a brief summary of the criticisms and advantages of the formula approach is presented below. This summary is taken from the study by Millett on The Budget Formula as the Basis for State Appropriations in Support of Higher Education. Similar criticisms and advantages are found in the previously cited studies by Miller and Gross and in several of the budget formula manuals developed in formula states, particularly the California state universities and colleges, Arkansas, Virginia and Washington.

Table 6
EXTENT TO WHICH BUDGET FORMULAS WERE
UTILIZED BY STATES IN 1975

State	Budget Formula		State	Budget Formula	
	Used	Not Used		Used	Not Used
Alabama	X		Montana	X	
Alaska	X		Nebraska		X
Arizona	X		Nevada	X	
Arkansas	X		New Hampshire		X
California	X		New Jersey	X	
Colorado	X		New Mexico	X	
Connecticut		X	New York	X	
Deleware		X	North Carolina		X
Florida	X		North Dakota	X	
Georgia	X		Ohio	X	
Hawaii		X	Oklahoma	X	
Idaho	X		Oregon	X	
Illinois		X	Pennsylvania	X	
Indiana		X	Rhode Island		X
Iowa		X	South Carolina	X	
Kansas		X	South Dakota	X	
Kentucky		X	Tennessee	X	
Louisiana	X		Texas	X	
Maine		X	Utah	X	
Maryland	X		Vermont		X
Massachusetts		X	Virginia	X	
Michigan		X	Washington	X	
Minnesota	X		West Virginia	X	
Mississippi	X		Wisconsin	X	
Missouri	X		Wyoming		X
Totals			33		17

Source: Francis M. Gross. A Comparative Analysis of the Existing Budget Formulas Used for Justifying Budget Requests or Allocating Funds for the Operating Expenses of State-Supported Colleges and Universities. (mimeo), (Knoxville: Office of Institutional Research, the University of Tennessee, 1973), p. 10, questionnaires circulated among the fifty States by the Office of Fiscal Analysis, and telephone follow-ups by the Office of Fiscal Analysis in the thirteen Western States. See also note 12.

CRITICISMS OF FORMULA APPROACH TO STATE APPROPRIATION SUPPORT¹³

1. Budget formulas do not recognize program quality variations.
2. Budget formulas tend to impose a "leveling" effect upon the quality of programs.
3. Budget formulas may lead to a deduction of income received by an institution from sources other than state appropriations and tuition charges.
4. Technical criticisms in the design and mechanics of specific formulas.

Millett discounts criticisms 1 and 2 because quality is defined as high cost and critics cannot prove or explain "why" quality depends upon high cost. Criticism 3 depends upon the income agreements reached among the institutions, state budget offices and the legislature and could equally apply to any approach to budgeting for higher education. Finally, 4 can be overcome through study and experience with specific formula applications.

ADVANTAGES OF FORMULA APPROACH TO STATE APPROPRIATION SUPPORT¹⁴

1. The formula procedure does provide an objective method of formulating the instructional expenditure and income needs of state institutions of higher education on an equitable basis.
2. Budget formulas can reduce or eliminate political competition among state institutions.
3. Budget formulas provide state budget officers, governors, legislative budget officers and legislators with a reasonably simple and understandable basis for handling the expenditure and income needs of state institutions.
4. Budget formulas enable individual institutions to project their future expenditures and income circumstances on a timely basis.
5. Budget formulas represent a reasonable compromise between public accountability for state institutions and institutional autonomy.

Millett believes, "The budget formula is the best available procedure thus far devised to achieve a satisfactory relationship between state government and state institutions of higher education in providing desirable state appropriation support for instruction."¹⁵

V. THE NEVADA FORMULA FOR BUDGETING TEACHING APPROPRIATION AREAS

The University of Nevada System has used a formula approach to request state appropriation support for teaching appropriation areas since 1969. The formulas have been modified each biennium to reflect new data and increased experience in formula budgeting. The purpose of this section is to present the general elements or formula factors in the Nevada formula. For purposes of this presentation, the tentative formula for 1977-79 prepared by the chancellor's office will be used. This formula is tentative and some of the elements may be modified or dropped in actual budget development. The tentative formula, however, serves to illustrate the "state of the art" in Nevada formula budgeting for higher education.

The three teaching divisions of the university system are the University of Nevada, Reno, the University of Nevada, Las Vegas, and the community college division. The budget for the University of Nevada, Reno, instructional programs is divided into two appropriation areas: school of medical sciences and all other colleges and schools. The community college division budget is divided into four appropriation areas: division administration, northern Nevada community college, western Nevada community college and Clark County community college. The University of Nevada, Las Vegas, instructional budget is in a single appropriation area.

Each instructional budget is divided into nine functional areas: (1) instruction and departmental research, (2) general administration, (3) general expense, (4) student services, (5) library, (6) operation and maintenance of plant, (7) sabbatical leaves, (8) research stimulation (research stimulation will not be included in the community college budgets) and (9) grants-in-aid. (A list of the cost centers subsumed under these functional areas is provided in Appendix A to this report.)

INSTRUCTION AND DEPARTMENTAL RESEARCH (I & DR)

As has been the practice previously, construction of the formula will begin with the instruction and departmental research function, which is based on student enrollment and has the following elements.

1. Student-faculty ratio. This ratio is used to generate the number of full-time-equated (FTE) teaching positions (at Reno and Las Vegas these are teaching-research positions) needed, based on the number of FTE students projected. The definitions of "students" and "faculty" to be used are:
 - (a) One FTE student equals 32 undergraduate credits or 18 graduate credits, using net enrollments for fall and spring semesters and the interim session.
 - (b) The FTE faculty in I & DR consists of all professional positions budgeted in this functional area except deans, plus graduate assistants (see below). A differentiated student-faculty ratio by level of instruction and by program will be utilized.
2. Faculty compensation. The number of FTE professional positions in I & DR generated by the student-faculty ratio utilized will be multiplied by the projected average compensation. Compensation is salary plus itemized fringe benefits. The projected average compensation will be determined by the board of regents after reviewing the advice of faculty and administration. The 1975-77 goal was to achieve a 10-month, all-ranks average compensation equal to the mean of the 50 state universities used for comparison purposes, or to equal the increase in the consumer price index, whichever was greater.
3. Graduate assistants. A graduate assistant is assumed to work approximately half-time and is compensated by a salary and a grant-in-aid for registration fees and tuition. Three individual graduate assistantships are, for formula purposes, equated to one FTE position. One FTE graduate assistant position will be budgeted for every eight professional positions at UNLV and UNR.

4. Classified position support. One classified position will be budgeted for every four FTE professional positions included in the formula, plus one classified position for each dean.
5. Wage position support. One FTE wage position (i.e., hourly rate employees, many of whom are students) will be budgeted for every eight professional positions included in the formula, plus one FTE wage position for each dean. A dollar amount will be determined as equal to one FTE wage position.
6. Operating expense. Instate travel, supplies, equipment and other are charged to the "operating" expenditure object. The formula will provide a dollar amount for each FTE professional position plus an amount for each dean.
7. Out-of-state travel. A dollar amount will be requested for each budgeted FTE professional position plus an amount for each dean.

Chart 6 (page 32) is a schematic display of the calculations for the I & DR formula.

GENERAL ADMINISTRATION

The budget for each cost center in this functional area will be separately justified. National averages of total expenditure in this functional area as a percentage of the I & DR budget will be used as a guideline.

GENERAL EXPENSE

The budget for each cost center in this functional area will be separately justified. National averages of total expenditure in this functional area as a percentage of the I & DR budget will be used as a guideline.

STUDENT SERVICES

The budget for each cost center in this functional area will be separately justified. National averages of total expenditure per head count student will be used as a guideline.

LIBRARY

The library budget is divided into two parts: book acquisition and library operation. The book acquisition budget will be based on the number of volumes required per FTE student by level of instruction, utilizing national data. The operating budget will be separately justified and compared to normative data.

OPERATION AND MAINTENANCE OF PLANT

Cost centers in this functional area will be: janitorial services, grounds maintenance, repairs and improvements, campus security, utilities and operation and maintenance supervision. The budgets will be separately justified and will be related to outside gross square feet of building space, acres of improved campus to be maintained and normative data available.

SABBATICAL LEAVES

The budget for sabbatical leaves will be based on the projected number of faculty eligible for sabbaticals under the law and board regulation, multiplied by two-thirds the projected average compensation of faculty in the division.

RESEARCH STIMULATION

The "instruction and departmental research" budget is intended to provide faculty with some time and operating funds for unsponsored research. Frequently, however, a department budget is inadequate to assist a faculty member, and additional operating money or other assistance is needed. Often, relatively modest sums are valuable as "seed money" in developing a research project to the point where outside funding can be secured. The amount requested will be related to the number of FTE faculty in instruction and departmental research.

GRANTS-IN-AID

Grants-in-aid are for registration fees and, in some cases, out-of-state tuition. Various types of grants are made and will be budgeted here:

1. Grants-in-aid may, by law, be given to a number of students equal to 3 percent of the matriculated enrollment of the previous fall. All such grants, except those for student athletes, will be budgeted here.
2. Grants are available by board policy to American Indians from Nevada. This number varies by division.
3. Grants are available to classified employees for job-related courses. These will be budgeted based on past experience of utilization.
4. Grants are available to professional employees and their dependents. These will be budgeted based on past experience of utilization.
5. Grants are available to widows of veterans of the U.S. armed forces and to dependents of prisoners of war and of those missing in action of the war in southeast Asia. These will be budgeted based on past utilization.

Chart 6

SCHEMATIC OF INSTRUCTION AND DEPARTMENTAL RESEARCH BUDGET ESTIMATION FORMULA

Step I

Projected FTE Enrollment:

$$\begin{array}{lcl} \text{Lower Division FTE Enrollment} \div \text{Lower Division Student/Faculty Ratio} & = & \text{Lower Division Teaching Faculty} \\ \text{Upper Division FTE Enrollment} \div \text{Upper Division Student/Faculty Ratio} & = & \text{Upper Division Teaching Faculty} \\ \text{Graduate FTE Enrollment} \div \text{Graduate Student/Faculty Ratio} & = & \text{Graduate Teaching Faculty} \\ \hline \text{Total Enrollment} & * & \text{Total Teaching Faculty} \times \text{Average Compensation} \\ & & = \text{Teaching Faculty Cost} \end{array}$$

+

Step II

$$\text{Total Teaching Faculty} \div \text{Faculty to Classified Ratio} = \text{Number of Classified Positions} \times \text{Average Compensation} \quad - \text{Classified Staff Cost}$$

+

Step III

$$\text{Total Teaching Faculty} \div \text{Faculty to Wages Ratio} = \text{Number of Wages Positions} \times \text{Average Compensation} \quad = \text{Wages Staff Cost}$$

+

Step IV

$$\text{Total Teaching Faculty} \times \text{Operating Cost per FTE faculty Position} \quad = \text{Operating Cost}$$

+

Step V

$$\text{Total Teaching faculty} \times \text{Out-of-State Travel Cost per Faculty Position} \quad = \text{Out-of-State Cost}$$

+

Step VI

$$\begin{array}{lcl} \text{Dean's Compensation Cost} + \text{Dean's Support Staff} + \text{Dean's Operating} + \text{Dean's Out-of-State Travel} & & \\ & = & \text{Dean's Cost} \\ & & \hline & & \text{Total I \& DR Budget Estimate} \end{array}$$

* Total teaching faculty includes professionals and graduate assistants.

VI. BUDGET FORMATS

Defined broadly, budget format refers to both the content and display of budgetary information, i.e., what type of information is presented and how the information is arranged for display in the budget document. There are many kinds of information that can be developed and an equally large variety of displays that can be devised for data presentation. Formats can range from simply a total dollar figure for the entire system request to listings for individual positions and objects of expenditure in each cost center. Requests can be justified with a general statement or with volumes of narrative explanations and statistical tables. Historical data can be shown or omitted. The documents can display presidents' requests, chancellor's recommendations, regents' requests and governor's recommendations or any combination thereof. Information can be accumulated in a single document or divided into multiple documents. Formats useful for budget planning may be unacceptable for budget management and budget control while the converse may prevail with formats designed for management and control.

A historical review of executive budget formats from 1961-75 reveals the range of formats described above. Detailed expenditure request information was presented in 1961 and 1963. The 1965 format was very general (only six pages for the entire request). The 1967 format approached the detail presented in 1961 and 1963. In 1969 and 1971, expenditure requests were summarized by function while the narrative statements and supporting data were greatly expanded. For 1973 and 1975, the expenditure requests were more detailed than in 1969 and 1971, less detailed than in 1961 and 1963 and the supporting data greatly reduced from previous formats. Among decisionmakers and observers, there are proponents and critics of both the general and the detailed approach.

After several staff meetings with the chancellor's office, the budget division and the legislative counsel bureau, the chancellor's office designed a tentative budget request format for 1977-79. This format was explained to the subcommittee on October 22, 1975, and endorsed by the subcommittee on December 13, 1975. The system is developing its 1977-79 budget request in this format. A sample of the format is

shown in Appendix D to this report. A basic feature of this format is that the UNS request will be displayed in a manner similar to all other state agencies.

The proposed format displays detailed expenditure data for each cost center including a position by position listing. Historical actual data, the current work program, the UNS request and the governor's recommendations are shown. In the instructional cost centers, the format will begin with an "instructional data summary," i.e., enrollments, student-faculty ratio, faculty numbers, faculty-classified ratio, operating dollars per faculty. From this format, summaries can be aggregated for functional groupings, appropriation areas, divisions and the system. A single document will thus contain the basic data to serve the multiple budget functions of planning, management and control. In the executive budget, space limitations will probably dictate aggregating data, but all summaries can be referenced back to the basic data in the detailed system request format.

The proposed format will produce a bulky document; however, summaries can introduce each division for those interested in an overview while presenting the detailed building blocks for cost center managers, budget analysts and legislative money committees.

VII. FINDINGS AND RECOMMENDATIONS

FORMULA FINDINGS

The University of Nevada System is among 33 state supported higher education systems that use a formula approach for budgeting teaching appropriation areas.¹² Each of these states has a higher education system characterized with multiple institutions or campus locations. The objective budget formula approach was adopted as the basis for requesting state appropriations as the alternative to political competition among the multiple institutions. In an examination of the advantages and disadvantages of the formula approach, equity in the distribution of available resources among comparable intrastate institutions emerges as the primary objective to be served by the adoption of the formula approach to budgeting for higher education.

There are six teaching appropriation areas in the University of Nevada System--UNR, medical school, UNLV, CCCC, NNCC and WNCC. These six areas account for 80 percent of the system's operating budgets, nearly \$38 million in fiscal 1976. The system has used a formula approach for the past 4 bienniums with the formulas modified each biennium as new data became available and as experience is gained with formula budgeting.

The general formula approach is similar for all of the teaching appropriation areas; however, different ratios, unit costs and other elements are used for UNR and UNLV, the medical school and the community colleges.

Over these 4 bienniums, the system request used formulas for nearly all functional groupings in the teaching appropriation areas, that is, for general administration, general expense, student services, instruction and departmental research (I & DR), library (book acquisitions and staffing) and operation and maintenance of the physical plant. While the system request in the teaching appropriation areas has used a formula for all functional groupings, the governor and the legislature have historically recommended and appropriated on a formula basis only for the I & DR function. I & DR is the single largest and most important functional grouping. For fiscal 1976, system-wide I & DR is work programmed for \$21 million or 44 percent of the total system work program. In the Nevada formula, I & DR also serves as the base to calculate general administration and general expense.

In the public hearings the subcommittee held in Las Vegas and Reno, system administrators, division presidents and faculty representatives universally endorsed the formula approach as the most logical basis for requesting appropriations from the governor and the legislature. The Nevada formula is one of 12 formulas judged "acceptable" by a 1973 comparative analysis of the budget formulas in 25 public institutions utilizing the formula approach.¹⁶ The nationally prominent panel making this assessment found the Nevada formula met six of the eight criteria used to assess the formulas. The two deficiencies noted have been eliminated in the Nevada formula with the incorporation of a differentiated student-faculty ratio.

FORMULA RECOMMENDATIONS

1. The subcommittee endorses the concept of objective formula budgeting for the instruction and departmental research (I & DR) functional grouping in the teaching appropriation areas of the University of Nevada System. I & DR is the largest functional grouping in the system and formula budgeting will thus apply to nearly 50 percent of the total system operating budget.
2. Since historically, the governor and the legislature have not recognized a formula approach for functional groupings other than I & DR, the subcommittee recommends that the budgets for each cost center in these functional groupings be separately justified. This approach can be compared to budgets generated by formula and, over time, the formula approach for these functional groupings may gain credibility.
3. Formulas, once devised and generally accepted, must not be taken for granted as satisfactory for all time. The subcommittee recommends that the university system, the budget division in the department of administration and the legislature continually monitor accepted formulas for equity and adequacy in meeting the objectives of the system.

FORMAT FINDINGS

As budgets serve multiple functions, so too the budget formats that are used to display budget data. Summary information is useful for one purpose while basic detail necessary for another. In an attempt to satisfy all users, a request format was designed by the chancellor's office in cooperation with the budget division and the legislative counsel bureau. This format will produce a bulky document, but one which should serve the various levels of review in developing appropriations and authorizations.

FORMAT RECOMMENDATIONS

4. The subcommittee endorses the system budget request format presented at the October 22, 1975, subcommittee hearing and shown in Appendix D of this report.

5. The subcommittee recommends that actual historical costs be displayed in the request format, especially in the nonformula appropriation areas and in the justified functional groupings of the formula appropriation areas.

APPENDICES

- A. UNIVERSITY OF NEVADA SYSTEM, ENROLLMENTS, AUTHORIZED POSITIONS, PHYSICAL PLANT CHARACTERISTICS
- B. APPROPRIATION AREAS, FUNCTIONAL GROUPS, AND COST CENTERS UNIVERSITY OF NEVADA SYSTEM, 1975-76
- C. TARGET BUDGET FORMS AND INSTRUCTIONS
- D. TENTATIVE BUDGET REQUEST FORMAT FOR UNIVERSITY OF NEVADA SYSTEM, 1977-79 BIENNium

APPENDIX A

UNIVERSITY OF NEVADA SYSTEM HEADCOUNT STUDENT ENROLLMENT

Division	Fall 1974 Actual	Fall 1975 Preliminary Estimate ^a	Difference	
			#	%
UNR				
Regular	6,941	7,387	446	6.4
Nondegree	464	736	272	58.6
Extension	61	65	4	6.6
Total	7,466 ^b	8,188 ^b	722	9.7
UNLV				
Regular	5,523			
Nondegree	1,085			
Extension	383			
Total	6,991	8,110	1,119	16.0
CCD				
Clark County CC	5,640	7,040	1,400	24.8
Northern Nevada CC	889	750	- 139	-15.6
Western Nevada CC	4,760	6,246	1,486	31.2
Total	11,289	14,036 ^c	2,747	24.3
Grand Total	25,746	30,334	4,588	17.8

^aInsert pages, using actual enrollment for fall 1975 will be available midsemester.

^bIncludes School of Medical Sciences

^cDoes not include Community Service courses

UNIVERSITY OF NEVADA SYSTEM FULL-TIME EQUIVALENT ENROLLMENT (FTE)

Division	Fall 1974 Actual	Fall 1975 Preliminary Estimate ^a	Difference	
			#	%
UNR				
Undergraduate	5,686	5,780	94	1.7
Graduate	764	785	21	2.7
Extension	18	20	2	11.1
Total	6,468 ^b	6,585 ^b	117	1.8
UNLV				
Undergraduate	4,609	4,790	181	3.9
Graduate	477	495	18	3.8
Extension	87	95	8	9.2
Total	5,173	5,380	207	4.0
CCD				
Clark County CC	2,144	2,964	820	38.2
Northern Nevada CC	239	275	36	15.1
Western Nevada CC	1,541	1,952	411	26.7
Total	3,924	5,191 ^c	1,267	32.3
Grand Total	15,565	17,156	1,591	10.2

^aInsert page using actual enrollment for fall 1975 will be available midsemester.

^bIncludes School of Medical Sciences.

^cDoes not include Community Service courses.

1975-76 AUTHORIZED POSITIONS

	<u>Professional</u>	<u>All Others</u>
A. Instruction		
University of Nevada,		
Reno	396.41	450.77
School of Medical Science,		
UNR	31.30	15.44
University of Nevada,		
Las Vegas	329.75	360.37
Clark County Community		
College	150.91	74.10
Northern Nevada Community		
College	18.46	14.11
Western Nevada Community		
College	105.47	35.96
Subtotal	<u>1,032.30</u>	<u>950.75</u>
B. Research & Public Service		
Desert Research Institute	12.97 ^a	11.59 ^a
Ag. Experiment Station	43.48	63.37
Statewide Programs - UNR	29.08	22.01
Statewide Programs - UNLV	4.50	6.25
Cooperative Extension Service	68.25	19.86
Subtotal	<u>158.28</u>	<u>123.08</u>
C. Other		
System Administration	10.75	7.67
CCD Administration	7.00	9.00
System Computing Center	20.55	31.59
University Press	3.00	1.43
Intercollegiate Athletics,		
UNR	12.61	5.88
Intercollegiate Athletics,		
UNLV	16.33	3.00
Subtotal	<u>70.24</u>	<u>58.57</u>
System Total	1,260.82	1,132.40

^aIncludes only those positions budgeted from State appropriation.

PHYSICAL PLANT
UNIVERSITY OF NEVADA SYSTEM

	<u>Acres</u>
University of Nevada, Reno	195.08
University of Nevada, Las Vegas	335.00
Stead Campus*	228.85
Community College Division**	532.00
DRI/CCD (Joint Holdings)	467.00
Other Holdings***	<u>10,605.36</u>
TOTAL ACRES	12,363.29
*Includes acreage utilized by Desert Research Institute and Western Nevada Community College.	
**Does not include leased properties.	
***Includes Ag. Experiment Station and Cooperative Extension Service.	
 <u>TOTAL ASSIGNABLE SQUARE FEET OF BUILDING SPACE</u>	
System Administration	3,874
University of Nevada, Reno	1,150,433
University of Nevada, Las Vegas	541,670
Stead Campus*	312,479
Community College Division**	90,909
Desert Research Institute	<u>20,511</u>
Total ASF	2,119,876
*Includes facilities utilized by Desert Research Institute and Western Nevada Community College.	
**Does not include leased facilities.	

APPENDIX B

UNIVERSITY OF NEVADA SYSTEM
APPROPRIATION AREAS, FUNCTIONAL GROUPS AND COST CENTERS
1977-79 BUDGETS

The eighteen appropriation areas are
numbered and cost centers are subsumed.

1. SYSTEM ADMINISTRATION

Board of Regents

Chancellor's Office

Institutional Memberships

Prop. Fid. & Liab. Insurance

Independent Audit Fee

Legal Counsel

2. UNIVERSITY OF NEVADA, RENO

General Administration

President's Office

Vice President for Academic Affairs

Vice President for Business

Institutional Planning & Budgeting

Controller's Office

Personnel Services

Purchasing

State Personnel Div. Assessment

Faculty Senate

General Expense

Affirmative Action

Audio Visual Communications

Central Office Services

Alumni Relations

Information & News Service

George Whittell Forest

Institutional Memberships

Prop. Fid. & Liab. Insurance

Postage

Ceremonials

Public Occasions Board

Radiological Safety Board Assessment

Out-of-State Travel, N.O.C.

Student Services

Admissions & Records
Psychological Services Center
Office of Student Services
Scholarships & Prizes Board

Instruction & Departmental Research

College of Agriculture

School of Home Economics

College of Arts and Science

Dean's Office
Anthropology
Art
Biology
Chemistry
Criminal Justice
English
Foreign Languages & Literatures
History
Journalism
Mathematics
Military
Music
Philosophy
Physics
Political Science
Psychology
Recreation & Physical Education
Social Services & Corrections
Sociology
Speech & Theatre Arts

College of Business Administration

Dean's Office
Accounting & Info. Systems
Economics
Managerial Sciences
Center for Economic Education

College of Education

Dean's Office
Counseling & Guidance Personnel Services
Educational Foundations & Media
Curriculum and Instruction
Educational Administration & Higher Education
Supervised Teaching
Learning & Resource Center

College of Engineering
Dean's Office
Civil Engineering
Electrical Engineering
Engineering Technology
Mechanical Engineering

Mackay School of Mines
Dean's Office
Chemical & Metallurgical Engineering
Geology-Geography
Mining Engineering
Museum

Orvis School of Nursing

Allied Health Sciences
Speech Pathology-Audiology
Medical Technology
Health Sciences

Graduate Dean's Office

Honors Study Board

Ethnic Studies Commission

Institute of European Studies

Library

Operating
Book Acquisition

Operation & Maintenance of Physical Plant

Janitorial Services
Grounds Maintenance
Repairs and Improvements
Services
O&M Supervision
Campus Security

Sabbatical Leaves

Research Stimulation

Grants-in-Aid

Miscellaneous
Nevada Indians
Classified Employees
Professional Employees & Dependents
Veterans

3. SCHOOL OF MEDICAL SCIENCES

Dean's Office & Administration

General Expense

Student Services

Instruction & Departmental Research

Behavioral Sciences
Biomedical Science
Laboratory Medicine
Clinical Division
Educational Support and Communications

Library

Operating
Books

Operation & Maintenance of Physical Plant (Assessment

Grants-in-Aid

4. INTERCOLLEGIATE ATHLETICS, UNR

Administration

Programs

Baseball
Basketball
Boxing
Football
Golf
Gymnastics
Skiing
Softball
Swimming
Tennis
Track and Cross Country
Volleyball

Grants-in-Aid

5. STATEWIDE PROGRAMS, UNR

Educational Extension Activities

General University Extension
Research & Educational Planning Center
Atmospherium-Planetarium

Organized Research

Bureau of Business & Economic Research
Bureau of Governmental Research
Cancer Research Laboratory
Seismological Laboratory
Oral History
Basque Studies

Mining Research & Public Service

Nevada Bureau of Mines and Geology
Nevada Mining Analytical Laboratory

General Expense

Property, Fidelity and Liability Insurance
State Personnel Division Assessment

Operation and Maintenance of Physical Plant (Assessment)

Sabbatical Leaves

Grants-in-Aid

6. UNIVERSITY OF NEVADA, LAS VEGAS

General Administration

President's Office
Vice President for Academic Affairs
Vice President for Administration
Vice President for Business Affairs
Controller's Office
Personnel
Purchasing
State Personnel Division Assessment
University Senate

General Expense

Alumni Relations
Audio Visual Communications
Central Office Services
Information & Publications
PBX Operations
Institutional Memberships
Property, Fidelity & Liability Insurance
Ceremonials
Public Occasions Board
Radiological Safety Board Assessment
Out-of-State Travel, N.O.C.

Student Services

Vice President for Educational Services
Admissions
Registrar
Student Services
Counseling & Evaluation Center
Placement Services
Financial Aids

Instruction and Departmental Research

College of Allied Health
Dean's Office
Nursing
Radiologic Technology

College of Arts & Letters
Dean's Office
Anthropology
Art
Communication Studies
English
Foreign Languages
History
Music
Philosophy
Political Science
Psychology
Social Services & Corrections
Sociology
Theatre Arts

College of Business and Economics
Dean's Office
Accounting
Economics
Finance
Management
Marketing

College of Education
Dean's Office
Reading Center
Curriculum & Instruction
Educational Administration
Educational Foundations & Counseling
Physical Education
Secondary Education
Special Education

College of Hotel Administration

College of Science, Mathematics and Engineering

Dean's Office
Biological Sciences
Chemistry
Engineering
Geoscience
Mathematics
Physics

Environmental Studies

Graduate Dean's Office

University College

Library

Operating
Book Acquisition

Operation and Maintenance of Physical Plant

Janitorial Services
Grounds Maintenance
Repairs and Improvements
Services
O&M Supervision
Campus Security

Sabbatical Leaves

Research Stimulation

Grants-in-Aid

Miscellaneous
Nevada Indians
Classified Employees
Professional Employees & Dependents
Veterans

7. INTERCOLLEGIATE ATHLETICS, UNLV

Administration

Programs

Baseball
Basketball
Football
Swimming
Tennis
Track and Cross Country

Grants-in-Aid

8. STATEWIDE PROGRAMS, UNLV
- Continuing Education
 - UNLV Museum
 - Center for Business and Economic Research
9. COMMUNITY COLLEGE DIVISION ADMINISTRATION
- President's Office and Division Administration
 - Division Sabbatical Leaves
10. CLARK COUNTY COMMUNITY COLLEGE
- General Administration
 - Executive Vice President's Office
 - Business and Personnel
 - General Expense
 - Division Services
 - Prop., Fid. & Liab. Insurance
 - Institutional Memberships
 - St. Personnel Div. Assessment
 - Postage
 - Out-of-State Travel, N.O.C
 - Student Services
 - Instruction
 - Occupational Programs
 - University Parallel Programs
 - Developmental Programs
 - Library
 - Operating
 - Book Acquisition
 - Operation and Maintenance of Physical Plant
 - Janitorial Services
 - Grounds Maintenance
 - Repairs and Improvements
 - Services
 - O&M Supervision
 - Campus Security
 - Property Rental
 - Program Development

Grants-in-Aid

Miscellaneous
Nevada Indians
Classified Employees
Professional Employees and Dependents
Veterans

11. NORTHERN NEVADA COMMUNITY COLLEGE

General Administration

Executive Vice President's Office
Business & Personnel

General Expense

Division Services
Prop., Fid. & Liab. Insurance
Institutional Memberships
State Personnel Div. Assessment
Postage
Out-of-State Travel, N.O.C.
Student Services

Instruction

Occupational Programs
University Parallel Programs
Developmental Programs

Library

Operating
Book Acquisition

Operation and Maintenance of Physical Plant

Janitorial Services
Grounds Maintenance
Repairs and Improvements
Services
O&M Supervision
Campus Security
Property Rental

Program Development

Grants-in-Aid

Miscellaneous
Nevada Indians
Classified Employees
Professional Employees and Dependents
Veterans

12. WESTERN NEVADA COMMUNITY COLLEGE

A. WNCC CARSON CITY AND RURAL

General Administration

Executive Vice President's Office
Business & Personnel

General Expense

Division Services
Prop., Fid. & Liab. Insurance
Institutional Memberships
State Personnel Div. Assessment
Postage
Out-of-State Travel, N.O.C.

Student Services

Instruction

Occupational Programs
University Parallel Programs
Developmental Programs

Library

Operating
Book Acquisition

Operation and Maintenance of Physical Plant

Janitorial Services
Grounds Maintenance
Repairs and Improvements
Services
O & M Supervision
Campus Security
Property Rental

Program Development

Grants-in-Aid

Miscellaneous
Nevada Indians
Classified Employees
Professional Employees & Dependents
Veterans

B. WNCC RENO

General Administration

Executive Dean
Business & Personnel

General Expense

Division Services
Prop., Fid. & Liab. Insurance

Institutional Memberships
State Personnel Div. Assessment
Postage
Out-of-State Travel, N.O.C.

Student Services

Instruction

Occupational Programs
University Parallel Programs
Developmental Programs

Library

Operating
Book Acquisition

Operation & Maintenance of Physical Plant

Janitorial Services
Grounds Maintenance
Repairs & Improvements
Services
O & M Supervision
Campus Security
Property Rental

Program Development

Grants-in-Aid

Miscellaneous
Nevada Indians
Classified Employees
Professional Employees & Dependents
Veterans

13. DESERT RESEARCH INSTITUTE

General Administration

President's Office
Business Manager's Office
Property, Fidelity & Liability Insurance
Postage

Energy & Atmospheric Environment Center

Atmospheric Physics Laboratory
Energy Systems Laboratory
Weather Modification Projects

Water Resources Center

Chemical Analysis Laboratory
Aquatics Laboratory
Truckee River Project

Human Systems Center

Applied Ecology & Physiology Center

Operation & Maintenance of Physical Plant

Stead Campus Assessment

UNR Campus Assessment

North Reno Site

Las Vegas Facility

Boulder City Facilities

Sabbatical Leaves

Grants-in-Aid

Classified Employees

Professional Employees and Dependents

14. COOPERATIVE EXTENSION SERVICE

(Cost Centers will be used.)

Operation and Maintenance of Physical Plant (Assessment)

15. AGRICULTURAL EXPERIMENT STATION

(Cost Centers will be used.)

Operation and Maintenance of Physical Plant (Assessment)

16. UNS COMPUTING CENTER

Director's Office

Las Vegas Operations Center

Reno Operations Center

Administrative Use

Academic Research Use

Instruction Use

System Software

17. UNIVERSITY OF NEVADA PRESS

(One cost center. Operating object accounts will include grants-in-aid and assessment for operation & maintenance of physical plant.)

18. NATIONAL DIRECT STUDENT LOAN

APPENDIX C

UNIVERSITY OF NEVADA SYSTEM

1977-79 BUDGET FORMS AND INSTRUCTIONS

This memorandum should be given to each department chair or other person responsible for preparation of a budget request. Four copies of the appropriate budget request forms should be given to each budget unit immediately since the schedule is tight. Three completed copies should be forwarded to the Dean, accompanied by pertinent supporting information. Two copies of the Dean's recommendation should be forwarded to the President. Other administrators (e.g., vice presidents, division budget officers) involved in the budget process will utilize the material filed with the President. One copy of the President's recommendation and supporting information is filed with the Chancellor.

Every year the University has tried to improve both its budget and its budgeting process. The State Department of Administration and the Legislature analyze the University's budget thoroughly and every dollar requested must be justified. There is reason to believe that the 1977-79 budget process will be the most precise yet encountered. We wish to request the appropriate amount to accomplish our goals and objectives and we hope to present a budget that is totally defensible. Please prepare your request with this in mind.

BUDGET CALENDAR

- | | | |
|------|-----------------------|---|
| (1) | January 30, 1976 | Budget call issued to divisions. |
| (2) | Date set by President | College and other budgets submitted to President. |
| (3) | March 12, 1976 | Division budgets to Chancellor. |
| (4) | March 31, 1976 | Draft No. 1 of UNS budget compiled and review process with Presidents begins. |
| (5) | May 3, 1976 | Tentative UNS budget reviewed with Chancellor's Cabinet. |
| (6) | May 14, 1976 | Budget concepts discussed with Board of Regents. |
| (7) | June 7, 1976 | Revised draft reviewed with Cabinet. |
| (8) | June 18, 1976 | Budget reviewed by Board of Regents. |
| (9) | July 23, 1976 | Budget adopted by Board of Regents. |
| (10) | September 1, 1976 | Adopted budget submitted to State Budget Office. |

APPROPRIATION AREAS AND COST CENTERS

A list of appropriation areas, functional groups and cost centers is attached to this memorandum.

PRINCIPAL BUDGETS FOR INSTRUCTIONAL DIVISIONS

The principal budgets of each instructional division are divided into nine functional groups: (1) Instruction and Departmental Research (Instruction in CCD), (2) General Administration, (3) General Expense, (4) Student Services, (5) Library, (6) Operation and Maintenance of Physical Plant, (7) Sabbatical Leaves, (8) Research Stimulation (Program Development in CCD), and (9) Grants-in-Aid.

The assumptions or "targets" to be used in developing the budget requests for these functions are stated here and are subject to modification as additional information is developed.

(1) Instruction and Departmental Research (I&DR)

Construction of the principal budgets of an instructional division begins with I&DR, which is based on projections of full-time equated students (FTES) to be enrolled. The following elements are used.

A. Student-Faculty Ratio. This ratio is used to generate the number of full-time equated faculty (FTEF) needed. The definitions of students and faculty are:

1. One FTES equals 32 undergraduate credits or 18 graduate credits, using net enrollments for fall and spring semesters plus any interim session.
2. FTEF in I&DR consists of all professional positions except Deans, plus Graduate Assistants as explained below.

B. A differentiated student-faculty ratio is used as an average for each principal budget. Departmental and college budgets may vary from that average; however, the average should be maintained for the division. The average student-faculty ratios to be budgeted are:

- Lower Division	24:1	Upper Division	14:1
Graduate	9:1	Health Services	15:1
Medical Science	3.5:1	Nursing	7.5:1
Occupational (CCD)	19:1	Developmental (CCD)	9:1

C. Faculty Compensation. Compensation is salary plus certain specified fringe benefits. Incumbent faculty will be projected forward at their existing salaries plus an increment not yet determined. I&DR faculty are budgeted for the academic year. If supplements are to be budgeted (up to and including "A" contracts) each one must be justified each year.

- D. Graduate Assistants. A graduate assistant (called graduate fellow at UNR) is assumed to work approximately 20 hours per week for two academic semesters. It will be proposed to the Board that graduate assistants pay registration fees the same as other students, that they be considered residents for tuition purposes, and that salaries for the 1977-79 biennium be sufficient to pay the registration fees and an offset for inflation. Tentatively, salaries will be budgeted at:

Step 1	\$4,000
Step 2	4,200
Step 3	4,400
Step 4	4,600
Step 5	4,800

As noted above, FTEF includes graduate assistants for student-faculty ratio purposes. For this purpose, three regular graduate assistants equal one FTEF. Instructional departments with graduate programs should budget one regular graduate assistant position for every three FTEF. These positions should be budgeted at step 3.

- E. Classified Position Support. The target within I&DR will be one classified position for every four FTEF, plus one for each Dean. These positions should be shown in departmental budgets and, since this is an average, it is not assumed that all departments will be at the target. Incumbent personnel should be budgeted at 1975-76 salaries plus assumed merit increases. Salary increases other than merit increases for classified personnel are determined by the State and provided by a separate appropriation. New classified positions should be budgeted at the entry level.
- F. Wage Position Support. An FTE wage position for budget purposes is assumed to be \$5,000 per year for each year of the biennium.
- The target within I&DR will be one FTE wage position for every eight FTEF, plus one for each Dean. These positions should be shown by department and the 1:8 ratio is an average for I&DR.
- G. Operating Expense. The target for operating expenses (in-state travel, supplies, equipment, etc.) is an average of \$1,600 per FTEF in I&DR for each year of the biennium. This will, of course, vary by department.
- H. Out-of-State Travel. \$200 per FTEF in I&DR (exclude graduate assistants) plus \$400 per academic dean should be budgeted for each year. There will be but one out-of-state travel account in I&DR. This is not departmentalized.

(2) General Administration

The target for this area is 10 percent of the I&DR budget at UNR and UNLV. At CCD the target for general administration for the three colleges plus CCD administration is 10 percent of the total of Instructional budgets. The budget for each cost center must be separately justified.

(3) General Expense

The target for this area is 8 percent of the I&DR budget. The budget for each cost center must be separately justified.

(4) Student Services

The target for this area is \$100 per headcount student per year at UNR and UNLV. No target is used for CCD at this time. The budget for each cost center must be separately justified.

(5) Library

The Director of Institutional Studies and Budget will call a meeting of the Directors of Libraries and campus budget officers (or designee of president) for the purpose of developing a common budget approach for both book acquisition and operating.

(6) Operation and Maintenance of Physical Plant

This line item will occur in the same budgets as in 1975-77. One O&M budget for each campus will include all cost centers and full justification. The totals reached will be reduced by the amounts assessed the other functional areas. In those budgets a single line-item amount will be included and will be based on outside gross square feet of building space occupied. Additional information and instructions will be provided those responsible for O&M budgets.

(7) Sabbatical Leaves

This budget is based on the projected number of sabbaticals which may by law and Board policy be awarded each year by each division. Based on experience, it will be assumed that 50 percent of the awards will be for one-half year and 50 percent for a full year. This account should occur only once in each division.

(8a) Research Stimulation, UNR and UNLV

The I&DR budget is intended to provide faculty with some time and operating dollars for conducting unsponsored research. It is desirable to have a secondary source for support if a departmental budget is found to be inadequate, since often relatively modest sums are valuable as "seed money" in developing research projects to the point where outside funding can be secured. \$100 per year per FTEF in I&DR is the target.

(8b) Program Development, CCD

The CCD instructional budget does not anticipate released time for development of new programs. In CCD it is assumed that curricular changes must be frequent, especially in occupational programs. A rationale will be developed by CCD administration and the Chancellor's Office for this area.

(9) Grants-in-Aid

Grants are made for registration fees and, in some cases, out-of-state tuition. There will be five classes of grants and each must be separately budgeted.

- A. State law provides that grants-in-aid may be given to a number of students equal to "three percent of the total matriculated enrollment of students for the last preceding fall semester." A percentage of these grants is assigned to Intercollegiate Athletics and separately budgeted. The residual grants are to be budgeted here as "miscellaneous."
- B. Board of Regents policy provides for grants to American Indians who are Nevada residents. The number currently authorized per year is: UNR - 20, UNLV - 11, CCCC - 10, WNCC - 10, and NNCC - 14.
- C. Board of Regents policy provides for grants to classified employees for job-related courses. These should be budgeted based on utilization experience related to total FTE classified positions in the division.
- D. Board of Regents policy provides for grants-in-aid to professional staff and their dependents as a condition of employment. These should be budgeted based on utilization experience related to FTEF in the division.
- E. Grants are available to widows of veterans of the U.S. Armed Forces and to dependents of POW's and MIA's of the war in Southeast Asia. Budget at 100% of the highest utilization during the 1975-77 biennium.

OUT-OF-STATE TRAVEL

As noted above, each I&DR budget is to include \$200 each year per FTEF (excluding graduate assistants) plus \$400 per academic dean. There should be one other out-of-state travel account in each principal budget under General Expense. This should be budgeted at \$800 for the President, \$500 for each Vice President and \$200 per FTE professional except those in I&DR. There should also be one out-of-state travel budget in each of the other appropriation areas (e.g., Statewide Programs).

1977-79 BUDGET FORMS AND INSTRUCTIONS
OPERATION & MAINTENANCE OF PHYSICAL PLANT

Please review the general 1977-79 Budget Forms and Instructions.

New cost centers will be used for 1977-79. This will involve extra effort now to develop comparative data; however, it is assumed that the resulting improved display of costs will assist us in securing necessary resources. These cost centers are: (1) Janitorial Services, (2) Grounds and Maintenance, (3) Repairs and Improvements, (4) Services, (5) O&M Supervision, and (6) Campus Security. An explanation of the use of these follows:

(1) Janitorial Services

Included here are salaries, wages, and fringe benefits of all personnel involved in cleaning buildings, plus the supplies and equipment used.

(2) Grounds Maintenance

Included here are salaries, wages, and fringe benefits of all personnel involved in maintenance of campus grounds, plus the supplies and equipment used.

(3) Repairs and Improvements

Included here are salaries, wages, and fringe benefits of all personnel involved in repairing, painting, altering or otherwise improving buildings and grounds, plus the supplies and equipment needed. Major projects must be estimated and justified.

(4) Services

Fuel oil, natural gas, electricity, water service, telephone service (except toll), and trash removal will all be accounted for here, as well as the costs of heat plant and air conditioning personnel and related costs.

(5) O&M Supervision

Included here are salaries and fringe benefits of all general supervisory personnel and related costs. Supervisors working exclusively in one area (e.g., janitorial) should be charged to that area; however, division of supervisory or labor costs among cost centers is appropriate.

(6) Campus Security

Included here are salaries and fringe benefits of personnel serving as campus police, watchmen, or parking control officers, and related costs.

FORMS 2-7

Use these forms as appropriate, grouped by cost center. Do not extend salaries of professional personnel. This will be done by IS&B when a compensation goal has been established.

FORM 8

Prepare a separate Form 8 for each cost center. Use 8a for utilities included in the Services cost center.

FORM 9

Summarize by cost center and relate to OGSF or acres of improved campus as appropriate.

PLEASE PRINT OR TYPE

1977-79 Budget Request
Form No. 1
UNR and UNLV Instruction and Departmental Research

Appropriation Area	College	Department				
(1) Budget Elements	(2) 1975-76 Work Program	(3) 1976-77 Work Program	(4) 1977-78 Division Target	(5) 1977-78 Dept. Request	(6) 1977-78 Dean's Request	(7) 1977-78 President's Request
A. No. FTE Students						
1. Lower Division FTE						
2. Upper Division FTE						
3. Graduate FTE						
4. Total FTE						
B. FTE Faculty						
C. Student/Faculty Ratio						
D. Faculty/Grad. Asst. Ratio						
E. Faculty/Classified Ratio						
F. Faculty/Wages Ratio						
G. Operating \$/FTE Faculty						
	(8) 1978-79 Division Target	(9) 1978-79 Dept. Request	(10) 1978-79 Dean's Request	(11) 1978-79 President's Request		
A. No. FTE Students						
1. Lower Division FTE						
2. Upper Division FTE						
3. Graduate FTE						
4. Total FTE						
B. FTE Faculty						
C. Student/Faculty Ratio						
D. Faculty/Grad. Asst. Ratio						
E. Faculty/Classified Ratio						
F. Faculty/Wages Ratio						
G. Operating \$/FTE Faculty						

Form No. 1A
Page Two

College _____

Budget Elements (Contd.)	(6) 1977-78 <u>President's Request</u>	(7) 1978-79 <u>Division Target</u>	(8) 1978-79 <u>Exec. V.P. Request</u>	(9) 1978-79 <u>President's Request</u>
A. No. FTE Students				
1. Occupational Programs				
2. Univ. Parallel Programs				
3. Developmental Programs				
Sub-Total				
B. No. FTE Faculty				
1. Occupational Programs				
2. Univ. Parallel Programs				
3. Developmental Programs				
Sub-Total				
C. Student-Faculty Ratio				
1. Occupational Programs				
2. Univ. Parallel Programs				
3. Developmental Programs				
Mean				
D. Faculty-Classified Ratio				
E. Faculty-Wages Ratio				
F. Operating \$/FTE Faculty				

PLEASE PRINT OR TYPE

1977-79 Budget Request
Form No. 1A
Community College Division Instruction

College _____

(1) <u>Budget Elements</u>	(2) 1975-76 <u>Work Program</u>	(3) 1976-77 <u>Work Program</u>	(4) 1977-78 <u>Division Target</u>	(5) 1977-78 <u>Exec. V.P. Request</u>
A. No. FTE Students				
1. Occupational Programs	_____	_____	_____	_____
2. Univ. Parallel Programs	_____	_____	_____	_____
3. Developmental Programs	_____	_____	_____	_____
Sub-Total	_____	_____	_____	_____
B. No. FTE Faculty				
1. Occupational Programs	_____	_____	_____	_____
2. Univ. Parallel Programs	_____	_____	_____	_____
3. Developmental Programs	_____	_____	_____	_____
Sub-Total	_____	_____	_____	_____
C. Student-Faculty Ratio				
1. Occupational Programs	_____	_____	_____	_____
2. Univ. Parallel Programs	_____	_____	_____	_____
3. Developmental Programs	_____	_____	_____	_____
Mean	_____	_____	_____	_____
D. Faculty-Classified Ratio	_____	_____	_____	_____
E. Faculty-Wages Ratio	_____	_____	_____	_____
F. Operating \$/FTE Faculty	_____	_____	_____	_____

PLEASE PRINT OR TYPE

1977-79 Budget Request
Form No. 2
All Cost Centers--UNR and UNLV

Appropriation Area	College		Department or Cost Center		
(1)	(2)	(3)	(4)	(5)	(6)
	1975-76	1976-77	1977-78	1977-78	1977-78
Expenditure Objects	Work Program	Work Program	Dept. Request	Dean's Request	President's Request
	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost
A. Professional Compensation					
1. Existing Positions					
a. Salary: Rank 4					
b. Salary: Rank 3					
c. Salary: Rank 2					
d. Salary: Rank 1					
e. Salary: Rank 0					
f. Total FTE & Salary					
g. Fringe Benefits					
h. Comp. (Sub-Total)					
2. New Positions					
a. Salary					
b. Fringe Benefits					
c. Comp. (Sub-Total)					
3. Total Professional					
a. Salary					
b. Fringe Benefits					
c. Total Compensation					

Department
or Cost Center _____

Appropriation Area _____ College _____

Expenditure Objects (Contd.)	(7) 1978-79 Dept. Request		(8) 1978-79 Dean's Request		(9) 1978-79 President's Request	
	FTE	Cost	FTE	Cost	FTE	Cost
A. Professional Compensation						
1. Existing Positions						
a. Salary: Rank 4						
b. Salary: Rank 3						
c. Salary: Rank 2						
d. Salary: Rank 1						
e. Salary: Rank 0						
f. Total FTE & Salary						
g. Fringe Benefits						
h. Comp. (Sub-Total)						
2. New Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
3. Total Professional						
a. Salary						
b. Fringe Benefits						
c. Total Compensation						

Appropriation Area	College				Department or Cost Center					
(1)	(2) 1975-76 Work Program		(3) 1976-77 Work Program		(4) 1977-78 Dept. Request		(5) 1977-78 Dean's Request		(6) 1977-78 President's Request	
<u>Expenditure Objects</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>
B. Graduate Assistant										
1. Existing Positions										
a. Salary										
b. Fringe Benefits										
c. Comp. (Sub-Total)										
2. New Positions										
a. Salary										
b. Fringe Benefits										
c. Comp. (Sub-Total)										
3. Total Graduate Asst.										
a. Salary										
b. Fringe Benefits										
c. Total Compensation										
C. Classified Positions										
1. Existing Positions										
a. Salary										
b. Fringe Benefits										
c. Comp. (Sub-Total)										
2. New Positions										
a. Salary										
b. Fringe Benefits										
c. Comp. (Sub-Total)										
3. Total Classified										
a. Salary										
b. Fringe Benefits										
c. Total Compensation										

Appropriation Area _____ College _____ Department
or Cost Center _____

Expenditure Objects (Contd.)	(7)		(8)		(9)	
	1978-79		1978-79		1978-79	
	Dept. Request		Dean's Request		President's Request	
	FTE	Cost	FTE	Cost	FTE	Cost
B. Graduate Assistant						
1. Existing Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
2. New Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
3. Total Graduate Asst.						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
C. Classified Positions						
1. Existing Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
2. New Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
3. Total Classified						
a. Salary						
b. Fringe Benefits						
c. Total Compensation						

Appropriation Area	College				Department or Cost Center					
Expenditure Objects (Contd.)	(2) 1975-76 Work Program		(3) 1976-77 Work Program		(4) 1977-78 Dept. Request		(5) 1977-78 Dean's Request		(6) 1977-78 President's Request	
	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
D. Wages Positions										
1. Salary										
2. Fringe Benefits										
3. Total Compensation										
E. Total All Positions										
1. Salary										
2. Fringe Benefits										
3. Total Compensation										
F. Operating										
1. Equipment										
2. Supplies & Misc.										
3. In-State Travel										
4. Total Operating										
G. Out-of-State Travel*										
H. Total Budget										

*Not used in all budgets. See instructions.

Appropriation Area _____ College _____ Department
or Cost Center _____

Expenditure Objects (Contd.)	(7)		(8)		(9)	
	1978-79		1978-79		1978-79	
	Dept. Request		Dean's Request		President's Request	
	FTE	Cost	FTE	Cost	FTE	Cost
D. Wages Positions						
1. Salary						
2. Fringe Benefits						
3. Total Compensation						
E. Total All Positions						
1. Salary						
2. Fringe Benefits						
3. Total Compensation						
F. Operating						
1. Equipment						
2. Supplies & Misc.						
3. In-State Travel						
4. Total Operating						
G. Out-of-State Travel*						
H. Total Budget						

*Not used in all budgets. See instructions.

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1977-79 Budget Request
Form No. 2A
Instruction - OCD

College	Department or Cost Center											
(1)	(2)		(3)		(4)		(5)		(6)		(7)	
	1975-76		1976-77		1977-78		1977-78		1978-79		1978-79	
	Work Program		Work Program		Exec. V.P.		President's		Exec. V.P.		President's	
					Request		Request		Request		Request	
<u>Expenditure Objects</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>	<u>FTE</u>	<u>Cost</u>
A. Professional Compensation												
1. Existing Positions: Full-Time												
a. Salary - Occup. Programs												
b. Salary - Univ. Parallel Prog.												
c. Salary - Devel. Programs												
d. Total FTE & Salary												
e. Fringe Benefits												
f. Comp. Sub-Total												
2. New Positions: Full-Time												
a. Salary - Occup. Programs												
b. Salary - Univ. Parallel Prog.												
c. Salary - Devel. Programs												
d. Total FTE & Salary												
e. Fringe Benefits												
f. Comp. Sub-Total												
3. Part-Time Positions (30 credits = 1 FTE)												
a. Salary - Occup. Programs												
b. Salary - Univ. Parallel Prog.												
c. Salary - Devel. Programs												
d. Total FTE & Salary												
e. Fringe Benefits												
f. Comp. Sub-Total												
4. Total Professional												
a. Salary - Occup. Programs												
b. Salary - Univ. Parallel Prog.												
c. Salary - Devel. Programs												
d. Total FTE & Salary												

(1) Expenditure Objects (Contd.)	(2) 1975-76 Work Program		(3) 1976-77 Work Program		(4) 1977-78 Exec. V.P. Request		(5) 1977-78 President's Request		(6) 1978-79 Exec. V.P. Request		(7) 1978-79 President's Request	
	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
e. Fringe Benefits												
f. Total Compensation												
B. Classified Positions												
1. Existing Positions												
a. Salary												
b. Fringe Benefits												
c. Comp. Sub-Total												
2. New Positions												
a. Salary												
b. Fringe Benefits												
c. Comp. Sub-Total												
3. Total Classified												
a. Salary												
b. Fringe Benefits												
c. Total Compensation												
C. Wages Positions												
a. Salary												
b. Fringe Benefits												
c. Total Compensation												
D. Total Positions												
a. Salary												
b. Fringe Benefits												
c. Total Compensation												
E. Operating												
a. Equipment												
b. Supplies & Misc.												
c. In-State Travel												
d. Total Operating												
F. Out-of-State Travel*												
G. TOTAL BUDGET												

* Not used in all budgets. See instructions.

PLEASE PRINT OR TYPE

1977-79 Budget Request
 FORM No. 2B
 All Cost Centers Except Instruction
 Community College Division

Appropriation Area		Department or Cost Center									
(1)	(2)	(3)	(4)	(5)	(6)	(7)					
	1975-76	1976-77	1977-78	1977-78	1978-79	1978-79					
	Work Program	Work Program	Exec. V.P.	President's	Exec. V.P.	President's					
			Request	Request	Request	Request					
Expenditure Objects	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost					
A. Professional Compensation											
1. Existing Positions: Full-Time											
a. Salary: Range 4											
b. Salary: Range 3											
c. Salary: Range 2											
d. Salary: Range 1											
e. Salary: Range 0											
f. Total FTE & Salary											
g. Fringe Benefits											
h. Comp. (Sub-Total)											
2. New Positions: Full-Time											
a. Salary: Range 4											
b. Salary: Range 3											
c. Salary: Range 2											
d. Salary: Range 1											
e. Salary: Range 0											
f. Total FTE & Salary											
g. Fringe Benefits											
h. Comp. (Sub-Total)											
3. Part-time Positions											
a. Salary: Range 4											
b. Salary: Range 3											
c. Salary: Range 2											
d. Salary: Range 1											
e. Salary: Range 0											
f. Total FTE & Salary											
g. Fringe Benefits											
h. Comp. (Sub-Total)											

Page Two

Form No. 2B

Department
or Cost Center

Appropriation Area

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	1975-76	1976-77	1977-78	1977-78	1978-79	1978-79
	Work Program	Work Program	Exec. V.P.	President's	Exec. V.P.	President's
	Request	Request	Request	Request	Request	Request
	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost
Expenditure Objects (Contd.)						
4. Total Professional						
a. Salary: Range 4						
b. Salary: Range 3						
c. Salary: Range 2						
d. Salary: Range 1						
e. Salary: Range 0						
f. Total FTE & Salary						
g. Fringe Benefits						
h. Total Compensation						
B. Classified Positions						
1. Existing Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
2. New Positions						
a. Salary						
b. Fringe Benefits						
c. Comp. (Sub-Total)						
3. Total Classified						
a. Salary						
b. Fringe Benefits						
c. Total Compensation						
C. Wages Positions						
1. Salary						
2. Fringe Benefits						
3. Total Compensation						

Appropriation Area		Department or Cost Center									
(1)	(2)	(3)	(4)	(5)	(6)	(7)					
	1975-76	1976-77	1977-78	1977-78	1978-79	1978-79					
	Work Program	Work Program	Exec. V.P.	President's	Exec. V.P.	President's					
	Request	Request	Request	Request	Request	Request					
Expenditure Objects (Contd.)	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost	FTE Cost					
D. Total Positions											
1. Salary											
2. Fringe Benefits											
3. Total Compensation											
E. Operating											
1. Equipment											
2. Supplies & Misc.											
3. In-State Travel											
4. Total Operating											
F. Out-of-State Travel*											
G. TOTAL BUDGET											

*Not used in all budgets. See instructions.

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST
Form No. 3

Existing Professional Personnel
Detail

Approp. Area	College	Department
		1977-78

[illegible]

PLEASE PRINT OR TYPE

1977-78 BUDGET REQUEST
Form No. 4

New Professional Personnel Request and Justification
Detail

Approp. Area			College					Department	Division Approval Recommended
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Position No.	New Position Priority	Position Title	A or B	FTE	Rank	Step	Salary	YEAR OF BIENNium REQUESTED AND JUSTIFICATION (USE ADDITIONAL SHEETS IF NECESSARY)	

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST
Form No. 5

Existing and New Graduate Fellow Position Request and Justification

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		Division Approval Recommend.
Position No.	New Position Priority	Position Title	1976-77 FTE	1976-77 Salary	1977-78 FTE	1977-78 Salary	1978-79 FTE	1978-79 Salary	Justification	

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST
Form No. 6
Existing Classified Positions

[illegible]

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST

Form No. 7

New Classified Position Request and Justification

(1) Priority	(2) Position No.	(2) Classification	1977-78				1978-79				(11) Justification
			(3) FTE	(4) Grade	(5) Step	(6) Salary	(7) FTE	(8) Grade	(9) Step	(10) Salary	

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST

Form No. 8

Distribution of Operating Funds Request

_____ 1977-78 _____

Item

Est. \$ Cost

I. Equipment

A. _____
B. _____
C. _____
D. _____
E. _____

II. Supplies & Misc.

A. _____
B. _____
C. _____
D. _____
E. _____

TOTAL _____

III. In-State Travel

TOTAL _____

IV. Total Operating

=====

_____ 1978-79 _____

Item

Est. \$ Cost

A. _____
B. _____
C. _____
D. _____
E. _____

A. _____
B. _____
C. _____
D. _____
E. _____

TOTAL _____

TOTAL _____

=====

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST

Form No. 8a

To be used as part of services
cost center in operation and
maintenance of plant.

UTILITIES

<u>Year</u>	<u>Gallons</u>	<u>Fuel Oil</u>	<u>Total</u>	<u>Therms</u>	<u>Natural Gas</u>	<u>Total</u>
		<u>Unit Cost</u>			<u>Unit Cost</u>	
1975-76	_____	_____	\$ _____	_____	_____	\$ _____
1976-77	_____	_____	\$ _____	_____	_____	\$ _____
1977-78	_____	_____	\$ _____	_____	_____	\$ _____
1978-79	_____	_____	\$ _____	_____	_____	\$ _____

	<u>KWH</u>	<u>Electricity</u>	<u>Total</u>	<u>Gallons</u>	<u>Water Service</u>	<u>Total</u>
		<u>Unit Cost</u>			<u>Unit Cost</u>	
1975-76	_____	_____	\$ _____	_____	_____	\$ _____
1976-77	_____	_____	\$ _____	_____	_____	\$ _____
1977-78	_____	_____	\$ _____	_____	_____	\$ _____
1978-79	_____	_____	\$ _____	_____	_____	\$ _____

	<u>Sewage Charge</u>
1975-76	\$ _____
1976-77	\$ _____
1977-78	\$ _____
1978-79	\$ _____

Garbage and Trash Removal

\$ _____
\$ _____
\$ _____
\$ _____

	<u>Telephone</u>
1975-76	\$ _____
1976-77	\$ _____
1977-78	\$ _____
1978-79	\$ _____

Total Utilities

\$ _____
\$ _____
\$ _____
\$ _____

PLEASE PRINT OR TYPE

1977-79 BUDGET REQUEST
Form No. 9. SUMMARY

OPERATION AND MAINTENANCE OF PHYSICAL PLANT

Division _____

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Cost Centers</u>	<u>1975-76</u> <u>Work</u> <u>Program</u>	<u>1976-77</u> <u>Work</u> <u>Program</u>	<u>1977-78</u> <u>Department</u> <u>Request</u>	<u>1977-78</u> <u>President's</u> <u>Request</u>	<u>1978-79</u> <u>Department</u> <u>Request</u>	<u>1978-79</u> <u>President's</u> <u>Request</u>
1. Janitorial Services						
No. of OGSF	_____	_____	_____	_____	_____	_____
Cost per OGSF	_____	_____	_____	_____	_____	_____
Total Building Maintenance	_____	_____	_____	_____	_____	_____
2. Grounds Maintenance						
No. Acres of Improved Campus	_____	_____	_____	_____	_____	_____
Cost per Acre	_____	_____	_____	_____	_____	_____
Total Grounds Maintenance	_____	_____	_____	_____	_____	_____
3. Repairs and Improvements						
Cost per OGSF	_____	_____	_____	_____	_____	_____
Total Repairs and Improvements	_____	_____	_____	_____	_____	_____
4. Services						
Cost per OGSF	_____	_____	_____	_____	_____	_____
Total Services	_____	_____	_____	_____	_____	_____
5. O & M Supervision						
Cost per OGSF	_____	_____	_____	_____	_____	_____
Total Supervision	_____	_____	_____	_____	_____	_____
6. Campus Security						
Cost per OGSF	_____	_____	_____	_____	_____	_____
Total Security	_____	_____	_____	_____	_____	_____
TOTAL EXPENDITURES	=====	=====	=====	=====	=====	=====

APPENDIX D

TENTATIVE BUDGET REQUEST FORMAT FOR UNIVERSITY OF NEVADA SYSTEM 1977-79 BIENNIAL

Appropriation Area _____ College _____ Department _____

<u>1975-76</u> <u>*Actual</u>	<u>1976-77</u> <u>Program</u>	<u>1977-78</u> <u>UNS Request</u>	<u>1977-78</u> <u>Governor's</u> <u>Recommendation</u>	<u>1978-79</u> <u>UNS Request</u>	<u>1978-79</u> <u>Governor's</u> <u>Recommendation</u>
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INSTRUCTIONAL DATA SUMMARY

FTE Students

Student-Faculty Ratio

FTE Faculty

Faculty-Classified Ratio

Faculty-Graduate Asst.
Ratio

Faculty-Wage Position
Ratio

Operating \$/FTE Faculty

EXPENDITURE DATA

Faculty Salaries, Existing

Professors

Asso. Professors

Appropriation Area	College			Department		
	1975-76 <u>*Actual</u>	1976-77 <u>Work Program</u>	1977-78 <u>UNS Request</u>	1977-78 <u>Governor's Recommendation</u>	1978-79 <u>UNS Request</u>	1978-79 <u>Governor's Recommendation</u>
<u>EXPENDITURE DATA (Contd.)</u>						
Asst. Professors						
Instructors						
Lecturers						
Letters of Appointment						
SUB-TOTAL	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Fringe Benefits						
TOTAL COMPENSATION, EXISTING FACULTY	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Appropriation Area	College	Department				
	1975-76 *Actual	1976-77 Work Program	1977-78 UNS Request	1977-78 Governor's Recommendation	1978-79 UNS Request	1978-79 Governor's Recommendation
<u>EXPENDITURE DATA (Contd.)</u>						
New Faculty Positions (Itemize)						
SUB-TOTAL						
Fringe Benefits						
TOTAL COMPENSATION, NEW FACULTY						
TOTAL FACULTY COMPENSATION						
Classified Positions						
Existing Salaries						
SUB-TOTAL						

Appropriation Area _____ College _____ Department _____

	1975-76 <u>*Actual</u>	1976-77 <u>Work Program</u>	1977-78 <u>UNS Request</u>	1977-78 <u>Governor's Recommendation</u>	1978-79 <u>UNS Request</u>	1978 79 <u>Governor's Recommendation</u>
<u>EXPENDITURE DATA (Contd.)</u>						
Classified Positions (Contd.)						
Fringe Benefits						
TOTAL COMPENSATION, EXISTING CLASSIFIED	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
New Classified Positions						
SUB-TOTAL						
Fringe Benefits	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
TOTAL COMPENSATION, NEW CLASSIFIED POS.	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$
TOTAL COMPENSATION, CLASSIFIED POSITIONS	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$	_____ \$

Appropriation Area _____ College _____ Department _____

1975-76 * Actual	1976-77 Work Program	1977-78 UNS Request	1977-78 Governor's Recommendation	1978-79 UNS Request	1978-79 Governor's Recommendation
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EXPENDITURE DATA (Contd.)

Graduate Assistants

Salaries

Grants-in-Aid

Fringe Benefits

TOTAL COMPENSATION

Wage Rate Positions

Wages

Fringe Benefits

TOTAL COMPENSATION

TOTAL COMPENSATION,
ALL EMPLOYEES

_____	_____	_____	_____	_____	_____
\$	\$	\$	\$	\$	\$
_____	_____	_____	_____	_____	_____
\$	\$	\$	\$	\$	\$
_____	_____	_____	_____	_____	_____
\$	\$	\$	\$	\$	\$

Appropriation Area	College			Department		
	1975-76 * Actual	1976-77 Work Program	1977-78 UNS Request	1977-78 Governor's Recommendation	1978-79 UNS Request	1978-79 Governor's Recommendation
<u>EXPENDITURE DATA (Contd.)</u>						
Operating						
In-State Travel						
Supplies						
Equipment						
Other						
TOTAL OPERATING	\$	\$	\$	\$	\$	\$
Out-of-State Travel						
TOTAL BUDGET	\$	\$	\$	\$	\$	\$

Footnotes

- 1 See Appendix A to this report for enrollments, employee and physical plant statistics.
- 2 Among the more useful studies are Francis M. Gross, A Comparative Analysis of the Existing Budget Formulas Used For Justifying Budget Requests or Allocating Funds for the Operating Expenses of State-Supported Colleges and Universities. (mimeo), Knoxville: Office of Institutional Research, The University of Tennessee, 1973. James L. Miller, State Budgeting in Higher Education, The Use of Formulas and Cost Analysis, Ann Arbor: Institute of Public Administration, The University of Michigan, 1964. John D. Millett, The Budget Formula As the Basis for State Appropriations in Support of Higher Education. Indianapolis: Commission For Higher Education, State of Indiana, 1974. The subcommittee also solicited information from the Legislative Fiscal Offices in the Western States, the Western Interstate Commission on Higher Education, and the Center for Research and Development in Higher Education at the University of California, Berkeley.
- 3 The McHenry Committee appraisal has been called, " * * * the most detailed analysis of higher education in Nevada in nearly forty years." James W. Hulse, The University of Nevada, A Centennial History (Reno: University of Nevada Press, 1974), p. 57.
- 4 Dean E. McHenry, et. al., The University of Nevada: An Appraisal, (Carson City: Nevada Legislative Counsel Bureau, 1956), p. 45.
- 5 Ibid., p. 50
- 6 A detailed listing of appropriations areas, functional groups, and cost centers for the University of Nevada System 1977-79 Budget is shown as Appendix B to this report.
- 7 It should be noted that an appropriation area need not contain all of the functional groupings listed above. For example, the computing center would not include

the functional grouping "student services" or "library" since this appropriation area is not designed to perform these functions. The teaching appropriations areas (UNR, UNLV, CCCC etc.) usually include the full complement of functional groupings. Unique functional groupings are also used to describe the functions in specialized appropriation areas such as DRI, University Press, and System administration.

- 8 See Appendix C to this report for a sample of a target budget.
- 9 See Ira Sharkansky, The Maligned States (New York: McGraw Hill, 1972), Chapter Four, "Higher Education: Now the State Owns the Schoolhouse" for a review of the expanding state role in higher education.
- 10 Millett, Op. Cit., p. 5.
- 11 Ibid.
- 12 Table 6 is taken from the Gross study cited previously plus questionnaires circulated to the fifty States by the Office of Fiscal Analysis and telephone follow-ups to the Western States.
- 13 Millett, Op. Cit., p. 11.
- 14 Ibid., pp. 11-12.
- 15 Ibid.
- 16 Gross, Op. Cit., p. 85.