

**BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**

Ballrooms B & C

Joe Crowley Student Union

University of Nevada, Reno

87 West Stadium Way, Reno

Thursday-Friday, August 7-8, 2008

Members Present:

Mr. Michael B. Wixom, Chair
Mr. Howard Rosenberg, Vice Chair
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

Members Absent:

Mr. Mark Alden

Others Present:

Chancellor James E. Rogers
Executive Vice Chancellor Daniel J. Klaich
Executive Vice Chancellor & CEO, UNHSS, Maurizio Trevisan
Vice Chancellor, Academic & Student Affairs, Jane Nichols
Chief Counsel Bart Patterson
Special Counsel Brooke Nielsen
President Michael D. Richards, CSN
President Stephen G. Wells, DRI
Interim President Carl Diekhans, GBC
Provost Leslie DiMare, NSC
President Maria C. Sheehan, 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 Dr. Sondra Cosgrove, CSN; Dr. Dave Decker, DRI; Ms. Cindy Hyslop, GBC; Mr. Gregory Robinson, NSC; Ms. Sharon Wurm, NSHE; Dr. Nasser Daneshvary, UNLV; Dr. Bill Follette, UNR; Mr. Stephen Bale, TMCC; and Mr. Richard Stewart, WNC. Student government leaders present included Mr. John Creedon, ASCSN Vice President CSN; Mr. Eron Sanchez, SGA President, GBC; Mr. Ryan Crowell, NSSA President, NSC; Mr. Adam Cronis, CSUN President, UNLV; Ms. Jessica Lucero, GPSA President, UNLV; Mr. Eli Reilly, ASUN President, UNR; Ms. Brithany Thompson, GSA President, UNR; Mr. Jeff Meyers, ASTM Chairperson, TMCC; and Mr. Andy Pozun, ASWN President, WNC.

Chair Wixom called the meeting to order at 8:32 a.m. on Thursday, August 7, 2008, with all members present except Regents Alden and Schofield.

Regent Anthony led the pledge of allegiance.

Reverend Jackie Leonard of St. John's Presbyterian Church offered the invocation.

1. Information Only – Introductions (Agenda Item #1) - President Sheehan introduced Ms. Michele Meador, Acting Director of Human Resources, TMCC; Dr. Jowell Laguerre, Vice President of Instruction, TMCC; and Dr. Juanita Chrysanthou, Vice President of Student Services, TMCC.

NSC Provost Dr. Leslie DiMare introduced NSSA Vice President, Ms. Amasala Alemu-Johnson, NSSA Budget and Finance Chair, Mr. Kavon Jones and NSC Faculty Senate Chair, Dr. Gregory Robinson.

President Wells announced that Dr. Chris Maples will be leaving DRI to become President of the Oregon Institute of Technology beginning October 1, 2008.

President Ashley introduced Ms. Jessica Lucero, GPSA President, UNLV.

Regent Rosenberg introduced Mr. William Cobb, Candidate, Board of Regents' District 10 seat.

Executive Vice Chancellor Klaich introduced Ms. Robyn Render, new iNtegrate Project Director, NSHE.

Chair Wixom related that President Maryanski was joining the meeting via web cast and was available by phone if necessary.

2. Information Only - Chair's Report (Agenda Item #2) – 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 Glick introduced Dr. John Anderson, Professor and Director of the Nevada Seismology Laboratory. Dr. Anderson provided a presentation on the Nevada Seismology Laboratory (*full presentation on file in the Board office*).

President Glick then introduced Mr. Marvin Smith, III, Student, UNR. Mr. Smith is 22 years old, in the Nevada Air Guard and is currently a sophomore majoring in pre-Journalism. He was deployed to Iraq last year where he spent approximately three months. Mr. Smith related his experience at UNR as a veteran and a recipient of the GI bill.

Chair Wixom related that in light of the mandated budget cuts affecting each campus, as well as System Administration, the Board of Regents' office has implemented a number of cost-saving measures.

2. Information Only - Chair's Report (Agenda Item #2) – (Cont'd.)

Previously undertaken measures include providing all Board of Regents' meeting agendas and reference materials electronically on a disc (*as well as posted to the web*) resulting in an annual cost savings of approximately \$35,000. All Board of Regents' *Handbook* updates are now also provided to the campuses electronically on a disc (*as well as on the web*). The Board has also begun to webcast its meetings whenever possible, resulting in a substantial savings as a result of reduced travel. There is also currently one vacancy on the Board's staff that will remain unfilled for the time being.

Additional measures include the limiting of meals and beverage service at the Board meetings. He also encouraged the presidents, whenever possible, to limit the number of their staff that travel to meetings. All special Board meetings will be held by videoconference, reducing travel expenses for the campuses and System Administration.

The Board Development Committee will be reviewing the current committee structure, in an effort to streamline and reduce the associated expenses. System Administration staff will be reviewing the number of reports currently required by the Board in an effort to identify and eliminate all non-essential reports. All future communication to and from the Board office will be done electronically, reducing paper, duplication and mailing costs as well.

Finally, just as the campuses have had to obtain cost savings through personnel action, both System Administration and the Board office have taken similar action including the reassignment, transferring and noticing of staff, and, absent exigent circumstances and specific approval, the continued freezing of vacant positions in System Administration and the Board office. He did not want to suggest that past actions were extravagant or unnecessary. However, the Board faces a situation in which it has to choose the way in which it does business and it cannot expect the institutions to change the way they do business unless the Board is also willing to do so.

The meeting recessed at 9:03 a.m. and reconvened at 1:00 p.m. on Thursday, August 7, 2008, with all members present except Regent Alden, Anthony, Leavitt and Whipple.

3. Information Only - Chancellor's Report (Agenda Item #3) - Chancellor James E. Rogers discussed the overall financial health of the Nevada System of Higher Education.

Chancellor Rogers related that upon the initial analysis of the effects of the budget reductions, it was decided to address each institution independently in a series of memorandums. In establishing the format for the memos, they knew the content would have to be 100% accurate. He related that the reactions have been varied. There have been thirteen memorandums to-date and each one is sent to approximately 1,100 people including the media, legislators, members of city and county commissions and so forth.

Chancellor Rogers expressed his disappointment in the lack of response by the general public, but mostly by the lack of support from K-12. However, the next memorandum will include letters of support from the Clark County Superintendent, Dr. Walt Ruffles, and the Washoe County Superintendent, Dr. Paul Dugan. There is a plan to include the other fifteen superintendents from throughout state in future memorandums.

3. Information Only - Chancellor's Report (Agenda Item #3) – (Cont'd.)

Regents Anthony and Whipple entered the meeting.

There is the potential for forty memorandums to be published by the end of the legislative session. He was not sure how effective the memos have been in changing people minds but felt they had been effective in providing the general public with information needed to vote during the next election cycle. The previous week's memorandum contained correspondence from the Henderson Chamber of Commerce as well as the Mayor of Henderson stating what the loss of any portion of NSC's programs would mean to them. He felt that one of the best memorandums to-date was from President Wells regarding research investment, pointing out that for every \$1.00 invested by the state, DRI generates \$4.00.

Chancellor Rogers stated that he will be meeting with many of the legislators about these issues. As everyone will see in the next memorandum, if the K-12 schools do not receive the funds they need, a problem will be created going forward that will result in more remedial education efforts.

Chancellor Rogers related that when looking at other states, California is also experiencing a budget crisis but they start with a system that is infinitely higher funded than the NSHE. Last year the state of Wyoming received a request from their higher education system for \$325 million. However, they were given \$600 million once it was determined that a budget surplus existed. In comparison to the surrounding states, Nevada's economy is suffering in the short run but there is also no interest in funding education if the economy comes back. He is concerned that if the System's budget is reduced by 14%, it will be determined that it does not have a funding problem but rather a spending problem. He encouraged feedback and ideas for future memorandums.

Regent Leavitt entered the meeting.

Regent Sisolak related that each year, the graduating class at Arizona's law school offers a class gift and each year's class tries to outdo the last one. It appears to be extremely profitable and effective in influencing the graduating students to become more philanthropic. He asked that the presidents consider that possibility at their own colleges. He also suggested that the System launch a campaign of collecting two cents from every person to show what can be done with just a little. He asked that the student governments consider such a campaign.

Regent Dondero expressed the importance of not giving up, adding that a penny campaign was something that could be done to show support for higher education.

Regent Crear concurred with Regent Sisolak that something dramatic need to occur. He encouraged the Chancellor to continue the memorandums. He also felt that it was important for a campaign to be student driven.

4. Information Only - Public Comment (Agenda Item #4) - Regent Geddes called attention to the “green” design opportunities that were taken advantage of during the construction and design of the Joe Crowley Student Union as well as with other new buildings throughout the System. Specifically in the Joe Crowley Student Union, the simple design features are anticipated to save approximately \$80,000 per year in electrical and heating costs.

Ms. Jessica Lucero, GPSA President, UNLV, thanked the Regents for their support. She related that the student governments are meeting and discussing ways to mobilize. Regent Sisolak replied that the students carry significantly more weight than they realize.

5. Approved - Consent Agenda (Agenda Item #5) - The Board approved the Consent Agenda, with the exceptions of item nos. (3) (*Handbook Revision, Grants-In-Aid for Certain Dependents*) and (6), (*Handbook Revision, Bylaws, DRI*) which were approved separately (*Consent Agenda on file in the Board office*).
- (1) Approved – Minutes – The Board approved the minutes from the regular Board of Regents’ meeting held June 12-13, 2008, and the CSN President Search Committee meeting held on April 17, 2008 (*Ref. C-1a and C-1b on file in the Board office*).
- (2) Approved – Annual Reports of Tenure Granted to Academic Faculty Upon Hire - Mr. Scott G. Wasserman, Chief Executive Officer of the Board of Regents, requested Board acceptance of the annual reports to the Board of Regents from the presidents of each institution naming any individual to whom tenure upon hire was granted pursuant to the provisions of Title 2, Chapter 3, Section 3.3.1 (b2) (*Ref. C-2 on file in the Board office*).
- (4) Approved – Handbook Revision, Student Access Awards – Chancellor Jane Nichols requested the Board’s approval of a revision to the Board’s policy on the use of Student Access funds providing that such awards must be named “Regents’ Higher Education Opportunity Award” (*Title 4, Chapter 18, Section 18*), as approved by the Board at the June meeting (*Ref. C-4 on file in the Board office*).
- (5) Approved – Handbook Revision, Millennium Scholarship Core Curriculum -Vice Chancellor Jane Nichols requested the Board’s approval for a technical correction to the Board’s policy concerning the Millennium Scholarship core curriculum (*Title 4, Chapter 18, Section 19*). Specifically, the proposal brought into alignment the effective high school graduation year which appears in two subsections of Section 19 (*Ref. C-5 on file in the Board office*).
- (7) Approved – Handbook Revision, Academic Master Plan, DRI – Request was made to revise the Board of Regents *Handbook* (*Title 4, Chapter 14, Section 3.3*) to move the reporting and approval of DRI’s Academic Master Plan to the Research and Economic Development Committee rather than the Student and Academic Affairs Committee (*Ref. C-7 on file in the Board office*).

Regent Sisolak moved approval of the Consent Agenda with the exception of items nos. (3) (*Handbook Revision, Grants-In-Aid for Certain Dependents*) and (6) (*Handbook Revision, Bylaws, DRI*). Regent Gallagher seconded. Motion carried. Regent Alden was absent.

CONSENT AGENDA ITEMS APPROVED SEPARATELY:

5. Approved - Consent Agenda (Agenda Item #5) – (Cont'd.)
- (6) Approved – Handbook Revision, Bylaws, DRI (Consent Agenda Item #C-6) - DRI President Stephen G. Wells requested approval of changes to the Board of Regents' *Handbook* Title 5, Chapter 2, Bylaws of the Desert Research Institute (*Revised Ref. C-6 on file in the Board office*).

President Wells related that, based on the need for further dialogue within the institution, the proposed revision to DRI's Postdoctoral Fellow Section of the Board of Regents' *Handbook* (Title 5, Chapter 2, Section 5.3.3) was being withdrawn. Title 5, Chapter 2, Section 5.3.2, Appendix A, and Section 9.1 remained on the agenda for the Board's approval.

Chair Wixom asked if revised materials were submitted to the Board for this request. President Wells indicated that the revised briefing paper reflects only the removal of Title 5, Chapter 2, Section 5.3.3 from the agenda item request.

Regent Leavitt moved approval of Consent Agenda item No. 6, as revised (*Handbook Revision, Bylaws, DRI*). Regent Sisolak seconded. Motion carried. Regent Alden was absent.

- (3) Approved – Handbook Revision, Grants-In-Aid for Certain Dependents (Consent Agenda Item #C-3) – Vice Chancellor Jane Nichols requested the Board's approval for a revision to the *Handbook* concerning grants-in-aid for certain dependents of deceased professional staff members (*Title 4, Chapter 18, Section 7*). Specifically, the proposed revision clarified that the general grant-in-aid provision of Title 4, Chapter 18, limiting grants-in-aid for dependent children until they reach age 24 is applicable to the dependent children of deceased professional staff members (*Ref. C-3 on file in the Board office*).

Vice Chancellor Nichols related that a recent audit revealed that the legal opinion for dependents for grant-in-aid was not being uniformly applied across all campuses. The proposed revision clarifies that the same rule for dependents applies regardless of whether the faculty member is living or not.

Regent Sisolak asked if there was a minimum time of employment in order for faculty to receive the grant-in-aid benefits. Vice Chancellor Nichols requested additional time to provide a response.

Regent Sisolak asked if eight semesters was still realistic to complete a degree due to restricted class offerings and if grant-in-aid dependents were also eligible for the Millennium Scholarship. Ms. Sharon Wurm, Director of Financial Assistance, NSHE, related that eligible students can receive both, up to the cost of attendance. The Grant-In-Aid office tries to package the funds to the best advantage of the student. If the cost of attendance exceeds the amount available to the student, the student is consulted to determine what will be given up. Ms. Crystal Abba, Assistant Vice Chancellor, NSHE, related that there is not a provision in the *Handbook* for a minimum number of years of employment within the System.

CONSENT AGENDA ITEMS APPROVED SEPARATELY:

5. Approved - Consent Agenda (Agenda Item #5) – (Cont'd.)
- (3) Approved – Handbook Revision, Grants-In-Aid for Certain Dependents (Consent Agenda Item #C-3) – (Cont'd.)

Regent Sisolak expressed his concern that eight years may no longer be a fair time frame, specifically for those students that join the military right out of high school. Vice Chancellor Nichols replied that within the Millennium Scholarship there is an extension allowed for military service.

Chief Counsel Patterson cautioned that the issue before the Board was to apply the same rules to dependents of living as well as deceased faculty members. The Board could request a broader review of the criteria for dependents and grant-in-aid graduates on a future agenda. Regents Crear and Sisolak requested that be done. Chair Wixom requested that be placed for discussion on a future agenda.

Regent Geddes moved approval of Consent Agenda item no. 3 (*Handbook Grants-In-Aid for Certain Dependents*). Regent Dondero seconded. Motion carried. Regent Alden was absent.

6. Information Only - Appeal of Employment Action Taken By UNR With Respect To Dr. Hussein S. Hussein (Agenda Item #6) – The Board considered the matter of an appeal of employment action taken by UNR.

Chair Wixom stated for the record that the System's legal counsel received a written communication dated August 6, 2008, from Mr. Jeffrey A. Dickerson, legal counsel for Dr. Hussein S. Hussein, requesting that the employee appeal hearing be conducted in open session.

The meeting recessed at 1:34 p.m. and reconvened at 1:53 p.m. on Thursday, August 7, 2008, with all members present except Regent Alden.

- 6.1 Approved-Open Session (Agenda Item 6.1) - The Board considered an appeal of the employment action taken by UNR.

(The services of a court reporter were retained for this hearing and a verbatim record of the proceedings is on file in the Board of Regents' office. The action items are reported below.)

Regent Gallagher moved to affirm the decisions and rulings of the Chair of the Board as to these proceedings. Regent Crear seconded. Motion carried. Regents Geddes and Rosenberg recused themselves. Regent Alden was absent.

Regent Leavitt moved to affirm the decision of President Glick to dismiss Dr. Hussein S. Hussein from the tenured faculty of the University of Nevada, Reno. Regent Whipple seconded.

6. Information Only - Appeal of Employment Action Taken By UNR With Respect To Dr. Hussein S. Hussein (Agenda Item #6) – (Cont'd.)

6.1 Approved-Open Session (Agenda Item 6.1) – (Cont'd.)

Upon a role call vote Regents Gallagher, Knecht, Leavitt, Schofield, Sisolak, Whipple, Wixom Anthony, Crear and Dondero voted yes. Motion carried. Regents Geddes and Rosenberg recused themselves. Regent Alden was absent.

Regent Schofield commended Regent Dondero for her selfless diligence in serving the city of Las Vegas and the state of Nevada.

Regent Leavitt left the meeting.

7. Approved – Employment Contract, Head Women’s Basketball Coach, UNR (Agenda Item #10) – The Board approved UNR President Milton D. Glick’s request for a multi-year employment agreement with Ms. Jane Albright as Head Women’s Basketball Coach with a base salary of \$150,000 annually plus benefits (*Ref. B on file in the Board office*).

Regent Sisolak asked for the rationale behind the five year contract term. President Glick noted that a termination clause was available. However, in order to recruit competitively, the players need to know that the coach is going to be there.

Regent Geddes moved approval of the employment contract. Regent Gallagher seconded.

Regent Knecht asked for clarification of the funding source for this contract. President Glick responded that this position is funded by the Inter-Collegiate Athletics (*ICA*) budget (*roughly 70% privately raised funds and 25-30% a combination of student waivers and other University support*).

Regent Knecht asked, in the context of a five year contract, if the University was locking itself in and closing itself off to options for managing the current budget challenges. President Glick stated that the Athletics Department is taking its share of the budget cuts and they know that they have to generate a higher fraction of their income. He added that the UNR Athletics Department already generates more than the WAC average. He stated that in a sense they are locking themselves because they do not hire anybody for that length of time with the intent of firing them.

Regent Leavitt entered the meeting.

Regent Knecht stated that he is going to continue to be sensitive to all appointments, especially long-term, high visibility, high dollar appointments.

For the record, Regent Sisolak noted that this is not a new position.

Motion carried. Regent Alden was absent.

Chair Wixom requested a point of personal privilege and asked for more information on the women’s basketball teams from UNR and UNLV. Regent Schofield also requested that he be sent the same information.

4. Information Only - Public Comment (Agenda Item #4) – (Cont'd.)

Ms. Chris Clark, Vice President of Diversity and Inclusion, UNLV, and Mr. Larry Mason, Interim Vice President of Diversity and Inclusion, CSN, presented Chancellor Rogers and Regent Crear with Diversity Trailblazer Awards for their support in establishing the NSHE Equity, Diversity and Inclusion Council (*EDIC*).

8. Approved - Employment Contract, Executive Director for Student Systems for the iNtegrate Implementation Project, UNLV – (Agenda Item #11) – The Board approved UNLV President David B. Ashley's request for a four-year employment agreement with Mr. Shannon Goodman to assume the position of Executive Director for Student Systems for the iNtegrate Implementation Project (*Ref. C on file in the Board office*).

President Ashley related that Mr. Goodman possesses a wealth of knowledge in People Soft systems and will be a very important addition to the UNLV team. He indicated that a four-year contract would be necessary in order to secure a candidate of this level and background.

Regent Sisolak expressed his concern for the hiring of outside the System when there are existing staff that have received letters of non-renewal or part-time staff that are not being extended. Dr. Juanita Fain, Vice President of Planning, UNLV, explained that Mr. Goodman is here on a part-time basis until the Board approves of his appointment, at which time a letter of appointment reflecting full-time status will be issued.

Regent Sisolak asked if Mr. Goodman would remain on staff if the Board does not approve his appointment. Ms. Suzanne Espinoza, Associate Vice President for Enrollment and Student Services, UNLV, stated that if the full-time appointment was not approved by the Board, Mr. Goodman would not accept a permanent part-time position, adding that he has been offered other opportunities.

Regent Sisolak asked what would happen if the request for this position was not approved. President Ashley stated that UNLV's ability to move forward with the pilot iNtegrate project is dependent upon someone with Mr. Goodman's expertise.

Executive Vice Chancellor Klaich explained that although this is a new position he did not feel it is a position that should be unexpected. The pilot project at UNLV has been discussed for over nine months. The leadership of the institution has been tremendous and their commitment of resources has been unparalleled. It has been known that as this project moves forward, there will be backfill costs to the campuses. Mr. Goodman is exactly the type of person needed to ensure this project's success. The Board has been taken at its word that this project is critical, adding that the staff and institutions acknowledge that they are on the razors edge with the budget. Without the leadership of the campuses and the leadership of individuals like Mr. Goodman, the project will go no further.

Regent Geddes asked President Ashley if long-term contracts will become the trend going forward. President Ashley replied that the length of contract is unique to the kind of expertise that Mr. Goodman represents, adding that Mr. Goodman also wants to ensure that the System is committed to this project.

8. Approved - Employment Contract, Executive Director for Student Systems for the iNtegrate Implementation Project, UNLV – (Agenda Item #11) – (Cont'd.)

Regent Anthony related that much time has been spent approving this project and if the right people are not available, the result will be complete failure.

Regent Dondero moved approval of the employment contract for Mr. Shannon Goodman.
Regent Anthony seconded.

Regent Knecht stated that he appreciated Regent Sisolak's question as to what would happen if this position was not approved and then asked Executive Vice Chancellor Klaich what impact that would have. Executive Vice Chancellor Klaich responded that the people in these positions are not going to be popular at either the System or campus levels. They will be making difficult decisions, and in addition to President Ashley's description that this individual wants to see the commitment of the University, he also wants to see the Board's commitment.

Regent Knecht observed that the cumulative impact of the budget reductions may require cumulative changes in prior plans. He asked if there is an alternative to going forward without making this level of commitment at this time. Chair Wixom felt that the iNtegrate project was crucial to what NSHE wants to be as a System. Funds have been set aside for the contractual commitments that have been made to this point and those contracts are fully funded at this time. Chief Council Patterson confirmed that contractual commitments have been made to provide personnel to meet the System's obligation to the project's implementation.

Chair Wixom stated that the funds have been set aside and he is 100% committed to the project. The Board needs to be aware that support is needed on the institutional level. He realizes that it is difficult to sometimes see the big picture when you are in the trenches.

Regent Sisolak asked what Mr. Goodman's current salary is for part-time service. President Ashley replied that he is working at 53% (\$79,500) of the contracted salary. Regent Sisolak felt that was an important point to have noted in the reference material, adding that this request is really for approximately \$75,000, not \$150,000. Ms. Espinoza added that currently Mr. Goodman is completing a project elsewhere and is gradually increasing his time on the UNLV campus.

Regent Sisolak stated that he was not aware faculty housing was available on the UNLV campus. Ms. Espinoza stated that he has been assigned an apartment in a residence hall that will be available in September.

Regent Sisolak asked if the contract becomes effective in September. Ms. Espinoza stated that part-time service at 53% became effective July 7, 2008, and upon approval by the Board, full-time status would become effective September 1, 2008. Regent Sisolak noted that the reference material indicates that, upon approval by the Board, the contract will be effective July 7, 2008.

8. Approved - Employment Contract, Executive Director for Student Systems for the iNtegrate Implementation Project, UNLV – (Agenda Item #11) – (Cont'd.)

Regent Knecht observed that this is a four-year contract, effective July 7th but under the terms of the contract, from July 7th to September 1st, Mr. Goodman will be working at 53%.

Motion carried. Regent Alden was absent.

9. Approved - Contract Extension and Revenue Incentive, Head Men's Basketball Coach, UNLV (Agenda Item #12) – The Board approved UNLV President David B. Ashley's request for a one-year contract extension and ticket revenue sharing incentive program for Mr. Lon Kruger, UNLV Head Men's Basketball Coach (Ref. D on file in the Board office).

Regent Sisolak asked if the projected figure over and above revenues and the method for determining that figure had been agreed upon by both parties. President Ashley replied that the Athletic program has a standard method of projecting seat sales and will continue to use that method to set the base line. Regent Sisolak asked if both parties have agreed to that method. President Ashley stated he would verify that there is mutual agreement.

Mr. Gerry Bomotti, Senior Vice President of Finance and Business, UNLV, stated that the Coach and the Athletic Director have signed an agreement for what they determined this season's ticket sales amount will be and they will review that number annually.

Regent Sisolak moved approval of the contract extension and revenue incentive for Mr. Lon Kruger. Regent Knecht seconded.

Regent Geddes was under the impression that UNLV did not have difficulty selling out the basketball games and asked why a ticket revenue sharing incentive was needed. Regent Sisolak stated that the basketball games are not sold out, adding that most of the upstairs sections remain available.

Regent Geddes asked what the average attendance was for the previous season. Mr. Bomotti replied that the average number of tickets sold was approximately 11,500. He stated that the stadium's total seating capacity is 18,500.

Regent Knecht asked what effect ticket sales of less than 9,000 would have on the revenue incentive program. President Ashley replied that Coach Kruger will continue to receive a base salary and that the incentive is based on performance above the projected ticket sales. Regent Knecht stated that although he would prefer a more symmetric incentive he would support this revenue sharing program.

President Ashley related that in the past, Coach Kruger has used his own resources to engage marketing expertise that has benefited the team.

Regent Crear asked what the rationale was behind extending the contract for only one year. President Ashley replied that since there are four years remaining on the initial five-year contract, this one year extension will return it to a five-year agreement.

9. Approved - Contract Extension and Revenue Incentive, Head Men's Basketball Coach, UNLV (Agenda Item #12) – (Cont'd.)

Regent Crear asked how the incentive is determined. President Ashley indicated that it is based on total gross ticket sales for the year.

Chair Wixom related that this was such an innovative contract that it prompted him to conduct some research of his own. One Athletic Director that he spoke with used this type of contract and confirmed that it could be very successful as long as the base line is determined up front. President Ashley stated that he will verify that there is an agreement between the Coach and the Athletic Director not only for this year but for proceeding years as well.

Regent Sisolak agreed with Chair Wixom, adding that he would like to have all the institutions engage in promotional incentives.

Motion carried. Regent Alden was absent.

The meeting recessed at 5:11 p.m., on Thursday, August 7, 2008, and reconvened at 8:04 a.m., on Friday, August 8, 2008, with all members present except Regents Alden, Anthony, Dondero, Leavitt, Schofield and Whipple.

Chair Wixom thanked President Glick and the UNR staff for their hospitality and services. He thanked the SCS staff for their services. He also expressed appreciation for those that had attended the Mathewson - IGT Knowledge Center grand opening reception as well as those that participated in the employee appeal hearing.

10. Approved – Personnel Session – President Carol A. Lucey (Agenda Item #7) - The periodic annual evaluation report of President Carol A. Lucey, along with President Lucey's self-evaluation, was presented to the Board. The Board discussed and approved the self-evaluation and report (full evaluation report on file in the Board office).

Executive Vice Chancellor Klaich related that the Periodic President Evaluation Committee for President Lucey consisted of Regents Dondero, Gallagher and Rosenberg as well as two community members, Mr. Dave Hills and Mrs. Robin Williamson. Dr. Robin Spangler, Chancellor, Houston Community College System was the facilitator.

Regent Anthony, Leavitt, Schofield and Whipple entered the meeting.

Dr. Spangler reported that 62 individuals were interviewed over the course of two consecutive days. She noted that nearly 40% of the interviewees had been there for less than six years. The impact of the budget reductions had been apparent throughout both days. She stated that it is a major challenge for any leader to operate and maintain a high level of quality with fewer resources.

Dr. Spangler briefly addressed each of the eight categories contained within the full report. Her conclusions and recommendations included the following:

10. Approved – Presidential Evaluation – President Carol A. Lucey (Agenda Item #7) – (Cont'd.)

Leadership Strengths: Based upon observation and documents presented, the Committee identified President Lucey's key strengths, including:

- Ability to identify and articulate the WNC vision and combine it with the intellectual strength, integrity and willingness to work hard to provide the leadership essential to move the college forward.
- Focused on being student-centered in her decisions and providing the support that students need to be successful, contributing members of the community.
- Ability to provide stability to WNC during difficult fiscal times by making decisions that avoided a reduction in force while maintaining a quality educational program.
- Ability to connect effectively with the community and understand how the college and community should work collaboratively to strengthen the region and produce the future workforce.

Areas of opportunities for improvement include working on building trust and consensus among faculty and staff, recognizing that others may have ideas that might change or affect her decisions, perhaps taking more time to reach decisions and solutions to issues and then recognizing that leadership involves consensus building so that everyone feels included.

Dr. Spangler identified four future actions for President Lucey including:

- Identify five specific leadership things she will do differently as she starts this new contract period.
- Develop and deliver a business and staffing plan to locate the WNC resources administration throughout the college's service area more effectively and efficiently.
- Review the Rural Training Centers for the purpose of developing a cohesive, responsive master plan.
- Work in a deliberate way to increase her interactions with faculty and her visibility with students and presence at student events.

Regent Gallagher commented that it had been a great pleasure to serve on the committee. She felt it was very refreshing in these difficult times to see how well President Lucey has grown with her faculty and students, and expressed her pride.

Regent Knecht referred to page 15 of the report and asked Dr. Spangler to elaborate on the first bullet point under Leadership Opportunities that recognizes the need to build greater trust and consensus especially among faculty and staff with regard to her management style. Dr. Spangler related that not everyone within an institution can understand why or how things happen in a way that may not appear helpful. Some of the staff appeared to not understand why decisions were made a certain way, particularly with respect to the hiring of replacements, and felt at risk themselves to address their concerns. When questioned by the Committee, President Lucey did address the challenges of hiring and the need to precipitously fill key positions. Dr. Spangler related that this is an area for

10. Approved – Presidential Evaluation – President Carol A. Lucey (Agenda Item #7) – (Cont'd.)

President Lucey to recognize as one for improvement. The issue of the budget reductions has escalated the faculty's concerns for fear of layoffs or non-renewals.

Regent Rosenberg left the meeting.

Executive Vice Chancellor Klaich related that throughout the interviews, the Committee heard that President Lucey was a brilliant individual who was not afraid to make decisions. It is in that context that there are times when President Lucey's certainty and competence left others feeling that they were not included as much as they felt they should have been. He would hate to have the Board focus on that concept because he felt they could all agree that while that issue came up, it was certainly not something that was heard repeatedly.

Regent Gallagher stated that the Committee had suggested to President Lucey that she perhaps slow down enough in her decision making process to include others.

Regent Rosenberg entered the meeting.

Regent Knecht stated that the first and fourth bullets under Leadership Opportunities on page 15 left him with some concern. He related that one of his concerns was the perception that there was a preference for an inner group of people. Dr. Spangler replied that concern may have more to do with the rural centers, adding that there was very outspoken support for President Lucey within the Carson City community. Since the rural campuses are physically removed, they sometimes feel they are not part of the larger discussions. She also pointed to the need for a strategic plan, adding that such a plan would aid in alleviating some of those concerns.

Regent Rosenberg stated that there are times when a president needs to make a decision relatively quickly and there is not time to gain total consensus. He also understands that there are feelings of being left out that could be attended to without much effort at all. However, he trusts President Lucey implicitly. Dr. Spangler stated that it was important to note that most of the interviewees felt President Lucey was making the right decisions, they just wanted to be made aware before the decision was made.

Executive Vice Chancellor Klaich indicated that it was apparent that all levels, from students to the top level of leadership, felt comfortable enough to speak openly in an awkward setting. That in itself speaks very highly of the President.

Regent Sisolak stated that although he is highly supportive of President Lucey, the Board only received the report that morning and he has not had the opportunity to fully read it.

Chair Wixom asked why the report was not distributed prior to the meeting. Executive Vice Chancellor Klaich stated that decision was made mostly out of courtesy to the presidents so that they have an opportunity to receive it before it is made available to the media.

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Regent Gallagher stated that no matter how much is tried, there are always feelings of disassociation among the outlying campuses. At some point, those outlying areas start to feel they should have their own free standing college. She has had to explain to them a number of times that will not happen due to population levels.

Regent Knecht asked President Lucey to elaborate on an Information Technology degree program that had just opened and then recently dropped. President Lucey replied that a complaint had been received by a student the previous day in relation to this question. She stated that when an instructor position integral to the information technology courses became vacant, WNC was unable to replace that instructor. Due to the budget reductions, that will occur more frequently. As she learns more about the specific situation, she will submit a report in the form of a Regents Alert to the Board.

Regent Knecht related that the Board had received data regarding all seven teaching institutions that compares allocations for multiple years between instruction and institutional support. He asked Ms. Abba if she was reasonably comfortable that the data regarding where the System is in terms of time trends and where it is in terms of other institutions is accurate. Ms. Abba replied that the data was obtained from IPEDS and those numbers are reported by the institutions to the National Center for Education Statistics. To that extent, she is comfortable with the data submitted. However, the definitions that IPEDS provides for those categories can be quite broad and therefore there is much interpretation from the campuses as to what goes into each category. Regent Knecht asked if that comment would apply more for comparison among the reference institutions than it would for the time trend in any one of NSHE's institutions. Ms. Abba agreed with Regent Knecht's statement.

Regent Knecht observed that over the last six years, under President Lucey's administration, instruction as a percentage of WNC's budget has declined from 50.6% to 41.5% and at the same time institutional support (*administrative support*) increased from 13.8% to 19.5%. That also relates to concerns that he has heard that WNC has become administratively top heavy. His point is not the precise numbers, but that it is a disturbing trend. President Lucey replied that since receiving that same information, she has also asked for a detailed explanation of the data. WNC has placed more money into student services than in the past which may directly relate to the growth and retention rate. Many of their counselors are on calendar year contracts and therefore considered administrators, and as funds are added to other operations that are essential to student success, there is a corresponding draw from instruction. She also expressed some concern for the way in which WNC reports its data to IPEDS and has asked her staff for more information. For example, WNC does not have a separate equipment budget. Those funds are reserved to manage crises, particularly for the Carson City campus which has a weather related crisis each year (*flooding, snow damage*). The money reserved for such events is released at the end of the year and becomes the college's equipment budget. Since those funds are expended by the vice presidents, they become institutional support expenditures. There are other expenses incurred during the course of running an operation that spans over 15,000 square miles.

10. Approved – Presidential Evaluation – President Carol A. Lucey (Agenda Item #7) – (Cont'd.)

Regent Knecht noted that it was the continuous problem over time that concerns him. In 2000-2001, WNC was ranked very near the top in terms of instruction and now it is second from the bottom. He was not sure why the nature of the service area would be an explanation for the time trend as the underlying service area has not changed during the reporting period. President Lucey appreciated the seriousness of Regent Knecht's questions and will submit a detailed report to the Regents.

Regent Knecht commended President Lucey and WNC for making good use of the adjunct faculty available within the Carson City community.

Regent Knecht expressed concern for the space that WNC is not extensively or intensively utilizing and how that space is being reported. President Lucey related that space utilization has been a challenge of hers as well as her predecessor's. The college's space configuration was constructed without a plan. The facilities they have are not necessarily what are needed, adding that efforts have been made to turn existing structures into facilities that better meet the campuses needs. President Lucey also related that there have been serious discussions with the faculty regarding scheduling and that WNC is not a four-day-a-week college. That continues to be a major point of contention between her and the faculty. Regent Knecht thanked President Lucey for taking up that issue, adding that all of the institutions need to be clear on that regard. He also agreed that she inherited the space utilization issues and acknowledged that she has tried to remedy that through more intensive use of the space.

Regent Knecht noted that when President Lucey became president, there were no vice presidents. Now there are four and that none of those had been filled through a search process. That seemed to support his concern for the increasing dedication of resources to support administration. To mitigate that, he also understands that there were as many as 17 deans upon her arrival and now WNC is down to just a few. He asked President Lucey to elaborate on the creation and hiring of those vice president positions without a search. President Lucey related that a number of searches were conducted early in her presidency. However, they proved unsuccessful requiring her to search internally. The individuals in the vice president positions support her in her efforts to serve the Board and must be individuals whom she can trust. In response to the number of deans, WNC is now down to three, the Dean of Students, the Dean of Academic Affairs/ Instructions and the Dean of Rural Centers and Academic Development. Those three deans report to WNC's Vice President of Academic and Student Services. President Lucey felt that this model better serves the Board, the state and the students. She did not feel that the increase in institutional support costs was due to those positions but rather to the increase in student support services. She would need to research that information and provide a report back to the Board.

Regent Knecht stated that he had not intended to disparage the vice presidents but was questioning the process. He related that the Board holds President Lucey responsible for the efficiency and effectiveness of Western Nevada College and she requires an administrative staff that she can depend upon as the Board holds her accountable.

10. Approved – Presidential Evaluation – President Carol A. Lucey (Agenda Item #7) – (Cont'd.)

Regent Sisolak stated that upon review of the allocation data, he was pleased to note that WNC's retention and completion rates had improved. That was at least as important to him as instructional dollars. He appreciated that it is not always quantity but quality and commended President Lucey for WNC's student success rates and admired her for doing more with fewer resources, adding that the citizens of the state of Nevada are well served by her tenure.

Regent Knecht moved approval of the periodic presidential evaluation report for President Carol A. Lucey. Regent Crear seconded.

On behalf of the Board, Chair Wixom expressed his appreciation to Dr. Spangler and to Regents Dondero, Gallagher and Rosenberg for their participation on the Committee.

Regent Schofield commended President Lucey on WNC's initiative in seeking the funding for the education of incarcerated students.

Motion carried. Regents Alden and Dondero were absent.

11. Approved – Presidential Contract, WNC – (Agenda Item #8) - The Board approved a new contract for WNC President Carol A. Lucey, including the following terms and conditions of employment (*contract on file in the Board office*).

- Term: August 8, 2008, through June 30, 2012.
- Base Salary: \$197,035.08.
- Perquisites consisting of an \$8,000 per fiscal year automobile allowance; \$12,000 per fiscal year housing allowance; \$5,000 annual host account.

Executive Vice Chancellor Klaich noted that a typographical correction had been made to the document. He stated that, consistent with the other presidents' contracts recently approved by the Board, there is no recommendation for a change to compensation.

Regent Sisolak moved approval of the contract extension for WNC President Carol A. Lucey. Regent Leavitt seconded.

Regent Geddes referred to item #6 of the contract and asked if the 50-mile radius for travel reimbursement was appropriate for traveling to Hawthorne. Executive Vice Chancellor Klaich explained that provision actually allows for reimbursement of spouse traveling expenses outside of a 50-mile radius, not within it.

Motion carried. Regents Alden and Dondero were absent.

4. Information Only – Introductions (Agenda Item #1) – (Cont'd.)

President Glick introduced UNR's new Head Women's Basketball Coach, Ms. Jane Albright.

Chair Wixom formally introduced TMCC President Maria Sheehan and GBC Interim President Carl Diekhans and welcomed them to their first Board meeting.

12. Approved – Institutional Strategic Plan and Mission Statement, UNLV (Agenda Item #9) –
At the request of UNLV President David B. Ashley, the Board accepted the University of Nevada, Las Vegas Institutional Strategic Plan entitled, "Focus: 50 to 100 – Celebrating 50 Years and Planning the Future." In accordance with the NSHE Board of Regents' Handbook (Title 4, Chapter 14, Section 3) the period for the UNLV plan is 2008 to 2014. In addition, the Board approved the UNLV Mission Statement. The Mission Statement is part of the Strategic Plan and was vetted and recommended by the UNLV campus community. President Ashley and Dr. Nasser Daneshvary, Chair, UNLV Faculty Senate, presented the Plan to the Board of Regents' (Ref. A on file in the Board office).

President Ashley related that the community as a whole, and the faculty in particular, had been engaged in a year long exercise for planning the future of UNLV. He commended UNLV Provost Neal J. Smatresk and Vice President of Planning, Dr. Juanita Fain, for their hard work in bringing this Plan to the Board. President Ashley reviewed the Planning Timeline:

- Planning Timeline
 - Inaugural Speech, spring 2007
 - Pre-planning discussions, summer 2008
 - Planning kick-off event, fall 2007
 - 16 Town Hall meetings, October – December 2007
 - Planning retreat, spring 2008
 - Board of Regents presentation of strategic plan, spring 2008
 - Form implementation groups, summer 2008

President Ashley stated that a critical starting point had been an analysis of peer groups (75th percentile), that revealed UNLV's largest resource gaps are in support staff and space. Their largest performance gaps are in research funding and student success.

- UNLV's Identity and Values Include:
 - High expectations for student learning and success.
 - Discovery via research, scholarship and creative activity.
 - Serving their region, and growing program strengths by utilizing the unique opportunities this region affords.
 - Nurturing equity, diversity and inclusiveness that promotes respect, support and empowerment.
 - Social, environmental and economic sustainability.
 - An entrepreneurial, innovative and unconventional spirit.

12. Approved – Institutional Strategic Plan and Mission Statement, UNLV (Agenda Item #9) – (Cont'd.)

Dr. Daneshvary related that the planning process had been open to students, faculty, staff and administrators. The faculty was engaged in all parts of the discussion including the town hall meetings. The members of the Faculty Senate, the executive committee in particular, had also been involved and embraced this plan with 36 members voting in support and two abstentions. The Faculty Senate has asked, and administration has agreed, to utilize faculty expertise in the implementation and regular assessment of the outcome. They feel that this document represents all constituencies of the institution.

President Ashley referred to the Mission Statement included within the reference material and requested the Board's approval. He felt it was imperative to have ambitions and goals at a time of enormous budgetary stress. He related that when discussing budgets, it is important that the institution define its own future and not fall into a trap of allowing those that set the budget to define it for them.

Regent Rosenberg agreed that the System cannot allow money to define the dream and applauded President Ashley for his position.

Regent Knecht agreed that in difficult times it is important to think strategically. He stated that the demographics within Clark County are very diverse and it would behoove the institutions and the System to address a true strategic plan to anticipate possible changes in the competitive environment and to proactively formulate responses to those changes.

President Ashley agreed with Regent Knecht, adding that the written form of their plan was intentionally kept brief so that it can be actively updated on a regular basis. In regards to anticipating the future, President Ashley related that it was not until approximately one month ago that he realized the extent to which UNLV is providing distance education. UNLV Provost Smatresk added that approximately 9% of UNLV's overall FTE is generated by distance education and that number continues to rise.

Regent Knecht felt that, via distance education, students can spend little or no time on campus and still receive an education or degree. Those are students, revenues and opportunities that will not be captured if they are not pursued aggressively. President Ashley felt that facilities are a valuable resource and still absolutely necessary to facilitate education. Regent Knecht indicated that he was suggesting that there will come a point where a substantial fraction of higher education's clientele will be seeking distance education.

Regent Leavitt thought that President Ashley had been wise in waiting almost a year to give his inaugural address and then spend a second year working with the faculty. He sees a transformation in UNLV and is very excited about this process. He encouraged the Board members to read the Chancellor's annual evaluation of President Ashley.

Regent Whipple thanked President Ashley for bringing the Plan forward. He asked what institutions were included in the peer group for comparison purposes. UNLV Provost Smatresk stated that it was a diverse set of peers including Arizona State, the University of Massachusetts at Amherst, the University of New Mexico, Mexico State and the University of Nevada, Reno, among others.

12. Approved – Institutional Strategic Plan and Mission Statement, UNLV (Agenda Item #9) – (Cont'd.)

Regent Whipple asked for clarification of what is meant by “75th percentile.” President Ashley replied that when comparing data across peer demographics, in terms of graduation rates, the data was ranked from the lowest to the highest and then only the top 75% of representative institutions were considered.

Regent Whipple noted that the analysis reflects that the 5th year graduation rates and grants were in the same percentile when compared to UNLV’s peers and asked if there is a correlation. President Ashley did not feel there was a correlation. However, in terms of education, the retention and graduation of students is the highest priority that they need to change as a campus. When looking at research areas, the way in which graduate student support is increased is by dramatically increasing grants. He noted that although it appears UNLV receives approximately 32% of its funding from the state, that is deceptive because research funding levels within the 75th percentile are nearly twice as much. On a dollar per student basis, UNLV is substantially lower than its peers. For example, UNLV receives \$8,000 per student which is approximately equal to what California State University receives per student but they do not have a research mission. As another example, President Ashley stated that the University of California System, which does have a research mission, receives approximately \$16,000 per student.

Regent Whipple asked President Ashley how much control he felt the institution had over the six-year graduation retention rates. President Ashley stated that academic success programs are focused on first year and transfer students. Due to the rate of growth within the community and the lower admission standards that previously existed, the institution did not give real attention to this. As admission standards increase, there is more selectivity and UNLV is competing with better universities from around the country. They are dramatically changing their culture of responsibility in retaining every student and are recognizing that retention and graduation rates are something that must be considered.

Regent Whipple asked why the retention rate decreased between the first year and the sixth year and what control the institution has. President Ashley felt that 70% retention rate in the first year is unacceptable and that it should be no less than 95%. The current retention rate equates to a 30% loss in potential human capital. He felt that a significant component of the low retention rate is attributed to tuition rates. Although Nevada’s tuition is low, many students who are funding their own way through college still have a difficult time paying for it.

Regent Whipple asked how UNLV compares with their peer group in the area of financial aid. President Ashley felt that UNLV’s low-fee tuition provides access to standard federal funding but not the other types of funding that are often available to other institutions in the form of scholarships and private gifts.

Vice Chancellor Nichols stated that Nevada has actually moved up in the ranking because of the Millennium Scholarship. Since Millennium Scholarship dollars are merit based, students that lack financial resources to go to college are not significantly impacted. Nevada has been unable to fill the gap for the poorest students. In fact, the Millennium Scholarship legislation indicates that the state will provide the merit base but the students

12. Approved – Institutional Strategic Plan and Mission Statement, UNLV (Agenda Item #9) – (Cont'd.)

are expected to contribute the difference. The only way it would be enough would be to double the fees at the university level and designate half of that to need-based aid. The System is totally reliant on the students, and is unique in that fact. Regent Whipple felt that was an important reason for why the Regents were here, adding that six years ago Nevada was ranked 47th in the number of students that continued from high school to college. The Millennium Scholarship has helped the state move up in that ranking. Unfortunately, the students are being lost once they enter higher education. He suggested that increasing tuition and the need-based student scholarships be considered in the future.

Regent Whipple referred to the Research Values and Priorities of the presentation and asked how UNLV plans to expand graduate student support. President Ashley replied that will be achieved through the new Graduate Council consisting of the graduate coordinators. They have estimated that UNLV will need 4 to 5 million dollars immediately to reach an acceptable level. However, there is not a reallocation scheme available internally to find that level of funding. Their energies need to be focused on what the priorities are, adding that this is one area in which they could successfully seek donors.

Regent Whipple asked about identified target resource opportunities and if President Ashley had a sense for what areas could be expanded. President Ashley stated that they need to develop a strategy that shapes collaborations, coalitions and activities to recognize what is regionally relevant and important. Instead of doing everything, UNLV will need to make choices.

Regent Crear commended President Ashley for creating a vision for the campus. However, he felt that the plan did not include a brand to reflect their identity and suggested that an additional bullet point be added to UNLV's Identity and Values. President Ashley related that approximately one year ago, UNLV combined all of its areas of outside constituent focus and placed them in one unit under the leadership of Dr. William Boldt, Vice President for Advancement. Within that unit, a Director of Communication position has been established that he felt will help with communication and marketing. Regent Crear felt that they were on the same page but emphasized the importance of defining their brand within their strategic plan so that it is a recognized component of campus culture.

Regent Sisolak asked for student input on the future of distance education. Mr. Adam Cronus, CSUN President, UNLV, thanked President Ashley for including the student leadership in the development process. He indicated that due to the Las Vegas environment, there is a great deal of interest and need for distance education courses. However, he felt that it was also important to have the facilities available. Regent Sisolak asked if most students take at least one distance education course. Mr. Cronus indicated that most students have taken at least one.

Ms. Jessica Lucero GPSA President, UNLV, agreed with Mr. Cronus, adding that initially she was not comfortable with distance education but after speaking with several graduate student peers and undergraduate students, she felt that most enjoy that format. However, it appeared to be very dependent upon the instructors' level of engagement.

12. Approved – Institutional Strategic Plan and Mission Statement, UNLV (Agenda Item #9) – (Cont'd.)

Mr. Eron Sanchez, SGA President-GBC, stated that GBC has a significant number of non-traditional students that take distance education courses, adding that their web campus complements the live courses.

President Ashley related that two weeks ago he visited the UNLV ROTC summer camp. He spoke with a visiting professor from a university in Tennessee that is obtaining her Ph.D. in Nursing from UNLV via distance education. Except for her initial orientation conducted on the UNLV campus, her entire curriculum will be obtained via distance education.

Regent Sisolak asked if the faculty is trained on how to make the courses interesting. UNLV Provost Smatresk stated that an array of classes to improve the quality of in-class and distance education courses is available through UNLV's teaching and learning center. UNLV has also started a comprehensive review process for students to evaluate classes and provide feedback.

Regent Schofield felt that outstanding universities use a combination of academics and athletics. He observed that the Plan does not specifically include athletics and requested that UNLV focus on their athletic program, specifically the football program.

Regent Rosenberg moved acceptance of the UNLV Strategic Plan and approval of the UNLV Mission Statement. Regent Sisolak seconded. Motion carried. Regents Alden and Dondero were absent.

The meeting recessed at 10:13 a.m. and reconvened at 10:32 a.m. on Friday, August 8, 2008, with all members present except Regents Alden, Dondero and Whipple.

13. Approved - 2009-11 Biennial Budget Operating Request – (Agenda Item #13) - Executive Vice Chancellor Daniel J. Klaich presented an updated report on the FY 2009-2011 biennial budget request for NSHE's operating and one-shot budgets, as previously presented to the Board in April and June, 2008. The Board approved the Core Priorities as being Maintenance of Current Legislative Approved Budgets, Projected Current Funding Level Gap, Projected Caseload Growth and Caseload Adjustment plus the iNtegrate One Shot (Tier 1 Priorities) and Health Sciences System operating budget (Tier 1 Priorities). (Full report on file in the Board office.)

Chair Wixom related that the discussion begun this day will be finalized at the Special meeting scheduled for August 21, 2008. The options before the Board are to approve the budget as is, reject it entirely, or reject all or part of the enhancements listed.

Executive Vice Chancellor Klaich stated that the budget, in his opinion, is solid and defensible. The Core budget is built around what they considered to be core budget principles and Tier 1 and Tier 2 Priorities that are considered to be critical. The Core budget request is for what the System needs to operate on a going forward basis with an unreduced budget and that reflects the current appropriations with the reductions taken to –date restored. The Core budget also includes a request not to cut those institutions that require funding for the maintenance of current service levels (“hold-harmless”) as well as a request to address the equity issue with respect to CSN.

13. Approved - 2009-11 Biennial Budget Operating Request – (Agenda Item #13) – (Cont'd.)

Among the Tier 1 and Tier 2 Priorities (*Enhancements*) on page 6, Executive Vice Chancellor Klaich felt that there are two that the Board should endorse. One being the recapture of the \$10 million that was reverted for the iNtegrate project and the second being a request for the HSS operating funds. He explained that, in the way the System is required to build a budget, HSS operating funds must be considered an enhancement because it has not previously received allocations through the legislature. However, although the System has not had the operating dollars for that program, the state and legislature are clearly in support of the need for this critical program. Regardless of what other enhancements the Board considers, Executive Vice Chancellor Klaich requested that those two initiatives specifically be held apart. The other items listed for further consideration under Tier 1 and Tier 2 Priorities are new requests or enhancements to existing initiatives including student success and safety measures as well as critical infrastructure for DRI which is not provided for in the formula funding.

Regent Leavitt stated that each and every enhancement is necessary and defensible.

Regent Geddes referred to page 11, and asked for a brief explanation of “Other”. Mr. Larry Eardley, Assistant Vice Chancellor, NSHE stated that category includes investment income, federal funds, accounting funds and discretionary funds.

Regent Geddes asked if the decrease was anticipated due to the market or from fewer research grants at the federal level. Mr. Eardley related that investment income will probably decrease because that is part of the general fund that is invested. Less general fund dollars means less money to invest which means fewer revenues.

Executive Vice Chancellor Klaich further explained that when the principle decreases, so does the return. Regent Geddes agreed but also observed that he would not have expected a decrease since more funds are being requested.

Mr. Eardley explained that the System builds the operating budget on the expenditure side and then calculates the revenues needed to support that level. The campuses project their revenues including their investment income which is basically restricted to 3.5% of the investment earned. The calculation for investment income is based on that and on market conditions, adding that there could be slight fluctuations between anticipated and actual revenues.

Vice Chancellor Reed added that the material from VanGuard indicates that the System’s earnings on investments have decreased as the market has gone down which is also a prime reason for the decrease.

Regent Sisolak emphasized to the student leaders that they are the best advocates for the impacts these cuts will have on their education and their futures. The time has come to speak up.

Regent Gallagher asked if this budget includes the 4.5% budget cut. Executive Vice Chancellor Klaich clarified that the budget request restores to the System the 4.5% reduction taken last year and the 3.4% reduction that will be discussed in the next agenda item.

13. Approved - 2009-11 Biennial Budget Operating Request – (Agenda Item #13) – (Cont'd.)

Chair Wixom referred to page 6, under Core Priorities, and asked for clarification of the “Maintenance of Current Legislative Approved Budgets (14.12% cut).” Executive Vice Chancellor Klaich explained that the 14.12% budget cut is a cut that has only been discussed by the Governor in preparation for the 2009-2011 budget. System staff is asking the Board to support the maintenance of the base, legislatively approved, 2008-2009 budget on which the System can move forward. The Board had previously approved a 4.5% reduction and will be considering another 3.4% reduction. The Governor has requested that budgets be built in a “flat” manner which means that the System would have to build its budget at -14.12% from where it is currently legislatively approved. He explained that the System has a base budget, and to that base budget are adjustments and maintenance items (*referred to as “BAM”*). The base budget is the final year of the preceding biennium rolled forward, without enhancements.

Chair Wixom asked if BAM plus hold-harmless for UNLV and equity adjustment for CSN is considered the Core Priorities. Executive Vice Chancellor Klaich stated that was correct. Chair Wixom asked if enhancements are considered the Tier 1 and Tier 2 Priorities. Executive Vice Chancellor Klaich stated that was correct.

Chair Wixom appreciated fully what Regent Leavitt stated. However, given the realities that are faced, he is concerned about presenting a budget with enhancements when the System is going to be working to keep the Core Priorities. He felt strongly that in order to maintain credibility, the System should focus on the Core Priorities with only the enhancements for requesting the return of the \$10 million reverted from the iNtegrate project and to request the HSS operating budget.

Regent Gallagher expressed concern for supporting a budget that did not reflect reductions. The economy has affected government as well as private industry and it would not be fair for the System to say those cuts apply to all but NSHE.

Regent Crear disagreed. The legislature allotted the System a certain budget and it needs to go forward with that amount in order to provide quality education. If the Governor or legislature wants to come back and say there needs to be cuts, then so be it, but the System should not deny the students and faculty what it is trying to accomplish.

Chair Wixom noted that the Core Priorities are what has been legislatively approved and that enhancements are those items that have not previously been approved by the legislature. He asked Regent Crear if he is suggesting that the Board approve Core Priorities plus all the enhancements. Regent Crear stated that was correct. However, in essence, iNtegrate had already been approved at a certain funding level. He felt that everything that fell under Core Priorities and enhancements is imperative.

Regent Leavitt respectfully disagreed with Regent Gallagher. He felt that higher education is different from other agencies because there is a return on the investment that is given back to the entire state. He strongly agreed with Regent Crear, adding that education is the greatest story ever told and the System needs to be better at developing it.

13. Approved - 2009-11 Biennial Budget Operating Request – (Agenda Item #13) – (Cont'd.)

Regent Gallagher related that in the past, the legislature has taken it upon itself to cut the System's budget. She felt that it would not be wise for the System to move forward as if it does not know the situation. She expressed concern for the Board's credibility and felt that it was important for it to convey that it is willing to do its part.

Regent Geddes echoed Regent Gallagher's opinion. He felt the System would have to fight to maintain current funding levels, let alone the enhancements. Although the Tier 1 Priorities make sense, if this request is submitted as currently presented, then the Governor's office will be deciding which cuts to make. He would support going forward with the Core and base budget and then be prepared with a list of priorities if the financial situation changes.

Regent Knecht disagreed with Regent Leavitt. There is a return on investment to education. There is also a human well being and human utility involved in other public spending and in private spending. To assert that the System is the only agency to provide a return on investment is wrong. Every dollar that every tourist spends in Nevada may be looked at by somebody as frivolous. However, it provides for jobs, the ability to buy houses, furniture and so forth. He stated that there needs to be a stop to this type of rhetoric and more emphasis needs to be placed on addressing the very real budget situation. He had interpreted this agenda item to be for the adoption of the budget request, based on a budget that would have been adopted had the state not been in its current financial condition. Then agenda item #14 would address an incremental cut, followed by the Special meeting on August 21, 2008, at which time final cuts would be made as requested by the Governor. He thought this budget request was to demonstrate what the System proposes under both a business-as-usual circumstance as well as under the current cyclical circumstances.

Chair Wixom clarified that the Board is considering this agenda item as the completion of the budget process that began last November. It then becomes the basis for the discussion to occur at the Special meeting on August 21, 2008. By statute, the System is obligated to provide a budget, not a budget with a specific number.

Regent Whipple entered the meeting.

Regent Anthony agreed with the budget request as presented. However, as Regents Gallagher and Geddes have indicated, the budget will be cut. He asked if the items listed under Tier 1 and Tier 2 Priorities could be further prioritized or ranked so that any reductions could be made from the bottom up.

Executive Vice Chancellor Klaich stated that within each of the broader categories (*Core Priorities, Tier 1 Priorities and Tier 2 Priorities*) the items were intentionally not ranked to provide some flexibility during the legislative negotiation process.

Regent Anthony asked who decides what falls into Tier 1 and Tier 2 Priorities. Executive Vice Chancellor Klaich replied that typically that authority has been delegated to the Chancellor during the legislative session, and in turn he reports back to the Board. Those decisions are usually made within the last 15 days of the legislative session and typically the Board relies on the Chancellor to stand for what it wants.

13. Approved - 2009-11 Biennial Budget Operating Request – (Agenda Item #13) – (Cont'd.)

Regent Rosenberg felt the basic question is whether the System provides a budget request in which it makes the cuts or does it submit a request knowing that the legislature will make the cuts. He knows that each institution is in agony adjusting to the cuts that have already been made. His personal feeling is that the legislature needs to know what the System needs to educate at the top level of its ability. His recommendation is for option #3 (*Core Priorities plus iNtegrate and HSS operating budget enhancements*)

Regent Sisolak asked for an explanation in simple terms using a hypothetical \$100 base. Executive Vice Chancellor Klaich stated that upon the conclusion of the last legislative session in July 2007, the System was left with \$100. In October 2007, the revenue shortfall resulted in a cut of \$4.50 cents (4.5%), leaving the System with \$95.50. Subsequently, there was an additional cut, although the System's part was basically nothing it did lose construction and health sciences money but it still had \$95.50 in its operating budget. The special session resulted in an operating decrease of \$3.50 (*approximately 3.5%*), leaving the System with \$92. That \$92 is what the System has left to spend for the current fiscal year.

Regent Sisolak asked, given that hypothetical explanation, what options are being proposed to the Board.

Hypothetically, Executive Vice Chancellor Klaich stated that the System is saying its budget needs to be based on the \$100 and it wants the \$8 back. In addition, \$2 is needed for inflation, it wants \$1 returned for the iNtegrate project, an additional \$1 for the HSS operating budget, an additional \$3 for the UNLV hold-harmless and another \$2 for the CSN equity gap. That results in a total of \$109.00. The System really needs that \$109 but it will take \$100.

Regent Sisolak asked if under that hypothetical explanation, the System is asking for its \$100 to be made to \$109. With the latest request to reduce the budget, what is the System being asked to submit. Executive Vice Chancellor Klaich identified that as somewhere between \$84 and \$86.

Vice Chancellor Jane Nichols stated that when looking at the top of page 33, the System is requesting a 103.3% including the HSS budget and the return of the iNtegrate funds.

Chair Wixom clarified that the discussion involving getting from 103% to 86% will be completed at the Special meeting on August 21, 2008. The Board presently needs to determine if it starts that discussion with or without enhancements.

Executive Vice Chancellor Klaich stated that his hypothetical explanation using whole numbers resulted in \$109, but it really equals the 103.3% proposed in the budget request for Core Priorities and the four critical items including funding of the hold harmless (*UNLV*), the equity gap (*CSN*), the iNtegrate project and the HSS operating fund.

13. Approved - 2009-11 Biennial Budget Operating Request – (Agenda Item #13) – (Cont'd.)

Chair Wixom requested that the discussion begin with the reality that the System is not going to receive those enhancements right now. However, he wants to address BAM (103.3%), the CSN equity gap and the hold-harmless for UNLV. He agreed with Regent Knecht, that this is really a three stage process. Presently, the Board needs to determine if it goes forward with or without enhancements. The final conclusion will be discussed at the August 21, 2008, Special Board meeting.

Regent Knecht referred to page 33, noting BAM equates to 103.3% but the BAM plus four would push that number closer to 104%. If the Board approves the Chair's proposal, it would be adopting an approximate 104% reference budget that would need to be reduced to 86% in approximately 13 days. Chair Wixom felt that is the issue to be faced at the August 21, 2008, Special meeting.

Regent Sisolak felt that the term "enhancement" for UNLV and CSN was very inaccurate, adding that those funds are lifelines for those institutions, not luxuries. Regent Crear agreed, adding that all the enhancements are really imperatives.

Executive Vice Chancellor Klaich related that the items the Board has been discussing are considered "Core Priorities" plus the iNtegrate and HSS operating funds.

Regent Rosenberg moved approval of the Core Priorities (page 6) as being Maintenance of Current Legislative Approved Budgets, Projected Current Funding Level Gap, Projected Caseload Growth and Caseload Adjustment plus the iNtegrate One Shot request (Tier 1 Priorities) and Health Sciences System operating funds (Tier 1 Priorities). "BAM plus 4" which will allow for the special request for CSN, special request for hold-harmless for UNLV, Health Science System operating and iNtegrate request. Regent Gallagher seconded. Motion carried. Regents Alden and Dondero were absent.

14. Information Only – Report on Special Session and Budget Reductions (Agenda Item #14) - Vice Chancellor Daniel J. Klaich led a discussion on the impact of the actions taken during the 24th Special Session of the Nevada State Legislature, resulting in additional FY 2008-09 NSHE operating budget cuts. The current position of state revenues and potential reductions to current legislatively approved funding-levels mandated for the submission of the Executive Budget for next biennium was also addressed (Ref. E on file in the Board office).

Executive Vice Chancellor Klaich reported that the 24th Special Session of the Nevada Legislature identified \$106 million in reductions to be allocated among state agencies. However, those allocations were not immediately implemented. NSHE has since been notified that its share of that allocation is approximately \$22 million to be distributed equally among the institutions and administration at a rate of approximately 3.42%. The institutions' work plans for implementation of that reduction will be brought to the Board at the August 21, 2008, Special Board meeting.

14. Information Only – Report on Special Session and Budget Reductions (Agenda Item #14) – (Cont'd.)

Chair Wixom asked what action was immediately needed from the Board on this item. Executive Vice Chancellor Klaich replied that no action was requested that day.

Regent Gallagher felt it was appropriate to say how proud she was of the presidents for stepping up and doing what has to be done, adding that the cuts will be painful but will make the institutions stronger as the economy starts to turnaround.

15. Approved – Discussion on the Health Sciences System of the Nevada System of Higher Education (Agenda Item #15) – Based on the recommendation of the Health Sciences System Committee, the Board approved the position description of the Executive Vice Chancellor of the Health Sciences System of the Nevada System of Higher Education. The Board also reviewed the vision and work plan of the Executive Vice Chancellor of the Health Sciences System of the Nevada System of Higher Education and recommendations for relationships between the Health Sciences System and the System institutions. (Ref. F on file in the Board office)

Executive Vice Chancellor Trevisan related that his eight months with the System has been an exciting time, full of challenges and opportunities. Despite the budget situation, he felt that the System could certainly think about the future and how the institutions can work together to strive for excellence. Dr. Trevisan provided a Power Point presentation on the status and activities of the Health Sciences System (*full presentation on file in the Board office*).

- Existing NSHE Program Discovery (*Total 17,858 Students in NSHE Health Sciences Programs*)
 - Medicine – 224 Medical Students; 262 Residents/Fellows
 - Nursing – 5,729 Students
 - All Dental Health – 1,193 Students
 - Mental Health/Social Work – 3,470 Students
 - Basic Sciences – 2,355 Students
 - Allied Health – 2,440 BS/Grad; 1,528 Associates Students
 - Public Health – 657 Students

Regent Geddes asked what percentage of the 262 Residents/Fellows are in-state medical students that continue to in-state residencies versus students from out of state. Executive Vice Chancellor Trevisan indicated that approximately 45%-50% of the students stay in the state.

Chair Wixom clarified that the percentage of medical students that leave the state do so because there are just not enough residency programs available in Nevada. Executive Vice Chancellor Trevisan agreed, adding that there are only twelve residency programs available in Nevada.

- Vision
 - An integrated approach to help address the health of individuals and communities in Nevada and to serve as a model for how the academic enterprise can serve the needs of populations and individuals while pursuing academic excellence.

15. Approved – Discussion on the Health Sciences System of the Nevada System of Higher Education (Agenda Item #15) – (Cont'd.)

At Chancellor Rogers' request, Executive Vice Chancellor Trevisan elaborated on the developing relationship between NSHE and the Lincy Foundation, adding that he is looking forward to making an announcement regarding further donations in the near future.

➤ Summary

- The need for an integrated approach to solving the health issues of Nevadans is clear.
- The Nevada System of Higher Education must play a critical role in addressing these needs.
- The implementation of the ambitious vision of the Health Sciences System will represent an important challenge.
 - Internal challenges are many including the traditional notion of the campus as the focus of the academic initiatives.
 - External challenges include the traditional mistrust of the academic enterprise and the perception (*real or perceived*) that the academic vision will interfere with the interest of individual constituencies within the community.

➤ Approaches to the Challenge

- Internally: We need to embrace the vision of the HSS and proactively work to support it. We need to have active participation in the process by individuals and programs/institutions (*the success of the HSS is dependent on the energy and creativity of its members*). We need to have a clear commitment to a shared vision.
- Externally: We need to provide the community with a cohesive, well designed and articulated strategic plan (*long term*) with a clear timeline, achievable goals and accountability checks. This plan should guide our day-to-day actions.

➤ Conclusion

- The path to excellence does not (*and should not*) derail from the path of service to the community.
- On the path we need to have (*and facilitate*) traveling companions so that we can receive/provide help during the difficult journey.

Regent Geddes left the meeting.

Regent Whipple asked if efforts to work with the private medical school in Las Vegas were anticipated. Executive Vice Chancellor Trevisan replied that in exploring all internal and external options, the academic integrity of each institution must be ensured.

Regent Whipple observed that in Executive Vice Chancellor Trevisan's report, it is noted that Nevada ranks highest in "poor mental health days" and asked for a description of that category. Executive Vice Chancellor Trevisan replied that poor mental health days is a complex indicator that sums up lost work days due to depression and not feeling well although there is no diagnosis.

15. Approved – Discussion on the Health Sciences System of the Nevada System of Higher Education (Agenda Item #15) – (Cont'd.)

Regent Whipple asked what the time line was for actual bricks and mortars. Executive Vice Chancellor Trevisan clarified that actual bricks and mortars do not belong to the Health Sciences System but to the individual institutions.

Regent Geddes entered the meeting.

Regent Whipple then asked where the actual assets are located. Executive Vice Chancellor Trevisan related that construction projects currently include a renovation of one building on the Shadow Lane campus to house the Skills Lab, construction of a second building on the Shadow Lane campus that will house both the UNLV School of Nursing and the UNLV School of Medicine and a third building at UNR for the Medical School. The design of the Skills Lab has been completed with the next step being actual renovation. The development of new construction on the Shadow Lane campus and the UNR campus are currently in the design phase. The construction phase on either of those projects cannot occur until the funds from the state are reassigned and until the System raises the required matching funds. Chancellor Rogers indicated that they have four years for the initial allocation from the state. However, that has been delayed due to the budget situation. Potential donors for the Health Sciences System have expressed concern for the delayed funds. However, as much as possible is being put into place now so that they can move forward when the funds do become available

Regent Sisolak left the meeting.

Regent Whipple asked if an allowance or partial match was possible for each construction project. Chancellor Rogers indicated that it was a possibility and if a specific donor offers a specific amount of money, only then would they negotiate with the State.

Regent Whipple asked if the construction projects were prioritized. Chancellor Rogers related that because potential donors have control of their own money, it is important to leave as much flexibility as possible for negotiation purposes.

Regent Whipple asked if the construction of the medical school building will accommodate a larger class size. Chancellor Rogers replied that funds for actual construction are currently being sought, not operating funds.

Regent Whipple asked Chancellor Rogers if it was easier to seek funding for certain programs as opposed to others. Chancellor Rogers indicated that it is surprising where or how donors choose to give their money. The Health Sciences System is not in a position to talk to anyone about anything specific. However, if the donor wishes their money to be spent in a specific manner, every effort is made to accommodate those wishes.

Regent Whipple expressed concern that it will become more difficult to raise private funds as the marquee opportunities are taken. Chancellor Rogers stated that each program presents its own opportunities to enhance others. Executive Vice Chancellor Trevisan related that he has been marketing the Health Sciences System as an important concept to allow the donor to identify the areas they wish to be involved in.

15. Approved – Discussion on the Health Sciences System of the Nevada System of Higher Education (Agenda Item #15) – (Cont'd.)

Regent Sisolak entered the meeting.

Regent Whipple asked how the individual foundations have played out in conjunction with the HSS Foundation. Chancellor Rogers related that the funds received by the HSS Foundation have been distributed back to the institutions from which they were brought in.

Regent Gallagher was very pleased with the progress of the perception of the Health Sciences System. She was also pleased with how the two universities have worked jointly to overcome the previous lack of communication. She stated that Executive Vice Chancellor Trevisan has done a great job up to this point. It has been difficult because he came on board without a job description.

Executive Vice Chancellor Klaich related that Executive Vice Chancellor Trevisan was recruited to a position that did not have an actual job description. The Health Sciences System Committee had tasked the presidents of UNR, UNLV and NSC to meet with the Executive Vice Chancellors and create a set of mutual expectations. He particularly thanked NSC President Maryanski for drafting much of those documents.

Regent Rosenberg asked if a vice chancellor was considered a peer in regards to their participation with the Council of Presidents. Executive Vice Chancellor Klaich replied that although the vice chancellors participate when requested by the presidents, they are not standing members of the Council of Presidents.

Regent Rosenberg asked if the difference between the vice chancellors' participation on the Council of Presidents and Executive Vice Chancellor Trevisan's was the term "Executive." Executive Vice Chancellor Klaich replied that in technical terms, that was the difference. However, it was implicit in the manner of recruitment that the Executive Vice Chancellor of the Health Sciences System would be expected to function at that level and, given the critical nature of his interaction with the presidents, it would be virtually impossible to discharge his duties without that interaction.

Regent Rosenberg observed that the presidents have responsibility for their campuses or domains and the Health Sciences System is supposed to work cooperatively with each. He asked who makes the final decision if there is a situation where the Health Sciences System and one of the presidents do not agree on a matter. Executive Vice Chancellor Klaich stated that in the event of an unforeseeable disagreement, the Chancellor is expected to provide resolution.

Regent Rosenberg stated that throughout development of the Health Sciences System he heard repeatedly that the individual presidents would retain authority for what they have on their campuses. Executive Vice Chancellor Klaich stated that has not changed and the responsibilities of this position allows for lateral input not the providing of direction. Executive Vice Chancellor Trevisan agreed.

Regent Rosenberg related that although he understands the situation, he is not comfortable with it, adding that so much depends on the good will of the people involved and it will only take one episode to sabotage the entire program.

15. Approved – Discussion on the Health Sciences System of the Nevada System of Higher Education (Agenda Item #15) – (Cont'd.)

Regent Gallagher clarified that Executive Vice Chancellor Trevisan does not report to the presidents and the presidents do not report to him. It is an entirely collaborative effort.

Executive Vice Chancellor Trevisan indicated that through the Council of Presidents the presidents are provided a forum from which they can voice their potential disagreements.

Regent Rosenberg stated that although he was not comfortable with the position description, he was not necessarily against it either.

Regent Gallagher moved approval of the position description of the Executive Vice Chancellor of the Health Sciences System of the Nevada System of Higher Education. Regent Crear seconded.

Chair Wixom thanked Regent Gallagher for her efforts on the Health Science System project.

Motion carried. Regents Alden and Dondero were absent.

The meeting recessed at 12:40 p.m. and reconvened at 12:56 p.m. on Friday, August 8, 2008, with all members present except Regents Alden, Anthony and Dondero.

16. Approved – Continuation of discussion regarding the Fire Science Academy, UNR (Agenda Item #16) - UNR President Milton D. Glick presented for information the results of a financial and operational assessment of the Fire Science Academy (FSA), including options as to the future of the FSA and recommendations regarding the FSA (*Ref. G on file in the Board office*). The Board approved continuing this discussion at the October Board meeting as an information/action item to receive a progress report and for the Board to make recommendations regarding the Fire Science Academy.

For the record, Chair Wixom stated that late the previous evening he had received written communication from Western States Petroleum Association, Newmont Gold Mine, Elko County Board of Commissioners and the City of Carlin regarding this agenda item, which were distributed to the Board (*copies on file in the Board office*).

President Glick stated that the reference material included details on the series of events that has lead to the current situation. He related that in August 2007, he appointed a FSA Citizens Advisory Council comprised of former Governor Kenny Guinn, Mr. Skip Avensino, Mr. Phil Satry and Ms. T.J. Day. Upon the Council's recommendation, UNR contracted with Berkshire Bridge Capital LLC, a firm specializing in municipal financing strategies and privatization. In summary, President Glick reported that the Council found an outstanding capital dept of \$27 million, down from \$31 million as a result of a \$4 million federal debt reduction initiative lead by Senator Harry Reid. This debt of \$27 million is being serviced by a Board of Regents' approved student capital improvement fee of \$6.50 per credit hour (*approximately \$200 per semester*) by every full time student at UNR.

16. Approved – Continuation of discussion regarding the Fire Science Academy, UNR
(Agenda Item #16) – (Cont'd.)

President Glick related that the Fire Science Academy has accumulated an operating and repair debt of \$12 million which is not presently being serviced. An expert in hazardous waste has advised UNR that it will require another \$3.5 million to shut down and remediate the site. Including shut down and remediation, the total debt is estimated at over \$42 million. In spite of scholarship earmark proposals for \$7.5 million, the Fire Science Academy has operated in the black only one year in its ten year history. However, it is operating roughly within its five-year business plan approved by the Board of Regents in 2003. That calculation, showing only one year in the black, does not include servicing of either the capital or operating debt, nor the O&M provided by the state.

President Glick continued that the reason for this state of affairs is manifold including initial enrollment projects, construction problems, extraordinary fuel cost escalation and inadequate airline service among other reasons. The consultant concluded the Fire Science Academy is a high-quality well-run program serving an important public service and captures over 70% of its primary regional model. These findings are a credit to the leadership and the employees of the FSA. The consultant further concluded that the FSA is not core to the University's mission and that will never service any of the operating or capital debt on its own and it will continue to struggle to break even on its operating budget. They also concluded that there was a slight chance that it could be sold to industry.

President Glick stated that there has been no success in federalization and it is unlikely that another fire science academy would merge with UNR's Fire Science Academy. It is also recognized that there are political and cash costs to closing the FSA. UNR reached out to the Fire Science Academy stakeholders and customers to see if they were prepared to provide sufficient subsidies to avoid future losses and to pay down the debt. The customers have responded that the FSA is a quality facility and they are considering UNR's request for support. The Advisory Council advised UNR and the Board to close down the facility absent a very substantial commitment from the stakeholders. He is not able to bring a commitment to the Board that day. UNR is also assessing if liquidation of assets would pay off all the operating debt and pay down the capital debt. He recommended that the Board provide the stakeholders time until the next Board meeting to respond, at which time he would also bring his recommendations for their consideration.

Ms. Denise Baclawski, Executive Director, Fire Science Academy, UNR, introduced Chief Vicki Jansen, Tesoro-Los Angeles, Chief Mark May Valero-Benicia, Mr. Glenn Trust, Manager, City of Carlin and Mr. John Ellison, Member, Elko County Board of Commissioners.

Chief Vicki Jansen, Fire Chief and Emergency Response Coordinator, Tesoro Refinery, Los Angeles and Chair for the Western States Petroleum Association (WSPA) Training Task Force for the FSA, expressed her support of the FSA. She related that the FSA is only one of two schools in the world offering emergency response training of this type, and as such, is an important resource to industry and the nation as a whole. Closure of

16. Approved – Continuation of discussion regarding the Fire Science Academy, UNR
(Agenda Item #16) – (Cont'd.)

the school would lead to a substantial loss of industrial fire science training capacity. The letter of support from the Western States Petroleum Association reflects the industry's support of the FSA and acknowledges the need for the FSA to achieve financial self support status. They also acknowledge that the plan for stabilizing the FSA is a complex process that requires input from many parties and will take a minimum of 60 days. She respectfully requested that they be given that time.

Chief Mark May, Valero Refinery, Benicia, related that the WSPA just recently became aware of the seriousness of the situation and also requested additional time to consider the options and submit a plan to the Board.

Mr. Glenn Trust, City Manager, City of Carlin, strongly encouraged the granting of an extension so that the FSA could pursue options other than closure. The City of Carlin is concerned because a long-term debt was assumed in partnership with UNR. The citizens of Carlin feel that the debt was accepted in partnership with UNR and there is some obligation on the University to carry that out. Regent Rosenberg asked how much debt the City of Carlin incurred. Mr. Trust related that the City of Carlin entered into a cooperative agreement with Elko County for a \$350,000 bond to extend the water line from Carlin to the Fire Science Academy.

Mr. John Ellison, Member, Elko County Board of Commissioners, related that when the Fire Science Academy first moved to Elko County, they felt it would be a success and still feel that it can be. Recently when the water lines failed, the City of Carlin, Elko County and the City of Elko partnered to create a 40-year debt. He related that he has been in discussion with Senator Reed's staff as well as that of Dean Heller. He requested that the Board consider delaying the decision so that the stakeholders may have the opportunity to show the Board of Regents that they are serious about saving the FSA.

Regent Crear asked President Glick if a 60-day delay would be sufficient time to prepare a recommendation by the October Board meeting, adding that he wanted a resolution but did not want to hamper any options the local community may have. President Glick replied that he hoped that would be sufficient time. He asked that if the Board decides to wait until the October meeting, that UNR be allowed to request a late submission of materials for that meeting's deadline.

Regent Leavitt left the meeting.

Regent Geddes asked how many students from UNR attend the FSA. Ms. Baclawski replied that it was very few.

Regent Geddes stated that he would be supportive of extending the timeline. However, he would like to see if there is a room tax possibility from Elko or some other way to strengthen the partnership. He would also like to see a long-term plan to eliminate the \$6.50 per student surcharge. He does not want students that do not attend the FSA to continue paying fees for 30 years. He wanted to see a specific plan with an end result, not just a bridge for the 30-year debt.

16. Approved – Continuation of discussion regarding the Fire Science Academy, UNR
(Agenda Item #16) – (Cont'd.)

Regent Leavitt entered the meeting.

Regent Sisolak related that this has been the most significant issue during his tenure on the Board. He related that in the recommendations submitted by the Advisory Council, they indicate that they were particularly disappointed that part of the settlement shifted responsibility of the FSA's long-term debt obligation to the students at the rate of \$6.50 per credit hour. He stated that he had fought vigorously not to implement the \$6.50 fee because, in his opinion, the FSA does not reflect the mission of the University. Ms. Baclawski has done a remarkable job given the situation. The thought of having to sell off assets to save the situation was very disturbing. Regent Sisolak continued that this is not a new situation for the FSA. The long-term debt continues to increase and it is an enormous burden to the System's students. He felt that if President Glick felt that the October meeting would provide enough time, then a recommendation needs to be brought to the Board for final decision at that time.

Regent Rosenberg acknowledged that Regent Sisolak had said it was a bad idea from the start. If it was just the University involved he would agree that it needs to be closed immediately but there is also a town and a county involved. He recommended that the stakeholders be given more time to pursue the options.

Regent Knecht thanked the representatives for coming and understood their concerns but also understood and echoed Regent Sisolak's concern. The FSA has been a terrible and unfair burden to the students that needs to come to an end as soon as possible. Although not optimistic, he would be willing to give this one more opportunity to succeed due to the credibility and request of Regent Gallagher.

Regent Gallagher felt it was important to provide the full 60 day extension requested by the stakeholders. She asked President Glick to amend his recommendation to provide them that time. She is aware of the financial picture but felt the stakeholders should be given the opportunity if there is a chance to work something out. She related that there has been some discussion in Congress about making the FSA a level playing field with that of Texas A&M's facility since those are the only two in the world.

Regent Sisolak asked what impact the timing of the closure will have on paying down the debt and eliminating the \$6.50 student surcharge. Regent Gallagher stated that regardless of when the FSA is closed, the debt will still be there and the students are still going to be paying it. She didn't want to second guess what the stakeholders will be able to come up with. She recommended that the stakeholders be given the time they need to develop a plan.

Chair Wixom read page 4 of 85 of the briefing paper into the record and asked if there was a commitment from private industry at this point in time. President Glick related that although UNR has been meeting with the stakeholder's there is nothing in the form of a formal agreement or proposal at this time.

16. Approved – Continuation of discussion regarding the Fire Science Academy, UNR
(Agenda Item #16) – (Cont'd.)

Mr. Ron Zurek, Vice President, Administration and Finance, UNR, stated that placement of this item on the Board's agenda raised the sense of urgency among the stakeholder industries. He agreed with everything that the Advisory Council stated in their report but felt it was also important to provide the stakeholders with the additional time to determine if it is possible to provide that substantial commitment.

Chair Wixom stated that there are three options including a merger, federal assistance or significant private assistance. He expressed concern that the stakeholders will return with only propositions to explore those same three options without meaningful progress. Mr. Zurek stated that the stakeholders have indicated that this facility really is more appropriate as a line item under Homeland Security and is critical to national infrastructure. He felt the stakeholders understand that the System's priority is that there be no more loss and to retire the long term debt.

Regent Sisolak observed that Mr. Zurek's recommendation differed from that of President Glick. Mr. Zurek replied that, in his opinion, it would be better to give the stakeholders until the December Board meeting. Regent Sisolak felt that the decision to delay action until the December Board meeting should not be made on the hope of passing something through the United States Congress in the next 60-90 days. He stated that this is a difficult subject for him because he truly respects Ms. Baclawski and realizes that she inherited the situation. He also requested that any financial commitments by the stakeholders be in the form of a check in hand or guarantees, not just a promise to contribute financially.

Regent Whipple asked how much more money, not including debt service, will be lost over the course of 30, 60 or 90 days. Ms. Baclawski replied that for FY 2008-2009, the FSA has submitted a zero-loss budget. Regent Whipple observed that a delay of 60 or 90 will not cost anything and the debt will have to be paid regardless. However, there is no financial reason to force a solution within thirty days.

President Glick noted that Mr. Zurek's job is to sometimes have a different opinion than his own. He stated that the congressional delegation has helped with assistance in the amount of \$11.5 million over the last decade, particularly Senator Reid. He also thanked the Advisory Council, adding that there was no positive recognition for the four members to come together and make a difficult recommendation. It is his opinion that the best recommendation would be to return in October and, provided that progress has been made, additional time could be granted until the December meeting. In fairness to the stakeholders, he wanted them to understand that the System needs closure to the situation. His goal is not to shut the facility down, adding that it is a good facility that provides a very important service.

Regent Leavitt moved to continue this discussion to the October Board meeting as an information/action item to receive a progress report and for the Board to make recommendations regarding the Fire Science Academy. Regent Sisolak seconded.

16. Approved – Continuation of discussion regarding the Fire Science Academy, UNR (Agenda Item #16) – (Cont'd.)

Regent Leavitt indicated that it may take multiple discussions to reach a resolution.

Regent Sisolak stated that he does not want the resolution to be another proposal.

Regent Gallagher agreed that further discussion should not go on indefinitely and there needs to be a final decision.

Regent Leavitt clarified that he was recommending a 15-20 minute report in October, and if no progress has been made, then the Board may take action.

Regent Sisolak did not want to give the stakeholders the implication that a plan is not necessary in October because the item will be continued as needed. He would like to see the best proposal brought forward in October.

Regent Crear stated that he would like to see a resolution, whether that is a definitive action in October or December.

Regent Rosenberg requested a friendly amendment for final decision to be made in December. Regents Leavitt and Sisolak rejected the friendly amendment.

Regent Leavitt wanted to see if a concrete plan could not be presented in October.

Upon a role call vote Regents Geddes, Knecht, Leavitt, Rosenberg, Schofield, Sisolak, Whipple and Wixom voted yes. Regents Crear and Gallagher voted no. Motion carried. Regents Alden, Anthony and Dondero were absent.

17. Approved – Contract, Nevada Faculty Alliance, TMCC (Agenda Item #17) – The Board approved TMCC President Maria C. Sheehan's request for ratification of the TMCC Nevada Faculty Alliance (NFA) contract for 2008-2011 (Ref. H on file in the Board office).

TMCC President Sheehan related that this contract has been approved at the state level and has the endorsement and approval of the TMCC administration as well as the NFA representatives at TMCC. A full legal review was conducted by TMCC General Counsel John Albrecht.

Regent Sisolak moved approval of the ratification of the TMCC Nevada Faculty Alliance (NFA) contract for 2008-2011. Regent Knecht seconded. Motion carried. Regents Alden, Anthony and Dondero were absent.

18. Approved – Procedures & Guidelines Manual Revision President Evaluation Process (Agenda Item #18) - The Board approved a revision to the procedures governing the periodic evaluation of NSHE presidents (*P&GM, Chapter 2, Section 2*). This proposal re-defines the Evaluation Committee to include one student representative in addition to the Regents and community members that currently make-up such committees. Further, the proposal will provide that an external consultant, who will not be a member of the committee, be hired to facilitate the evaluation process, including conducting all pertinent interviews, and to draft the final report (*Ref. I on file in the Board office*).

Executive Vice Chancellor Klaich related that although the Chancellor has the authority to amend the *Procedures and Guidelines Manual*, changes to certain procedures are significant enough to seek the Board's input. This revision will reform the current open session evaluation process to one that involves an outside consultant that will be provided the ability to gather information in the proper manner, compile a draft report and report back to the Regents' committee with a recommendation. It is felt that this format would better serve to gain more effective input and make more efficient use of everyone's time while still including the Board and complying with the open meeting law and intent of the applicable NRS.

Regent Knecht moved approval of the revision to the procedures governing the periodic evaluation of NSHE presidents (*P&GM, Chapter 2, Section 2*).

Regent Crear seconded. Motion carried. Regents Alden, Anthony and Dondero were absent.

19. Approved – Procedures & Guidelines Manual, Revision, Discipline Specific Faculty Salary Schedules Adjustment, FY 2008-09, UNLV and UNR (Agenda Item #19) – At the joint request of UNLV President David B. Ashley and UNR President Milton D. Glick, the Board approved the annual, market-based adjustments to discipline-specific faculty salary schedules for the Colleges and Schools of Business, Dental Medicine, Engineering and Law, effective July 1, 2008. Also approved was an expansion of the salary schedules for Business for specific sub-disciplines (*Ref. J on file in the Board office*).

Mr. Bomotti related that this agenda item is prepared annually and adjustments are recommended when necessary.

Executive Vice Chancellor Klaich added that these specific disciplines were pulled out of the regular schedule because they consistently fell outside of the salary range due to their high demand.

President Ashley stated that the recommended adjustments will not fiscally impact UNLV. However, there is an impact to UNR due to the resulting change in minimum salaries per that institution's policies.

Regent Geddes asked why one institution is impacted and not the other. President Ashley stated the difference is that UNLV does not feel obligated to move faculty up to the minimum salary, adding that the few individuals that are currently employed under that minimum are reviewed on a case-by-case basis as appropriate.

19. Approved – Procedures & Guidelines Manual, Revision, Discipline Specific Faculty Salary Schedules Adjustment, FY 2008-09, UNLV and UNR (Agenda Item #19) – (Cont'd.)

President Glick responded that UNR's philosophy is that if the salary schedule is set at a minimum, faculty should then be making that minimum level of salary.

Regent Geddes requested input from the UNR and UNLV Faculty Senate Chairs. Dr. Nasser Daneshvary, Chair, UNLV Faculty Senate, felt that on the occasion that a faculty member fell under the minimum, the minimum level is usually gained within a year to three years through the regular process of review and promotion. UNR Faculty Senate Chair, Mr. Bill Follette shared President Glick's philosophy that if there is going to be a minimum, the faculty should be making at least that minimum.

Regent Crear asked if a faculty member is hired at \$35,000 and the minimum salary is increased to \$40,000, is there the obligation to raise that person to that minimum and then calculate raises and merit pay. President Glick stated that it is UNR's intention to apply the COLA and merit raises to the current salary, and then if the minimum salary has still not been achieved, the salary will then be raised to that minimum level. He added that he would prefer no salary schedules and that salary be based on market share.

Regent Crear asked if salary adjustments would become effective immediately. President Glick replied that implementation would not occur until January 2009, after the deferred merit adjustment has taken place.

Regent Sisolak stated that he also does not agree with salary schedules. He did not understand what the purpose of a salary schedule is if there are accommodations for going below the minimum and maximum. Regent Crear felt that a guideline was necessary for industry standards. Regent Sisolak agreed with reflecting the national average but not with setting a minimum and maximum that is so far apart (*150% variation*). He would rather provide the presidents the flexibility to negotiate based on an average.

President Glick agreed with Regent Sisolak. Having data would be a useful guide and would provide the presidents the flexibility to not constantly have to seek Board approval. An annual report could still be provided to the Board to keep the Regents apprised of the presidents' decisions.

Chief Counsel Patterson stated that the agenda item before the Board was to determine approval for the actual schedule presented, not whether there should be one. If the Board wishes, that discussion can be placed on a future agenda. Chair Wixom agreed to place that discussion on an agenda for a future meeting.

Regent Whipple moved approval of the annual, market-based adjustments to discipline-specific faculty salary schedules for the Colleges and Schools of Business, Dental Medicine, Engineering and Law, effective July 1, 2008, including an expansion of the salary schedules for Business for specific sub-disciplines. Regent Leavitt seconded. Regent Sisolak voted no. Motion carried. Regents Alden, Anthony and Dondero were absent.

The meeting recessed at 2:16 p.m. and reconvened at 2:22 p.m. on Friday, August 8, 2008, with all members present except Regents Alden, Anthony, Dondero, Sisolak and Whipple.

20. Approved - Handbook Revision, Coach and Assistant Coach Employment Contracts (Agenda Item #20) - The Board approved a revision to the policy on the approval of coaches contracts by the Chancellor under certain limited conditions. Pursuant to the discussion of the Board at the June meeting, the policy is applicable to contracts not exceeding two years and a salary of \$150,000 or less per contract year. This was the second and final reading of a change to the NSHE Code (Title 2, Chapter 5, Section 4.2) (Ref. K on file in the Board office).

Executive Vice Chancellor Klaich related that although this is the second reading of the policy, there has been a change to the dollar amount of the annual salary from \$100,000 in the first reading to \$150,000 in this second reading.

Regent Crear moved approval the revision to the NSHE Code (Title 2, Chapter 5, Section 4.2). Regent Geddes seconded.

Chief Counsel Patterson clarified that this revision only relates to contracts of longer than one year. The Chancellor does not normally approve contracts of one year or less.

Motion carried. Rosenberg voted no. Regents Alden, Anthony, Dondero, Sisolak and Whipple were absent.

Regent Rosenberg elaborated that his voting against this revision was due to his opinion that the first and second reading should reflect the same information without change. Chief Counsel Patterson clarified that in reading revisions twice, amendments are allowed on the second reading. Regent Rosenberg felt that when an amendment is voted upon, the information being voted upon should reflect the very same language between the first and second reading.

21. Approved - Handbook Revision, Distribution of Tuition and Fees, UNSOM (Agenda Item #21) – At the request of UNR President Milton D. Glick, the Board approved the proposed distribution of the University of Nevada School of Medicine tuition and fees for academic years 2009-10 and 2010-11 (Ref. L on file in the Board office).

Regent Crear moved approval of the proposed distribution of the UNSOM tuition and fees for academic years 2009-10 and 2010-11. Regent Gallagher seconded. Motion carried. Regents Alden, Anthony, Dondero, Sisolak and Whipple were absent.

22. Information Only – Handbook Revision, Tenured Faculty Evaluation, UNLV (Agenda Item #22) – At the request of UNLV President David B. Ashley, the Board reviewed revisions to the NSHE Code (Title 2, Section 5.12.2) to allow each institution to utilize either a four-tiered or two-tiered evaluation of tenured faculty as well as a narrative every three years if applicable (Ref. M on file in the Board office). This was the first reading of a change to the NSHE Code.

Chair Wixom related that this is the first reading and therefore does not require action at this time.

President Ashley explained that the basic purpose of this revision is to amend NSHE Code to allow a two tiered evaluation in place of a four-tiered evaluation, with the four-tiered evaluation still the default.

Regent Crear requested further explanation. President Ashley explained that in a four-tiered evaluation, the four categories of evaluation are excellent, commendable, satisfactory and unsatisfactory. The institutions that use the four-tiered evaluation method for both the annual review and the merit evaluation, feel that those four categories are appropriate. However, at UNLV the annual review is separate from the merit evaluation and the proposed revision allows for a two-tiered method of evaluation using only satisfactory or unsatisfactory.

Regent Crear asked if the Faculty Senate agreed with the proposed revision. President Ashley stated that the revision was initially requested by the Faculty Senate.

23. Approved - Handbook Revision, Access Ratios for Graduate & Professional Student Fee Based Financial Aid, UNLV and UNR (Agenda Item #23) – At the request of UNLV President David B. Ashley and UNR President Milton D. Glick, the Board approved the revision of the Board’s policy concerning the percentage of need-based (“access”) versus non-need based graduate student fee-generated financial aid (Title 4, Chapter 18, Section 18). The proposed change altered the award distribution ratio for graduate student fee-generated financial aid funds from need based:non-need based at 90:10 to 50:50 (Ref. N on file in the Board office)

Regent Rosenberg moved approval of revision to NSHE Handbook Title 4, Chapter 18, Section 18. Regent Crear seconded. Motion carried. Regents Alden, Anthony, Dondero, Sisolak and Whipple were absent.

24. Approved – Budget & Finance Committee (Agenda Item #25) - Chair Knecht reported that the Budget & Finance Committee met on August 7, 2008, and requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the June 12, 2008, Committee meeting (Ref. BF-1 on file in the Board office).

24. Approved – Budget & Finance Committee (Agenda Item #25) – (Cont'd.)

- Fiscal Year 2008-2009 NSHE Self-Supporting Budget – The Committee recommended approval for the fiscal year 2008-2009 NSHE Self-Supporting Budget (*Ref. BF-2 on file in the Board office*). On page 7 of 367, under Net Increase/Decrease for UNR, the -\$9,263,082 was corrected to -\$9,172,332, for Medical School the -\$29,458,522 was corrected to -\$2,298,009. On page 9 of 367, under Net Increase/Decrease for Total, the -\$83,604,864 was corrected to -\$56,356,631. On page 10 of 367, under 2008-2009 Budgeted Expenditures for UNR, the \$116,282,008 was corrected to \$116,191,258, for Medical School, the \$67,114,313 was corrected to \$39,983,800, and for the NSHE Total, the \$472,264,050 was corrected to \$445,012,787.
- Fiscal Year 2008-2009 NSHE State Supported Operating Budget – The Committee recommended approval of the fiscal year 2008-2009 NSHE State Supported Operating Budget (*Ref. BF-3 on file in the Board office*).
- Fiscal Year 2008-2009 State Accountability Report – Reconciling Legislative Approved to Board of Regents' Approved Budget – The Committee recommended approval for the accountability report reconciling the legislative approved budget to the Board of Regents' approved budget (*Ref. BF-4 on file in the Board office*).

Regent Whipple entered the meeting.

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

25. Approved – Audit Committee (Agenda Item #24) – Regent Crear reported that the Audit Committee met on August 7, 2008, and received follow-up response for three internal audit reports that were presented to the Audit Committee at the November 2007 meeting.

The Committee discussed combining the Presidential Exit Audit when a president leaves with the audit of the interim president to better utilize the Internal Audit Department. The item was deferred to the next meeting, pending input from the presidents.

Ms. Sandi Cardinal, Assistant Vice Chancellor, reported on planning discussion she and Regent Knecht had with the external auditors for the June 30, 2008, financial statement audit.

Ms. Cardinal reported that the institution bank reconciliations are being completed in a timely manner under the bank reconciliation policy.

The Committee received reports on Athletic Ticket Accountability from UNLV and UNR for 2006 and 2008.

25. Approved – Audit Committee (Agenda Item #24) – (Cont'd.)

Regent Crear requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the June 12, 2008, Committee meeting (*Ref. A-1 on file in the Board office*).
- Internal Audit Report - The Committee recommended for approval the following internal audit report: (*Ref. Audit Summary on file in the Board office*)
 - ✓ Cashier's Department, GBC (*Ref. A-2 on file in the Board office*).
- Audit Exception Report - The Committee recommended for approval the Audit Exception Report for the six months ending June 30, 2008. (*Ref. A-6 on file in the Board office*).
- University of Nevada Health Sciences System Foundation – The Committee recommended approval of a request from the UNHSS Foundation for an exemption to the section of the *Handbook* requiring Accrual Basis Accounting financial statements (*Ref. A-10 on file in the Board office*). This is a two year exemption.

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

26. Approved – Cultural Diversity & Security Committee (Agenda Item #26) - Chair Crear reported that the Cultural Diversity & Security Committee met on August 7, 2008, and received a follow-up report on recent steps taken by UNLV to improve safety and security at the Shadow Lane campus.

Co-chairs of the NSHE Equity, Diversity and Inclusion Council, Christine Clark and Larry Mason provided a report on the Council's most recent meeting. Regent Anthony was presented with an award of appreciation for his dedication to diversity issues as the past chair of the Cultural Diversity & Security Committee.

The Committee received a report on initiatives at UNR to promote diversity and other matters related to inclusive practices on the campus. The report highlighted a new financial aid program for Pell Grant recipients, outreach efforts to students from diverse backgrounds, the Center for Student Cultural Diversity, uses of assistive technology and the Latino Research Center.

Chair Crear requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval for the minutes from the June 12, 2008, Committee meeting (*Ref. CDS on file in the Board office*).
- *Handbook* Revision, NSHE Diversity Report – The Committee recommended approval for a revision to Board policy (*Title 4, Chapter 16, Section 4 and Title 4, Chapter 8, Section 7*) to incorporate the Admissions Impact Report into the annual NSHE Diversity Report(*Ref. CDS-5 on file in the Board office*).

26. Approved – Cultural Diversity & Security Committee (Agenda Item #26) – (Cont'd.)

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

27. Approved – Student & Academic Affairs Committee (Agenda Item #27) - Chair Geddes reported that the Student & Academic Affairs Committee met on August 7, 2008, and heard a report on new high school feedback reports produced by NSHE Institutional Research. These reports are tailored to the needs of the school districts and include information on such performance measures as college continuation and student performance in college-level English and math.

The Committee also received information on the College Access Challenge Grant, a new initiative focusing on a communications campaign on college and workforce readiness expectations, as well as middle and high school counselor training.

Chair Geddes requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval for the minutes from the June 12, 2008, Committee meeting (*Ref. SAA-2 on file in the Board office*).
 - New Major Proposal – The Committee recommended approval for the following new major proposal:
 - ✓ M.S., Oral Biology, UNLV (*Ref. SAA-3 on file in the Board office*).
 - UNLV – Elimination of Unit, Department of Nutrition Sciences – The Committee recommended approval for the elimination of the Department of Nutrition Sciences (*Ref. SAA-4 on file in the Board office*).
 - WNC - Elimination of Programs – The Committee recommended approval for the elimination of the following programs:
 - ✓ Associate of Applied Science in Building Inspection and Compliance, WNC – (*Ref. SAA-5 on file in the Board office*)
 - ✓ Associate of Applied Science in Computer Engineering Technology, WNC – (*Ref. SAA-6 on file in the Board office*)
 - ✓ Associate of Applied Science in Electrical Engineering Technology, WNC – (*Ref. SAA-7 on file in the Board office*)
 - ✓ Associate of Applied Science in Electronics Engineering Technology, WNC – (*Ref. SAA-8 on file in the Board office*)
 - ✓ Associate of Applied Science in Electronics Technology, WNC – (*Ref. SAA-9 on file in the Board office*)
 - ✓ Associate of Applied Science in Golf Facilities Management, WNC – (*Ref. SAA-10 on file in the Board office*)
 - ✓ Associate of Applied Science in Industrial Technology, WNC – (*Ref. SAA-11 on file in the Board office*)
 - ✓ Associate of Applied Sciences, Medical Laboratory Technician, WNC – (*Ref. SAA-12 on file in the Board office*)
- For all of these programs at WNC, demand is not sufficient. However, existing students will be accommodated.

27. Approved – Student & Academic Affairs Committee (Agenda Item #27) – (Cont'd.)

- Moratorium on New Programs – The Committee discussed the manner in which new degrees, majors, and programs will be brought to the Board for consideration in the future in light of the current fiscal challenges facing the state and the NSHE. The committee recommends that there be no moratorium on new programs, but noted that the Committee will review all new degree, major and program approvals within the context of limited state resources given the current fiscal challenges facing the state.
- *Handbook* Revision, Associate of Applied Science Degree Requirements – The Committee recommended approval for a revision to Board policy on requirements for the Associate of Applied Science Degree (*Title 4, Chapter 16, Section 26*) that will reduce required credits in Science from six to three credit hours and increase the additional program requirements from six to nine credit hours. (*Ref. SAA-14 on file in the Board office*).

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

28. Approved – Investment Committee (Agenda Item #28) – Regent Geddes reported that the Investment Committee met on August 1, 2008, and heard the following reports:

The Committee heard a report regarding the Shadow Lane Expense Sharing and recommended that a set of fundamental principles, agreed upon by all parties, be brought back to the Committee at their October meeting.

The Committee heard a report from Mr. Ken Lambert from Nevada PERS on investment returns as of June 30, 2008. The Committee requested information regarding the breakdown of asset classes.

The Committee heard an update on the System Office's ongoing analysis of the utilization of space at NSHE's institutions. The Committee recommended that NSHE staff invite SPWB staff to attend the next Investment Committee meeting to engage in discussion to clarify how changes in building use and occupancy require adapting to a different building code (*e.g., Getchell Library*). In addition, the SPWB should clarify how state or city jurisdiction is determined as it relates to the role of the building official.

Vice Chancellor Mike Reed provided the Committee with an update on the progress with the State Public Works Board's development of criteria for funding certain deferred maintenance projects within the 2009 CIP, but outside the current HECC/SHECC funding allocation. Vice Chancellor Reed will continue to provide updates on the 2009 CIP process.

Vice Chancellor Mike Reed and System Office staff provided the Committee with an update on the System Office's ongoing analysis of the deferred maintenance practices.

28. Approved – Investment Committee (Agenda Item #28) – (Cont'd.)

Vice Chancellor Reed will bring back to the Committee some preliminary findings on how maintenance as a whole, and deferred maintenance as a subset, is prioritized and financed in other states. Based on this analysis, new policy might be recommended for the Committee's consideration.

Chair Dondero announced the established dates for the 2009 Investment Committee meetings.

Regent Wixom recommended the Committee review banking relationships at the October meeting.

Regent Geddes requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval for the minutes from the June 6, 2008, Committee meeting (*Ref. INV-1 on file in the Board office*).
- The Committee recommended termination of Grantham, Mayo, Van Otterloo & Company (*GMO*) – U.S. Equity Portfolio Manager.
- Selection and Approval of a US Equity Portfolio Manager – Based on Cambridge Associates' presentation, the Committee recommended approval to reallocate the GMO funds to the existing Vanguard Institutional Index portfolios of both pools, until such time when Cambridge Associates will come back with a recommendation for a long term active manager.
- The Committee recommended approval of President Carol A. Lucey's request to assess a 1.5% management fee from the campus endowment accounts held in the NSHE Endowment Pool (*Ref. INV-5 on file in the Board office*).

Regent Geddes moved approval of the Committee recommendations and acceptance of the report.
Regent Crear seconded.

Regent Knecht asked President Glick to elaborate on why closing Getchell Library will cause NSHE to incur a substantial cost that would not otherwise be incurred if the building remained open. President Glick explained that the costs incurred are related to changing the use of the building in compliance with the SPWB codes. UNR is required to meeting SPWB code as well as both city and state fire codes. That building will also require UNR to meet state OSHA standards. If keeping the building open would avoid the expense that upgrading the building would cause, he would find a way to keep it open.

Regent Geddes related that the Investment Committee has asked representatives from the SPWB and the State Fire Marshal to attend the next Committee meeting to discuss interpretation of those regulations.

Regent Glick stated that, given the sense of that Committee and the Board, they will work with the SPWB between now and that meeting.

Regent Knecht expressed his hope that the issue could be resolved with the SPWB.

28. Approved – Investment Committee (Agenda Item #28) – (Cont'd.)

Regent Rosenberg expressed his frustration that as a library, the building's load bearing ability is significant. It contains 175,000 square feet and is in good condition. He requested some creative help in how to maintain that space and get some use out of it. President Glick agreed with Regent Rosenberg.

Motion carried. Regents Alden, Anthony, Dondero and Sisolak were absent.

29. Approved – Health Sciences System Committee (Agenda Item #29) - Chair Gallagher reported that the Health Sciences System Committee met on July 31, 2008, and heard the following reports:

The Committee was provided a tour of the Shadow Lane Campus, including the UNLV School of Dental Medicine facilities and an overview of the space to be developed as part of the 2007 HSS CIP program.

The Chair provided an overview of her recent meetings with various health science program faculty and administrators, as well as her meetings with external stakeholders such as representatives from the hospital industry.

Executive Vice Chancellor Maurizio Trevisan provided an overview of the position description for the Executive Vice Chancellor for Health Sciences, which was developed in collaboration with Dr. Ashley, Dr. Maryanski, Dr. Glick and Executive Vice Chancellor Klaich. The committee also discussed the development of an HSS strategic Plan which will be brought before the Committee at its next meeting.

The Committee heard an update on the development of an MOU intended to identify a methodology for distributing costs related to a shared-use of the Shadow Lane Campus. It was determined that further analysis was required regarding this agreement, and therefore staff will continue to work with the stakeholders and bring back a revised version of the MOU to the Committee at a future meeting.

The Committee requested an update at the next meeting regarding the HSS Foundation activities. The Chair also explained that a tour of the health science facilities at UNR would be incorporated into the Committee's next meeting.

Chair Gallagher requested Board action on the following recommendations:

- Minutes – The Committee recommended approval for the minutes from the June 5, 2008, Committee meeting (*Ref. HSS-1 on file in the Board office*).
- The Committee recommended approval of the position description of the Executive Vice Chancellor for Health Sciences as presented.

Regent Gallagher moved approval of the Committee recommendations and acceptance of the report. Regent Geddes seconded.

29. Approved – Health Sciences System Committee (Agenda Item #29) – (Cont'd.)

Chair Gallagher explained that the MOU was sent back for further revision in relationship to property ownership and leasing ability. It is a policy of this Board, and by state mandate, that everything is owned by the Board of Regents. UNLV purchased the property and it is being paid for by students. However, currently some of the property is being leased and some of it is being built upon (new construction).

President Ashley stated that the MOU was about sharing operating costs on a pro rata basis for shared use of the simulation clinic and other activities. This MOU does not include aspects of when new buildings are constructed with multiple owners or for multiple participants.

Ms. Marcia Turner stated that she has been working with the Vice Presidents from UNR, UNLV and NSC to clarify the language in the MOU and add some pieces of information that would have helped resolve some of the questions raised at the Committee meeting. They will review and vet it through the presidents and Executive Vice Chancellor Klaich and return the document for presentation at the next Investment and Health Sciences System Committee meetings.

Motion carried. Regents Alden, Anthony, Dondero and Sisolak were absent.

30. Approved – Research & Economic Development Committee (Agenda Item #30) - Chair Schofield reported that the Research & Economic Development Committee met on July 31, 2008, and heard the following reports:

Executive Vice Chancellor Klaich provided the Committee with an update of the Walker Basin Project. The project continues its focus on increasing communication between researchers and stakeholders, specifically to better inform stakeholders of the research projects and how the sum of the research is impacting the project as a whole. Mr. Klaich stated that the recent meeting with stakeholders in Yerington was the most successful to date.

Mr. Jeff Lawrence, Operations Manager, provided an overview of the Management Assistance Partnership and its economic impact on the State of Nevada. Mr. Doug Prihar, Project manager, described the funding mechanisms for the MAP Program and some of the new interactions that are opening the door to new grant opportunities.

Dr. Penny Amy explained a system-wide data collection form developed to be used by all eight NSHE institutions to collect annual Scholarly and Professional Outside Compensated Services and Conflict of Interest reports at the institutions. The data will be collected from July 1, 2008, through June 30, 2009, and compiled into an annual report, to be presented for the first time to the Research and Economic Development Committee in the fall of 2009. Regent Knecht requested an interim report, rather than waiting for a full year, and staff agreed to work on that.

30. Approved – Research & Economic Development Committee (Agenda Item #30) – (Cont'd.)

Dr. Dick Bjur provided an annual report of the technology transfer activities of both DRI and UNR. Mr. Bob Switzer presented the UNLV technology transfer report. There was discussion of the upcoming Energy Conference at UNLV to be held on August 19-20, 2008.

Chair Schofield requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval for the minutes from the June 5, 2008, Committee meeting (*Ref.RED-2 on file in the Board office*)

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

Regent Schofield was very excited about this Committee, adding that everyone within the System has an opportunity to impact the world through its research.

Regent Whipple asked if the research dollars brought into the System have increased over the last few years. Regent Geddes related that over the last six months, reports presented to the Committee indicated an increase in the tens of millions in research dollars. Regent Whipple asked if System leadership could forward those reports to him.

31. Approved – Board Development Committee (Agenda Item #31) - Chair Leavitt reported the Board Development Committee met on July 30, 2008, and heard discussion on the benefits of Board self-assessments which include an evaluation of the Board's performance; identification of strengths and weaknesses of the Board; clarification of responsibilities of Board members and the Board itself; increased effectiveness and accountability for the Board; improved communication with the Chancellor and presidents, and among the Regents; and identification of goals and objectives for the coming year.

The Committee discussed three available options for conducting a Board self-assessment. They are: 1) administer a survey questionnaire consisting of criteria developed by a consultant or criteria developed by our in-house resources, followed by an in-house analysis of the responses for discussion at a future Board meeting; 2) use the services of a consultant to administer a customized survey questionnaire, conduct an independent analysis and issue a report and response plan to be presented at a future Board meeting; and 3) use the services of a consultant to administer a customized survey questionnaire, conduct an independent analysis and facilitate a two-day workshop to review the survey results and develop a plan of action for the coming year.

Representatives from the Association of Governing Boards of Universities and Colleges (AGB) participated in the meeting via teleconference to answer questions about the services they offer under options two and three. AGB provided a cost estimate of \$4,750 for option two and \$12,500 (*plus consultant travel expenses*) for option three.

31. Approved – Board Development Committee (Agenda Item #31) – (Cont'd)

The Committee, along with the representatives from AGB, discussed the benefits of a facilitated discussion, satisfying the requirements of accrediting bodies such as the Northwest Commission on Colleges and Universities, the need for a continuing schedule of self-assessments and the most appropriate time of year to engage in self-assessment.

Chair Leavitt requested Board action on the following recommendations:

- Minutes – The Committee recommended approval for the minutes from the January 31, 2008, Committee meeting (*Ref. BD-1 on file in the Board office*).
- The Committee moved for consideration of the Board a recommendation that the Board of Regents work with AGB to conduct a formal self-assessment and two-day facilitated workshop to be held in August of 2009.

Regent Leavitt moved approval of the Committee minutes and acceptance of the report. Regent Knecht seconded. Motion carried. Regents Alden, Anthony, Dondero and Sisolak were absent.

Regent Leavitt moved approval of the Board's authorization for the Board Development Committee recommendation to work with AGB to conduct a formal self-assessment and two-day facilitated workshop to be held in August of 2009. Regent Knecht seconded.

Regent Leavitt stated that there is obvious sensitivity to the budget situation. He has been assured by Executive Vice Chancellor Klaich that funds allotted for this purpose are available. A self-evaluation of some sort is mandated by the NWCCU and is something that must be done. He requested the broadest possible authority for discussion at the Board Development Committee level.

Chair Wixom asked if this will address the concern raised during UNR's NWCCU accreditation process. President Glick offered to follow up with the NWCCU accreditation chair and report back to the Board. Regent Leavitt related that the AGB representatives indicated their surprise that this requirement was placed in the accreditation standards. He added that it was a very generalized recommendation and requested that President Glick or Vice Chancellor Nichols to report back to him.

Executive Vice Chancellor Klaich echoed Regent Leavitt's request that the Committee be authorized to maintain flexibility in working through this.

Motion carried. Regents Alden, Anthony, Dondero and Sisolak were absent.

32. Approved – Technology Committee (Agenda Item #32) - Chair Whipple reported that the Technology Committee met on July 30, 2008, and heard discussion on the following matters:

Executive Vice Chancellor Klaich introduced the new iNtegrate Project Director, Ms. Robyn Render. Ms. Render comes to the NSHE from the University of North Carolina General Administration and brings with her a great deal of experience in higher education and ERP implementation.

Ms. Render provided an update on the status of the iNtegrate project including campus readiness assessments, the development of a project charter and technical training plan, the role and responsibility of System Computing Services and the results from a recent needs and expectations study.

Associate Vice Chancellor Kenneth McCollum provided an update on the status of the RFP that was issued for hardware to support the iNtegrate project. Dr. McCollum and his team have narrowed the bids down to two possible solutions which are at or under budget.

With regard to implementation funding, Executive Vice Chancellor Klaich encouraged the Committee to reaffirm that the institutions are able to use a portion of the technology fee for the project. He discussed the need for everyone to work harder to get the job done since there is nothing in the budget for backfill costs.

Ms. Render highlighted a few minor changes to the iNtegrate project governance structure, further clarifying the roles and responsibilities of the various constituencies.

Chair Whipple requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended approval for the minutes from the January 29, 2008, Committee meeting (*Ref. TC-1 on file in the Board office*).
- The Committee recommended approval of a recommendation that the Board acknowledge and reaffirm that, under existing Board policy, the institutions have the authority to use a portion of the technology fee for implementation of the iNtegrate project and a directive that, if the institutions choose to use a portion of the technology fee, the utilization of the fee be stated separately within the annual report that is submitted to student government and to the Board.
- The Committee recommended approval of the revised governance structure for the iNtegrate project (*Ref. TC-5 on file in the Board office*).

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

33. Information Only – New Business (Agenda Item #33) – None.

Chair Wixom expressed his appreciation to all of the staff for a challenging meeting. He expressed his gratitude to the Regents for their time and effort in attending.

The meeting adjourned at 3:13 p.m.

Prepared by: Jessica Morris
Administrative Assistant IV

Submitted for approval by: Scott G. Wasserman
Chief Executive Officer of the Board of Regents

Approved by the Board of Regents at the October 2-3, 2008, meeting