

BOARD OF REGENTS

BRIEFING PAPER

1. AGENDA ITEM TITLE: Handbook Revision: Capital Improvement Fee Use Policy Update

MEETING DATE: September 11-12, 2025

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Title 4, Chapter 10, Section 12, Subsection 4 of the Board of Regents *Handbook* requires a 30-day notification period to the Board of Regents before Presidents may expend Capital Improvement Fee (CIF) funds on projects of more than \$100,000, but not exceeding \$1,200,000 or the actual balance in the fund, whichever is less.

The recommended policy revision will reduce the Board notification period from 30 days to 7 days. In addition, a new section is added that allows for use of CIF funds in the event of an emergency with after-the-fact reporting.

The revisions will improve the timeliness for institutions to be able to initiate and complete projects funded with CIF while still maintaining the Board's oversight, visibility, and transparency for CIF-funded projects.

Additionally, Subsection 5 of the policy references the NSHE *Procedures and Guidelines Manual* general requirements for contracting, which are applicable for all contracts regardless of the source of funds, and therefore, the proposed revision removes this reference as this section has been misunderstood as a substitute for the Board notification procedure specified in this CIF policy.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Approve a revision to the *Handbook* (Title 4, Chapter 10, Section 12) to reduce the required Board notification period from 30 days to 7 days for Capital Improvement Fee (CIF) expenditures of more than \$100,000 but not exceeding \$1,200,000 or the actual balance in the fund, whichever is less and to add a section providing for use of CIF funds in event of an emergency with after-the-fact reporting to the Board. The revision also includes deletion of an unnecessary/redundant section that references the NSHE *Procedures and Guidelines Manual* general requirements for contracting, which are applicable for all contracts regardless of the source of funds.

4. IMPETUS (WHY NOW?):

The revision will improve the operational efficiency of the policy while maintaining the Board's oversight of the use of Capital Improvement Fee funds by reducing the notification time period and allowing for use in case of emergency with after-the-fact reporting in lieu of the notification period.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- ☐ Access (Increase access to higher education)
- ☐ Success (Improve student success)
- ☐ Close Institutional Performance Gaps
- ☐ Workforce (Meet workforce needs in Nevada)
- ☐ Research (Increase solutions-focused research)
- ☐ Coordination, Accountability, and Transparency (Ensure system coordination, accountability, and transparency)
- ☒ Not Applicable to NSHE Strategic Plan Goals

6. INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

These updates to the *Handbook* improve coordination and efficiency by streamlining approval processes, allowing institutions to respond more quickly to facility needs. They also enhance transparency by clarifying the appropriate procedures for the use of Capital Improvement Fee (CIF) funds.

7. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Reducing the notice requirement from 30 days to 7 days allows institutions to move more quickly on critical maintenance and capital needs.
- Eliminating a subsection that does not apply to CIF increases transparency and may prevent confusion in the use of CIF.

8. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Shortening the notice period may reduce the amount of time Regents have to review CIF expenditures.

9. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Not to update this section of the *Handbook*.

10. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's Office recommends approval.

11. COMPLIANCE WITH BOARD POLICY:

- ☐ Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- ☒ Amends Current Board Policy: Title # 4 Chapter # 10 Section # 12
- ☐ Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- ☐ Other: _____
- ☐ Fiscal Impact: Yes _____ No X
- Explain: _____

POLICY PROPOSAL - HANDBOOK
TITLE 4, CHAPTER 10, SECTION 12
Use of the Capital Improvement Fee

Additions appear in ***boldface italics***; deletions are [~~stricken~~ and bracketed]

Section 12. Use of the Capital Improvement Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses, shall be allotted for capital projects and improvements will be referred to as the "Capital Improvement Fee."
2. Funds generated from the Capital Improvement Fee shall be deposited into a Capital Improvement Fee Fund for each institution that is maintained separately. If a project has multiple revenue sources, then the intended uses or the reason why the funds are appropriate shall be documented by the institution and expenditures matched with the funding source.
3. Funds generated by the Capital Improvement Fee may be expended on projects or improvements of up to \$100,000 that have been approved by the President and if for the purposes listed in paragraphs (a) to (h). Funds generated by the Capital Improvement Fee may be expended on projects of more than \$100,000, but not exceeding \$1,200,000, or the actual balance in the fund, whichever is less, for the purposes listed in paragraphs (a) to (h).
 - a. For the service of revenue bonds when a revenue bond issue is authorized by the Nevada State Legislature and approved by the Board of Regents. Such revenue bonds may be issued for the purpose of construction and furnishing of facilities.
 - b. For the necessary supplementation of capital projects that have been approved by the Nevada State Legislature.
 - c. For loans on residence and dining hall bond indebtedness service when funds are not otherwise available to meet the required annual payments.
 - d. For remodeling projects and related furniture, fixtures, and equipment as are needed for the accommodation of students in buildings.
 - e. For programming, planning, design, and feasibility studies pertaining to capital projects, which require consulting services in order to carry out the institution's basic responsibilities in developing long-range programs and plans.
 - f. For real property improvements as are necessary.
 - g. For the purchase of land or buildings adjacent to a campus or branch campus and within the master plan areas as such land or buildings become available and are offered for sale.
 - h. For other purposes approved by the Board of Regents.
4. If the amount to be expended is \$100,000, or less, prior notice to the Board is not required. If the amount to be expended exceeds \$100,000 but does not exceed \$1,200,000, or the actual balance in the fund, whichever is less, the President shall cause a notice of intent to expend the amount to be sent to members of the Board of Regents at least [~~30~~ ***seven (7)*** ***calendar*** days prior to making the expenditure. Expending funds generated by the Capital Improvement Fee for projects or expenses in excess of \$1,200,000, or if in excess of

\$100,000 but more than the actual balance in the fund, requires approval by the Board of Regents.

5. ~~[Capital projects or improvements not included in Subsection 3 shall follow guidelines in the NSHE Procedures and Guidelines Manual, Chapter 5, Section 3, Preparation and Approval of Contracts.]~~ ***In the event of an emergency which results from a natural or artificially created disaster and which threatens life, health, safety, or welfare of people or property, the President may authorize expenditures from the Capital Improvement Fee Fund for allowable uses noted in section 3 above without the prior notice or approval otherwise required by this section. The President shall take reasonable and proper action to address the emergency and shall provide notice of the use of the funds, including the reasons for determining that immediate action was necessary, to the Board of Regents within seven (7) calendar days of authorizing such use of funds.***
6. Project accounts should be closed no later than six months after the completion of the project.
7. Reporting. Institutions will report annually to the Board on the use of the Capital Improvement Fee in a reporting template provided by the Vice Chancellor for Budget and Finance.