

**To: Board of Regents of the University of Nevada System**

**From: Jay Raney, Ph.D.**

**Regarding: Proposed funding cut for Nevada Bureau of Mines and Geology**

I am writing to you in opposition to the proposed funding cut for the Nevada Bureau of Mines and Geology (NBMG). NBMG is of great importance to the economy of Nevada and the University of Nevada. The major facets of Nevada's economy are based on mineral resources. Mineral resources include not only gold, silver, and copper, but also potable water which is essential for tourism and agriculture, aggregate to support the construction industry, and geothermal and petroleum energy resources. Somewhat subtle, but none the less real, is the economic stimulus that results from NBMG activities.

As a regional manager of exploration for a major mining company, I lived and worked in Nevada for over a decade. Much of our exploration was based on the maps, reports, and other data prepared by the fine geologists at NBMG. The NBMG has a long tradition of publishing high-quality, geologic information that is the basis for successful exploration. The same or similar geologic data developed by NBMG are crucial for discovery and responsible exploitation of all mineral resources.

As a geologist and Nevada resident for many years, I was very aware of the pressing need for finding new water resources and managing known water resources. Water resource development depends on a high-quality database of geologic information. It relies on data available from NBMG, and it requires that the database be continually refined and upgraded.

Nevada is also a state that must contend with earthquakes, landslides, floods, and issues that result from development and population growth such as waste disposal. For over 20 years I managed applied research programs that dealt with these topics. While often not appreciated by the public, I can assure you that reliable, high-quality geologic data such as that produced by NBMG is the essential underpinning of successful management of these and other issues of great importance to our society.

I fully appreciate the difficulty of making hard budget decisions. There is the necessity of meeting near-term budget goals, but also the imperative of not creating worse deficits in the future. A severe reduction in the NBMG budget will create a fiscal loss in future years. Not only will it impair NBMG's ability to provide economic stimulus to the State, but the proposed \$1.1 million reduction in funding will significantly impact the ability of NBMG to bring federal and other external grant monies, approximately \$4 million per year, to the University of Nevada. Many grant opportunities require matching funds, and the current exemplary achievement of approximately \$2 in external funds for every \$1 in State money will be in jeopardy.

Jay Raney, March 26, 2011

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