BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
Stan Fulton Building, Room 130
International Gaming Institute
University of Nevada, Las Vegas
801 East Flamingo Road, Las Vegas
Thursday, November 29, 2007 8:30 a.m.
Friday, November 30, 2007, 8:00 a.m.

Members Present:	Mr. Michael B. Wixom, Chair Mr. Howard Rosenberg, Vice Chair Mr. Mark Alden Dr. Stavros S. Anthony Mr. Cedric Crear Dr. Thalia M. Dondero Mrs. Dorothy S. Gallagher Dr. Jason Geddes Mr. Ron Knecht Mr. James Dean Leavitt Dr. Jack Lund Schofield Mr. Steve Sisolak Mr. Bret Whipple
Others Present:	Chancellor James E. Rogers Executive Vice Chancellor Daniel Klaich Executive Vice Chancellor & CEO, UNHSS, Maurizio Trevisan Vice Chancellor, Academic & Student Affairs, Jane Nichols Vice Chancellor, Finance, Mike Reed Chief Counsel Bart Patterson Special Counsel Brooke Nielsen Interim President Michael D. Richards, CSN President Stephen G. Wells, DRI Vice President William Reinhard, GBC President Fred J. Maryanski, NSC Interim President Delores Sanford, TMCC President David B. Ashley, UNLV President Milton D. Glick, UNR President Carol A. Lucey, WNC Chief Executive Officer of the Board Scott Wasserman

Also present were faculty senate chairs Ms. Judy Stewart, CSN; Mr. Ed Nickel, GBC; Dr. Lawrence Rudd, NSC; Mr. Steven Bale, TMCC; Dr. Bryan Spangelo, UNLV; Dr. Stephen Rock, UNR; Dr. Doris Dwyer, WNC; and Mr. Brian Campbell, System Administration. Ms. Janis Klimonicz and Dr. Jack Gillies respresented DRI. Student government leaders present included Mr. Taylor Gray, CSN; Mr. Richie LeSpade, GBC; Mr. Ryan Crowell, NSC; Mr. Nick Chrysanthou, TMCC; Mr. Adriel Espinoza, UNLV; Ms. Sarah Ragsdale, UNR; Mrs. Rebecca Bevans, UNR-GSA and Ms. Hope Manzano, WNC.

Regent Alden led the pledge of allegiance.

Father Albert Pace from UNLV's St. Thomas Aquinas Catholic Newman Center offered the invocation.

Chair Michael B. Wixom called the meeting to order at 8:30 a.m., on Thursday, November 29, 2007, with all members present except Regents Crear and Sisolak.

1. Information Only-Introductions – Interim President Delores Sanford introduced ASTM Board Chairperson Mr. Nick Chrysanthou, Ms. Carmen Ortiz, Director of Communications-TMCC and Ms. Christiana Taku Agbor, ASTM Senator.

   Chair Wixom introduced Dr. William Reinhard, Vice President, Administrative Services-GBC, in attendance on behalf of President Paul Killpatrick.

2. Information Only-Chair's Report – As part of the Chair's report, Chair Michael B. Wixom requested that the President of each hosting institution introduce one student and one faculty member to discuss a topic of the hosting President's choosing to help provide Board members with a focus on the reasons they serve as Board members. He also discussed current NSHE events and his current activities as Chair.

   President Ashley introduced Dr. Michelle Chino-Kelly, Associate Professor, UNLV School of Public Health and founding Director of two UNLV research centers: the Center for Health Disparities Research and the American Indian Research and Education Center.

   Dr. Chino-Kelly is an American Indian researcher and educator with expertise in the social determinants of disease and injury and the impact of health disparities among diverse populations. She is now internationally recognized for her work on health measurement among indigenous populations. In her eight years at UNLV, Dr. Chino-Kelly has brought in several prestigious research grants and founded a nationally recognized, peer-reviewed journal entitled the *Journal of Health Disparities Research and Practice*. She brings a unique perspective and many years of experience to the School of Public Health, to her students and to the community programs with which she works.

   In response to Chair Wixom's question, Ms. Chino-Kelly related that of the students that do enroll in higher education, many do not finish or only pursue an Associate level degree. The number of American Indian students that continue on to Master or Ph.D. programs is even smaller. American Indians *(nearly 4 million)* are not entering higher education at a rate proportional to other populations.

   Ms. Chino-Kelly related that the three primary tribes within Nevada are the Washoe, Shoshone and Paiute. Chair Wixom asked Vice Chancellor Nichols to provide a report at a future meeting on the American Indians served by NSHE in Nevada.

   President Ashley noted the efforts of the partnership between UNR and the UNLV Public Health program, adding that he and President Glick continue to seek ways to aggregate services more effectively and efficiently.

2. Information Only-Chair's Report – *(Cont'd.)*

Mr. Adriel Espinoza, CSUN Student Body President-UNLV, is currently in his senior year pursuing a degree in nutritional sciences. He is the first generation in his family to be born in the United States and also the first to attend a university. Born and raised in Las Vegas, he graduated from Community College High School and soon transferred all of his credits to UNLV. He has served for four years on student government at UNLV; became a brother of Sigma Delta Alpha Latino Fraternity, Inc.; served as an orientation leader and represented UNLV as the 2006 homecoming king. In his remaining time at UNLV, Mr. Espinoza is working to develop a mentorship program where UNLV students can reach out to minority high school students in the Clark County School District.

Regent Sisolak entered the meeting.

Mr. Espinoza reported that as one of the more active groups on campus, the Rebel Service Council is working to make a difference in the UNLV and Las Vegas community with projects including: Labor of Love, Extreme Weekend, Alternative Spring Break, Meals on Wheels and various other organizations. Student athletes also positively impact their communities through the donation of time and good works via various charitable organizations including those that serve minorities and the less fortunate.

In response to Regent Dondero's question, Mr. Espinoza related that there were groups working to address the tremendous homeless student dilemma. Regent Sisolak stated that he is involved with a homeless youth organization that has provided scholarships to homeless students. He hoped that in the future, a presentation will be made to the Board regarding this issue.

Chair Wixom announced that he and Chancellor Rogers will be meeting with Governor Gibbons on Monday, December 3, 2007, to discuss issues affecting higher education in Nevada.

The meeting recessed at 8:59 a.m. and reconvened at 1:01 p.m. on Thursday, November 29, 2007, with all members present except Regents Crear, Schofield and Sisolak.

Regent Wixom noted that Regent Crear would be joining the meeting later that afternoon.

3. Information Only-Public Comment *(Agenda Item #4)* – None.

4. Approved-Consent Agenda *(Agenda Item #5)* – The Board approved the Consent Agenda *(Consent Agenda on file in the Board office)*.

(1) Approved-Minutes – The Board approved the minutes from the regular Board of Regents' meeting held October 11-12, 2007 *(Ref. C-1 on file in the Board office)*.

(2) Approved-*Handbook* Revision, Distance Education – The Board approved Vice Chancellor Jane Nichols' request for revisions to the Board's policy regarding distance education *(Title 4, Chapter 14, Section 11)*, which align Board policy with current practice and make other miscellaneous technical changes and corrections *(Ref. C-2 on file in the Board office)*.

4. Approved-Consent Agenda *(Agenda Item #5)* – *(Cont'd.)*

(3) Approved-*Handbook* Revision, Course Catalog Requirements – The Board approved Vice Chancellor Jane Nichols' request for recommended revisions to the current policy on catalog requirements *(Title 4, Chapter 14, Section 18 and Title 4, Chapter 16, Section 26)*. The revisions align the policy with current practice and clarify other provisions where necessary, including technical changes and corrections *(Ref. C-3 on file in the Board office)*.

(4) Approved-Capital Improvement Fee Funds, NSC – The Board approved NSC President Fred Maryanski's request to utilize $172,600 in Capital Improvement Fee funds for the following campus projects *(Ref. C-4 on file in the Board office)*:

➢ Improvements to Dawson Building parking lot to meet ADA requirements.	$37,600
➢ Improve parking lot lighting at Dawson Building.	$10,000
➢ Provide appropriate heating and cooling in the Great Hall of the Dawson Building.	$75,000
➢ Enhance student support areas.	$50,000
TOTAL:	$172,600

(5) Approved-Capital Improvement Fee Funds, UNLV – The Board approved UNLV President David B. Ashley's request for the use of $891,121 in Capital Improvement Fee funds. Proceeds from this distribution will be utilized for the following capital projects which cannot be funded from other institutional funds *(Ref. C-5 on file in the Board office)*:

➢ Police Services renovations.	$100,000
➢ University College; renovation to meet student needs.	$300,000
➢ Robert L. Bigelow Physics Building rewire *(partial funding)*.	$75,000
➢ Convert classrooms to technology enhanced classrooms *(TECs) (estimate 7)*.	$280,000
➢ Psychology lab partial renovation.	$26,121
➢ Anthropology lab partial renovation.	$110,000
TOTAL:	$891,121

(6) Approved-New Endowments, CSN – The Board approved CSN Interim President Michael Richards' request to accept three new endowments to benefit the students of the College of Southern Nevada *(Ref. C-6 on file in the Board office)*:

- Southern Chapter of the Nevada Self Insurers Association, $10,000, to establish an endowed scholarship to support students who are children of NSIA employees who have sustained an industrial injury in Nevada which has resulted in the employee's permanent total disability or death.
- Southern Nevada Air Conditioning Refrigeration Service Contractors Association, an annual $10,000 donation, not to exceed ten years, to establish a scholarship fund to support students of the CSN Applied Science HVAC program.
- From Tony and Mary Kaye Bailey and their family, and faculty, staff and friends of the College, $10,000 donation to endow the Justin Bailey Memorial Scholarship to benefit Nevada resident veterans of any military branch, including the National Guard, who pursue any degree program.

4. Approved-Consent Agenda *(Agenda Item #5)* – *(Cont'd.)*

Regent Gallagher moved approval of the Consent Agenda. Regent Geddes seconded. Motion carried. Regent Rosenberg abstained. Regents Crear, Schofield and Sisolak were absent.

Regents Schofield and Sisolak entered the meeting.

5. Approved-Design-Build Contract, Tropicana Parking Structure, UNLV *(Agenda Item #6)* – The Board approved UNLV President David B. Ashley's request to solicit for a design-build contract for Phase I of the Tropicana Parking Structure project. The location of the Tropicana Parking Structure had been previously approved by the Board of Regents in the UNLV Campus Master Plan. Approval for financing of the parking structure will be requested at a future Board meeting *(April 2008, once the design-build proposal process has been completed)*. The total project cost is estimated to be not more than $15.5 million *($13.5 million from financing and $2 million from UNLV parking reserves) (Ref. A on file in the Board office)*.

In response to Regent Rosenberg's question, Mr. Gerry Bomotti, Vice President, Finance-UNLV, indicated that state funds would not be used for this project and that the financing options for a design-build approach will be presented to the Board in the spring of 2008.

Regent Geddes asked what was currently available in parking reserves. Mr. Bomotti indicated that there is currently approximately $3 million in parking reserves, much of which is savings realized from the previous parking garage project.

In response to Regent Rosenberg's question, Mr. Bomotti related that a 10% per year increase in parking fees was projected in order to support this project.

Regent Sisolak noted that placement of the ramp in the center of the garage will significantly impact traffic flow. He then asked that potential revenue sources such as the creation of advertising space on the sides of the parking structure be considered. He also requested information on the percentage of costs that were to be allocated to athletics or special events. Mr. Bomotti related that UNLV will consider traffic flow issues as well as the inclusion of advertising space as part of the project solicitation. He stated that negotiations are currently underway with the Thomas & Mack Center for payment of some portion of the cost of the garage. Regent Sisolak requested that the fees be kept as low as possible. Mr. Bomotti related that a committee, with student representation, has been established to discuss potential financing options.

Regent Alden observed that the cost of the project will translates into approximately $15,000 per space and requested that Nevada contractors, architects and engineers be used. He observed that it will be important to coordinate with the facilities, athletics and student services departments as they have the knowledge of parking situations during special events. Mr. Bomotti related that those departments are being consulted and contingency plans are being discussed to mitigate those impacts as much as possible. Mr. Bomotti related that it is in UNLV's long term plan to increase the use of public transportation on campus as well as to provide additional parking.

5. Approved-Design-Build Contract, Tropicana Parking Structure, UNLV *(Agenda Item #6)* – *(Cont'd.)*

Regent Geddes emphasized that although he liked the planned location of the parking garage, he asked that the placement of these types of buildings on the campus perimeter be taken into consideration as they may block the view of UNLV's many beautiful buildings.

Chair Wixom asked how close UNLV is to having an efficient level of available parking. Mr. Bomotti related that in addition to this structure, the campus could use one additional garage near Maryland Parkway. That would provide a more reasonable level for 32,000 students.

Chair Wixom asked if the parking structure would dovetail with the Midtown UNLV project. Mr. Bomotti related that they had looked for a parking structure on the east side of Maryland Parkway but could not find a partner that would work with them at that time. UNLV will want to pursue that option within a few years. In the meantime, the installation of this one structure will address the immediate needs of the campus.

Chair Wixom asked if the parking structure is close enough in proximity to the proposed UNLV Midtown project so that some of the parking spaces can be used toward meeting future permit requirements. Mr. Bomotti offered to research that possibility and report back to the Board. He noted that the most efficient partnership would be with an entity that would allow UNLV use of the garage on Monday through Friday, from 9 a.m. to 5 p.m. Chair Wixom suggested that Mr. Bomotti consult with Mr. Saltman for ideas.

In response to Chair Wixom's question, Mr. Bomotti stated that it was still too early to provide details on the types of financing being considered. The solicitation will not only be for this garage, but also for the possibility of managing UNLV's existing parking structures which may have a significant impact on the financing options. Mr. Bomotti related that many institutions have outsourced their parking structures and that there are a few firms that focus on managing parking structures for higher education. It may not be a viable solution but they are interested in the option.

Regent Knecht moved approval of solicitation of bids for Phase I of a design-build contract for the UNLV Tropicana Parking Structure with the caveat that the project dovetails as much as possible with the Midtown UNLV project. Regent Sisolak seconded. Motion carried. Regent Crear was absent.

4. Approved-Consent Agenda *(Agenda Item #5) – (Cont'd.)*

(4) Approved-Capital Improvement Fee Funds, NSC – *(Cont'd.)*

Given the current economic predictions, Regent Sisolak suggested that President Maryanski hold off on as much spending as possible. Chancellor Rogers preferred that NSC not change their plans until more information was known about the future of the budget cuts, adding that they will attempt to derive as good a prediction as possible at next week's meeting with the Governor.

Chair Wixom encouraged President Maryanski to complete the projects as quickly as possible while holding onto the funds as long as possible.

(5) Approved-Capital Improvement Fee Funds, UNLV – *(Cont'd.)*
Regent Sisolak requested that the same consideration apply to UNLV's request as well.

Regent Crear entered the meeting.

6. Information Only-Handouts at Board Meetings *(Agenda Item #8)* – The Board discussed Board Chair Michael B. Wixom's request for adopting a policy to prohibit handouts at all Board and Committee meetings *(full statement on file in the Board office)*. Concerns have been expressed by the Regents concerning reference materials that are provided as handouts at Board and Committee meetings. Although the Board recognizes that time is invested in preparing some handouts, they are disruptive to the meeting process, they tax the resources of the System and the material becomes part of the record giving rise to an erroneous assumption the Board has had an opportunity to consider the information in the materials.

Chair Wixom related that the Chancellor's Cabinet had determined that there will be two changes in the agenda process. The first will be that Committee agenda item requests and reference materials will be due one week prior to the Board agenda item and reference material deadline. The agenda item and reference material deadlines for the Board's main and consent agendas will not change.

Secondly, at Chair Wixom's request, a formal request form for late submission of agenda items and reference materials has been created. All late submission requests and associated materials must be submitted electronically on that form to the Chief Executive Officer of the Board and then submitted for approval by the Chair of the Board for inclusion on that meeting's agenda. He asked that Mr. Scott Wasserman, Chief Executive Officer of the Board of Regents, send a notice of the new deadlines and the form to the campuses.

Regent Gallagher indicated that, in the past, emergency items were determined by the Board Chair. Chair Wixom stated that emergencies constituted items affecting life, limb or property.

Regent Sisolak agreed with the concerns that have already been expressed, adding that he is also concerned about last minute removal of agenda items after the Board members have already spent considerable time reviewing and preparing for discussion.

6. Information Only-Handouts at Board Meetings *(Agenda Item #8)* – *(Cont'd.)*

Regent Knecht agreed that materials should be submitted in a timely manner but asked if a policy would prohibit a Board member from also submitting a handout. Chair Wixom stated that although handouts would be within a Regent's discretion, the privilege should not be abused.

Chief Counsel Patterson expressed concern that adoption of a policy may create some issues with certain financial or contractual transactions that are typical in a business setting. He also noted that any policy revisions made at the direction of a Committee, after the Board meeting agenda has been mailed, must be provided to the full Board, typically in the form of a handout.

Regent Knecht moved approval of prohibiting handouts at Committee or main Board meetings except if the handouts are approved by filling out a late submission form with two exceptions: (1) handouts submitted by a Regent or (2) emergency items approved by the Board Chair or Committee Chair. Regent Rosenberg seconded.

Regent Leavitt observed the potential for so many exceptions that a policy would be rendered ineffective. He noted that there have been instances when a financial advisor has submitted late materials on which the Board must take action. Vice Chancellor Reed asked for sensitivity to materials that are issued based on calendar quarters in relation to the agenda cycle.

Regent Crear suggested that instead of creating a formal policy, that the Board Chair provide direction to the campuses in the form of a memo. Chair Wixom agreed that would be appropriate and asked Mr. Wasserman to create such a memo.

Motion and second withdrawn. No action taken.

7. Withdrawn-Resolution, Bank Financing for Signage, Revenue Generating Signs, UNLV – This item was withdrawn from consideration *(Ref. B on file in the Board office)*.

Regent Whipple left the meeting.

8. Approved-Higher Education Act Reauthorization *(Agenda Item #9)* – The Board approved a directive for a letter to be written to Congressional representatives from the Board. Vice Chancellor Nichols reported that the State Higher Education Executive Officers *(SHEEO)* sent a letter on October 22, 2007, to Congressional leaders on issues under consideration in the reauthorization of the Higher Education Act: the cost of higher education, improving state data systems, the National Assessment of Adult Literacy, accreditation, and institutional eligibility for participating in Title IV programs. Board Chair Michael B. Wixom led a Board discussion of these topics and other relevant issues related to the reauthorization of the Higher Education Act *(Ref. C on file in the Board office)*.

8. Approved-Higher Education Act Reauthorization *(Agenda Item #9) – (Cont'd.)*

Vice Chancellor Nichols explained that the Spelling Commission addressed extensively the concept of holding the institutions accountable for student performance and actual costs. The Senate bill establishes a higher education price index by sector and a ranking methodology, effectively creating a higher education price-watch list.

Regent Knecht questioned the wisdom of taking action on the entire bill. Chair Wixom felt that for the benefit of Nevada's congressional delegation, the Board could highlight certain issues important to the System.

President Glick related that the House bill includes language concerning institutions that raise their tuition above a certain index. As the Board is aware, NSHE institutions represent some of the lowest tuition costs of higher education institutions in the country. A 10% increase of their tuition is much different than a 10% increase of the other larger, more expensive, institutions throughout the country. They have cautioned Nevada's congressional delegation that, although setting a reasonable threshold was good, restricting it to a specific level could be detrimental to Nevada's institutions.

Executive Vice Chancellor Klaich asked if there was any provision in the bill addressing peer-to-peer file sharing or piracy. Vice Chancellor Nichols related that one of the items added to the House bill includes penalties for file sharing. Executive Vice Chancellor Klaich explained that many national educational organizations are opposed to what is perceived as a shifting of the burden to institutions of higher education by the entertainment industry regarding file piracy.

In response to Regent Sisolak's question, President Glick related that although the cost of education is a legitimate issue, the bill does not differentiate between George Washington University *($79,000 per year)* or the University of Michigan *($12,000 per year)* and the University of Nevada universities where the tuition is $3,500 per year. He was concerned for the number of students who are discouraged by the high costs reported by other institutions.

Regent Whipple entered the meeting

Regent Rosenberg moved that a letter be directed from the Board to the Nevada congressional delegation reflecting the Board's opposition to the outlaw provision and outlining the analysis that was put forward during the discussion of the item. Regent Schofield seconded. Motion carried.

In response to Chair Wixom's question, President Lucey related that there are three prisons in WNC's service area. Since incarcerated individuals are ineligible for the Pell grant, WNC has been forced to require incarcerated students to pay a portion of their higher education fees. She asked the Board to consider that prison education is a clearly obvious need of higher education, adding that WNC has approximately 100 FTE who are prisoners.

8. Approved-Higher Education Act Reauthorization *(Agenda Item #9)* – *(Cont'd.)*

Regent Schofield observed that the System has not been successful in seeking funding for educating prisoners, yet research indicates that obtaining a higher education leads to a lower rate of recidivism.

Chair Wixom cautioned the Board that further discussion of this particular issue would require the item to be placed on a future agenda.

Regent Alden noted that it is less expensive to educate than it is to incarcerate and requested that this item be placed on a future agenda.

Regent Gallagher noted that one of WNC's recent Outstanding Graduates was a bright young man who had been convicted for life and wondered what may have happened differently if he had been reached earlier.

Regent Leavitt left the meeting.

9. Approved-Employment Contract, Head Baseball Coach, UNR *(Agenda Item #10)* – The Board approved UNR President Milton D. Glick's request for a new three and a half year contract for Head Coach Gary Powers, effective January 1, 2008, at a base salary of $110,000 *(a $14,891.65 increase from the previous year).* The contract will include eligibility, at the Athletics Director's discretion, to earn up to 50% of his monthly base salary per round of post season play and an additional $1,000 for winning Conference Coach of the Year. The recommended increase will be funded from fundraising efforts *(Ref. D on file in the Board office).*

Regent Alden moved approval of the contract for UNR's Head Baseball Coach. Regent Geddes seconded.

Regent Alden expressed his support for the motion.

Regent Sisolak asked about a buyout clause. Ms. Cary Groth, Director, Intercollegiate Athletics-UNR, replied there was no buyout clause. President Glick explained such clauses were typically associated with the money-making sports.

Regent Crear asked about the basis for the salary recommendation. Ms. Groth replied they consider the WAC average salaries, adding in the average of PAC 10 salaries, and ensure the salaries of the coaches of the Olympic sports teams place them in the top three. This brings Coach Powers to the third highest paid, based on years of experience.

Chair Wixom asked about the graduation rates. Ms. Groth replied that the graduation rates for student athletes were higher that non-student athletes. The average APR rate for baseball is 895. The UNR baseball program is approximately 35 points higher than the national average. She felt they did a very good job with the graduation rate, adding that the rate has improved each year of Coach Powers' term.

Regent Geddes observed it was a good, clean, competitive sport and felt that Coach Powers does a very good job.

9. Approved-Employment Contract, Head Baseball Coach, UNR *(Agenda Item #10)* –

Regent Geddes observed it was a good, clean, competitive sport and felt that Coach Powers does a very good job.

Ms. Groth related that specific standards were set and met in order to recommend this contract extension.

Regent Sisolak noted that the contract was not included in the reference materials. He asked about a community service requirement, adding that he wants to take full advantage of getting the coaches and athletic directors out into the communities. He asked whether they were encouraged to do so. Ms. Groth replied that all coaches are encouraged to perform 30 hours of service per year. The goal this year is 3,000 hours collectively. Coach Powers is very active in the Reno community. She noted that these types of contracts are handled differently than the revenue sports, the Olympic sports contracts are multi-year contracts, therefore a copy of the original contract is not attached. Regent Sisolak said that he was satisfied.

Regent Alden asked about the average attendance per game in Reno. Ms. Groth replied they currently draw approximately 1,500 spectators per game, adding that they are meeting the revenue goals. She said they could do better, but that she was happy with the performance. Regent Alden noted that the program was assisted with self-supporting funds. Ms. Groth agreed. Regent Alden congratulated Ms. Groth, President Glick and Coach Powers.

Motion carried. Regent Leavitt was absent.

Regent Leavitt entered the meeting.

10. Approved-Malpractice Tail Insurance, UNR *(Agenda Item #11)* – The Board approved UNR President Milton D. Glick's request for the payment of malpractice tail insurance coverage for the following physicians. Payment of the malpractice insurance will be up front and funded by clinical income.

- Dr. Samina Khani, Internal Medicine, $7,089 *(Ref. E1 on file in the Board office)*.
- Dr. Sandhya Wahi-Gururaj, Internal Medicine, $14,451 *(Ref. E2 on file in the Board office)*.

Regent Geddes moved approval of the malpractice tail insurance coverage for UNR. Regent Alden seconded.

Regent Sisolak observed that this request appears to be the norm and asked why they continue to come before the Board. President Glick explained that only approximately 10% of the contracts are brought before the Board, adding that he would be content if the Board would allow presidential discretion within a specific threshold.

Executive Vice Chancellor Klaich indicated that Vice Chancellor Reed is drafting language for such a proposal to be presented at a future meeting.

10. Approved-Malpractice Tail Insurance, UNR *(Agenda Item #11)* – *(Cont'd.)*

Regent Sisolak requested that a proposed policy also address tail coverage for lawyers and dentists if necessary. Executive Vice Chancellor Klaich indicated they would conduct the necessary research and report back to the Board.

In response to Regent Schofield's question, President Glick explained that tail insurance is coverage that extends the period of time the insurance company will cover claims which have not yet been reported to the insurance company after they have left their private practice and become employed by the System. He further explained that tail coverage is a one-time payment whereas providing an additional incentive in the form of salary would create a more permanent ongoing cost.

Motion carried.

The meeting recessed at 2:47 p.m. and reconvened at 3:02 p.m. with all members present.

11. Information Only-*Handbook* Revision, Review of Salaries Paid to Part-Time Instructors *(Agenda Item #12)* - This was the first reading of a request for a change in Board policy *(Title 2, Chapter 5, Section 5.5)* to specify that the review of salary schedules that must occur every four years shall include a review of salaries paid to part-time instructors. This revision is made at the request of the Board during the October 2007 meeting when the 2008-09 salary schedule was reviewed and approved *(Ref. F on file in the Board office)*.

In response to Regent Sisolak's question, Vice Chancellor Nichols related that the salary information brought before the Board every four years does not normally include the cost of benefits.

Executive Vice Chancellor Klaich related that the new language could include salary and benefits paid to part-time instructors. Chair Wixom asked that the second and final reading include that language.

12. Approved-*Procedures & Guidelines Manual* Revision, Special Student Fees & Summer Registration/Distribution *(Agenda Item #13)* – The Board approved Vice Chancellor Mike Reed's request for the proposed special fee changes and summer registration fee/distribution for NSHE institutions, with fees to be effective academic year 2008-09 and summer registration to be effective Summer, 2008 *(Ref. G on file in the Board office)*.

Regent Sisolak asked if it would be better to implement a policy that allows for small annual increases instead of a large increase every few years.

Regent Geddes questioned the School of Medicine's implementation of an administrative fee to pay for a professional staff salary. Dr. Janet Vreeland, Interim Provost-UNR, indicated that this fee was originally implemented in March 1993. Dr. Vreeland indicated that at that time, for an unknown reason, it was never reflected in the Regents' fee schedule.

Regent Gallagher observed that Regent Sisolak's suggestion for raising the tuition in small annual increments may allow families to financially plan better for the cost of education.

12. Approved-*Procedures & Guidelines Manual* Revision, Special Student Fees & Summer Registration/Distribution *(Agenda Item #13)* – *(Cont'd.)*

Regent Knecht stated that he would oppose indexing as a matter of principle, adding that it would be better to base an increase on true costs. He related that indexing does not take into account the decrease in costs over time due to technological improvements and innovations.

Regent Crear was deeply concerned that a fee increase can be directly tied to a staff or faculty position. Regent Sisolak related that as recently as last year he had been told that faculty positions could not be paid with fees. Vice Chancellor Nichols explained that there is a policy that states student fees associated with classes cannot be used for extra expenses or salaries. Dr. Vreeland clarified that this fee was not affiliated with a specific course, but rather a fee that all medical students pay to help offset the cost of a specific administrative position to coordinate financial aid services.

Regent Geddes agreed with Regent Knecht's point regarding the impact that indexing would have. Chair Wixom established that Regent Sisolak's point was not to create an index but rather to identify the actual costs and impose a gradual increase so that the students do not suddenly incur a large increase.

Chair Wixom asked if the current policy includes a periodic review and evaluation of the actual costs. Vice Chancellor Nichols related that the policy states that fees associated with courses cannot be charged for faculty positions except for in the case of extraordinary expenses such as with music courses. She did not believe there is a policy prohibiting fees such as for orientation, acceptance and so forth. It appears that the School of Medicine *(SOM)* added such a fee to offset certain expenses.

Chair Wixom asked if this situation was differentiated from previous discussions because the SOM's fee is being allocated for the administrative position related to placement services, which would not be in violation of current Board policy. Vice Chancellor Nichols indicated that was correct.

Regent Sisolak expressed concern for the rationale behind special fees and inquired about UNLV's request to subsidize a golf instructor. Dr. Neal Smatresk, Executive Vice President and Provost-UNLV, explained that the fee covers services provided that are not part of the instructor's salary. Chair Wixom observed that this is a third-party fee that is a requirement of the course and is differentiated from normal instruction of the class. Regent Sisolak indicated that the fee was requested in order to maintain an 8:1 student to instructor ratio.

Chair Wixom asked if approval of this agenda item would violate current Board policy. Specifically, he asked whether the SOM fee for the placement officer or UNLV's fee for a third-party instructor would fall within the list of exceptions permitted under the current policy. Special Counsel Nielsen indicated that it appeared that neither fee violated the policy as currently written. The SOM fee did not pertain to a specific course and therefore was not prohibited by the current policy and UNLV's fee appeared to fall into the list of exceptions as outlined by the policy.

12. Approved-*Procedures & Guidelines Manual* Revision, Special Student Fees & Summer Registration/Distribution *(Agenda Item #13)* – *(Cont'd.)*

Regent Crear still objected to paying staff salaries with these fees. Dr. Vreeland related that all funds generated by this fee go directly to a faculty position that provides a service to the students, not a specific course. Regent Crear felt that other positions could claim the same justification.

Chair Wixom stated that whether or not the Board should adopt a policy for this issue and whether or not Board action would violate the current policy are separate issues. Chair Wixom was satisfied that Board action would not violate current Board policy.

Regent Knecht moved approval of the *Procedures & Guidelines Manual* revision concerning special student fees and summer registration/distribution. Regent Gallagher seconded.

Chair Wixom noted that the motion and second to approve this item was with the understanding that the approval of this item would not violate Board policy.

Upon a roll call vote, the motion carried. Regents Rosenberg, Sisolak, Alden, Crear, Dondero and Geddes voted no. Regents Schofield, Whipple, Wixom, Anthony, Gallagher, Knecht and Leavitt voted yes.

Vice Chair Rosenberg requested that the issue of special fees be re-visited on a future agenda. Regent Sisolak requested that the discussion include periodic review and evaluation of the actual costs.

13. Approved-Institutional Strategic Plan, DRI *(Agenda Item #14)* – The Board approved DRI's institutional strategic plan as presented by DRI President Stephen G. Wells *(Ref. H on file in the Board office).*

Regent Alden moved approval of DRI's institutional strategic plan. Regent Gallagher seconded.

Regent Crear felt that the System needs to better communicate the services provided by this prestigious institute to the community.

In response to Regent Whipple's question, President Wells stated the last major ground water study performed in Nevada was approximately 30 years ago. Since that time, technology has changed and there is an increased demand on the State Engineer's office. He felt that DRI can play a greater role in this effort and would like to see a broad partnership with the State Engineer's office.

President Wells recalled that the legislature, during the previous legislative session, appropriated money for the purchase of equipment that is now in place. He also related that, initially, there was $2 million but that did not make it through the final round of the legislative budget sessions.

13. Approved-Institutional Strategic Plan, DRI *(Agenda Item #14)* – *(Cont'd.)*

Regent Whipple asked if DRI has been in contact with the Southern Nevada Water Authority *(SNWA)*. President Wells replied that they have worked with SNWA but not in ways that would provide an analysis that can help them make appropriate judgments over time. Contact has also been made with the State Water Engineer but action has been delayed due to funding. He reported that NFS EPSCoR has funded a new laboratory on the Boulder City campus that joins UNR, UNLV and DRI in researching the underground migration of soils and potential contaminants. He added that air conditioning needs to be installed before the building can be staffed.

In answer to Regent Schofield's question, President Wells offered to provide information on alternative water sources available in the Armagosa Valley at a future meeting.

Regent Alden left the meeting.

Regent Schofield observed that other states are implementing alternative sources of energy such as solar energy and wind farms. President Wells offered to make related information presented to Senator Reid available for the Board's information.

President Wells related that the three research institutions are working cooperatively but are challenged to keep the program funded this year. Executive Vice Chancellor Klaich observed that $2 million will not provide for a comprehensive ground water study. President Wells agreed stating that a more accurate reflection of the costs would be approximately $2 million per year for 10 years.

Motion carried. Regent Alden was absent.

14. Approved-Building Naming Request, UNR *(Agenda Item #20)* – The Board approved UNR President Milton D. Glick's request to name the Robert and Janice Davidson Mathematics and Science Center on the University of Nevada, Reno campus *(Ref. I on file in the Board office)*.

Regent Rosenberg moved approval of naming the Robert and Janice Davidson Mathematics and Science Center at UNR. Regent Geddes seconded.

Regent Sisolak asked if there was a definition or threshold for significant donations. Executive Vice Chancellor Klaich did not believe there was a policy that specifically addressed that issue.

President Glick felt that having an explicit policy might have some dangers. He related that UNR would like to consider factors such as those that have contributed greatly to society or that have contributed an amount in excess of 50% of the private funding needed for a building. He preferred the Board provide policy direction rather than limit the campuses to a specific percentage.

14. Approved-Building Naming Request, UNR *(Agenda Item #20)* – *(Cont'd.)*

Regent Crear asked if there were limits to the length of time for which a building could be named.

Regent Anthony suggested the Board vote on the specific matter before them at this time.

Motion carried. Regent Alden was absent.

The meeting recessed at 4:35 p.m. on Thursday, November 29, 2007.

The Board of Regents convened on Friday, November 30, 2007, at 8:02 a.m. sitting as Members of the Corporation for the respective institutions with all members present except Regents Alden, Crear, Gallagher, Knecht and Sisolak.

15. Information Only-Foundation Reports - Sitting as members of the respective institution foundations, the Board reviewed presentations from the institution foundations *(See individual Foundation minutes filed separately in the Board office)*.

The Board of Regents' regular meeting reconvened at 9:25 a.m. on Friday, November 30, 2007, with all members present except Regent Anthony.

16. Information Only-2009-2011 Biennial Budget – Board Chair Michael B. Wixom asked staff to brief the Board on the timeline for the creation and submission of the 2009-2011 biennial budget request for the Nevada System of Higher Education, the financial position of the campuses coming out of the 2007 Session of the Nevada Legislature, and some preliminary consideration of critical campus needs and the themes around which the budget may be built. He led a discussion among the Board, Chancellor, Presidents and staff on these matters.

President Ashley reported that although the perception is that the total dollars for the System, and UNLV in particular, was increased, it is mostly restricted dollars that are committed to such expenses as COLA and are outside of their control to adjust or manipulate in any way to provide budgetary relief. Mr. Gerry Bomotti, Vice President, Finance-UNLV, reported that, due to the three year rolling average in the funding formula and the decrease in enrollment in 2007, UNLV owed the State $26.1 million. The State appropriated to UNLV $14.6 million in fee funds redirected to the formula and "hold harmless" funding. The Legislature then allowed UNLV to use $5.7 million of additional student fees collected to offset the remaining hold harmless amount. UNLV knows that its enrollment is not growing at a pace comparable to the funding formula and therefore will have to set aside $3.6 million to cover next year's anticipated shortfall. Also in 2007, the State did not fund utility increases, some of which were 15%.

Mr. Bomotti related that over the last biennium, UNLV received $48.8 million in mostly restricted funds to be used to cover COLA, merit, step increases, benefit increases, new facility costs and other inflation related costs. Although UNLV received more State funding this biennium than last, it has received $13.6 million less in terms of maintaining current service levels with the formula funding received. For this biennium, UNLV has reduced

16. Information Only-2009-2011 Biennial Budget – *(Cont'd.)*

expenditures and has been very cautious with spending. He expressed concern for the impact that the current reduced enrollments will have on the formula funding in the future. If there are cuts in this biennium there will be further cuts to current service levels which may impact the next biennium even further.

Regent Alden related that when enrollments do not meet projection levels, the current budget system does not allow restricted funds to be moved to the areas of greatest need. There may appear to be an increase in funding but noted that those funds are restricted and cannot be redirected. He observed that if there are further budget cuts, those areas will be further impacted.

In response to Regent Geddes question, Executive Vice Chancellor Klaich related that after COLA is granted by the Legislature and a contract is initiated, it was a matter of contract law.

At Chair Wixom's request, President Glick clarified that "red" dollars are restricted by the legislature whereas "green" dollars are those over which the System has greater discretion. He noted that it is the green dollars that the Governor is requesting be returned to the State. Red dollars are restricted *(i.e., COLA and fringe benefits)* and must be spent in the manner in which they were intended.

Regent Sisolak observed that the System enters into its own contractual arrangements, thereby restricting the green dollars and turning them into red dollars. President Glick agreed and clarified that he is speaking solely about the increase from the Legislature, not the entire budget. Of the 165 million new dollars received from the State, all but $3-4 million was designated explicitly for merit, COLA, fringe benefits or opening new buildings, adding that none of which can be returned to the State and must be spent in the manner designated. President Glick established that the $3-4 million the System received in discretionary, or green, dollars has already been committed to its own obligations, thereby making them restricted, or red, dollars. Mr. Bomotti added that the System's commitment of those green dollars was to cover tenured faculty and professional personnel for which the System has an obligation. Regent Sisolak observed that the green dollars should now be considered red dollars because they have been committed by the System, for which it is liable.

Mr. Bomotti noted that for this biennium, the red dollar amounts went up $47.8 million while the green dollars were reduced by $13.6 million.

In response to Chair Wixom's question, Mr. Bomotti related that it will be very difficult for UNLV to be in the positive for the 2009-2011 biennium. Their reduction in enrollment will be further exasperated by the increased admissions standards. He explained there are fixed costs associated with each course offering, noting that reduced enrollments will not reduce those associated fixed costs. Unfortunately, there is not the physical capacity to double class sizes. As enrollments decline, the level of services offered to students will also be reduced.

16. Information Only-2009-2011 Biennial Budget – *(Cont'd.)*

Chair Wixom observed that there is an argument that as enrollment declines, so should the expenses. Mr. Bomotti stated that there was an approximate difference of 400 FTE between this year and the previous year. Chair Wixom then observed that the argument may be made that the loss of 400 students should reflect a decrease in expenses of $14-15 million. Mr. Bomotti related that besides the cost of providing the actual class section, there are additional fixed costs to provide the infrastructure that supports the students. The fixed costs do not decrease by reduced enrollments.

Mr. Bomotti added that in the fall of 2006, the Legislature adopted a policy that no longer allowed remedial courses as part of the FTE funding formula. Those services in general were with part-time instructors and are provided at the cost of the institution.

Executive Vice Chancellor Klaich related that Mr. Bomotti and the other business officers have struggled to help him understand the impact of these cuts. One of the issues that has been impressed upon him is that UNLV cannot immediately reduce budgets by reducing faculty because of the lead time notice that is contractually obligated. The option then is to cut part-time and LOA faculty, which further affects the reduction in enrollments and starts a drastic downward spiral. This points back to how much part-time instructors do for the System.

Regent Rosenberg stated that without part-time instructors to teach lower division courses, students cannot enroll in upper division courses, which further reduces enrollments. He added that, to his knowledge, UNR only has three classrooms that will accommodate more than 70 students at one time.

Regent Gallagher stated that an additional impact of letting instructors go is that they will accept positions at other institutions and will be difficult to replace.

President Glick related that the approximately 10 million new dollars that UNR received this biennium were restricted for COLA, merit and new buildings. Of the negative $6 million they started the year with, $2 million was due to enrollment that had increased but not as much as the previous year which resulted in a negative status and decreased funding. $1 million was returned to the State due to the letter of intent. In addition almost $1 million in out-of-state tuition remains uncollected due to the changes in the WICHE WUE agreements. The shortfall required elimination of equipment upgrades, a vice presidency position, an entire institute and careful management of every expenditure. President Glick pointed out that prior to the request to further reduce their budget, many steps had already been taken to reduce the $6 million shortfall.

Regent Sisolak noted that he has not heard from students and faculty and wondered if they understand the implications of the budget cuts. President Glick stated that he has covered this material graphically in several staff and student forums. Regent Sisolak requested that the Chancellor's memorandum be released to staff and students.

16. Information Only-2009-2011 Biennial Budget – *(Cont'd.)*

Chancellor Rogers related that the students should be very concerned but they are not responding. The faculty has been very supportive and the faculty senates' have sent him various letters. He cited that the UNLV Faculty Senate sent him a letter yesterday that they unanimously support his efforts and encouraged him to hold the course. They recognize the impact that this sort of thinking can create.

Dr. Stephen Rock related that the UNR faculty is extremely concerned for the tremendous negative impact this would have on the institution and the students.

Regent Sisolak felt that the students need to better understand the impact. President Glick related that the institutions have made a commitment to cannibalize other areas to protect student services as much as possible. He felt that because of that commitment to the students, instead of enhancing the outcry, they have moderated it.

Regent Rosenberg related that the students understanding of the situation is abstract instead of concrete. As faculty plans for next fall and spring, the impact of not having LOA faculty available and how that will impact the sections offered is being considered. There may be students that will not be able to graduate if these cuts are required.

Regent Gallagher noted that the System has experienced cuts before but suggested that this time perhaps tax reform or repositioning was necessary.

President Wells reminded the Board that DRI is 1.1% of the entire NSHE budget, equating to $1.2 million. Their increase over this biennium was a tenth of one percent. Of that $1.2 million, only $300,000 is discretionary and has already been contractually obligated. He related that DRI has returned about $4 for every $1 received by the State. If there was a $1 million cut over the biennium, this would equate to an approximate loss of $4 million to the State. Chair Wixom asked if the dollars spent by the State are leveraged to receive additional grants. President Wells stated that in 1999 – 2006, DRI received a total of $60 million that was used to bring $250 million to the State.

President Maryanski stated NSC's situation was very similar to DRI's. Their enrollment projections exceeded actual enrollments. Over a year ago, faculty was hired in anticipation of the higher enrollments. When it was realized that enrollment projections were falling short, they cancelled a number of staff positions. Although they currently have sufficient faculty, there is a severe shortage of other staff. There is very little flexibility for further reductions. On the academic side, their Provost has redirected resources to their business program which is experiencing the fastest rate of growth.

Interim President Richards reported that next month, CSN is expecting 40,000 students. In 1999, a study between actual funding and that of like institutions, revealed a funding gap. That gap was already in place even with relative budget stability and without any program retrenchment. CSN emerged from the 2007 Legislative session with reduced funding as compared with the prior year's budget. Just as the other institutions have reported, their restricted budget was increased but their discretionary budget was not. No action was taken on the identified funding inequities so their $21 million gap from 2006 continues to grow.

16. Information Only-2009-2011 Biennial Budget – *(Cont'd.)*

CSN is currently relying upon general improvement and CIP fees to address institution needs. In 2007, CSN realized over a 7.5% FTE enrollment increase. They continue to be the most diverse institution and the most under-funded by FTE. There will need to be some very uncomfortable choices made including reducing scholarships, financial aid and the number of classes. He said they are cutting as much as possible without resorting to layoffs but felt they may not be able to avoid that situation. For the next biennium they face increased enrollments, a $1 million shortage in enrollment funding due to the hold harmless decisions, deficiencies in their utility budget and a worse resource position due to continued funding inequities and a continued lag in square footage per FTE student.

Executive Vice Chancellor Klaich related that the equity imbalance referred to by Interim President Richards was identified by an interim study conducted by the legislature *(AB 203)* that determined an inequity in funding due to caseload adjustments. Interim President Richards added that these inequities are affecting the largest minority population in the State.

Dr. William Reinhard, Vice President, Administrative Services-GBC, reported that any cuts to the GBC budget would be devastating to their small campus and to their students. He related that 85% of their budget is restricted *(salaries and fringe benefits)* leaving only 15% as discretionary. GBC is currently leaving faculty and staff positions unfilled in an effort to stretch dollars as much as possible.

Interim President Sanford reported that with the hold harmless adjustments, TMCC had approximately $100,000 in hold harmless funds that were not restricted. She related that 85% of TMCC's budget is also restricted for salaries and benefits. She related that the lack of 8:1 funding for the nursing program was also a factor. At the beginning of the Fall 2007 semester, the budget situation was discussed openly with the faculty and staff. Newsletters and updates have also been released regarding the 5% budget cut request. They have not added any new faculty although their enrollment is up and they are exceeding their budgeted FTE. She stated that further cuts will undoubtedly affect access and students.

President Lucey reported that WNC had started the fiscal year in a difficult situation which was exacerbated by the lack of new money. When building the budget for this year, a 20% cut across the top was required prior to the governor's request for an additional 8% cut. They have not been replacing faculty since last spring and every vacant position has been frozen. She related that 82% of their operating budget consists of contractual obligations for personnel and fringe benefits, 5% is designated for utilities, leaving 13% for other discretionary uses. She felt that in an effort to achieve the additional 5-8% budget cut, campuses may need to be closed.

Vice Chancellor Reed summarized that it is best understood, in terms of fixed versus discretionary budgets, that new money over which the campuses have discretion represents 2% of the total general fund budget that the System received. This equates to $3.9 million.

Interim President Lucey reminded the Board that most of the discretionary money is contractually obligated.

16. Information Only-2009-2011 Biennial Budget – *(Cont'd.)*

Regent Leavitt felt this had been a very compelling and informative discussion.

Regent Dondero asked what impact the requested budget cuts would have on the students. President Lucey related that a number of sections that had been taught by full time faculty are now being taught by LOA faculty, adding that the institution does not receive much revenue from those classes.

Regent Rosenberg encouraged the student governments to become more involved in relaying this information to the students. He congratulated the Chancellor for his stand on this issue. He stated that ultimately it is the students that will be affected.

Regent Sisolak was deeply concerned that compliance with the request for the budget cuts would involve closures, layoffs and cancelled class sections.

17. Approved-Report on Potential Budget Reductions – The Board approved directing the Chair and the Chancellor to speak with the Governor about possible solutions to the present budget issues. The Board reviewed potential strategies and impacts of a reduction in the state-supported budget per the Governor's request.

Executive Vice Chancellor Klaich hoped the Board's discussion would involve two basic themes including (1) emergence from the 2007 session of the legislature where there were already existing challenges to the institutions and (2) facing those challenges with existing dollars and what the impact would be if those dollars are reduced.
Regent Leavitt observed that a unified front was required by the Regents and Presidents.

Chair Wixom related that from the beginning of this process his position has been to understand the will of the Board in order to enthusiastically convey an accurate message to the Governor. He asked each President if they were making plans for the projected 5-8% budget cuts.

President Ashley indicated to the full Board that the universities had previously submitted to them a comprehensive list of options that could occur. The setting of priorities would require further development and discussion with the constituencies involved before recommendation to the Board.

President Glick indicated that the Board has before them a prepared a list of funds available at UNR. He cautioned that the list is not strategic or tactical and could not be characterized as a plan. If cuts are required, UNR will need input from their faculty, staff and students. He added that from July 1st their institution has examined every new appointment prior to hiring to limit expenditures as much as possible.

President Wells stated that DRI has developed scenarios for implementation at certain points in time.

President Maryanski reported that they have completed the mathematical part of the exercise and are currently identifying the programmatic options to achieve that level of reduction.

17. Approved-Report on Potential Budget Reductions – *(Cont'd.)*

Interim President Richards stated that they will be exploring options and preparing written document at a later time.

Dr. William Reinhard, Vice President, Administrative Services–GBC, related that their institution is in the same position as CSN.

Interim President Sanford stated that they have had cabinet discussions on options. Although they have been cautious since the beginning of the fall, they do not have a prescriptive plan.

President Lucey related that this is a topic of regular discussion at their staff meetings. They are currently essentially operating under a freeze and would not be able to achieve a 5 or 8% cut.

Regent Alden stated that the Board must support the Chancellor and the Chair. He observed that 86% of the System's budget is locked down or contractual obligations are violated. There is an antiquated method in place for preparing the budget. He asked what the legal repercussions would be for moving fixed or discretionary dollars. He observed that the System may have to close campuses.

Regent Knecht presented a prepared statement of analysis, a big picture proposal on the state budget solution and a specific proposal for this Board *(handout on file in the Board office)*. He felt that Governor Gibbons and the Legislature dealt fairly with higher education during the 2007 Legislative session and there was no need to discuss tax increases or special legislative sessions at this time. Nevada faces a fiscal problem and NSHE should carry its fare share of the restraint required to respond to that problem, but not more than its share. He proposed that (1) the $36 million appropriation to the Rainy Day Fund should be vacated, (2) a substantial portion of the $170-million Capital Improvement Program (CIP) allocation to transportation be deferred, as should a portion of the $194-million of other CIP allocations and (3) the Board should direct the eight NSHE institutions and the rest of the System to prepare contingency lists of prioritized reductions from planned spending.

Regent Crear expressed his support for the System's efforts in dealing with the Governor. He noted that there seemed to be a one-sided approach in dealing with such a big issue. It seems to be creating fear upon speculation without sound basis. He asked why current resources, such as the Rainy Day Fund, could not be tapped into. He felt the Governor should provide more options instead of offering such a hard approach or one specific action. He felt there was an appetite in the Legislature for tapping into the Rainy Day Fund. Alternatives should be looked into. Regent Crear indicated that while he had a personal opinion regarding a tax base, he was not imposing that opinion on the Board. He was concerned for the affects the budget cuts will have on people's lives and the minority community in particular. He observed that the higher education system is carrying a larger portion of the burden, noting that so many other departments are exempt. He supports the Chancellor and any efforts that are made.

17. Approved-Report on Potential Budget Reductions – *(Cont'd.)*

Chair Wixom cautioned the Board to keep comments related to the agenda item.

Regent Whipple thanked Chair Wixom for handling this difficult subject as appropriately as possible. He noted that Regent Knecht was very brave for his statement. He agreed with Regent Crear's comments but felt the Board needs to be prepared for the decisions of higher government and not be counter productive.

In response to Regent Whipple's question, Chair Wixom explained that tapping into the general Rainy Day Fund would require a special session.

Regent Sisolak questioned the appropriateness of discussion regarding the Rainy Day Fund and special sessions. Chair Wixom observed that the description of this agenda item included discussion of potential future strategies. Executive Vice Chancellor Klaich felt it was within the scope of the agenda item, adding that Regents Knecht and Whipple are saying that rather than across the board cuts in 54% of state agencies, it is a possible strategy for the Chancellor and the Chair to request the Governor to look at other areas of appropriation, before cutting operating budgets.

Regent Whipple felt the Rainy Day Fund would be a great strategy and first step. Secondly, he noted how destructive cuts to the operating budget could be. He observed that it does not make sense to continue construction of buildings if the System is facing the possibility of shutting down others. He asked how much control the Board has over the System's CIP budget and one-shot requests.

Executive Vice Chancellor Klaich related that the last session of the legislature appropriated $194 million in general fund appropriations for capital improvement projects throughout the State including $74 million to NSHE, $77 million to the prisons and $33 million for all other capital projects within the State. Of the $119 million in total one-shot appropriations, to the best of his knowledge, only $10-11 million was appropriated to NSHE *($10 million for iNtegrate, $1 million to UNLV for various projects and $.5 million to TMCC for planning)*. He reminded the Board that there was also $170 million appropriated for two transportation projects in Southern Nevada out of the general fund.

Regent Knecht understood that the $170 million appropriated for the transportation projects was money over and above what the state could spend by law from general fund appropriations. He would suggest that was a low priority item that should be looked at first.

Executive Vice Chancellor Klaich believed that Regent Knecht was correct.

Regent Whipple stated it was reasonable to propose a delay of the $36 million Rainy Day Fund contribution as well as cuts in construction and capital improvement funds before cutting the operating budgets. It was more important to keep the doors open and kids in school than to build new projects. He reiterated that construction budget cuts should be made ahead of cuts to the operating budgets.

17. Approved-Report on Potential Budget Reductions – *(Cont'd.)*

Regent Sisolak asked why all other potential solutions to the budget issues could be discussed but not the subject of taxes.

Chair Wixom modified his ruling to include discussion of all possible solutions, including taxes.

Regent Whipple moved approval to direct the Chancellor to include in his discussion with the Governor the priorities of (1) withholding contribution to the Rainy Day Fund and (2) cutting the capital improvement budgets before making cuts to the operating funds. Regent Knecht seconded.

Regent Geddes suggested a friendly amendment to include Regent Knecht's comment that the budget cuts be fair and equitable throughout the State. He asked the Chair and Chancellor to emphasize the importance of higher education in producing graduates in the fields that will help serve and grow the State *(i.e., teachers, doctors and nurses)*.

Regent Whipple accepted the friendly amendment.

Regent Sisolak was confident in the Chair's and Chancellor's ability to convey the Board's concerns without focusing on just two or three specific points. Chair Wixom agreed adding that it would be helpful to have as much flexibility as possible when addressing the Governor.

Regent Schofield observed that he is the only Regent with experience teaching on both K-12 and the college levels. He expressed his embarrassment that Nevada is 48th in the country in the money spent on education. He felt communication is the key and expressed his support of the Chancellor to make the necessary decisions to help the System.

Regent Rosenberg supported Regent Whipple's comments with one exception that the power does not reside within the government, but rather with the students, parents and faculty.

President Wells clarified that CIP primarily resides in FF&E, adding that it was important to ensure that buildings are not just sitting there and that contracts are not broken.

Regent Wixom observed that was one of the reasons why some flexibility will be maintained.

Regent Alden thanked Regents Sisolak and Schofield for their comments and agreed with both. He stated that he would not support Regent Whipple's motion because he did not want to tie the hands of the Chancellor and Chair. There needs to be a better budget process instead of tying up 85% in areas over which the Board has no control.

Regent Crear agreed that the Board's general consensus should be conveyed to the Governor.

17. Approved-Report on Potential Budget Reductions – *(Cont'd.)*

Regent Dondero asked if the Governor had made any specific recommendations for which areas should be cut. Chair Wixom related that he has met with the Governor informally on occasion, but no specific recommendations had been made. The Chancellor and he met with the Governor for an economic summit where a broad discussion occurred. He believes the Board has an obligation to make sure the Governor understands what the System is facing and to convey possible solutions that would be less damaging. Regent Dondero stated that she did not want to shut the door on any students.

Regent Leavitt was not sure if he agreed with the substance and merit of Regent Whipple's motion, adding that the motion may have been made prematurely.

Regent Whipple stated that his motion was not intended to dictate what could or could not be discussed. He felt that some specificity was useful but it was not intended to reduce flexibility.

Regent Knecht was hopeful that the Governor will understand the Board is bringing forward some new and constructive ideas. He thanked Chair Wixom for his leadership. He felt that the Board needed to prepare some kind of a response to the upcoming problem, adding that he did not believe consideration of cutting the CIP budget and one-shot appropriations was premature.

Regent Schofield praised the Chancellor for his strength in speaking out when necessary.

Chancellor Rogers stated that in his experience, the negotiation process should not be hampered by the prioritization of any of the issues which may be discussed. He would not feel comfortable with the Board placing a value system on what may or may not be discussed. He understands that he has no right to bind the Board to anything but he has a responsibility to get the Board the best deal possible. He felt that he and the Chair should be free to work through the negotiations with the Governor and then report their progress to the full Board. He observed that the strongest negotiations are conducted between two people, not a committee. He does not want to be locked into a specific discussion by Regent Whipple's motion.

Regent Gallagher did not disagree with Regent Whipple's suggestion although she felt it was premature. She felt the Board would be in a much better position to make any decisions after the Chancellor and Chair meet with the Governor.

Chair Wixom proposed a friendly amendment to direct the Chancellor and the Chair to engage in dialog with the Governor about the resolution of budget issues, to include, without prioritizing, and without limitation, withholding the $36 million transfer to the State's Rainy Day Fund, review of the statewide CIP (Capital Improvement Projects) and transportation construction budgets for budget cuts before cutting operating budgets, imposing the budget cut burden throughout the general fund so all agencies would share the burden and review of other potential solutions.

17. Approved-Report on Potential Budget Reductions – *(Cont'd.)*

Regents Whipple and Knecht accepted the friendly amendment.

Chair Wixom and Chancellor Rogers indicated they were comfortable with the friendly amendment.

In answer to Regent Sisolak's question, Regent Schofield explained that he was not in favor of restricting the Chancellor's and Chair's discussion with the Governor. Chair Wixom and Chancellor Rogers clarified that they both felt the motion would not restrict the conversation.

Upon a roll call vote the motion carried unanimously. Regents Schofield, Sisolak, Whipple, Wixom, Alden, Crear, Dondero, Gallagher, Geddes, Knecht, Leavitt and Rosenberg voted yes. Regent Anthony was absent.

The meeting recessed at 11:50 a.m. and reconvened at 12:05 p.m. with all members present except Regents Anthony, Gallagher, Knecht, Leavitt, Schofield and Whipple

Regents Leavitt and Whipple entered the meeting.

18. Approved-Research & Economic Development Committee Recommendations *(Agenda Item #26)* - Chair Jason Geddes reported the Research & Economic Development Committee met November 26, 2007. Executive Vice Chancellor Dan Klaich provided the Committee with an update of the Walker Basin Project. The fourth Stakeholder Group meeting has been set for December 12, 2007, at the Walker River Paiute Tribe Community Center in Schurz, Nevada. In addition to the updates provided by the principal investigators, research presentations will be made on the environmental health and biology of both Walker Lake and Walker River by UNR and DRI faculty, as well as an update of the U.S. Fish and Wildlife Service research on Walker Lake. Additionally, the Bureau of Reclamation has begun the Environmental Impact Statement process as required by the National Environmental Policy Act. The agency will be holding scoping meetings to assist in obtaining public input. Members of the project have been working with the Nevada Small Business Development Center to consider economic impacts. The first meeting will be in Yerington on December 5, 2007, and the second meeting will be in Smith on December 10, 2007. The meetings will provide a forum for community input into potential future economic development and diversification strategies for Mason valley and Smith Valley. Five more community meetings will be scheduled in January and February.

Associate Vice Chancellor Penny Amy reviewed findings from a sample of higher education institutions and systems on the public or confidential nature of their records on conflict of interest or outside compensated professional services. Of those surveyed, three gave unlimited access to all records, two gave access to only some records or required specific employees to disclose outside compensated professional services, and six gave unqualified protection of faculty records on both topics. Current NSHE policy states that personnel records are confidential. System Counsel has indicated that conflict of interest and outside

18. Approved-Research & Economic Development Committee Recommendations *(Agenda Item #26)* – *(Cont'd.)*

compensated professional service requests are part of the employee's personnel file. System staff submitted a policy amendment which changes the current Title 4, Chapter 11, Section 12 for DRI and Title 4, Chapter 3, Section 8 for the other NSHE institutions. The following changes were approved by the Committee:

- Conflict of interest and outside compensated professional services are considered to be personnel documents and thus held confidential.
- Each institution will publish an annual report of compensated outside professional or scholarly services completed by its faculty and will verify that all potential conflicts of interest have been resolved. This information must be provided to the Board of Regents annually, presumably through the Research & Economic Development Committee.

Regents Gallagher and Knecht entered the meeting.
Regent Schofield left the meeting.

- Removal of a requirement for DRI faculty to report outside compensated professional services on a monthly basis and to make the time requirement for DRI faculty reporting parallel to the other NSHE institutions.
- Require each faculty member to timely report outside compensated services and to certify the accuracy of the disclosures. Failure to accurately and timely disclose these services constitutes a basis for disciplinary action under Title 2, Chapter 6. *(This addition to the proposed policy was added at the request of Chancellor Rogers.)*

Regent Geddes requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the October 4, 2007, Committee meeting *(Ref. RED-1 on file in the Board office)*.

Regent Geddes moved approval of the October 4, 2007, Committee minutes and acceptance of the report. Regent Knecht seconded. Motion carried. Regents Anthony and Schofield were absent.

- *Handbook* Revision, Compensated Outside Professional Services – The Committee recommended approval of a revision to Board policy *(Title 4, Chapter 3, Section 8 and Title 4, Chapter 11, Section 12)* classifying faculty requests to perform outside compensated professional or scholarly service as confidential personnel documents. The revision also requires institutions to report aggregated data annually on faculty's compensated outside professional or scholarly services, thus ensuring that potential conflicts have been reviewed and approved in accordance with established Board policies. An additional revision underscores the responsibility of each faculty member to timely report outside compensated services and to certify the accuracy of disclosures or face potential disciplinary action *(Ref. RED-3 on file in the Board office)*.

Regent Geddes moved approval of the *Handbook* revision concerning compensated outside professional services. Regent Knecht seconded.

18. Approved-Research & Economic Development Committee Recommendations *(Agenda Item #26)* – *(Cont'd.)*

Regent Leavitt stated his position that there should be full disclosure with the burden placed on the individual faculty members to demonstrate that full disclosure would create a competitive disadvantage. He also requested that the disclosure form allow for the voluntary election of disclosure and that the faculty senates conduct a survey to gain a better understanding of how prevalent this issue is.

In response to Regent Crear's question, Vice Chancellor Nichols explained that this policy revision is the result of an issue that arose from a media request for records from UNLV regarding a list of employees who sought outside compensated employment. System Counsel had ruled that the requested information was confidential and part of the personnel records. Based on a review of practices in other institutions, System staff recommended that compensated outside services remain a confidential personnel matter. The recommended policy revisions will allow forms and information to remain confidential while providing the public and Board with an aggregate report on an annual basis. She felt this recommendation was a good balance, adding that the Chancellor indicated his support so long as the employees provide an affidavit that the information provided is true and complete. If it is found not to be true, it could become grounds for disciplinary action under Chapter 6. At the next meeting of the Research and Economic Development Committee, the policies and procedures of each institution will be reviewed to ensure that a proper level of inspection is being conducted.

Regent Schofield entered the meeting.

Regent Sisolak felt that the public has a right to know what outside services the faculty are profiting from based on their position, adding that the use of the System's name lends credibility to their statements. He felt it was grossly unfair to the public not to disclose additional private salaries that are gained in this manner.

Vice Chancellor Nichols stated that upon permission of the institution, faculty are allowed to take up to the equivalent of one day per week for this type of activity. The assumption is that these activities increase their expertise thereby benefiting the State, institution and the community.

Regent Sisolak asked how the State benefits from providing an employee a day off to pursue outside sources of compensation. Regent Whipple related that he has used many expert witnesses from System institutions. The benefit to the State is that local expertise is less expensive and calls attention to the type of work being done within the System. Regent Sisolak felt it was important to allow the public access to all the information.

Regent Knecht expressed his concern that if there is forced disclosure or the threat of forced disclosure, it will have a negative effect on the use of experts from the System faculty. He felt the proposed policy struck a healthy balance.

18. Approved-Research & Economic Development Committee Recommendations *(Agenda Item #26)* – *(Cont'd.)*

Regent Rosenberg affirmed his belief in the integrity of the faculty's ethics. He felt it was a fair proposal and encouraged the Board's support.

In further response to Regent Crear's question, Vice Chancellor Nichols explained that the policy revision before the Board was whether or not to grant the public access to the disclosure form. This form is currently considered part of the confidential personnel record and contains personal identifying and detailed information on the type of work being done. The Committee is recommending that instead of disclosure of the actual form, that the information be compiled and published annually in an aggregate report.

Regent Geddes related that the RED Committee has requested that a survey of the faculty be conducted to determine the extent of the effect of such disclosure.

Regent Leavitt felt the essence of the issue is whether or not the faculty's right to privacy trumps the public's right to know, adding that NSHE is a public institution funded by public dollars. He felt the policy could be drafted in a way to address that portion of the faculty that would be adversely impacted by a stricter disclosure policy.

Dr. Trevisan agreed that disclosure was important with regard to conflict but cautioned against taking it too far.

Ms. Judy Stewart, Faculty Senate Chair-CSN, related that the faculty senates feel that consulting is invaluable, adding that some experiences cannot be gained in any other manner. She noted that companies who believe full disclosure is required may not use the System's faculty.

Dr. Stephen Rock, Faculty Senate Chair-UNR, stated that UNR's Conflict of Interest Committee is currently in the process of reviewing its policies and considering an additional committee member to be an outside member of the public.

Dr. John Gillies, Faculty Senate Chair-DRI, agreed with the wording of the proposed policy and felt it will allow the faculty to continue with their technology transfer efforts while allowing clients to approach the System faculty.

Regent Sisolak asked what effect Ohio State University's newly implemented policy had on their faculty. President Ashley indicated that his conversations with representatives from that institution indicate that there has been a chilling effect.

Vice Chancellor Nichols reported that it was difficult to find information on the practices of other institutions. This information is not widely requested even if it is legal to do so. Of the thirteen institutes surveyed, only four required full disclosure *(University of Arizona, Ohio State University, University of Wisconsin and North Carolina State University)*

18. Approved-Research & Economic Development Committee Recommendations *(Agenda Item #26)* – *(Cont'd.)*

Regent Geddes cautioned that NSHE is still in the process of building its credibility and developing its research programs and is not yet in the same category as Ohio State University.

Upon a roll call vote the motion carried. Regents Sisolak and Leavitt voted no. Regents Whipple, Wixom, Alden, Crear, Dondero, Gallagher, Geddes, Knecht, Rosenberg and Schofield voted yes. Regent Anthony was absent.

19. Information Only-Maude Frazier Hall, UNLV *(Agenda Item #18)* - At the request of Regents Alden, Crear, Dondero, Rosenberg and Sisolak, the Board discussed the proposed demolition of UNLV's Maude Frazier Hall, including the importance of preserving the historical and social value of Ms. Frazier's contributions as well as the importance of the structure to the history of UNLV and Las Vegas.

Ms. Mary Joy Alderman, Las Vegas resident, spoke in favor of preserving Maude Frazier Hall. She related that many long time Las Vegas residents are very proud of their roots and heritage.

Mr. Brian Paco Alvarez, Atomic Age Alliance- Las Vegas Chapter, reported that UNLV had an appalling record of honoring its past. He recommended that if a way to save the building could not be found, the best alternative to honor Ms. Frazier was to name a keystone gateway after her.

Ms. Mary Margaret Stratton, Atomic Age Alliance-Las Vegas Chapter, spoke in favor of saving the building, adding that it was a fine example of meaningful architecture.

Regent Alden indicated his support, adding that the preservation of history is important.

Regent Dondero also indicated her support for saving Maude Frazier Hall, noting that Ms. Frazier devoted much of her life to higher education.

Regent Schofield spoke in favor of preserving the memory of Ms. Maude Frazier.

Regent Rosenberg spoke in favor of preserving historical buildings and proposed the building and Ms. Frazier's memory be considered as two separate issues.

Regent Crear agreed with maintaining the history of Maude Frazier but acknowledged that change is inevitable. He agreed with finding a method for retaining Las Vegas' history.

Regent Gallagher noted the expense of trying to preserve a building that was not built well initially. She felt that more information was necessary.

Regent Sisolak also felt there was not enough information available to make a decision. He stated the Board was not in the development business. He acknowledged that the building looked a bit rundown. It would be a tough decision as it was the first building on campus.

19. Information Only-Maude Frazier Hall, UNLV *(Agenda Item #18)* – *(Cont'd.)*

Chair Wixom observed that one of the main characteristics of early 20th century architecture is that it is laden with asbestos which is difficult, if not impossible, to renovate. He agreed that historical preservation was important, but felt that attempting to restore a building from that era would be very expensive.

President Ashley stated that UNLV will find a way to honor and respect the person responsible for bringing the campus to fruition. The cost of renovation far exceeds the cost of a new building, noting that UNLV's master plan, previously approved by the Board, includes the removal of Maude Frazier Hall. He hoped to include a new development that honors the early pioneers of UNLV's history as part of a grand gateway.

Regent Whipple left the meeting.

Regent Alden felt the building could be retrofitted in an economic matter. He favored saving the campus' first building and recalled his opposition for the master plan in protest of removing this building.

Regent Schofield suggested that an oversight committee be appointed to address these issues. Chair Wixom felt that was an excellent suggestion but in light of the Open Meeting Law may be difficult to conduct. Regent Schofield felt it was important that it be considered and the focus be placed on what can be done.

Chair Wixom thanked everyone for their participation in this discussion.

20. Information Only-Historical Preservation of Buildings, NSHE *(Agenda Item #19)* – The Board discussed the historical preservation of buildings on the various campuses of the institutions.

Regent Rosenberg noted there were two separate issues: (1) preservation of the building and (2) honoring the memory of the individual. In addressing preservation, he noted that there may be options such as renovating a building's interior while keeping the exterior intact. He asked if a building's name is kept in perpetuity or if it can be re-named when it is re-built.

Regent Sisolak questioned the length of time for which something is named and what happens when a living memorial dies, such as with a tree. Regent Gallagher replied that the tree is replaced, noting that a plaque can be placed next to the tree. Regent Sisolak questioned whether the UNLV School of Architecture could assist with developing a plan on the issue of historical preservation of buildings.

Regent Dondero noted that Maude Frazier Hall has been in a state of disrepair for some time. She questioned how many people knew the history of the building.

Chair Wixom suggested that Executive Vice Chancellor Klaich and Vice Chancellor Reed research the historical preservation policies at similar regional institutions and report back to the Board at a future meeting. He added that it may be difficult to create a policy that addresses the concerns expressed at this meeting while still meeting the Board's obligation to the campuses.

20. Information Only-Historical Preservation of Buildings, NSHE *(Agenda Item #19)* – *(Cont'd.)*

Regent Alden supported the development of a task force. He suggested President Ashley form a task force including Regents and representatives from the public to develop a plan reflecting the Board's policy.

Regent Geddes requested that policies regarding giving thresholds and the naming of building also be researched.

21. Approved-Technology Committee Recommendations *(Agenda Item #27)* – Regent Michael B. Wixom reported the Technology Committee met November 20, 2007, and heard discussion on the following matters:

- Committee members were updated on the status of the iNtegrate project. Discussions included updates and potential future directions of project modeling, financial modeling, vendor negotiations, the search for a project director, governance and other matters concerning recent work on the project.
- Chief Counsel Bart Patterson reported on continuing negotiations. He explained that a modified version of the student services group had commenced statement of work discussions -- the opportunity to see how their product would be implemented -- with each of the vendors. The objective is to reach a conclusion in the statement of work discussions by the end of January; a special Board of Regents' meeting may be required by the end of February to consider a final vendor recommendation.
- A report of expenditures for attorneys and consultants for the project was heard. The total expended to date is $1.2 million and has been funded by the System Computing Services budget.
- The Committee discussed the viability of continuing the project in light of the ongoing discussion of reducing the System budget. Regent Wixom suggested the following options: stopping the project altogether until the budget situation is clear; stopping the project at this point and then restarting it again at a later date; and continuing forward with the project with a reduced budget and with the expectation that the deferred funding will be replaced at a later date.
- Executive Vice Chancellor Klaich reported that the Investment Committee authorized the distribution of $10 million to the campuses in October and suggested that an additional option is to supplement the iNtegrate project budget by reversing that distribution. The Committee did not favor this option.
- The cost of stopping the project was discussed. With over $1 million in attorney and consultant fees, the value of those expenditures might be lost. Chief Counsel Patterson stated that stopping the project may seriously damage vendor relationships and demoralize the functional staff at the campuses that have devoted so much time to the project.
- Chief Counsel Patterson stated that the stop/start option would not be viable once the software contract is signed in March.
- Executive Vice Chancellor Klaich reported that there are four candidates for the Project Director position, with interviews scheduled for early December. However, an employment offer will not be made until the direction of the project is determined.

21. Approved-Technology Committee Recommendations *(Agenda Item #27)* – *(Cont'd.)*

- A proposal was heard to amend the iNtegrate project Executive Steering Committee governance to include the Chair of the ad hoc Technology Committee. Chief Counsel Patterson recommended that the Regent serve in a non-voting, ex-officio capacity.

Regent Wixom requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the September 12, and October 8, 2007, Committee meetings *(Ref. TC-1a, TC-1b on file in the Board office)*.

Regent Wixom moved approval of the September 12, and October 8, 2007, Committee minutes and acceptance of the report. Regent Alden seconded. Motion carried. Regents Anthony and Whipple were absent.

On behalf of Regent Whipple, Chair Wixom requested that the Board discuss how to proceed with the iNtegrate project given the current budgetary dilemma.

- iNtegrate Project Implementation - The Committee recommended approval of adopting the C+ model as generally outlined with the caveat that no final decision has been made on the pilot schools pending further financial analysis.
- iNtegrate Project Governance - The Committee recommended approval of including the Chair of the ad hoc Technology Committee in the membership of the iNtegrate Project Executive Steering Committee, with the understanding that the Chair will serve in a non-voting, ex-officio capacity.

Regent Alden left the meeting.

Regent Dondero asked how critical the project was. Chair Wixom stated that the situation is more critical at some of the institutions than at others. Regent Dondero felt that a plan should be devised to address the more critical issues first.

Regent Dondero left the meeting.

In response to Regent Gallagher's question, Chair Wixom indicated that $15 million has been allocated from the investment pool as seed money. The $10 million allocated by the most recent session of the Legislature will not be spent for another two years because NSHE must spend its $15 million first. The project could proceed with the hope that the System will receive the remaining funds necessary to complete the project further down the road. Regent Gallagher felt it was better to forge ahead and felt the Legislature would help fund the remaining cost.

Regent Geddes left the meeting.

Chair Wixom stated that this is a system-wide project and prioritizing would be difficult as all of the institutions must be incorporated and implemented as one System.

21. Approved-Technology Committee Recommendations *(Agenda Item #27)* – *(Cont'd.)*

Regent Schofield left the meeting.

Regent Sisolak questioned whether a decision needed to be made that very day. He felt that better information would be available in the future. Executive Vice Chancellor Klaich stated that if the System moves forward, in the next 30-60 days, approximately $150,000 will be spent for the continued search for a Project Director and other consulting costs.

Chief Counsel Patterson stated that the System would be in a better position to make a decision in the next 30-45 days and felt it made sense from a negotiation standpoint to keep the process moving forward until that time.

In answer to Regent Gallagher's question, Executive Vice Chancellor Klaich replied that the $15 million contributed by the System would advance the project into the next biennium. He cautioned that every campus will have some implementation costs that will need to be taken into consideration given the possibility of budget cuts.

Chair Wixom expressed concern for not only the cost of implementation but also the cost of doing nothing.

Executive Vice Chancellor Klaich added that the Presidents could not plan on any of the System budgets being available to meet their costs. He will also discontinue the search for the Program Director.

Regent Rosenberg moved approval of devoting $150,000 to continue the iNtegrate project negotiations pending the budget discussions. Regent Knecht seconded. Motion carried. Regents Alden, Anthony, Dondero, Geddes, Schofield and Whipple were absent

Regents Dondero and Schofield entered the meeting.

22. Approved-Audit Committee Recommendations *(Agenda Item #21)* - Chair Ron Knecht reported the Audit Committee met November 29, 2007, and received a report from Chief Counsel Bart Patterson on addressing of audit letters.

A request has been made of the institutional financial officers to relay to the Foundation external auditors that the financial audits be addressed to the Board of Regents. The Committee received reports from the UNLV Alumni Association, Rebel Golf Foundation and the UNLV Boxing Club regarding their plans for an external audit for the year ending June 30, 2008. The UNLV Football Foundation will report at the February Audit Committee meeting. Chief Counsel Bart Patterson and Assistant Vice Chancellor Sandi Cardinal will research Nevada Revised Statutes and Board of Regents' policies on Foundation financial reporting and report audit options to the Committee at the next Audit Committee meeting. The Committee was informed that Chief Counsel Patterson and Assistant Vice Chancellor Cardinal are discussing the scope change of the external audit due to the new audit standards that were discussed by the Committee at the October meeting, as

22. Approved-Audit Committee Recommendations *(Agenda Item #21)* – *(Cont'd.)*

well as the cost of the external audit with the current external audit firm. If negotiations are not successful, the contract will be bid. They will report to the Committee at the next meeting.

Regent Knecht requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the October 11, 2007, Committee meeting *(Ref. A-1 on file in the Board office)*.
- External Audit Reports - The Committee recommended approval of the following External Audit Reports:
  - ✓ NSHE Financial Statements *(Ref. A-2 on file in the Board office)*.
  - ✓ Fiscal Year 2007 Audit Results, Report to the Board of Regents of the NSHE *(Ref. A-3 on file in the Board office)*.
  - ✓ NSHE Office of Management and Budget *(OMB)* Circular A-133 Audit Report *(Ref. A-4 on file in the Board office)*.
  - ✓ UNSOM Practice Plan Financial Statements *(Ref. A-5 on file in the Board office)*.
  - ✓ UNSOM Practice Plan Audit Committee Required Communications Letter *(SAS 61) (Ref. A-6 on file in the Board office)*.
  - ✓ UNSOM Audit Committee Significant Deficiencies Letter *(SAS 112) (Ref. A-7 on file in the Board office)*.
- Internal Audit Reports – The Committee recommended approval of the following internal audit reports *(Ref. Audit Summary on file in the Board office)*:
  - ✓ Banking and Investments Department, NSHE *(Ref. A-8 on file in the Board office)*.
  - ✓ Purchasing Card Program, DRI *(Ref. A-9 on file in the Board office)*.
  - ✓ Human Resources, TMCC *(Ref. A-10 on file in the Board office)*.
- Foundation Audit Exemptions – The Committee recommended approval of the following audit exemptions:
  - ✓ NSHE Health Sciences System Foundation – an exemption for the year ending June 30, 2007 *(Ref. A-12a on file in the Board office)*.
  - ✓ GBC – an exception for the year ending June 30, 2008 *(Ref. A-12b on file in the Board office)*.

Regent Alden entered the meeting.

Regent Knecht moved approval of the Committee recommendations and acceptance of the report. Regent Gallagher seconded. Motion carried. Regents Anthony, Geddes and Whipple were absent.

23. Approved-Budget & Finance Committee Recommendations *(Agenda Item #22)* - Chair Steve Sisolak reported the Budget & Finance Committee met November 29, 2007, and heard the following reports:

- The Committee reviewed the periodic budget and finance related reports currently prepared and presented to the Committee to consider refining the requirements for specific reports, eliminating reports or other modifications.
- Self-Supporting Budget to Actual Comparison for fiscal year 2007-08.
- All Funds revenues and expenses for the first quarter of fiscal year 2007-08.

23. Approved-Budget & Finance Committee Recommendations *(Agenda Item #22)* – *(Cont'd.)*

- NSHE Fiscal Exceptions of self-supporting budgets and the status of state appropriated budgets for the first quarter of fiscal year 2007-08.
- Student association reports of revenues, expenditures and ending account balances for fiscal year 2006-07.
- The Committee discussed the Governor's request for budget reductions and potential strategies and impacts on the NSHE institutions.
- The UNLV agenda request for approval to secure bank financing for the construction and acquisition of revenue generating signs at UNLV athletic facilities was withdrawn and will be brought forward at a future Board meeting.
- The NSHE Presidents and business officers requested the Committee delay, to a future Committee meeting, consideration of the institution's request to seek IFC approval to expend excess student fee revenues anticipated to be collected for fiscal year 2008 *(Ref. BF-7 on file in the Board office)*.

Regent Sisolak requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the October 11, 2007, Committee meeting *(Ref. BF-1 on file in the Board office)*.
- Requests for Information from the October 11, 2007, Meeting – The Committee recommended approval to modify the reporting requirements of the quarterly self-supporting budget revisions report and the quarterly state budget transfers between functions report. The Committee recommended making the quarterly self-supporting budget report an annual report and changing the reporting parameters from reporting revisions exceeding 10% of expenditures for budgets up to $500,000 or $50,000 or greater for budgets exceeding $500,000 to 25% of expenditures for budgets up to $400,000 or $100,000 or greater for budgets exceeding $400,000. The Committee recommended changing the reporting parameters of the state budget transfer report from budget transfers between functions of more than $25,000 to $100,000. The Committee also recommended approval to eliminate from the reporting requirement to the Committee the following annual reports: The NSHE Institutional Operational Efficiencies, the NSHE Institutional Resource Reassignment/Reallocation and the Actual State Funding per Student Full Time Equivalent Enrollment. The Committee instructed System staff to meet with Legislative Counsel Bureau staff to discuss the future possibility of eliminating, replacing or modifying any of the Budget and Finance periodic reports that currently address Board financial policies that were implemented in response to a prior legislative audit of the NSHE *(Ref. BF-2 on file in the Board office)*.

Regent Sisolak moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Anthony, Geddes and Whipple were absent.

24. Approved-Cultural Diversity & Security Committee Recommendations *(Agenda Item #23)* – Regent Cedric Crear reported the Cultural Diversity & Security Committee met November 29, 2007, and received several information reports. Presidents David B. Ashley, Milton D. Glick, Stephen G. Wells and Fred J. Maryanski provided information on the specific steps being taken by each of their institutions to improve campus security in response to the recommendations of the Attorney General's Task Force on School and Campus Security. This report will continue at the February meeting when the community college presidents present similar reports on their respective campus safety measures. Mr. Dennis Balaam of Balaam and Associates summarized for the Committee the results of the external review conducted by his organization on UNR's police services.

Dr. Rene Cantu, Vice President, Multicultural Affairs-NSC, and Dr. Porter Troutman, Professor, Curriculum and Instruction-UNLV, updated the Committee on the recent activities of the Chancellor's Las Vegas Diversity Forum.

Ms. Rhonda Glyman, Director, Nevada Partnership for Inclusive Education, and Dr. Tom Pierce, Chair, UNLV Department of Special Education and Interim Associate Dean, College of education, provided an update on the Partnership's efforts to develop and deliver inclusive teaching strategies to K-12 and NSHE institutions.

Regent Crear requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the October 11, 2007, Committee meeting *(Ref. CDS-1 on file in the Board office)*.

Regent Crear moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Anthony, Geddes and Whipple were absent.

25. Approved-Student & Academic Affairs Committee Recommendations *(Agenda Item #24)* – Chair Jack Lund Schofield reported the Student & Academic Affairs Committee met November 29, 2007, and heard several informational reports. Vice Chancellor Jane Nichols presented information on current institutional enrollments, including preliminary Fall 2007 enrollments and projections for average annual FTE used in budget projections. Vice Chancellor Nichols and Chief Human Resources Officer Carla Henson provided an overview of existing grant-in-aid benefits used for the payment of registration fees of courses taken by eligible NSHE employees. Staff will bring back additional information on the actual fiscal impact to institutions that result from providing grant-in-aid benefits.

Vice Chancellor Nichols also provided an informational report on the high schools affiliated with the College of Southern Nevada, Truckee Meadows Community College and Nevada State College. On average, students who enroll at these NSHE-affiliated high schools outperform their high school counterparts in terms of GPA, standardized tests, high school graduation rates and lower rates of remediation at NSHE institutions. Finally, staff presented the Board-mandated reviews of new and existing academic programs.

25. Approved-Student & Academic Affairs Committee Recommendations *(Agenda Item #24)* – *(Cont'd.)*

Regent Schofield requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the October 11, 2007, Committee meeting *(Ref. SAA-1 on file in the Board office)*.
- Report on Reduced Fee Courses – The Committee recommended approval of continuing a policy *(Title 4, Chapter 17, Section 13)* allowing NSHE institutions to deliver remedial and 100-level courses on high school campuses to Nevada resident high school students for a reduced fee *(Ref. SAA-4 on file in the Board office)*.

Regent Schofield moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Anthony, Geddes and Whipple were absent.

Regent Schofield left the meeting.

26. Approved-Investment Committee Recommendations *(Agenda Item #25)* - Chair Thalia M. Dondero reported the Investment Committee met November 27, 2007, and heard the following reports:

- Cambridge Associates presented a report on the investments for the pooled endowment and the pooled operating funds. Cambridge Associates also presented a report on the differences between active and passive funds management. The Committee did not take action to change the strategic ranges for the asset classes in the pooled endowment and pooled operating funds. The Committee discussed whether staff should be allowed to rebalance the portfolio without prior approval of the Committee. The will of the Committee was that staff not be allowed to perform this function.
- CSN presented a report on the progress of the Northwest Campus development and other CSN projects.
- UNR presented a report on all lease agreements at the Joe Crowley Student Union, including issues related to the mailbox rentals and the financial assets of CoManCo, Inc., dba JC&C.
- The campuses presented reports for the expenditures of the $10 million investment pool reserve distribution in October 2007. The campuses indicated that they are holding the majority of the funds pending budget decisions by the state.
- UNR presented an overview of the new Center for Molecular Medicine, a previously approved Board and legislative CIP project. The financing plan will be presented for final approval at the February 2008 Board meeting.
- UNR presented information on the finalized $15 million gift agreement between the Davidson Foundations, Inc., and the UNR Foundation.
- NSC presented an update on the master planning efforts and the creation of a tax increment area of the NSC campus.
- WNC presented the college's real property report to the Committee.
- The Joe Crowley Student Union lease agreement with Villa Ristorante was withdrawn from the agenda and will be considered at a future Committee meeting.

26. Approved-Investment Committee Recommendations *(Agenda Item #25)* – *(Cont'd.)*

- The Committee tabled for consideration at the February 2008 meeting the Option Agreement for donation of real property between Spanish Springs, LTD and the Board of Regents.

Regent Dondero requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval of the minutes from the October 5, 2007, Committee meeting *(Ref. INV-1 on file in the Board office)*.
- T-Mobile Cell Phone Antenna Space Lease Amendment, UNR – The Committee recommended approval of an amendment to the lease with TMO CA/NV, LLC, dba T-Mobile, for rental space for cellular antenna and associate equipment *(Ref. INV-10 on file in the Board office)*.
- Center for Rural Health Lease Termination, GBC – The Committee recommended approval of terminating the GBC Center for Rural Health lease *(Ref. INV-11 on file in the Board office)*.

Regent Dondero moved approval of the Committee recommendations and acceptance of the report. Regent Alden seconded.

Mr. Ron Zurek, Vice President, UNR, related that at the Investment Committee meeting, Regent Sisolak had expressed concerns regarding safety and security for the Davidson students and liability issues related to the university.

Ms. Colleen Harson, Director of the Davidson Academy, reported that security was a high priority for the Davidson Academy. She related that all students are accompanied to and from their university courses, which are currently held in the KNPB public radio building. They are a closed campus and at no time will the Davidson Academy students be allowed on campus alone and unsupervised. She noted that general agreements with UNR did not include any liability on the part of the University or the System.

Regent Sisolak asked if the UNR students will be able to access the Jot Travis building. Ms. Harson indicated they would not. In response to Regent Sisolak's question, Executive Vice Chancellor Klaich indicated that the Jot Travis building was paid for largely by student fees. Regent Sisolak stated that he wanted to be fair to the students if they paid for this building. Mr. Zurek stated that former President Lilley sought permission to use student CIP fees to augment funding of the new Joe Crowley building which was the quid pro quo for the Jot Travis building.

Regent Sisolak felt that this item should be returned to the Investment Committee for further discussion. He wanted to ensure that the students were protected in this transaction.

Mr. Zurek stated that this is a time sensitive issue adding that the Davidson Academy would occupy only the second floor of the Jot Travis building until 5:00 pm each day. After hours, this area becomes shared space with the campus.

Regent Rosenberg related that the Davidson's donation allowed UNR to build the Science and Math building. He felt the students discussed, understood and did not object to the agreement.

26. Approved-Investment Committee Recommendations *(Agenda Item #25)* – *(Cont'd.)*

Regent Sisolak felt the agreement for the construction of the Math and Science building was separate from the lease agreement. He objected to discussion on this item taking place late in the meeting, adding that this should not be rushed through.

Chair Wixom asked Mr. Zurek what the specific consequences were if approval was not forthcoming at this day's meeting. Mr. Zurek indicated that the Davidson's would not release any funds until the lease is approved. UNR would like the $5 million released immediately to start the renovation of the Jot Travis building for the Davidson Academy to open in the fall of 2008. Chair Wixom observed that tabling this item until the next Board meeting would result in a possible three month delay, noting that the entire gift is dependent upon the remodeling of the Jot Travis building.

In response to Chair Wixom's question, Mr. Zurek indicated that there was also a clarifying change made to the lease agreement after the last Investment Committee meeting. Although the agreement was reviewed by both parties' legal counsel, a paragraph marked for deletion had inadvertently been left in the document *(handout on file in the board office).*

Regent Alden established that the building would still be referred to as the Jot Travis building. He requested the implementation of a better vetting process to prevent these types of issues and the resulting delays.

Regent Gallagher felt the Board could not jeopardize the signing of this lease because the System's process did not work.

Chair Wixom suggested the Board approve the Committee recommendations without the Davidson lease.

Regents Dondero and Alden accepted the friendly amendment. Motion carried. Regents Anthony, Geddes, Schofield and Whipple were absent.

- Davidson Academy Lease Agreement, UNR – The Committee recommended approval of a lease agreement between the NSHE Board of Regents and the Davidson Academy of Nevada *(Ref. INV-9 on file in the Board office)*.

Chair Wixom moved approval of the Davidson lease as amended and presented. Regent Rosenberg seconded.

In response to Chair Wixom's question, Mr. Zurek explained that during the negotiation process a paragraph was removed and paragraph 2C was added. Chair Wixom stated that it was very important for the Board to know what was initially approved. Mr. Zurek stated that the change is consistent with what was originally approved by the Board.

26. Approved-Investment Committee Recommendations *(Agenda Item #25)* – *(Cont'd.)*

Regent Knecht called the question. Upon a roll call vote, the motion failed. Regents Whipple, Anthony, Geddes and Schofield were absent. Regents Wixom, Crear, Gallagher, Knecht and Leavitt voted yes. Regents Alden, Dondero, Rosenberg and Sisolak voted no.

Chair Wixom tabled further discussion until Mr. Zurek could produce the document as presented at the Investment Committee.

Regent Alden left the meeting.

27. Approved-CSN President Search Committee Recommendations *(Agenda Item #28)* - Chair Steve Sisolak reported the CSN President Search Committee met October 22, 2007, and heard discussion on the following matters:

- The committees heard presentations and conducted interviews of four search consultants for the possible engagement of a search firm to assist in the selection of candidates for the Presidency of the College of Southern Nevada.
- The committees set Monday, December 10, 2007, at 10:00 a.m. as the next scheduled meeting date.

Regent Knecht left the meeting.

Regent Sisolak requested Board action on the following Committee recommendations:

- Minutes – The committees recommended approval of the minutes from the September 17, 2007, Committee meeting *(Ref. CSN-1 on file in the Board office)*.
- Selection of Search Firm – The committees recommended approval of the selection of Cizek Associates, Inc. as the search firm chosen to assist in the selection of candidates for the Presidency of the College of Southern Nevada.
- Budget Request – The committees recommended approval of a budget not to exceed $100,000 to complete the search for the next President of the College of Southern Nevada.

Regent Sisolak moved approval of the Committee recommendations and acceptance of the report. Regent Leavitt seconded. Motion carried. Regents Alden, Anthony, Geddes, Knecht, Schofield and Whipple were absent.

Regent Alden and Knecht entered the meeting.

28. Approved-TMCC President Search Committee Recommendations *(Agenda Item #29)* - Chair Howard Rosenberg reported the TMCC President Search Committee met November 9, 2007.

The committees discussed the President profile statement. After a lengthy and informative discussion, with input from all, a final draft of the President profile was approved. The list of advertising options was also discussed. Advertisements will be placed in the *Chronicle of Higher Education, Diverse Issues in Higher Education, Community College Times, Community College Week, Hispanic Outlook, Women in Higher Education* and *Asian Week*, and will be posted on numerous higher education websites.

The committees anticipate having two to five final candidates visit TMCC in February to participate in open public forums. At the forums, the community will have an opportunity to hear from each candidate, ask questions and complete feedback forms to be presented to the Regents' and Advisory committees.

The committees scheduled a meeting for February 27, 2008, to interview final candidates. On February 28 and 29, 2008, the final candidates will visit TMCC and participate in open public forums. The committees will then meet on February 29, 2008, to select a final candidate for consideration by the Board.

Regent Rosenberg requested Board action on the following Committee recommendations:

- Minutes – The committees recommended approval of the minutes from the September 7, 2007, meeting *(Ref. TMCC-1 on file in the Board office)*.
- President Leadership Statement and Related Materials – The committees recommended approval of the TMCC President profile statement for use for the current search.

Regent Rosenberg moved approval of the Committee recommendations and acceptance of the report. Regent Crear seconded. Motion carried. Regents Anthony, Geddes, Schofield and Whipple were absent.

26. Approved-Investment Committee Recommendations *(Agenda Item #25)* – *(Cont'd.)*

Regent Sisolak observed that Regent Dondero offered to conduct a special Investment Committee meeting. He asked where in the reference addenda it indicated which entity paid for the operating expenses. Chief Counsel Patterson replied that the System was responsible for those expenses. Regent Sisolak questioned where that was indicated specifically.

Regent Rosenberg stated he was confident that the students would favor approval of the lease and not feel that something was being taken away from them.

Chair Wixom indicated that if the motion to approve the lease as presented with the amendment should fail, Regent Dondero would call a special meeting of the Investment Committee to address the issues.

Regent Gallagher noted that it would require two special meetings; one for the Investment Committee and one for full Board approval.

26. Approved-Investment Committee Recommendations *(Agenda Item #25)* – *(Cont'd.)*

Mr. Zurek read from the lease "…water, HVAC, electricity and internet connection and usage are considered part of university overhead and administrative charges and there will be no charge to the Academy for use thereof." He stated that paragraph #2C was added to limit the university's exposure to the original 20 year lease.

Chair Wixom re-read his previous motion and clarified that approval may require two special meetings. Chief Counsel Patterson said the Board could provide the Investment Committee with the final authority to approve.

Regent Knecht noted that the provisions of the contract stipulate that the System pays for certain expenses and asked whether that was contrary to the reasonableness, legality, enforceability or overall balance of the terms of the contract. Chief Counsel Patterson replied that it depends on the significance of the terms. The Legislature typically funds operations and maintenance *(O&M)* on System buildings. In this case, the Davidson Academy is a pubic institution by virtue that it is a charter school organized under state law and considered a public school.

Regent Sisolak stated that this same issue arose with the West Charleston campus concerning the Rape Crisis Center and it was ruled the State could not pay the utilities.

Mr. Zurek agreed with Regent Sisolak's observation but noted that that the Legislature had not approved O&M for this building and therefore the source of funds was non-state dollars.

Regent Rosenberg suggested sending the matter back to the Investment Committee with full authority to approve the lease.

Mr. Wasserman indicated that the Committee should first consider approval of the lease as amended. If that motion fails, the Board would then separately consider a motion to refer the item to the Investment Committee.

Upon a roll call vote the motion to approve the amended lease failed. Regents Wixom, Gallagher and Knecht voted yes. Regents Alden, Crear, Dondero, Leavitt, Rosenberg and Sisolak voted no. Regents Anthony, Geddes, Schofield and Whipple were absent.

Regent Leavitt moved approval to hold a special Investment Committee meeting on Friday, December 7, 2007, with full authority for the Investment Committee to approve the lease. Regent Sisolak seconded. Motion carried. Regents Anthony, Geddes, Schofield and Whipple were absent.

Chair Wixom noted that Regent Sisolak has been right on similar issues in the past. The questions raised were legitimate and need to be answered.

30. Information Only-New Business – On behalf of the Nevada Student Alliance, Mr. Jeremy Houska, Mr. Adriel Espinoza and Mr. Ryan Crowell related that they are working toward a system-wide, student initiated research conference and looked forward to working with the Board on this project.

The meeting adjourned at 3:10 p.m.

Prepared by: Fini S. Dobyns
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and
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Submitted for approval by: Scott G. Wasserman
Chief Executive Officer of the Board of Regents

Approved by the Board of Regents at the February 7-8, 2008, meeting