

Mrs. Dorothy S. Gallagher, Elko

Members absent: Dr. Lonnie Hammargren

Others present: Chancellor Mark H Dawson

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

President Robert Maxson, UNLV

President Paul Meacham, CCSN

President Ronald Remington, NNCC

President James Taranik, DRI

Mrs. Rita Gubanich for President Gwaltney,

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Mr. Ronald Sparks, Vice Chancellor

Mr. Donald Klasic, General Counsel

Mrs. Karen Steinberg, UNS

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Ms. M

1. Approved That the Board of Regents Reduce the Institution Budgets by \$1,225,429 as Identified as Necessary for Salaries for UNS Professional Employees and That Those Funds Be Used to Honor Contractual Agreements Currently in Effect.

General Counsel Klasic stated that the Governor and the Board of Examiners have requested that pay increases for all State employees be deferred until January 1, 1992, at which time a determination will be made whether to extend the deferment or to grant pay raises, possibly retroactively. He informed the Board it could either concur with across-the-board deferments applicable to all employees, whether on "soft" money or "hard" money, with the exception of DRI, or determine some other action.

Mrs. Gallagher moved that the Board accept the Governor's decision on deferral of the cost-of-living increase and that it be applied to UNS employees. Dr. Eardley seconded.

Mr. Klaich related that he had read the Attorney General's opinion issued in her letter dated September 26, 1991, which stated that the Governor, and specifically the Board of

Examiners, had the ability and were authorized by the Leg-

islature to wi

UNS to its professional employees and virtually all other State employees, primarily classified, and that is that UNS professional employees work pursuant to written contracts which are protected from retroactive adjustments by the United States Constitution. He related that if there was a State financial crisis or exigency, then that would be a reason to not honor the contracts. Mr. Klaich stated that the Board of Examiners and the Governor have stated pay raises must be withheld, and in the media reports on this date, the State Treasurer and Controller feel the State finances will - - -

Answering Dr. Eardley's question, Chance

General Counsel Klasic stating the only statute of which he is aware is the aforementioned one which requires a reserve to be established. Mr. Ron Sparks added that during the last session the Legislature defined the minimum general fund balances at 10% of the annual appropriations, which at this time is approximately \$50 million.

Mrs. Gallagher related that she did not feel anyone in the State could determine at this time whether there was a financial emergency. She added that in her opinion it would not be a prudent move to give pay raises at this time and questioned why this matter could not be postponed until January, 1992.

Chairman Sparks stated she had discussed this matter with Vice President Harry Neel, UNLV, who stated using the current 4% contingency plan approved by the Board, would be a hardship in that those funds would be from a different appropriation area and might not be replaced. President Maxson stated he did not feel withholding salaries would be a hardship, in that the pay raise would be considerably less than the total 4% originally called for.

Dr. Derby asked that someone comment on the political cost that might be involved. Chancellor Dawson stated that he

felt if the Board demonstrates it can find the funding for

the pay raises from other budget

letter was sent to other faculty as well.

Chairman Sparks asked someone who had attended the Board of Examiners meeting to explain why they did not consider the contingency plans of the State agenP

visit the issue later in the month. Chairman Sparks related she had received a number of phone calls from people who have small businesses who have urged that the Board not give pay raises. General Counsel Klasic reminded the Board that October 10 is the deadline for informing the Payroll Departments about any decision concerning the next checks to be distributed to employees.

Dr. Richardson stated he felt that the faculty would understand postponing a decision by the Board if they were notified that information is still being gathered. General Counsel Klasic reminded the Board that there are over 2000 employees and there would be no guarantee that someone would not sue for breach of contract.

Mr. Klaich reiterated that the Board finds itself in a very difficult position, but stressed the difference between UNS professional employees and all other State employees.

Dr. Derby expressed her strong concern about the "political fallout" of the situation and reminded the Board that UNS is dependent on the goodwill of the Legislature. Mrs.

Whitley stated she felt UNS should not ignore the request, but that the percentage be paid to the State in funds other than from employee salaries.

Mr. Klaich asked whether the motion could include the Board's intention to revisit the issue in January, or sooner if circumstances warrant, with Mrs. Gallagher and Mrs. Berkley agreeing.

Motion failed on roll call vote:

Aye: Regents Derby, Eardley, Gallagher, Sparks

Nay: Regents Berkley, Foley, Klaich, Whitley

Absent: Dr. Hammargren

Mr. Klaich moved that the Board reserve e rv

the amount of \$1,225,429 as identified by the Board of Examiners and 4) that the amount from each Campus be on a pro rata basis.

President Calabro expressed concern for WNSC professional employees receiving a pay increase when there are so many State classified employees living in Carson City. President Meacham stated his concern for the classified employees but agreed that the Board could only ma

Motion carried on roll call vote:

Aye: Regents Ber

was no guarantee they would be.

The meeting adjourned at 10:10 A.M.

Mary Lou Moser

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