



Office of the Governor

JIM GIBBONS
GOVERNOR

September 11, 2008

Chairman Michael Wixom
Nevada State Board of Regents
908 Evening Dew Drive
Las Vegas, NV 89110

Dear Chairman Wixom,

Please be aware I received the letter you submitted with the Nevada System of Higher Education's budget request for Fiscal Years 2010 and 2011. Thank you for taking the time to explain the process you have gone through in making this request while recognizing that it does not comply with the budget instructions issued by the Department of Administration.

While I understand that the budget that NSHE has submitted is a spending request, please understand that the executive budget I prepare must be balanced based on anticipated revenue. It's an exercise in futility to create a budget based on revenue streams that simply don't exist. Although I wish it wasn't so, I don't foresee any scenario where the state's revenue can support the board's spending request for the upcoming biennium.

My responsibility to develop a balanced budget simply cannot wait until the Economic Forum releases its forecast in December. That is why the Department of Administration issues detailed budget instructions, so that each individual agency can offer guidance as to how it would recommend the expenditure of its share of anticipated revenues.

The Board of Regents meeting scheduled for Dec. 4-5 will take place after the Economic Forum releases its projections for the upcoming biennium. I expect that during its December meeting the board will prioritize its budget request and resubmit it based on those final revenue projections.

I have the fiscal responsibility to the people of this state to submit a budget to the 2009 Legislature that is balanced based on anticipated revenues, just as I did for the current biennium. When the Economic Forum in 2006 submitted projections showing significant revenue growth, I proposed and signed the largest budget in the history of the NSHE.

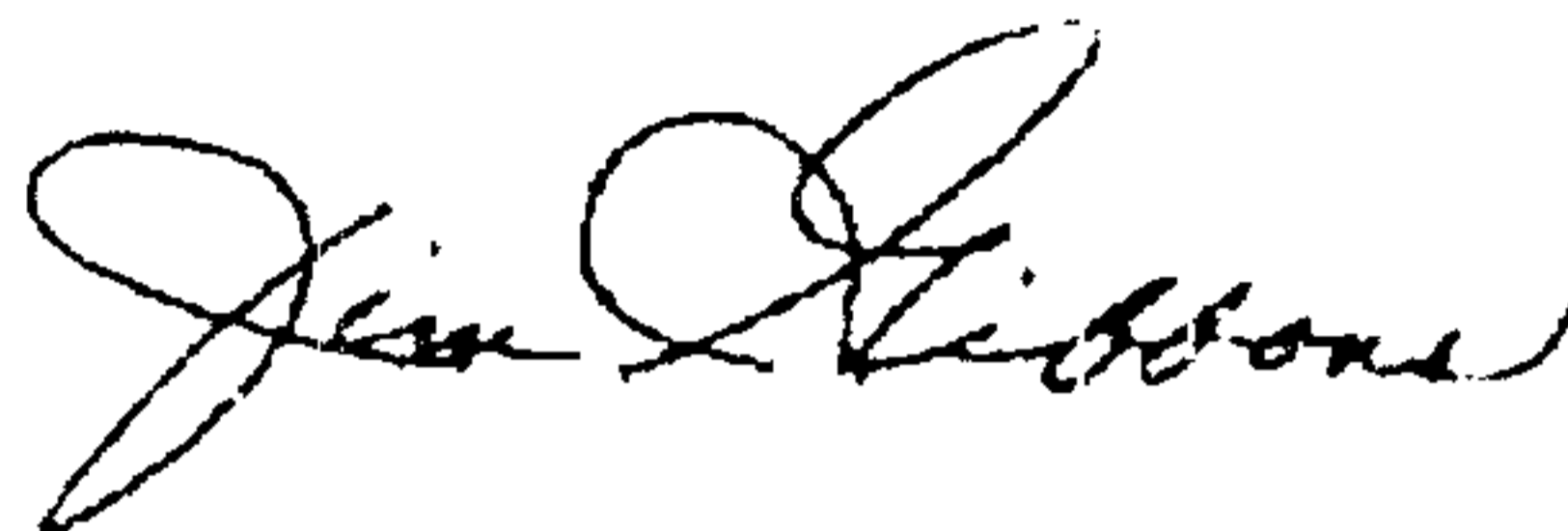
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Unfortunately, the economy has turned the other way. Philosophically, however, the point is the same. I can only budget what the state has to spend.

I look forward to reviewing the system's priorities for upcoming biennium after your December meeting. Please let me know if you would like to discuss this issue before that time.

Sincerely,

A handwritten signature in cursive script that reads "Jim Gibbons".

JIM GIBBONS
Governor

cc: Howard Rosenberg
Mark Alden
Stavros S. Anthony, Ph.D.
Cedric Crear
Thalia M. Dondero
Dorothy S. Gallagher
Jason Geddes, Ph.D.
Ron Knecht
James Dean Leavitt
Dr. Jack Lund Schofield
Steve Sisolak
Bret Whipple
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