BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

Stan Fulton Building, Room 130
International Gaming Institute
University of Nevada, Las Vegas
801 East Flamingo Road, Las Vegas
Thursday, December 4, 2008, 8:30 a.m.
Friday, December 5, 2008, 8:00 a.m.

Members Present:	Mr. Michael B. Wixom, Chair Mr. Howard Rosenberg, Vice Chair Mr. Mark Alden Dr. Stavros S. Anthony Mr. Cedric Crear Dr. Thalia M. Dondero Mrs. Dorothy S. Gallagher *{via teleconference}* Dr. Jason Geddes Mr. Ron Knecht Mr. James Dean Leavitt Dr. Jack Lund Schofield Mr. Steve Sisolak Mr. Bret Whipple
Others Present:	Chancellor James E. Rogers Executive Vice Chancellor Daniel J. Klaich Executive Vice Chancellor & CEO, HSS, 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 President Fred Maryanski, 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; Mr. Jim Lowe, NSHE; Dr. Nasser Daneshvary, UNLV; Dr. Bill Follette, UNR; Mr. Stephen Bale, TMCC; and Mr. Richard Stewart, WNC. Student government leaders present included Mr. David Waterhouse, ASCSN 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 Board Chair, TMCC; and Mr. Andy Pozun, ASWN President, WNC.

Chair Wixom called the meeting to order at 8:30 a.m. on Thursday, December 4, 2008, with all members present except Regents Anthony, Leavitt, Sisolak and Whipple.

Regent Schofield led the pledge of allegiance.

Rabbi Sanford Akselrad from the Congregation Ner Tamid offered the invocation.

Regent Gallagher left the meeting.

1. Information Only – Introductions *(Agenda Item #1)* – President Wells introduced Dr. John Warwick, Interim Vice President of Research, and Dr. Mike Warbaugh, Interim Vice President for Academic Business Development.

   President Ashley introduced UNLV's new Assistant President and Chief of Staff, Professor Christian Hardigree.

Regent Leavitt entered the meeting.

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

   President Ashley introduced Bo J. Bernhard, Ph.D. Dr. Bernhard is an honors graduate of Harvard University, where he double majored in sociology and psychology. While at Harvard, Dr. Bernhard's final undergraduate thesis *(the impact of the gaming industry on Las Vegas)* received *magna cum laude* honors from both departments. This thesis led him to pursue his doctorate at the University of Nevada, Las Vegas, where he has since developed an award-winning body of research on gambling and society. Currently an associate professor in both the sociology and hotel management departments, he was also named the first Director of Gambling Research at the UNLV International Gaming Institute. A fifth-generation Las Vegan, Dr. Bernhard comes from a long family line of proud UNLV graduates. Dr. Bernhard shared information on his department and students' current research projects.

Regent Sisolak entered the meeting.

   President Ashley then introduced Ms. Amanda *(Mandy)* Williams. Ms. Williams grew up in rural North Central Missouri. She received her B.S. in Soil Science from the University of Missouri, Columbia *(UMC)* in 2005. After graduation, Ms. Williams worked as a research specialist in Fungal Ecology at UMC. She started her graduate program at the University of Nevada, Las Vegas' *(UNLV)* Department of Geoscience in January 2007. Her dissertation work is focused on the ecology of biological soil crusts in the Mojave Desert. During her short time at UNLV, Ms. Williams has earned fellowship opportunities through NSF-Nevada-EPSCoR, through NASA Nevada Space Grant *(declined due to funding conflicts)*, and most recently through the UNLV Urban Sustainability Initiative. Ms. Williams has

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

earned recognition for her unique, interdisciplinary research including numerous scholarships and student presentation awards. She was invited to present her research at the National EPSCoR meeting in Kona, Hawaii and at an international soils workshop in Inner Mongolia. In October, Ms. Williams was presented the *(first annual)* Farouk El-Baz International Student Research Award by the Geological Society of America for her innovative desert research. Ms. Williams gave a presentation on biological soil crusts *(full presentation "Biological Soil Crusts (BSCs)" on file in the Board office)*.

Chair Wixom requested further definition of crypto-biotic soil. Ms. Williams explained that crypto-biotic soil is the same as biological soil crust.

Chair Wixom asked what steps were being taken to address invasive grass species. Ms. Williams replied that invasive grasses were still a mystery. However, it was very important to minimize their disturbance and the impact of humans.

Regent Dondero asked if the native wildflowers that have started to disappear will ever return. Ms. Williams indicated that it was possible for those ecosystems to be restored even after long-term drought conditions and the physical impact of grazing.

Regent Crear asked if the research had been narrowed down to a specific geographic location within the Mojave Desert. Ms. Williams explained that their specific site is located in Clark County but there are implications for other portions of the desert southwest. Regent Crear suggested there may be an opportunity for cross sharing of research with other universities to map out the entire desert.

Chair Wixom read the following statement into the record *(formal statement on file in the Board office)*.

> "There is an ancient Chinese curse: "May you live in interesting times." At the very least, these times are interesting, especially for those of us in higher education.
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> During the current fiscal biennium we have absorbed more than 8 percent in budget cuts. Recently, Governor Gibbons has told us to plan for up to another 11 percent in budget cuts, which we must absorb during the final seven months of this fiscal year and up to 35 percent for the next biennium.
>
> These figures are staggering – a reduction in all basic services to the people of the State of Nevada by more than one-third in a single budget cycle. If the cuts are fully implemented, higher education will be a shadow of what it is now, and light-years from what it needs to be for the future of our state.
>
> The founders of our state felt so strongly that education brings opportunity and growth that they provided for schools and a university system in our constitution. They knew that the key to our future prosperity was an intelligent and enlightened citizenry. That holds true now, more than ever, as the basic fabric of our state economy is being severely tested and we are challenged to adapt to new economic realities.

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

Pursuant to their vision of their future and ours, the first institution of higher education, the University of Nevada, was established shortly after our state was admitted to the Union. Others followed naturally as our state grew. Now, Nevada's system of higher education, through eight colleges, universities and research institute, serves over 110,000 students every semester.

Moreover, higher education is a bridge from our past to the present, and on to future generations. Those who have come before have given us both a legacy and a trust. They have left a legacy of the great state in which we live, a legacy that has been carved through their sacrifices from the harsh terrain of the Great Basin, at times in difficult circumstances not unlike our own. Likewise, they have entrusted us with the responsibility to build on what they have accomplished. One critical part of that legacy is a vibrant system of higher education, which is now at a crossroads. Our actions today as a state will determine whether we honor our founders by saving and enhancing the institutions which they have left us or whether we effectively dismantle them – and with them our future and their vision.

Of course, we cannot ignore economic realities that face our state. We are in the clutches of a fiscal downturn the likes of which we have never seen and one which may take time to reverse. We also understand that because of the sheer magnitude of the revenue shortfall that we will face budget reductions, and we are making plans to meet that responsibility while doing everything possible to protect our core missions. However, the budget reductions that have already been implemented during the present biennium, and the additional reductions that are now proposed for this biennium and the next, are so massive and far reaching that there seems to be a general consensus emerging that these cuts are just not tolerable and that, however difficult, we need to find some way to raise additional revenue to support our basic infrastructure, including education.

In less than two months the Legislature will convene and will be forced to meet these challenges head on. In a very real sense, with their actions in the next six months, they will chart the direction of this state for the next 10 to 20 years. The stakes are high. In order to avoid virtually catastrophic budget cuts, our leaders will be asked to find significant revenue sources to support the budget of all state agencies, including the Nevada System of Higher Education.

I believe strongly that, in order to provide our legislators, Governor Gibbons, and the citizens of this great state with the support that they need and deserve, we as a System have an obligation to assure them that we are spending every tax dollar we currently receive as wisely as possible. We must also be open to the real possibility that the System may be required to make fundamental changes in the way we do business.

Therefore, I am announcing to you this morning that I will appoint an Effectiveness and Efficiency Committee for the Nevada System of Higher Education. In filling this committee, I intend to draw from every sector of this state and commit the full resources of our System and campus staffs.

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

I will appoint this Efficiency and Effectiveness Committee as part of our public trust to the taxpayers to ensure prudent management of their money; to our students and their families to ensure quality and value in their education; and to the Board and our institutions as a challenge to take this extraordinary fiscal crisis as an opportunity for introspection and renewal of our missions and the manner in which we discharge them.

While I expect the committee to conduct broad-based fact finding, it is my charge that they consider the following areas:

1. Amendments to current policies which are either outdated or unduly cumbersome or which inhibit the ability of campus management to respond to changing circumstances.
2. Review of our eight institutions for models of cost savings and efficiency so that we can share these best practices across the System.
3. Models that will improve student recruitment, retention and time to degree.
4. Models for maximizing the utilization of our campus facilities.
5. Opportunities for privatization and outsourcing that do not reduce our budgets.
6. Employment and personnel practices and policies, including faculty workload and our participation in the State Classified System.
7. Models for more efficient and flexible capital financing, construction and renewal, including a review of the viability and utility of the State Public Works Board.
8. Review of governance models to determine areas where we can govern more efficiently, whether that is fewer meetings, fewer reports and the like.

A critical aspect of our responsibility to the public is accountability, and this review must identify clear and measurable metrics for accountability.

Let me conclude these remarks by noting that while this effort will in all likelihood start in the context of declining revenues, it is not my intention to find ways to do more with less. I challenge us to do our jobs better. It is my firm belief that the long-term result of this effort will be a better understanding of our System, greater credibility, and ultimately greater public support.

And speaking of long term, while we expect some initial findings prior to the end of the legislative session, this is not a process that we will complete in a matter of weeks or months. This is a long-term commitment to provide the Board of Regents with information upon which it may review and revise the way in which it and the System institutions do business. I contemplate a series of efforts with constant reporting of recommendations to the Board of Regents and the public to whom we ultimately respond. I believe that the report of this committee and its recommendations should be a standing item on our agenda.

Please clearly note that we do not assume or pretend that the efforts of this Effectiveness and Efficiency Committee will make up for the projected revenue shortfalls this year or during the next biennium. It will not. Neither do I mean to

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

> imply in any way that the Nevada System of Higher Education is inefficient or ineffective. We have a remarkably productive team of professionals who have performed admirably under sometimes challenging circumstances. My only objective is to look for creative solutions to difficult problems.
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> I am convinced that those who follow us will evaluate our stewardship of higher education by how we address the present crisis that we face. I am committed to leave them a legacy of which we can all be justly proud."

Regent Alden felt that Chair Wixom's direction was sound policy but may have overlooked that efficiency review should occur in other areas as well as in higher education. He related that a complete review had been conducted under former Governor O'Callaghan's administration that included expenditure amounts for all city, county and state departments.

Regent Knecht felt that Chair Wixom's outline was very timely and agreed with Regent Alden. He added that, to some extent, the Budget and Finance, Audit and Investment Committees were attempting to address those issues but it was appropriate to redouble those efforts. As chair of the Budget and Finance Committee, he will be working to assist the new task force.

Regent Crear expressed his support for Chair Wixom's statement and hoped that such a review would allow the System to become more forward thinking and to look at areas for improvement. He asked if there was a timeline involved. Chair Wixom replied that it would occur soon, adding that there are two other similar initiatives occurring in Maryland and California. It is his hope to have the new committee in place by the end of that year. Input will be sought from the campuses. The key to success will be in taking advantage of current efforts and in taking a more global consideration of the issues involved.

Regent Dondero asked Chair Wixom if he had considered the college fund and asked if it could come under the Board of Regents. She felt that the Regents could petition the legislature to place that fund under the Investment Committee's charge. Chair Wixom indicated that issue would be researched.

Regent Leavitt expressed appreciation for the concept of such a commission. He asked about the parameters of the commission and requested that the Regents be involved in determining the composition, parameters and breadth of the proposed commission.

Regent Alden related that the findings from the last review were contained in a document called the Lybrand Report, adding that many of the report's findings have been echoed by Chancellor Rogers.

Executive Vice Chancellor Klaich stated that development of the proposed committee was part of a long-term strategy that the Chair and Chancellor believe will enhance the credibility of the System. Chancellor Rogers has dedicated the last three months to communicating why the System is so critical to the state. It is important that the System

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

be accountable and responsible and unafraid to seek advice. Chancellor Rogers added that the information contained in his memorandums was intentionally being disseminated in small increments, in an effort to be less overwhelming.

Regent Leavitt observed that several of the departing Regents may like to serve on this Committee. He was curious about the interplay between the Committee's purpose and the Blueprint of the Future and other System mission statements. Chair Wixom indicated that the System is really looking at a three-prong approach to include the review of mission statements, the Blueprint of the Future, and the efforts of the proposed Committee.

Executive Vice Chancellor Klaich related that many of the ideas behind Chair Wixom's suggestion were generated from discussion with the presidents.

The meeting recessed at 9:19 a.m. and reconvened at 1:17 p.m. on Thursday, December 4, 2008, with all members present except Regents Anthony and Gallagher.

3. Information Only - Chancellor's Report *(Agenda Item #3)* - Chancellor James E. Rogers discussed the NSHE budget and issues related thereto.

He related that he was recently told that Nevadans care little about K-12 and even less about higher education. He indicated that in Nevada there are 400,000 students in K-12, and 100,000 in higher education. That is potentially 1 million people that are actively engaged in and have a vested interest in the health of the state's higher education system. In a state with a total population of 2.7 million people, he would think that education would rise up and say to the Governor and Legislature that they are tired of education being less a priority. In this state, the problem is not that adequate financial support cannot be found, it is that its public will not rise up and demand that something be done. The Higher Education system has failed in that it has not done a good job getting the message to the public that education is its most valuable asset. He stated that several months ago there was a gathering at UNLV for which approximately 80 or 90 students showed up. He asked how, when there is a $775 million hole to fill, it has taken the students this long to begin contacting their legislators to say that it cannot come out of higher education. While he was very happy to see the students show up, he was very distressed that it required the suggestion of a tuition increase to get them to rise up. This was more than a tuition problem, it was a basic problem concerning whether there will even be classes to attend. He stated that the students are part of the most powerful group in the state and it is time they do something to show that they want their tuition to be low and that the higher education system cannot function at this level of loss.

Chancellor Rogers stated that a series of Public Service Announcements are being developed to run throughout the state that describe how important education is, what it does and how much has to be done.

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

Chancellor Rogers stated that Nevada is being watched closely to see how its higher education will survive the projected level of cuts, adding that it could not. The budget can be reduced by any number but eventually it will have to close down. If the students do not stay involved, they will wake up one day and find that they have no higher education system.

Executive Vice Chancellor Klaich related that the website, www.educatenevada.org, provides information on current issues as well as information on legislators.

Chancellor Rogers urged the students to determine who their legislators were and to begin communicating with them now.

4. Information Only – Public Comment *(Agenda Item #4)* – Mr. John Filler, parent of a UNR student, expressed his family's gratitude to outgoing Regents Dondero, Sisolak, Whipple and Rosenberg for their excellent service. He also publicly expressed their appreciation to Chancellor Rogers for tirelessly working to maintain a future higher education system in the State of Nevada.

Chair Wixom related that approximately two weeks ago, the System received word that it may be facing further cuts of 4%, 7% and perhaps 11% percent. Given the situation, he felt that it was important to put the potential tuition increase on this agenda to facilitate a discussion by the Regents' regarding the issues. However, in the interim, the Governor and legislative leaders have come to a tentative agreement that may allow the System to function through the balance of the biennium without an increase in tuition. Although the potential tuition increases may not come to pass for the spring semester, they may become part of the solution for the 2009-2011 biennium. He emphasized that the Board was thrilled that students were present and he was anxious to gain their input. He provided notification that although the Board will be hearing public comment that afternoon, discussion of the mechanics of the budget would occur at the next day's meeting.

Mr. Ryan Crowell, NSSA President, NSC, related that on December 22, 2008, each institution will be holding an assembly to assist its students in learning who their legislators are and to address some of the concerns that Chancellor Rogers has communicated.

Mr. Adam Cronis, CSUN President, UNLV, expressed his appreciation to the Regents for looking at all possible solutions. He was very pleased at the leadership that they have shown in delaying any potential tuition increase. He acknowledged that it will require a united effort to put forth their solutions and to fight divisionism that could break apart what is being strived for.

Mr. David Rappaport, UNLV Student, presented 3,204 letters from UNLV students in protest of the potential 25% tuition increase. He felt that the students understood that it was not the Regents that created the situation, adding that the letters will also be delivered to Governor Gibbons and other legislative leaders. He stated that it will no longer be acceptable to ride the backs of the gaming industry to fund Nevada's financial needs. Higher education could not withstand additional budget cuts and that students could not afford to bear the burden of the deficit. While the Chancellor has done a fine job of

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

beginning to educate the elected officials and public about the System, he felt that few or none of the Regents have voiced their concerns as loudly. He thanked the outgoing Regents for their service and asked that their knowledge not stop with them and that they share their lessons with the incoming Regents.

Mr. Michael Dakduk, President of the Student Veterans Organization, UNLV, read a brief portion of Chancellor Rogers' memorandum dated May 28, 2008, regarding the health of the Higher Education system in Nevada. He stated that when an education system is described in that manner, the students do not feel the solution to a healthier System is to raise the cost of tuition.

Mr. Matt Cutler, Student Body Senate President, UNLV, noted that he has never seen the student body so active and felt that was because the students now realize they have a stake in the decisions to be made. He encouraged the Regents to look to the students as being responsible for the university itself. He would like to see the university itself be guided more by the power of the students and hoped to see the Board make the right decision.

Mr. Thomas Keely, UNLV Student, related that according to the most recent release of trends in college pricing from the College Board, the increase in 2008 tuition, in relation to inflation, was an average of 6.4% nationally. He noted that was a very stark contrast to the proposed 25% increase. NSHE has always been known for its financial accessibility, adding that if tuition is increased at that rate, it would be de facto defunct because the students would not be able to afford their classes anyway.

Mr. Kyle George, Representative of the Graduate and Professional School Student Association, UNLV, stated that the students were putting the elected officials of the State of Nevada on notice that the students are watching them and that they will no longer put up with a higher education system in which they are second class citizens. The students were the customers of the university system and will be treated as such.

Ms. Amy Adler, Representative of UNLV Young Democrats, related that their organization is prepared to do what it can to improve the higher education and K-12 systems. She reminded the Regents that the students are the consumers and asked the students to contact their legislators.

Mr. Gill Lopez, UNLV Student, encouraged all groups to work together to find a solution other than a 25% increase in tuition.

Ms. Cassandra Dickman, UNLV Student, related that she is a product of the Clark County School District. After attending her first year of college in Colorado, she decided to return to Nevada and complete her education at UNLV. She knows the Regents will make the right decision, adding that the students could not afford a tuition increase.

Ms. Crystal Jackson, UNLV Student, felt that the students have taken action and will continue to do so, adding that they are happy to shoulder some of the responsibility but do not want it laid on their backs. She felt that making this decision just a few weeks prior to the end of the current semester was placing an unfair burden on the students.

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

Mr. Hepi Meta, UNLV Student, stated that raising tuition will not save the NSHE budget. If services and classes continue to be cut and tuition continues to rise, it will create a less and less appealing system to attend. He asked the Regents not to raise tuition more than it needed to be.

Mr. Vic Sehdev, CSUN Vice President, UNLV, addressed the students, stating that the students' presence at that meeting was a great first step but they had further to go.

Regent Crear thanked the students for their attendance. He observed that in 1989 the students of Howard University took over a building in protest of the appointment of a certain trustee to the board. That was how much those students cared about their education and it did make a difference.

Regent Sisolak thanked each and every student for being there and showing their solidarity. He stated that each student has an assembly person, senator and a governor and if they each sent three letters, those officials would get the message. In response to a comment from the audience, Regent Sisolak stated that every elected official cares about voters and the students have a huge voice that needs to be exercised. Chancellor Rogers is owed a debt of gratitude for raising these issues. The students are the ones that can make a difference.

Regent Rosenberg was delighted to see the number of students in attendance. He asked the students to understand that no one on the Board wanted to raise the tuition. There are a like number of students in the north at UNR that could not attend, but are in support 100%. He agreed with Regent Sisolak that elected representatives care.

Chair Wixom provided a reminder that the discussion regarding the budget will continue at the next day's meeting.

Regent Schofield left the meeting.

5. Approved – Consent Agenda *(Agenda Item #5)* - The Board approved the Consent Agenda, with the exceptions of item no. (2), *Handbook* Revision, Extension of President's Authority to Approve Employment Contracts for Law School Faculty, which was approved separately *(Consent Agenda on file in the Board office).*

(1) Approved – Minutes *(Consent Agenda Item (1))* – The Board approved the minutes from the regular Board of Regents' meeting held October 2-3, 2008 *(Ref. C-1 on file in the Board office).*

(3) Approved - *Handbook* Revision, Persons with Disabilities *(Consent Agenda Item (3))* - On behalf of the Ethnic Diversity and Inclusion Council, Vice Chancellor Jane Nichols requested approval of a revision to the Affirmative Action and Equal Employment Opportunity sections of Board policy *(Title 4, Chapter 8)* updating the term "handicapped" to "persons with disabilities" *(Ref. C-3 on file in the Board office).*

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

(4) Approved - *Handbook* Revision, Technical Correction to Codification *(Consent Agenda Item (4))* - Vice Chancellor Mike Reed requested approval of a technical revision to *Title 4, Chapter 10, Section 23,* removing the provisions concerning employee charitable donations *(made through payroll deductions)* from the section on property and placing it into a separate section of *Title 4, Chapter 10*. This is a technical correction only that creates a section dedicated to employee charitable donations. The provisions on employee charitable donations are current Board policy *(Ref. C-4 on file in the Board office).*

(5) Approved - *Handbook* Revision, Race and Ethnicity Identification of Employees *(Consent Agenda Item (5))* - Vice Chancellor Jane Nichols requested the Board's approval of a revision to Board policy concerning the collection and reporting of race and ethnicity data for employees as required by the U.S. Department of Education *(Title 4, Chapter 21, Section 2)*. No later than Fall 2010, the federal government is requiring higher education institutions to collect race and ethnicity data in a two-question format. The proposed NSHE policy will go into effect for Fall 2009 and will ensure comparable data on race and ethnicity to be collected by all NSHE institutions *(Ref. C-5 on file in the Board office).*

(6) Approved - Capital Improvement Project, Douglas Campus (*Bently Hall)* Infrastructure Upgrade, WNC *(Consent Agenda Item (6))* - WNC President Carol A. Lucey requested the expenditure of $41,000 from Capital Improvement Fees to move the computer controls and wiring from the roof of Bently Hall to a secure location within the facility *(Ref. C-6 on file in the Board office).*

(7) Approved - New Endowment, CSN *(Consent Agenda Item (7))* - CSN President Michael Richards requested Board approval to accept the following new endowment to benefit the students of the College of Southern Nevada. From Joanne Levy, a minimum $10,000 donation to establish the Donald Lewey Scholarship endowment for any CSN student pursuing all degree programs at the College of Southern Nevada. Recipients need to be enrolled in a minimum of 6 credit hours per semester, and maintain a 2.5 grade point average. Recipients must be need-based but may be receiving grants in addition to this scholarship *(Ref. C-7 on file in the Board office).*

(8) Approved - New Scholarship Account, UNR *(Consent Agenda Item (8))* - Vice Chancellor Mike Reed requested approval of the Board of Regents to accept a $407,000 donation from the Estate of Lubertha Miller Johnson to establish an endowed scholarship account to be named the Lubertha Miller Johnson Scholarship Fund. The new Endowment account will benefit the students of the University of Nevada, Reno, who are pursuing a major in any area of economics, pre-law, business administration or accounting. The donors have expressly made this donation to the System office *(Ref. C-8 on file in the Board office).*

Regent Alden moved approval of the Consent Agenda with the exception of item (2). *Handbook* Revision, Extension of President's Authority to Approve Employment Contracts for Law School Faculty (*which was approved separately*). Regent Geddes seconded. Motion carried. Regents Anthony, Gallagher and Schofield were absent.

CONSENT AGENDA ITEMS APPROVED SEPARATELY – *(Cont'd.):*

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

(2) Approved - *Handbook* Revision, Extension of President's Authority to Approve Employment Contracts for Law School Faculty *(Consent Agenda Item (2))* - UNLV President David B. Ashley requested amendment of the NSHE Board of Regents *Handbook (Title 2, Chapter 5, Section 5.4.2)* to permit the UNLV president to offer contracts of employment with terms of up to five years to non-tenured faculty in the Boyd Law School after a minimum of three years of annual employment by such faculty. This was the second and final

Regent Sisolak left the meeting.

Chief Counsel Patterson stated that a specific legal restriction did not exist to preclude the Board from delegating certain contract authority to the Chancellor or presidents. The presidents already have authority under the policy to provide up to three year contracts under the same terms. The only difference in this particular revision is to allow the President of UNLV to provide a five year contract. That five year contract is still subject to the same terms as the one year contract, except that it would not require annual renewal.

Executive Vice Chancellor Klaich added that this is a very specific issue for the Boyd School of Law and related to the way in which they are ranked. This revision addresses a narrow band of faculty that essentially is not considered in the law school ratings unless they are contracted for this length of time. The Council of Presidents agreed with the basic premise behind this request.

Regent Sisolak entered the meeting.

Regent Alden stated that he is told over and over that hard money salaries cannot be altered because the System is contractually obligated. There will eventually be a line drawn in the sand. He asked if this particular item related generally to soft money augmentation of salaries. Dr. John White, Dean of the William S. Boyd School of Law, UNLV, related that some of the positions were augmented with state funds and some with non-state funds. The key is that all of the applicable positions were known as "faculty in residence" and were therefore already eligible for the three year contract. The issue is that when the law school prepares it reports to the ABA, faculty with position security *(contract of five years or greater)* are counted as one full FTE, while those with contracts of less than five years are only counted as .7 FTE. That results in a reduced overall FTE that impacts the school's ranking. The dozen individuals that fall under that faculty in residence category are exclusively faculty.

Regent Dondero left the meeting.

Regent Sisolak asked if the contracts include the moral turpitude clause. Chief Council Patterson replied that the proposed revision does not change the standard terms of employment that apply to all faculty. The only difference this revision creates is that it would be five years before the university could terminate the contract without cause except in the event of financial exigency which allows the Board to terminate a variety of contracts.

CONSENT AGENDA ITEMS APPROVED SEPARATELY – *(Cont'd.):*

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

(2) Approved - *Handbook* Revision, Extension of President's Authority to Approve Employment Contracts for Law School Faculty *(Consent Agenda Item (2))* – *(Cont'd.)*

Regent Sisolak moved approval of the Consent Agenda item (2), *Handbook* Revision, Extension of President's Authority to Approve Employment Contracts for Law School Faculty. Regent Geddes seconded. Motion carried. Regents Anthony, Dondero, Gallagher and Schofield were absent.

6. Approved- Report on Millennium Scholarship and Prepaid Tuition Program *(Agenda Item #8)* - State Treasurer Kate Marshall presented the current status of the Governor Guinn Millennium Scholarship program and provided the latest funding and usage data. As Chair of the Board of Trustees of the College Savings Plans of Nevada, Treasurer Marshall discussed the Nevada Prepaid Tuition Program and asked the Board of Regents for support in continuing this important program that is available to Nevada families. The Board directed that a letter be drafted on behalf of the Board of Regents expressing the Regents' support of the Nevada Prepaid Tuition Program *(Ref. A on file in the Board office).*

Regent Dondero entered the meeting.

Treasurer Marshall thanked the Board for their recent decision to set the summer term tuition rate as the regular semester rate. That decision allowed her to control a previously unknown variable and allowed her to better manage that program.

Treasurer Marshall referred to the "Projected Fund Balance" chart contained in the reference materials. She explained that chart reflects the viability of the Millennium Scholarship program going forward through FY 2017. She noted that the balance of funds projected for that year are considerably low but that the account would still be in the positive. She related that this information was provided to the Governor's office and was based on certain assumptions including that the program will remain viable through FY 2017 and that the projections for tobacco revenue will be reduced by 10%. She stated that the Treasurer's Office has consistently cautioned that the projections were overconfident and, unfortunately, that has consistently been proven correct by approximately 6%. Every year creates more history which allows for more correct information. When the Legislature, in dealing with the current fiscal constraints, transferred $7.6 million from the unclaimed property fund to the general fund instead of the Millennium Scholarship fund, some years were lost. In order to gain those years back, the College Savings Plan Board absorbed the administrative costs of the program. It also assumes a certain interest rate, which, given current market conditions, is not very high.

Treasurer Marshall then referred to the reference document "Scholarship Utilization" which reflected the number of eligible students from year to year, how many have accepted that scholarship and how many have started to use the scholarship. This shows that there have been a relatively consistent number of students eligible from year to year.

6. Approved- Report on Millennium Scholarship and Prepaid Tuition Program *(Agenda Item #8) – (Cont'd.)*

The acceptance rate ranged from 83% to a low of 70%. 2008 data was not used because the total utilization rate is still unknown. Normally, successful completion of the first year is the determining factor if a student maintains or loses their eligibility.

Regent Whipple asked if approximately 70% of the eligible students use the scholarship does that mean that the remaining 30% leave the state or are there cases of students attending a college or university and not using it. Treasurer Marshall replied that the reasons for not using the scholarship are not tracked. However, she felt it would be a broad assumption that the students not using the scholarship have left the state.

Regent Geddes referred to the "Projected Fund Balance" chart and noted that he had always heard that the tobacco revenues constantly decreased every year but the information provided reflects an increase and asked how that was possible. Treasurer Marshall stated that those projections are provided by Global Insight, adding that the numbers do not increase enough to represent a difference.

Regent Crear asked what is attributed to the decreasing Scholarship acceptance rate. Treasurer Marshall indicated that although that information is not tracked, the decrease may reflect some confusion due to the continually changing eligibility requirements.

Regent Crear noted that when the Scholarship first became available, it was a very hot topic and perhaps it is no longer discussed as often due to the program's age. Treasurer Marshall indicated that she does not have a marketing budget and does not use Millennium Scholarship funds to actively market that program.

Regent Sisolak stated that the requirements have changed every legislative session which has created confusion. Although the program it is a great opportunity, it does not cover as much of the costs of education as it used to, adding that it can present a significant challenge to families to pay for the difference.

Vice Chancellor Nichols related that the System works very closely with the Treasurer's office, adding that the Millennium Scholarship program was an extremely important program and the campuses do everything possible to market it. She felt that the contributing factors to the decrease in utilization include confusion regarding acceptance and maintenance requirements as well as the declining value of the scholarship itself. It has not increased since its conception and has only decreased since it now only pays for twelve credits, although students are encouraged to take fifteen credits per semesters. If the students only have the Millennium Scholarship as a resource, it will take them six years to graduate. It is not the program that was first created.

Regent Knecht asked if Global Insight had been producing those estimates for some time and the phenomenon is not that the projections decline over time but that the whole projection moves down with each revision. Treasurer Marshall replied that the decline is due to fewer people smoking.

6. Approved- Report on Millennium Scholarship and Prepaid Tuition Program *(Agenda Item #8) – (Cont'd.)*

Regent Whipple stated that it was his understanding that eligible students automatically receive a letter of eligibility, then they determine if they will utilize it or not. Treasurer Marshall indicated that the students must accept the award and agree to the terms and conditions regarding maintenance eligibility. Regent Sisolak added that upon acceptance, the process does become a little involved, adding that many first generation college students and their parents are sometimes overwhelmed.

Regent Whipple asked what percentage of students use the Millennium Scholarship. Vice Chancellor Nichols replied that, to their knowledge, all students that are eligible are using the scholarship. Once it is discovered that a student is eligible but has not activated it, the financial aid offices work with the student to submit the appropriate paperwork.

Regent Whipple asked what percentage of the total student population is utilizing the scholarship. Treasurer Marshall replied that 47,723 total students have activated the program since its inception. 20,723 students are currently eligible. She will determine that number of students that are currently utilizing the scholarship and report that information to Vice Chancellor Nichols.

Regent Rosenberg requested the number of students that become ineligible and then gain their eligibility back. Treasurer Marshall indicated that the number of students with two strikes against them, since inception of the three strikes rule, is 2,326. The number of students that have lost their eligibility status at least once is 31,206.

Treasurer Marshall referred to the document, "Prepaid Tuition Program - Active Contracts by Regent*" (handout available in the Board office)*. She explained that the Prepaid Tuition Program is a program in which residents of Nevada can pre-purchase credit hours at the current rate with certain assumptions built in. The handout reflects approximately how many contracts have been purchased in each Regent district. Upon the program's inception in 1998, the first tuition was paid out in 2002 and, to-date, the program has paid out approximately $9 million in tuition. There are currently 1,416 students using benefits. There are three plans that can be purchased: 1) a two year community college plan; 2) a four year university plan; and 3) a two year at the community college and two year at the university plan.

Treasurer Marshall related that in her efforts to manage the variables, a consultant was hired to analyze, compare and identify ways in which the program could be streamlined and become more efficient. As a result of that analysis, the College Savings Plan Board has taken some action including 1) establishing a three year holding period before tuition is paid out; 2) creating an annual fixed enrollment period; and 3) development of a refund formula to ensure solvency of the program. Treasurer Marshall indicated that in today's market, it is very difficult to maintain a 7.5% return on investment, which is what the program assumes. If the program was ever in the position that the cost of education was less than the value of the purchased contracts, an equitable refund process would occur. She has also asked her staff to consider establishing a one year university program.

6. Approved- Report on Millennium Scholarship and Prepaid Tuition Program *(Agenda Item #8) – (Cont'd.)*

Treasurer Marshall asked if the Board would be interested in working with the Treasurer's office to identify incentives that could be created for the Prepaid Tuition Plan as well as how financial variables could be minimized. She added that such a partnership would be beneficial because most of Nevada's students attend in-state institutions.

Regent Schofield entered the meeting.

Regent Sisolak asked if the 7.5% return rate was based on tuition increases. Treasurer Marshal replied that it was based on an actuary's assumption. Regent Sisolak asked how the Prepaid Tuition Program would be impacted if a significant tuition increase occurred. Treasurer Marshal indicated that would create a significant financial challenge.

Regent Rosenberg left the meeting.

Regent Sisolak asked if a plan could be purchased for a John or Jane Doe. Treasurer Marshal replied that 6% of the purchased contracts do not indicate a relationship *(possibly corporate sponsors)*. Ms. Kim Huys, Office of the State Treasurer, explained that there are some corporate sponsors that have purchased a Prepaid Tuition Plan and then award it as a need is determined within their corporation. Regent Sisolak felt that there was a significant misconception held by people with regard to this issue and requested more information. Ms. Huys stated that a purchased plan is generally transferrable although it could not be split. She related that approximately 79% of purchasers are parents, 13% are grandparents, 2% are corporate and the remaining 7% are unspecified. Treasurer Marshall indicated that they would get more information to Regent Sisolak.

Regent Dondero supported the idea of the System working closely with the Treasurer's office. Treasurer Marshall felt that such a dialogue would allow the program to be more useful to the university.

Regent Rosenberg entered the meeting.

Regent Geddes asked if there was a way to track the number of 529 Plans that have been purchased outside of the Treasurer's office. Treasurer Marshall indicated that programs purchased outside of the Treasurer's office are not tracked. That information could only be obtained by contacting each company directly.

Regent Anthony entered the meeting.

Regent Geddes noted that with the Prepaid Tuition Plan *(defined benefit plan)* there were restrictions placed on what the funds could be used for as opposed to the 529 Savings Plan *(defined contribution plan)*. He asked if that was still the case and if that was indicative of the limited participation. Treasurer Marshall replied that within the Prepaid Tuition Plan, only credit hours can be purchased, not all other fees associated with attending either a college or university. Those are factors that may differ substantially from institution to institution.

6. Approved- Report on Millennium Scholarship and Prepaid Tuition Program *(Agenda Item #8) – (Cont'd.)*

Regent Rosenberg requested clarification if the Prepaid Tuition Plan covered surcharges and fees. Treasurer Marshall replied that the program would not cover those fees. Regent Rosenberg felt that could be a significant issue.

Chair Wixom asked how the suggested dialogue could be facilitated. Treasurer Marshall indicated that since Vice Chancellor Nichols sits on the College Savings Plan Board, that perhaps she could be the conduit. She could initially describe the program to Vice Chancellor Nichols who could then communicate it to the Board of Regents.

Chair Wixom suggested that Vice Chancellor Nichols coordinate with Treasurer Marshall and then return to the Board with a short presentation. He requested that a presentation be made at the February meeting regarding the Prepaid Tuition Program. He was not sure if the programs had been advertised enough or if the Board or public understand the general benefits.

Vice Chancellor Nichols felt it was critical to be more mindful of the programs that the State has available to encourage its students to go to college. Today the Treasurer wanted to hear some level of commitment by the Board in encouraging college attendance by Nevadans. On that basis, they would be happy to work together to establish a communication pipeline, with the constant understanding that what the System does, impacts the college tuition programs. For example, a 25% increase in tuition would make it very difficult for the program to honor its commitments.

Chair Wixom felt that the general sense of the Board was that there is a great deal of interest. He also expressed concern that they not forget the impact to these programs as future increases are considered.

Regent Knecht moved approval of drafting a letter on behalf of the Board expressing its support of the Prepaid Tuition Program. Regent Geddes seconded. Motion carried. Regent Gallagher was absent.

7. Approved -Bond Financing for Replacement of the UNLV McDermott Physical Education Facility Swimming Pool, UNLV *(Agenda Item #6)* - The Budget & Finance Committee recommended approval of UNLV President David B. Ashley's request for a resolution to allow the Nevada System of Higher Education, on behalf of the University of Nevada, Las Vegas, to issue fixed rate, tax exempt revenue bonds in an amount to net up to $5.5 million to finance the replacement of the UNLV McDermott Physical Education facility swimming pool. This project was originally approved at the October 2008 Board of Regents meeting to be financed with a bank loan. Because of the timing of this project, UNLV will be able to combine this financing with the revenue bond financing of the Tropicana parking structure, which was also approved at the October 2008 Board of Regents' meeting *(Ref. BF-5 on file in the Board office).*

7. Approved -Bond Financing for Replacement of the UNLV McDermott Physical Education Facility Swimming Pool, UNLV *(Agenda Item #6)* – *(Cont'd.)*

Regent Alden moved approval of the request for bond financing for replacement of the UNLV McDermott Physical Education Facility Swimming Pool. Regent Whipple seconded.

Mr. Bomotti related that the current swimming pool is 34 years old with the only option being to repair it or close it, which would impact UNLV's academic and athletic programs. The current professional review of the pool revealed that its current life expectancy is approximately one week to one year at the most. If approved, the financing for this project would be merged with the Tropicana Parking Garage bond, which would save issuance fees. The terms would include a 15 year bond issue with 50% repayment from UNLV capital improvement fees and 50% repayment from non-state revenues.

Regent Knecht stated that the Budget and Finance Committee recommended, by a five to one vote, that this request be approved in an amount up to $5.5 million. Due to the timing, UNLV will be able to combine this financing with the Tropicana Parking Garage which was approved at the October Board meeting.

Regent Dondero indicated her support of this project.

Regent Knecht added that the Budget and Finance Committee determined that it really was an emergency item. While the funds are not fungible in the sense that they can be used for something else, this will not create a burden on the budget situation in the near term. It was a tough decision but essentially will not exacerbate the budget problems.

Regent Crear related that the pool not only performed an academic and athletic need, it provided extensive community programs. He felt it was a needed and well utilized facility and was one less thing that will have been taken from the community. He stated he was 100% in support.

Regent Sisolak asked if there could have been better coordination between this pool and the one for the student recreation center. Mr. Bomotti agreed that there was an opportunity lost in that project.

Regent Sisolak noted that the bond is being repaid through both CIP and athletic fees, and asked if athletics receives all the revenue generated through T&M, why it could not pay for the full bond. Mr. Bomotti explained that the UNLV Athletic Director and Provost felt due to the pool's shared utilization, this was a reasonable distribution.

Regent Sisolak asked how much per credit student CIP fees will be used. Mr. Bomotti replied that the estimation is approximately $262,000 per year on a 15-year bond. He added that UNLV has been very prudent in using capital improvement funds this year as they knew this was coming. UNLV's annual revenue at the current enrollment rate is approximately $7.2 million. Their current debt requirement is approximately $4 million. Mr. Bomotti related that because there was known to be a major issue with the pool that needed to be addressed, other projects had been eliminated.

7. Approved -Bond Financing for Replacement of the UNLV McDermott Physical Education Facility Swimming Pool, UNLV *(Agenda Item #6)* – *(Cont'd.)*

Regent Rosenberg stated that initially he was concerned that this would be seen as a luxury item. However, upon reading the reference materials, he determined that it really was a necessity. Mr. Bomotti replied that there are at least 80 student athletes that use the facility on a regular basis, approximately a dozen academic courses are based out of that facility as well as other various programs throughout the community including Clark County School District.

Motion carried. Regent Gallagher was absent.

8. Approved – Bank Loan Financing, HVAC Project, *(Bristlecone Building)*, WNC *(Agenda Item #7)* - The Budget & Finance Committee recommended approval of WNC President Carol A. Lucey's request for a resolution to allow the Nevada System of Higher Education, on behalf of Western Nevada College, to secure a 10 year, tax-exempt bank loan not to exceed $700,000, to finance HVAC equipment *(Ref. BF-6 on file in the Board office).*

Regent Knecht stated that the Budget and Finance Committee recommended, by a three to one vote, to approve this request.

Regent Sisolak asked if the perceived operational savings are not realized, what the plan will be to service the debt. President Lucey explained that the old HVAC system has been paid off and the last payment from the update of communications system between the units will occur this spring. That will mean the funds that were drawn from for that payment will become available. With the pending budget reductions, it is not known how much college money will be available.

Regent Whipple asked Regent Knecht if the implications of potential litigation had been thoroughly vetted through the Budget and Finance Committee. Regent Knecht replied that the Committee's recommendation was based on a thorough vetting of the technical merits of the request although there may be some merit in regards to potential litigation. Regent Knecht added that if the estimated savings are not realized, WNC will be responsible to find the funds elsewhere in its budget. The estimate of the energy savings were conducted by a reliable third party.

Regent Sisolak expressed concern for selling of bonds without the identification of a reliable revenue stream. President Lucey explained that part of the issue is that WNC wants to take the least loan possible with the current budget in a state of flux. More information will be available next month at which time it will be determined if the full $700,000 will be necessary or if a portion can be taken from other potential funding sources. WNC would have to increase the allocation of capital improvement fees if the estimated $30,000 per year did not materialize.

Regent Sisolak stated that originally this was not his interpretation of the appropriate use of capital improvement fees. Executive Vice Chancellor Klaich stated he would need to look at the definition. Chair Wixom asked that Legal Counsel quickly research that answer.

8. Approved – Bank Loan Financing, HVAC Project, *(Bristlecone Building)*, WNC *(Agenda Item #7) – (Cont'd.)*

Regent Geddes noted that $700,000 is the balance of the amount to be financed, not the total cost of the project. Mr. Daniel Neverett, Vice President of Finance and Administration, WNC, stated that the total project cost was approximately $990,000. Regent Geddes added that when looking at HVAC equipment, it needs to be considered that NV Energy's rates will not be going down. If more energy efficient equipment is installed, savings will be realized.

Ms. Brooke Nielsen, Special Legal Counsel, explained that under Title 4, Chapter 10, Section 11, the Board's policy states that CIP fees can be used for repayment of bonds issued for capital construction as well as for remodeling projects and related furniture, furnishings and equipment that are urgently needed for the accommodation of students in academic buildings which cannot be funded from other institutional funds or state/public means or capital improvements funds. She felt that the use of capital improvement fees for this purpose was appropriate to the policy.

Regent Rosenberg moved approval of the request for bank loan financing for the WNC HVAC Project *(Bristlecone Building)*. Regent Sisolak seconded. Regent Alden voted no. Motion carried. Regent Gallagher was absent.

The meeting recessed at 3:08 p.m. and reconvened at 3:17 p.m. on Thursday, December 4, 2008, with all members present except Regent Gallagher.

9. Information Only - College Access In Nevada: A Report from the Institute of Higher Education Policy *(IHEP) (Agenda Item #9)* - Representatives from IHEP presented the results of their report on college access in Nevada. Specifically, this report addressed the low college-going and college-success rate, provided an overview of current problems and obstacles and made recommendations for Nevada. This project was funded by a grant from United Students Aid Funds *(USA Funds)*, Nevada's designated loan guarantor *(Report and Handouts on file in the Board office)*. This report can also be found electronically on the IHEP website, www.ihep.org.

Vice Chancellor Nichols reported that the NSHE was approached by USA Funds to fund a study to provide a better look at why Nevada has such poor data for college access and success. The college going rate in Clark County was identified by the System as the most critical area, and although the report is for the State of Nevada, a great deal of the data was collected in Clark County. Vice Chancellor Nichols related that the IHEP is a very highly regarded, highly esteemed think tank in higher education and that it was an honor that they came to Nevada. She stated that the System Administration office did not write or edit the report, and that the report was completely prepared by the IHEP to objectively consider Nevada and why it has the statistics that it does. The purpose of this report was to create a policy conversation with legislators, the Governor and the Congressional Delegation.

9. Information Only - College Access In Nevada: A Report from the Institute of Higher Education Policy *(IHEP) (Agenda Item #9) – (Cont'd.)*

Vice Chancellor Nichols introduced Ms. Grace Smith, Customer Relations Manager for USA Funds, and expressed her appreciation to USA Funds for funding this endeavor. The presentation will be done by Dr. Wendy Erisman, Director of Research and Evaluation, IHEP and Mr. Nirjan Rai (*full presentation on file in the Board office)*.

- The Nevada Context:
  - In 2006, 20% of the state's general fund revenues came exclusively from gaming taxes.
  - The hospitality industry today employs approximately 27% of the state labor force.
  - The success of these industries has meant abundant career opportunities and economic rewards for state residents.

- The New Face of Nevada:
  - Nevada has been the fastest growing state in the United States for 20 of the past 21 years.
  - This population increase has dramatically transformed Nevada's racial/ethnic composition.
  - An important characteristic of new Nevada residents is their low educational attainment.

- Higher Education in Nevada:
  - 50th in the likelihood that ninth graders would enroll in college by age 19.
  - 48th in the likelihood that first-time college freshmen would return for their second year.
  - 47th in the nation in postsecondary attainment among adults.
  - 49th in college graduation rate.

- Diversifying Nevada's Economy:
  - Gaming and hospitality industries likely to remain the dominant industries but need for Nevada to diversify its economy.
  - Initiatives to attract industries—particularly from the knowledge-based economy—that require high skill and pay high wages.
    - New jobs require significantly more postsecondary education.
    - Nevada, with its low educational attainment, is unprepared to meet these demands.

- Benefits of Higher Education:
  - High school graduates in Nevada in 2006 earned approximately $30,570, while bachelor's degree graduates earned approximately $42,970.
  - In the population over age 25, the poverty rate for those with less than a high school degree was almost three times higher than that for those with a bachelor's degree.

9. Information Only - College Access In Nevada: A Report from the Institute of Higher Education Policy *(IHEP) (Agenda Item #9) – (Cont'd.)*

- Postsecondary Access
  - Only 28 percent of Nevada residents between the ages of 18 and 24 were enrolled in college in 2006.
  - Compared with 41 percent for top states.
  - Students from high-income families are more than twice as likely to enroll in college as students from low-income families.
  - White students are twice as likely to enroll as non-White students.

- Economic Barriers:
  - High Cost.
  - Families in Nevada devote a larger share of their income to cover the higher net price of attending Nevada's public institutions.
  - Lack of Targeted Financial Aid.
  - Only about 25 percent of Nevada's state grants for higher education are need-based, 48 percent lower than the national average.
  - Need to Work.
  - A significant number of students who decide not to enroll in college are working out of financial necessity.

- Social and Institutional Barriers:
  - Lack of a College-Going Culture.
  - Approximately half Nevada's adult population has no college experience.
  - Lack of Guidance from Schools.
  - K–12 system in Nevada has the highest dropout rate and the lowest high school graduation rate in the nation.
  - Lack of trained ESL teachers.
  - Counselor-to-student ratio is more than 1:500.
  - Transient Population.
  - Only 37 percent of Nevada's population had lived in the same residence from 1995 to 2005.

- Transfer and Articulation:
  - Community colleges have become a popular postsecondary alternative in Nevada.
  - Process of transfer and articulation an essential factor in increasing the rate of bachelor's degree completion among Nevada students.
  - Barriers to transfer.
    - Lack of coordination between two-year and four-year institutions.
    - Financial and institutional barriers.

- Part Time Students:
  - Fewer than half of all Nevada students attend college on a full-time basis.
  - Part-time students have lower rates of persistence and graduation than full-time students.
  - Part-time Nevada students more likely to be older than full-time students and to be enrolled at a two-year institution.

9. Information Only - College Access In Nevada: A Report from the Institute of Higher Education Policy *(IHEP) (Agenda Item #9) – (Cont'd.)*

- Recommendations:
  - Increasing college access.
    - Emphasize early intervention.
    - Increase family involvement.
    - Increase targeted financial aid.
  - Increasing college success.
    - Emphasize academic preparation.
    - Facilitate the process of transfer.
    - Provide career and technical pathways.
  - Prioritize higher education in public policy discussions.
  - Emphasize coordination among all key stakeholders.
    - Education sector, business, state government.
  - Develop strategies based on consistent and relevant data.
  - Create a long-term vision for postsecondary education in Nevada.

Regent Whipple asked how Nevada compares to other states in the area of need-based aid and where other states receive their money. Dr. Erisman stated that although she could not provide specific ranking, Nevada's was quite low. She related that other states receive a substantial amount of need-based scholarships through state funding. Regent Whipple asked if funding was received from tuition as well. Dr. Erisman stated that state grants come primarily from state appropriations while institutional grants may receive funding through tuition.

Regent Whipple also expressed concerned that the study showed a need to improve the System's common course numbering system, and asked if any other states have implemented such a system-wide approach . Dr. Erisman replied that Florida had. Regent Whipple asked what exactly the issues were with the transfer process. Dr. Erisman responded that, for whatever reason, the common course numbering and articulation agreements are not working. She speculated that those reasons could include confusion on the part of the students. Having a common course numbering system may not be sufficient if the students do not understand the process. She related that some states have implemented a passport program where students that have been admitted to, but may not be ready for, a four-year institution, start at a closely linked two year institution with all the access to the four year institution and its resources.

Regent Whipple asked the presidents of the two-year institutions for their input. President Richards stated that curiously, since CSN has a population of approximately 42,000 students, the students may find it a relief to transfer to a university with a smaller population. He did feel that the common course numbering system was a real step forward but that it did need periodic review.

President Lucey related that common course numbering still experienced problems even ten years after its implementation. She stated that she still had a list of classes that were simply not upper division but still carried 300 and 400 series numbers. She did not feel that the students could be appropriately guaranteed completion of a two-year degree and be no more than two years away from a bachelor's degree.

9. Information Only - College Access In Nevada: A Report from the Institute of Higher Education Policy *(IHEP) (Agenda Item #9) – (Cont'd.)*

President Sheehan felt that this System did a good job in resolving the issues. However, there are nuances in terms of the curriculum at the four year institutions that the community colleges have to rush to catch up with. It will take great diligence to make the numbering system work well for the students.

Interim President Diekhans stated that in rural Nevada, the larger issue is the number of older students with established families and employment that cannot simply relocate in order to attend a four-year institution.

Regent Knecht related that the syllabus for the classes that he has taught strongly emphasize that the courses are completely transferrable to UNR and/or UNLV. He had trouble understanding, from a working perspective, what the System could do better to promote the benefits of common course numbering. In regards to need-based aid, he understood that perhaps Nevada is low on the need-based aid schedule relative to other states. He observed that it may have been a mistake not to make the Millennium Scholarship need-based and perhaps it would be reasonable to visit that issue now. Dr. Erisman felt that the latter part of his question was philosophical. The research on merit-based scholarships is showing that by-and-large those scholarships are helping students that would have attended college anyway. In particular, those are the students that can maintain their GPA and therefore their scholarship. In the IHEP's general opinion, need-based aid is the best solution for underserved students.

Regent Knecht asked if the "Measuring Up in 2006" document was available electronically. Dr. Erisman replied that it was readily available on the internet and updated every two years. Regent Knecht noticed that the Chronicle of Higher Education data reflected that at the four-year level, Nevada had the lowest tuition in the country and was therefore surprised to see that affordability was an issue. He asked if the affordability cost took into account the cost of living and if that is was a contributing factor. Dr. Erisman stated that the Measuring Up in 2006 document uses cost minus aid, not just cost. The net price is the measurement used.

Regent Rosenberg felt that common course numbering was still a relatively new concept in Nevada and progress was being made in that exceptions were being made. Although it is improving, the process will continue to need work. Dr. Erisman noted that the more faculty that are behind the initiative, the easier it is to make it happen.

Chair Wixom stated he would like to see specific policy recommendations as a follow up to this report. Vice Chancellor Nichols replied that she will work with the campuses, adding that every single issue in the report is discussed constantly by the business officers. She stated that some of the issues within the report are particular to the State of Nevada and are not necessarily issues that can be addressed by the Board of Regents. Chair Wixom asked that there be a focus on the issues that can be addressed by the Board of Regents while also determining how the State of Nevada issues could be communicated.

9. Information Only - College Access In Nevada: A Report from the Institute of Higher Education Policy *(IHEP) (Agenda Item #9) – (Cont'd.)*

President Glick felt that Nevada had a significant problem with its college-going and college completion rates. There is some truth in what was said and he felt that the presidents would want to be involved in the policies that are made. In his experience, one of the complexities that are often missed relates to students that are changing majors when transferring from two-year to four-year institutions.

Chair Wixom asked Vice Chancellor Nichols to coordinate with the respective presidents and return to a future meeting to consider potential policy initiatives.

Regent Leavitt asked if it was known what percentage Nevadans that have graduated from college, had both parents involved. Vice Chancellor Nichols replied it was nearly 100%, adding that the greatest predictor of college completion is the mother's completion of college. Although it can be discouraging, there has to be a change in culture.

Regent Rosenberg asked if CSN still had a program in which the girls could bring their mothers to attend half of their classes. Vice Chancellor Nichols stated that there have been different models throughout the years to encourage involvement of both parents and children, adding that parental support was critical to getting students to college and being successful in college.

10. Approved – *Handbook* Revision, Committee Consolidation Proposal *(Agenda Item #13)* - This proposal was brought forward for discussion and consideration by the Chair and Vice Chair of the Board of Regents as a result of conversations and trends occurring within the Nevada System of Higher Education relating to the necessity to examine all possible avenues of efficiency and cost savings. An important part of this process was to consider combining the duties of some of the existing eight standing committees and one long term non-standing ad hoc committee *(the Technology Committee)*. This proposal would amend the Bylaws of the Board of Regents, Title 1, Article VI, Section 3, to reduce the number of committees to six standing committees. The six standing committees would be the Cultural Diversity Committee, the Academic, Research and Student Affairs Committee, the Audit Committee, the Business and Finance Committee, the Investment and Facilities Committee, and the Health Sciences System Committee. The Board approved the proposal as submitted *(Ref. C on file in the Board office).* This was the second reading of this proposed revision to the NSHE Handbook.

Regent Geddes moved approval of the revision to NSHE Handbook, Title 1, Article VI, Section 3. Regent Crear seconded.

Vice Chancellor Klaich requested clarification of the effective date of this policy revision. Chair Wixom replied that it would become effective July 1, 2009.

Regent Knecht stated that he would not support this revision because he felt it did not go far enough. He stated that the Board could and should have four committees. The Audit Committee should remain its own committee. The Budget and Finance and Investment

10. Approved – *Handbook* Revision, Committee Consolidation Proposal *(Agenda Item #13)* – *(Cont'd.)*

Committees could be combined. The Student and Academic Affairs and Research and Economic Development Committee could be combined and there could be a fourth committee to handle other Board business.

Regent Whipple reminded the Board that, in regards to the Technology Committee, the System has already spent $20 million and the project still remains $10 million short. The Board will at some point be requested to approve an increase in student fees. If this project is unsuccessful, he felt it would move the System backward and would have wasted $20 million. He was very concerned and requested follow through by the Board.

Regent Geddes encouraged a January effective date. Chair Wixom stated that the notice and agenda language all refer to a July 1, 2009, effective date.

Chair Wixom stated that he did not view any of the committees as being disbanded but rather consolidated. The technology issues will be addressed even if it has to be brought to the main Board agenda as a standing item.

Regent Leavitt pledged to Regent Whipple that the Board will not let the technology issues falter.

Motion carried. Regents Knecht and Schofield voted no. Regent Gallagher was absent.

11. Approved – *Handbook* Revision, Residence Hall and Food Service Rates *(Agenda Item #14)* - Vice Chancellor Mike Reed requested approval of revisions to the Residence Hall and Food Service Rates sections of Board Policy *(Title 4, Chapter 17, Sections 21, 23 and 26)* addressing residence hall and food service rates for conferences or other activities that are not exclusively for enrolled students *(Ref. D on file in the Board office).*

Regent Dondero moved approval of revision to NSHE *Handbook* Title 4, Chapter 17, Sections 21, 23 and 26. Regent Rosenberg seconded. Regent Alden voted no. Motion carried. Regent Gallagher was absent.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15)* - Vice Chancellor Mike Reed requested approval of revisions and additions to Student Fees, Special Course Fees and Residence Hall Fees *(Chapter 7, Procedures & Guidelines Manual)* for academic year 2009-2010 as required by Board Policy *(Title 4, Chapter 17) (Ref. E on file in the Board office).* The Board approved the fees with the corrections presented by WNC and UNLV, with the two fees identified by CSN withdrawn. The Board also approved suspending the Board policy to allow a fee to be imposed for the Shadow Lane SIMS Lab and approved the requested fee with the fee to sunset after two years. Finally, the Board approved the UNLV School of Dental Medicine fee as presented.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15)* – *(Cont'd.)*

Regent Crear stated that it would be difficult to support the raising of fees without justification for each.

Chair Wixom stated that there have been two corrections, one for WNC and one for UNLV, which was being distributed in the form of a handout *(handout on file in the Board office)*.

Regent Geddes requested further explanation of the School of Dental Medicine and the Shadow Lane SIMS Lab fees.

Dr. Karen West, Dean of the Dental School, UNLV, explained that the fees have not been raised since 2006. At that time, those fees were based on a 1999 survey that had been based on 1997 data. Realistically, it should have been raised annually. In 2002, the original cost of subsidizing the dental instruments for the students was $2,460. The current cost is $4,280 for the exact same equipment. Nationally, the average subsidy of their School's peer group is $4,875. The average dental school tuition and fees has increased over the last two years by 100.2%. Estimated over a ten year period, the request is for $4,600 which was still below the average of their peer group. This request is being made to maintain their current quality of their program, infection control procedures and the equipment that the students are using.

Regent Sisolak asked what is specifically being paid for with these fees. Dean West stated that in 2002, the Board approved including the leasing of dental instruments (life cycle is approximately every 4 years), electronic books, disposables for the pre-clinical courses and infection control used in the pre-clinical courses. Dr. Neal Smatresk, Provost, UNLV, stated that these items have routine usage and have to be replaced on a regular basis and are consumables. This one fee represents the cost of providing those services.

Regent Sisolak stated that there have been concerns regarding fees in the past and asked if a new policy had not recently been approved. Vice Chancellor Reed related that there will be an item on the February 2009 agenda related to items that have a useful lifespan of more than one semester as well as other capital intensive types of equipment that are necessary for the academic integrity of the programs. UNLV Provost Smatresk added that without fees for the replacement of short lifespan equipment, many programs would be seriously hampered.

Regent Sisolak felt there was confusion regarding the policy and what could or could not be allowed as a fee. Executive Vice Chancellor Klaich asked Vice Chancellor Reed if the definition included in the reference was the current language. Vice Chancellor Reed stated that it was, adding that the changes to be presented to the Board at the February 2009 meeting specifically address Title 4, Chapter 17, Section 19.

Executive Vice Chancellor Klaich asked if the future changes to the definition would impact the fees currently presented to the Board, or is there some assurance that the fees presented are within the current definition of student course fees. Vice Chancellor Reed

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – (Cont'd.)*

felt that for the most part that was correct. However, there were some significant issues with the capital intensive programs that would not be addressed in the current language and not fully addressed as special course fees even with the future change in the definition.

Executive Vice Chancellor Klaich stated that the definition of Special Course Fees is for individual instruction costs due to: (a) individual instruction *(e.g., private music lessons)*, (b) class supplies *(e.g., welding)*, (c) third party charges for use of a facility *(e.g., golf)*, (d) special transportation requirements, or (e) some combination of these reasons. Responsibility for implementing this policy is delegated to the presidents up to a maximum of $50.00 per course.

Regent Rosenberg asked if anywhere in the current policy does it allow the paying of salaries. Executive Vice Chancellor Klaich indicated that there is contemplation for the possibility of some salaries within paragraph (a) (*individualized instruction)*. Regent Rosenberg expressed concern that would be opening a pandora's box.

Regent Sisolak asked why the art students are not being charged more in their tuition to cover their supplies instead of having to pay a separate fee. Regent Rosenberg explained that there were cases when a department could purchase in bulk at a less expensive rate. Regent Sisolak asked, if the fee is determined to be $136, why the students were being charged $125.

Chair Wixom required an assurance that what was being asked to be approved that day was within the definition of the current Board policy. He stated that Regent Sisolak was right, this had been discussed before. He stated that he was not objecting to the fee but that it must be within the Board's existing policy.

Executive Vice Chancellor Klaich asked if a vote on this item could be delayed until the next day's meeting so that he would be able to meet with the business officers. Chair Wixom indicated that the Board would take that approach.

Regent Sisolak also asked about the $1,400 fee related to teaching internships for education majors. Dr. Marc Johnson, Provost, UNR, explained that fee applies to the hiring of teachers for one on one instruction of student interns and fell under paragraph (a). He added that the requested fee only partially covered the actual cost.

Regent Sisolak then requested explanation of the $1,300 student teaching placement fee at GBC. Dr. Mike McFarland, Vice President for Academic Affairs, GBC, replied that the request included six fees for student teaching *(elementary, secondary and special education)*. The basic $500 fee is for the one-on-one student teacher stipend. The $1,300 fee is for students that have completed everything but the student teaching component but have requested that it occur outside of the GBC area. Dr. McFarland added that this applied only in certain cases where the student has moved completely out of the GBC service are. Regent Sisolak asked what services were received for $1,300. Dr. McFarland replied that the fee covers the stipend for the overseeing instructor plus the travel and coordination of GBC staff. Dr. McFarland added that the GBC service area is fairly large to begin with. This

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15)* – *(Cont'd.)*

fee is only for those students that move outside of that area. Interim President Diekhans added that this fee is only implemented upon the request of the student and is not an institutional requirement, adding that the students are not encouraged to do this.

Regent Knecht stated that approximately one year ago, every one of the issues presented that day was discussed by the Board at length. In light of that, he asked Executive Vice Chancellor Klaich and Vice Chancellor Reed if there was anything qualitatively different in the proposed fees than those that were proposed one year ago. Executive Vice Chancellor Klaich stated that he would feel much more comfortable answering that question after meeting with the business officers.

Regent Geddes felt that it was important to note that in relation to the Shadow Lane SIMS Lab fee, the statement that "the fees proposed for the students who will use this facility to help cover the costs associated with staff positions," was at the crux of the previous year's discussion and was also contrary to that discussion.

Regent Crear asked if further questions could be asked on the following day. Chair Wixom indicated that questions would be taken the following day when the item was revisited, adding that the Board's concern is that it has to be able to assure itself that the fees are within current policy guidelines and then specific concerns can be addressed.

13. Approved - *Handbook* Revision, Bylaws, DRI *(Agenda Item #16)* - DRI President Stephen G. Wells requested approval of changes to the NSHE *Handbook* Title 5, Chapter 2, Bylaws of the Desert Research Institute *(Ref. F on file in the Board office).*

Regent Geddes moved approval of revisions to NSHE *Handbook* Title 5, Chapter 2, Bylaws of the DRI. Regent Crear seconded. Motion carried. Regents Alden, Gallagher and Whipple were absent.

14. Information Only - Policies Regarding Employees Charged with Serious Crimes *(Agenda Item #17)* - Chair Wixom, Chancellor Rogers and Chief Counsel Bart Patterson led the Board in a discussion of current options available under the NSHE Code to address employees that have been arrested or charged with a serious crime.

Chair Wixom stated that this item is not directed at a specific individual and was to address general policy issues only.

Chief Counsel Patterson stated that there have been some questions related to NSHE policies and provisions for employees charged or indicted with a felony offense. With respect to professional employees, there is not a provision in Board policy for suspension without pay. The second issue to be aware of was that the System does have disciplinary processes by which professional employees can be terminated from employment that are elaborate and designed to provide due process. In order to terminate an employment contract for either a tenured or non-tenured employee, the System is required to appoint

14. Information Only - Policies Regarding Employees Charged with Serious Crimes *(Agenda Item #17)* – *(Cont'd.)*

a special investigator and hearing officer. After an investigation is conducted, a hearing committee is appointed and, after the hearing committee convenes with the hearing officer *(equivalent to a trial),* a recommendation is made to the institutional president for what disciplinary action, if any, should be taken. For non -tenured professional employees, a notice of non-reemployment can be issued at the appropriate time per Board policy. There is also an administrative leave with pay provision. He added that significant legal research in this area has been conducted. The Board needs to understand that there are some constitutional property interests in public employment, particularly for tenured employees. Any policy that the Board is interested in adopting would have to address those constitutional issues. In general, under most constitutional requirements, there is usually a pre-suspension or pre-termination hearing held to establish a basis for the action to be taken. Most courts have recognized that the indictment or the charge of criminal offense is a substitute for a pre-suspension hearing, not a substitute for a pre-termination hearing.

Chair Wixom asked if, constitutionally, a person could be suspended with or without pay if they have been indicted or charged with a crime. Chief Counsel Patterson stated that a person can be suspended without pay, particularly if they are in a position of trust and the crime was in some way connected to their employment. Chair Wixom asked if it was reasonable for the Board to differentiate between an indictment and a charge. Chief Counsel Patterson stated that the courts do not distinguished between indictment and charge but they do distinguish between indictment/charge and arrest.

Regent Anthony asked if, for example, the district attorney's office were to file charges against a System employee, the System could hold a pre-suspension hearing to relieve that person of their duty without pay. Chief Counsel Patterson clarified that under constitutional law, prior to taking action against a public employee, it is required to have some form of pre-disciplinary hearing or some opportunity for that employee to explain why the charges may not be valid. The courts have upheld summary suspension without that hearing in a situation where there is a neutral body making the fact-finding determination. In this case, that neutral body is the indictment process or the preliminary hearing charge. It appears that under case law, a pre-suspension hearing would not be a legal requirement. However, as a policy matter, the Board may decide it wants some pre-suspension without pay hearing.

Regent Anthony was concerned that if an employee commits and is indicted for a felony crime, the System should have some option to not pay that individual. He was not concerned that they keep their employee status, and if found innocent, the System would provide back pay. Chief Counsel Patterson stated that under case law, that would be an option. However, that is not an option under current Board policy. There could be a legal challenge if there is an immediate suspension without pay and there is no opportunity for that person to come back and challenge except through the criminal court process which could take a number of months or years.

Regent Knecht requested clarification of the property right, noting that if the property right were related to income, a suspension without pay could not occur. Chief Counsel Patterson replied that the property interest is in the employment and subsequent salary and

14. Information Only - Policies Regarding Employees Charged with Serious Crimes *(Agenda Item #17)* – *(Cont'd.)*

most courts would find that the salary issue would rise to the level of a protected property interest. That interest is significant under constitutional law because that is what triggers the right for some hearing before adverse action is taken. The law does not require such a hearing before terminating pay but may require a post-suspension without pay hearing within a reasonable amount of time.

Regent Leavitt explained that in the State of Nevada there are two charging documents, one is an indictment and the other is a criminal complaint. A criminal complaint is generated on the basis of probable cause. The indictment is generated by probable cause as issued by the grand jury as opposed to a detached and neutral magistrate.

Regent Alden stated that this is a nation of laws in which a person is presumed innocent until proven guilty. To cross that line puts the Board in the jeopardy of being sued and in jeopardy of losing that lawsuit if the person is deemed not guilty in a court of law. He cautioned the Board to be very careful in how it addresses this proposed policy issue.

Vice Chancellor Klaich stated that there are no specific recommendations at this time. This discussion was requested to provide more information to the Board on why certain actions may or may not be taken in certain situations. This was only an opportunity to review current policy and to seek guidance from the Board to determine if additional policy work should be pursued.

Regent Sisolak stated that System's employees should not be granted fewer rights then elected officials that have been charged and indicted.

Chair Wixom asked if the Board would support a review of the current policies and discussion of the available alternatives.

Regent Leavitt felt that these situations were very isolated and did not occur very often. He added that the fiscal impact upon the State should also be considered and posed the question that if an employee is convicted, would the System have any recourse.

Regent Anthony asked the Faculty Senate for their input. Dr. Bill Follette, Faculty Senate Chair, UNR, appreciated the complexities of this issue and was very much in agreement with Regents Alden and Leavitt.

Mr. Steve Bale, Faculty Senate Chair, TMCC, felt that there were already some protections in place that employees are innocent until proven guilty. He added that the Board recently passed a rule that if an employee does not report to work there is cause for termination.

Regent Knecht shared Regent Anthony's concern and asked if an employee were to be suspended without pay and then the person were exonerated, would that person be able to recoup any pay that had been lost. Chief Counsel Patterson replied that would depend on whether the suspension without pay was appropriate under constitutional law. If it were to be found appropriate, the employee would probably not be able to recover the lost salary.

14. Information Only - Policies Regarding Employees Charged with Serious Crimes *(Agenda Item #17)* – *(Cont'd.)*

Regent Knecht felt that on a certain level, the presumption of innocence point was being abused. That is something that applies to criminal charges because those charges carry significant penalties and a heavy burden on reputation. Now people are gliding from the presumption of innocence in criminal matters to the presumption of entitlement to maintain their job or salary. He supported the suggestion that staff return with further information and potential alternatives.

Chair Wixom appreciated the various points of view and was willing to place that discussion on a future agenda upon the request of at least three Regents.

15. Approved - Employment Contract, Head Softball Coach, UNLV *(Agenda Item #18)* – The Board approved UNLV President David B. Ashley's request for approval of a three-year employment contract for Mr. Pete Manarino for the position of UNLV Head Women's Softball Coach *(Ref. G on file in the Board office).*

Regent Alden asked if this contract was supported through state or non-state funds. Mr. Mike Hammrick, Athletic Director, UNLV, replied that non-state funds were to be used. Regent Alden asked if that included the benefits. Mr. Hammrick replied that it did.

Regent Alden moved approval of a three-year employment contract for Mr. Pete Manarino for the position of UNLV Head Softball Coach. Regent Anthony seconded.

Regent Sisolak asked why this position was not called "Head *Women's* Softball Coach", and asked for that distinction to be made in the contract.

Regent Alden modified his previous motion to reflect "Head Women's Softball Coach." Regent Anthony seconded the amendment.

Regent Crear asked if this salary was in accordance with similar coaching positions. Mr. Hammrick replied that it was slightly above the Mountain West Conference average.

Motion carried. Regents Gallagher, Schofield and Whipple were absent.

16. Approved - Emeritus Status, Dr. Philip Ringle *(Agenda Item #19)* – The Board approved Chancellor James E. Rogers recommendation that Dr. Philip Ringle be granted emeritus status. Pursuant to Board Policy *(Title 4, Chapter 3, Section 26.1)*, presidents that choose to retire after at least five years of service are eligible for emeritus status. Emeritus status must be recommended by the Chancellor and approved by the Board of Regents.

16. Approved - Emeritus Status, Dr. Philip Ringle *(Agenda Item #19)* – (Cont'd.)

Regent Geddes moved approval of granting emeritus status upon Dr. Philip Ringle. Regent Rosenberg seconded.

Regent Crear asked what the status of Emeritus entails. Executive Vice Chancellor Klaich replied that it is an honorary distinction and ceremonial title for the services rendered. The individual must serve for five years and emeritus status is typically granted to the longer serving presidents. This status allows the individual the right to have an office on the campus as well as grant-in-aid privileges for dependents. Regent Crear asked if grant-in-aid privileges were for that particular institution or for any System institution. Upon confirmation from Chief Counsel Patterson, Executive Vice Chancellor Klaich replied that grant-in-aid privileges were not limited to one institution within the System.

Regent Sisolak requested to know what Dr. Ringle's start and end dates were. Executive Vice Chancellor Klaich replied that although the specific dates were not immediately available at this meeting, it had been researched and determined to be in compliance with the Board's policy.

Motion carried. Regents Gallagher, Schofield and Whipple were absent.

The meeting recessed at 5:25 p.m. on Thursday, December 4, 2008.

The Board of Regents convened at 8:00 a.m. on Friday, December 5, 2008, sitting as Members of the Corporation for the respective institutions with all members present except Regents Anthony, Crear, Gallagher, Knecht, Sisolak and Whipple.

17. Information Only-Foundation Reports *(Agenda Item #11)* - Sitting as members of the respective institution foundations, the Board reviewed presentations from the institution foundations *(see individual Foundation minutes filed separately in the Board office)*.

The Board of Regents' regular meeting reconvened at 9:15 a.m. on Friday, December 5, 2008, with all members present except Regents Gallagher and Whipple.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Executive Vice Chancellor Klaich reported that, as a result of the previous night's meeting with Vice Chancellor Reed and the business officers, CSN has withdrawn two fees from the initial request. He represented that the remainder of the requests were appropriate within current Board policy. He requested that the Shadow Lane SIMS Lab fee and the School of Dental Medicine fee be pulled for special discussion. He added that the education internship fees were also particularly challenging in that in northern Nevada, student teachers are competing with Sierra Nevada College and the University of Phoenix that both pay higher stipends to the teaching supervisors than the NSHE.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Regent Alden requested that this discussion be held over to the February meeting so that the fees could be preliminarily discussed by the Budget and Finance Committee. He felt that the Board should use its committees to filter out these issues so that the full Board could be more efficient. He also expressed concern that this may be the wrong time to consider special fees with the special session of the Legislature scheduled to occur the following week.

Regent Leavitt asked Executive Vice Chancellor Klaich to confirm that all of the special fees were within the Board's policy. Executive Vice Chancellor Klaich stated that they were, with the exception of the two fees withdrawn by CSN and with the possible exception of the Shadow Lane SIMS Lab fee. He felt that the programs to be operated within the Shadow Lane facility were so important to the Health Sciences System concept that if the Board were to determine it was not a permissible fee, he would then request that the Board suspend its current policy for a period of two years.

Regent Leavitt asked Executive Vice Chancellor Klaich if the School of Dental Medicine fee was also within the Board's policy. Executive Vice Chancellor Klaich felt that it was.

Regent Leavitt moved approval of all fees with the corrections presented by WNC and UNLV, with the two fees identified by CSN withdrawn, and to address separately the fees for the Shadow Lane SIMS Lab and the UNLV Dental School. Regent Knecht seconded.

Regent Geddes noted that in April when an increase for the dental and medical school programs were approved, the Board was assured those increases were enough. Now the School of Dental Medicine is requesting more money. He would like to see one increase that covers the program's needs instead of several smaller requests at different times. Executive Vice Chancellor Klaich felt that the increase approved in April was for the School of Dental Medicine tuition which was already at a level that was competitive with other schools and that particular discussion was not applicable to special fees. He understood the Board's distaste for raising fees, but felt that discussion was related to tuition only. Mr. Bomotti further clarified that the discussion in April was for the registration fees and tuition. This request is associated primarily with consumables associated with the program. Regent Geddes understood the difference in the requests but felt that increases should be requested at one time.

Regent Crear personally felt that each special fee needed to be scrutinized individually. To group them into one request did not provide him with a level of confidence. His impression was that for these fees to be on the list they were very important but yet two were just withdrawn. He felt it would be worth his time to review each and every fee in the Budget and Finance Committee and receive justification for each. He would not support raising broad based fees without having complete and total knowledge for why each are necessary.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Regent Sisolak expressed his complete agreement with Regent Crear. He stated that the request included approximately 124 fees, not including room and board fees. With regard to UNR's MUS 234 Recording Techniques and Midi II class, he noted that the rationale indicated that "the fee will be used to staff the music computer lab during extended hours to accommodate the additional student load." He asked how that could not be considered a staffing fee. UNR Provost Johnson explained that the fee was for staffing necessary to run the lab equipment. Regent Sisolak asked how that fits under the definition as allowable. UNLV Provost Johnson replied that students entering the lab are provided individual instruction.

Regent Sisolak asked if the definition was being stretched to the point that every lab fee would be classified as individual instruction so that fees could be applied to staffing. He also noted in regards to educational internships, GBC has requested to charge $1,600 while UNR states the cost is really $1,900 but are only charging $250, and asked how that number was determined. President Glick explained that UNR wished to keep the fee in line with UNLV's College of Education which currently charges $250 for individual, one-on-one, instruction. UNR Provost Johnson indicated that $250 is exactly the stipend that is paid to the student teacher supervisor in the school system.

Regent Sisolak noted that for summer school registration, the $3 per credit charge applied to all institutions except for UNLV, which has proposed $10 per credit. He requested justification for the difference. UNLV Provost Smatresk explained that their institution is in the process of separating state and non-state funded programs currently in the Outreach College. He has told the Outreach College that by next year they need to operate entirely on non-state funds. This represents the funds that are needed for UNLV to run its summer session without state funds in the mix.

Regent Sisolak expressed concern that fee increases are requested in small increments every year. He felt that the fees represented a significant amount in fee increases that are being passed on to the students without justification. He noted that even fuel charges have been requested although the cost of fuel is coming down. He felt that the legislature may perceive this as a way to circumvent the letter of intent. Whether that was true or not, he felt that was what the Legislature would think and in the spirit of cooperation this was not a wise thing to do and was very poorly thought through.

Regent Knecht felt it would be more useful to determine if these fees were sensible pricing. There has existed an extensive system of subsidy. Although the request is imperfect, he felt that what the institutions have brought forward is a good faith effort to move toward more efficient and more equitable pricing.

Regent Alden respectfully disagreed with Regent Knecht. The Board of Regents has an obligation by State statute to set policy including the setting of tuition and fees. It is the Board's job to review all of the pages, no matter how many. He felt that review was incumbent upon the Regents through the Budget and Finance Committee. Although he does not completely agree with Regent Sisolak's comments, he feels the list of fees deserve more time for thoughtful consideration.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Regent Crear did not apologize for his statements, adding that he did not have to settle for an imperfect system.

Regent Knecht called a point of order and stated that his comments had been mischaracterized.

Regent Crear called a point of order, feeling that Regent Knecht had called an inappropriate point of order.

Chief Counsel Patterson advised that Regent Knecht's initial point of order was not an appropriate use of a point of order.

Regent Crear continued that the Board should scrutinize each and every fee on the students' behalf.

Regent Anthony requested clarification of the process to determine what fees are presented to the Board for approval. Executive Vice Chancellor Klaich explained that the fees originate at the campus level and he would defer to the presidents to explain their process. However, once the fees are presented to System Administration, they are reviewed by the Finance Department for proper categorization. System Administration does not consider the institutions' specific justifications at that point.

Regent Rosenberg added that when an instructor determines that an existing fee is no longer covering the operating expenses, the issue is reviewed by the department to determine if the item can be purchased in bulk at a cheaper rate. The department then signs off and the department chair prepares a request that is submitted to the dean. Upon the approval of the dean, the request is passed to the provost and then ultimately through five or six different layers of approval.

Vice Chancellor Reed confirmed that, in his experience, the process explained by Regent Rosenberg was accurate. When he receives the fee requests, he reviews them to ensure that each submission fits the language of the policy or the institution is contacted to seek any clarification.

President Ashley stated that the process is not replicated exactly from campus to campus. However, he related that there is real consultation with the student body representatives and asked UNLV Provost Smatresk to provide further explanation. UNLV Provost Smatresk stated that the process outlined by Regent Rosenberg is more or less accurate. However, at UNLV there is an additional step in that there is a Fee Committee that is represented by members of the faculty senate as well as from the graduate and undergraduate student body. They also require the dean of each unit to consult with the students that will be impacted by the fee and obtain written responses from those students. Once that is resolved, the request is submitted to Vice Chancellor Reed's office and there is a further review between System Administration and the units.

Regent Whipple entered the meeting.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Ms. Jessica Lucero, GPSA President, UNLV, agreed with UNLV Provost Smatresk's statement and assured the Regents that there was student involvement in the process.

Regent Crear asked if the student representatives ever rejected the fees or if they tended to just approve the fees as presented by the university's administration. Ms. Lucero related that the GPSA Treasurer sits on the Fee Committee and there had been one of the graduate student fees that were initially turned down. She indicated that the student body representatives felt comfortable to disagree with the UNLV administration.

Mr. Crowell stated that he also sits on the Fee Committee and there have been several instances when the student representatives have not agreed with proposed increases.

Mr. James Stokely, Student Senator, TMCC, agreed with Regent Crear that the students need the Board to stand up for them. There were few student representatives in the audience that day, as opposed to the previous day, and they needed the Regents to examine the fees and make proper recommendations based on good understanding.

Regent Sisolak expressed concern that there are times when perception is more important than reality. He felt that some of these fees could be more appropriately classified as tuition. If this discussion had occurred when the students had been present the previous day, he felt they would have made comments. If the fees are justified then there are no issues. However, he agreed with Regent Crear that each fee needed to be thoroughly vetted.

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

Executive Vice Chancellor Trevisan explained that the requested fees for the Shadow Lane SIMS Lab will provide the opportunity to train third and fourth year medical students and nurses in a state-of-the-art facility. For the School of Medicine, the proposed fee is $577 to be applied to third and fourth year medical students. For the UNLV and NSC School of Nursing, the proposed fee is $300 per course.

Executive Vice Chancellor Trevisan indicated, initially, the funding had been included as part of the budget enhancement request. However, given the current budget situation, it became necessary to turn to the students to provide the resources necessary to open the facility. He expressed concern that without the Board's approval for this type of funding, the project will lose the funding that has already been committed. He requested that the Board suspend its current policy for a period of two years in order to implement the fee so that the facility can be opened and training provided. He felt that the fee could be reevaluated appropriately after that period of time.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Regent Leavitt moved approval to suspend the Board policy to allow a fee to be imposed for the Shadow Lane SIMS Lab and to approve the requested fee with the fee to sunset after two years. Regent Rosenberg seconded.

Regent Crear asked if there was uncertainty as to whether this fee was allowed under the current policy because of the staffing issue. Executive Vice Chancellor Klaich stated that was correct, adding that there is no way of supporting this program with the combination of state, private and foundation money that has been raised to-date. This fee is being requested because there is no other alternative. It is recognized that this fee may not clearly be within the current policy and that is why a two year suspension of the Board's policy, to sunset after that time, is being requested because it is hoped that state funds will be received to support this program in the next biennium.

Regent Crear felt that the motion should state that at the end of the two year suspension, a definitive definition of the fee's status will be determined. Executive Vice Chancellor Trevisan felt that two years would allow enough time to look for potential alternative sources of funding.

Regent Rosenberg felt that more and more technicians would be necessary to help run education because it is impossible to lecture and take care of the equipment at the same time. His objection to the motion was that the policy itself is not clear.

Regent Gallagher felt it was critical to the project to provide the two year suspension of the policy.

Regent Geddes requested a better explanation of the specific staff and training this fee would provide. Executive Vice Chancellor Trevisan replied that the sophisticated computerized equipment requires the need for both information technology and simulator technicians.

Regent Sisolak thanked Executive Vice Chancellor Trevisan for being upfront about the purpose of the requested fee. He asked if the money received from this fee would go directly to the Health Sciences System. Ms. Marcia Turner, Vice Chancellor and Chief Operating Officer, Health Sciences System of the NSHE, explained that NSC, UNLV and UNR have identified their portion of the program-level fee to be assessed to their students, therefore retaining it on the individual campuses. The fee will not pass through the Health Sciences System.

Regent Sisolak asked if the entire fee identified by each institution would be going to the project or if there was a surcharge or an administrative fee being retained by the Health Sciences System. Ms. Turner indicated that there is a detailed budget contained in the reference materials, adding that the fee will go directly to pay for the identified positions through the individual institution's budget process.

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

Regent Sisolak asked if this complied with the letter of intent. Executive Vice Chancellor Klaich felt that the intention of the student and special fees was for when there are additional identifiable costs related to the cost of instruction above and beyond normal registration fees. He felt that in this case the fee is correct and defensible. Part of the discussion that the Chancellor has led with leadership in the Legislature is that there needs to be a review of the tuition and fee policy, as well as the entire compact with the State, so that everyone understands what is being charged.

Motion carried.

Executive Vice Chancellor Klaich assured Regent Crear that before the two year suspension elapses, policy will be developed that will deal specifically with this fee. Regent Crear asked how that could be included in the motion. Chair Wixom requested that an amendment be made to the initial motion.

Regent Sisolak asked if the Board first needed to vote on the suspension of the policy before voting on the fee itself. Chief Counsel Patterson stated that when two items have been included in a single motion, any member of the Board could object and the items would then be treated separately. However, in this case, there were no objections so both parts were approved in the same motion.

Executive Vice Chancellor Klaich asked Regent Crear if the follow up motion would indicate that upon the sunset of the two-year suspension, that staff returns to the Board with appropriate policy language for how to deal with the Shadow Lane SIMS Lab fee on an ongoing basis. Regent Crear felt that the policy needed to be reviewed in terms of that specific fee but also in general. He did not want to wait two years for that discussion to occur.

Chair Wixom asked Regent Crear if it would be acceptable to address that issue as a separate item on a future agenda. Regent Crear consented.

Executive Vice Chancellor Trevisan expressed his appreciation and gratitude to the Board for their flexibility with this issue.

Dean West stated that she had met with each of the first year through fourth year classes, of which only one student expressed concern. She explained that she had not understood that this request should have been presented to the Board at the April meeting at the same as the request for the tuition increase. She related that the School of Dental Medicine does subsidize the cost of this equipment *($1.5 million in the last year)*.

Regent Geddes asked from where the subsidy was being taken. Dean West explained that the subsidy is taken from either clinical or state funds. In 2002, it was thought to be enough but should have increased 10% for inflation annually. Regent Geddes asked if the monies have been pulled from other areas as the costs have increased. He expressed concern for taking funds from one fee category and putting into another, and asked why

12. Approved - *Procedures and Guidelines Manual* Revision, Special Student Fees *(Agenda Item #15) – Cont'd.*

the entire sum could not be included in the cost of tuition. Dean West related that this was the model used by most of the dental schools and actually saves the students money because it allows the school to provide bundled equipment.

Regent Leavitt moved to approve the UNLV School of Dental Medicine fee as presented. Regent Whipple seconded. Motion carried.

The meeting recessed at 10:26 a.m. and reconvened at 10:46 a.m. on Friday, December 5, 2008, with all members present except Regents Leavitt and Schofield.

18. FY 2008-2009 and FY 2009-2011 NSHE Budget Discussion

18.a. Information Only - FY 2009 Additional Budget Reduction *(Agenda Item #10.a.)*- Chair Wixom announced that a Special meeting of the Board of Regents would take place on December 12, 2008.

Executive Vice Chancellor Klaich related that there have been many discussions with respect to the special memorandum from the Governor potentially requesting additional budget reductions of 4%, 7% and 11% in the current fiscal year. The Economic Forum had met earlier that week to set forth the forecast for the remainder of this year which showed a revenue shortfall in the mid-$300 million. The leadership of both houses of the Legislature has been meeting with the Governor to cobble together a methodology to get through the remainder of this fiscal year and the beginning of next without further damaging current services. Prior to the Economic Forum, it was indicated that if the revenue shortfall remained in that mid-$300 million level, there was a good possibility for a plan that would not involve operating cuts to the NSHE. There may be some one-time money that will be lost. However, it does not appear that the presidents will be asked to prepare for operating cuts. He cautioned that there is an element of speculation in his comments. The Governor has called a special session of the Legislature next Monday and Tuesday. The results of the special session will be reported at the special Board of Regents meeting now scheduled to occur on December 12, 2008.

18.b. Information Only – Discussion of 2009-2011 NSHE Biennial Budget *(Agenda Item #10.b)* - Executive Vice Chancellor Klaich related that the preparation of the next biennial budget needs to be made with the basic premise that there are many solutions that the State has and all of those solutions need to be considered. However, it is understood that the budget needs to be prepared on a methodology, and that methodology needs to take into account the possibility that budget cuts will occur. It also needs to be understood that the existing budget processes and formulas have never been tested in the currest financial situation and that they are very complex. There are also different institutions in different situations. There is also an enormous respect among the institutional presidents that have done a great

18. FY 2008-2009 and FY 2009-2011 NSHE Budget Discussion – *(Cont'd.)*

18.b. Information Only – Discussion of 2009-2011 NSHE Biennial Budget *(Agenda Item #10.b)* – *(Cont'd.)*

deal of work over the last month to build a budget that allows us to bring forth a System presentation. It has been agreed upon that the System must have a system approach to how the budget is developed and that it must be led by the Board, Chancellor and presidents and that it is critical that the methodology be agreed upon by all. Unfortunately, due to the complexity of those relationships, a recommendation would not be available until the special Board meeting on December 12, 2008.

19. Action deferred for 60 days - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12)* - UNR President Milton D. Glick presented a progress report relative to the Fire Science Academy as directed by the Board of Regents. *(Handouts on file in the Board office.)* The Board approved deferring the decision on the FSA for 60 days (until the February 2009 Board meeting).

President Glick related that in 1999, the decision was made to move the FSA from Stead to Carlin, Nevada. Shortly after his appointment, he learned of the situation and placed a very high priority on dealing with the burden the facility presented to the University. In 2000, the FSA in Carlin closed due to construction issues. In 2002, upon the recommendation of former President Lilley, the Board voted to reopen that facility and at the same time implemented a fee on every UNLV and UNR student which over time would increase to $6.50 per credit hour.

Regent Sisolak called a point of order, questioning that the fee was also imposed on the UNLV students. President Glick explained that the $6.50 student surcharge at UNR was dedicated to the FSA, but the $6.50 student surcharge at UNLV was dedicated to other UNLV capital needs. None of the UNLV student surcharge was being used to pay down the UNR FSA debt. Vice Chancellor Nichols added that at the time it became apparent that student fees would have to be used to support the FSA, the Board took a very clear position that it did not want students at UNR to be charged more than students at UNLV.

President Glick continued that since that time, the FSA has operated in the black only one year which was consistent with its business plan. The current status is that there is a capital debt of $27.1 million presently being serviced by the $6.50 per credit hour student fee. The FSA has also accumulated an operating debt of $12 million, for a total debt of $39.1 million. The cost to shut the facility down has been estimated at $3.5 million.

President Glick reported that one and half years ago, he convened a blue ribbon committee that concluded the facility must be shut down unless there were new revenue streams to offset the costs. Since August, there has been a Stakeholders Taskforce working to create a financial sustainability plan. That taskforce includes representatives of the oil industry, the mining industry, the City of Elko, Elko County, firefighting organizations as well as others. They have presented to him a three-year bridge plan in which those entities would provide $3.3 million. The stakeholders group has anticipated an additional $1.5 million in federal monies. He could not affirm if those monies were available.

19. Action deferred - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12) – (Cont'd.)*

In August, the Board set a decision date of this meeting, which he had been prepared to make his recommendation. However, a new potential opportunity has recently been revealed. He related that in the last federal budget, Congress appropriated approximately $11.5 million in the military construction account to begin to fund a new National Guard Readiness Center at the Elko Municipal Airport. That would release the land that the current Readiness Center is on adjacent to GBC, which GBC would like to have. The cost to build the new Readiness Center is $25 million and would be approximately 40% of the size of the FSA. The funding for the Readiness Center included the $11.5 million already appropriated federal funds, an additional future federal appropriation of approximately $6 million, and an $8 million match by the State of Nevada.

When this project was discovered, UNR began to work with Mr. Gus Nunez, Director of the State Public Works Board, Governor Gibbons and his staff as well as Adjutant General Kirkland of the National Guard to see if, instead of constructing a new facility, the National Guard would be able and willing to either acquire the FSA or to co-locate. That would include the potential acquisition of the facility, and some type of lease arrangements so that the facility could continue to serve the fire science community as well as the National Guard. This would save the need for the second appropriation of federal money, it would reduce the demand for the $8 million of State appropriations, it would speed up the existence of the new Readiness Center because there is already an existing facility that only needs to be modified and it would free up the land that GBC wants. They do not have an official word from the National Guard. Senator Reed would not commit to the legislation that redirects the federal money but indicated he is open to discussion. The Governor has a meeting with Adjutant General Kirkland in the next two weeks. UNR feels that this opportunity would save the State money, would help the university and reduce the call on federal funding.

The Governor has written the Board Chair, requesting that the decision on the FSA be deferred for 60 days so that he may continue to pursue potential opportunities. President Glick recommended that the Board honor the Governor's request for an additional 60 days.

Regent Geddes asked if the stakeholders' plan or the Governor's proposal had been reviewed by the blue ribbon advisory group. President Glick stated that while he has discussed the developments informally with the advisory group he has not reconvened the group due to the rapidly changing information. If the additional 60 days is granted, he would reconvene that advisory group.

President Glick introduced Mr. Pat Peavler, World Wide Corporate Management Emergency Response, ConocoPhillips Houston, and Chair of the FSA Stakeholders' Taskforce. Mr. Peavler introduced other stakeholders that were in attendance and provided the following presentation *(full presentation on file in the Board office)*.

19. Action Deferred - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12) – (Cont'd.)*

- FSP Goals:
  - Long Term Financial Sustainability:
    - Eliminate Future Operating Losses.
    - Create a Deferred Maintenance Fund.
    - Reduce the Accumulated Operating Deficit.
  - Provide Positive Economic Benefits.
  - Grow a Cutting Edge National Training Resource.

Mr. Peavler related that the Stakeholders' Taskforce is comprised of clients and representatives from the local and regional Elko infrastructure. As a team they represent their shareholders' and constituents' interests by using their areas of expertise to develop or influence long term strategic solutions to complex issues. The Fire Science Academy is one of those issues. They understand the emergency preparedness and educational issues provided by the FSA benefit both private and public sectors throughout the country and should not be the sole burden of the State of Nevada, the University of Nevada, Reno, or its students. They understand the directives and goals of the Board of Regents and of President Glick. The Shareholders Taskforce believes that the plan submitted that day addresses those concerns.

The plan includes new dollars from increased tuition from clients that currently utilize the facility, local economic development sources and partners not previously associated with the FSA. The plan will create a capital replacement fund to support major maintenance projects required to keep a facility such as the FSA in working order and to be able to update and modify the facility to meet client suggestions and requests. The plan will contribute to paying down the accumulated operating debt. For the FSA to be a viable part of the University, it must relieve the debt burden it currently represents. The plan includes elements that not only provide immediate impact to sustainability but an environment of growth that would not have been possible except through the support and efforts of the stakeholders.

The plan elements will allow the FSA to reach and serve new clients through curriculum services and technologies such as emergency response by the public sectors to alternative motor fuels increasingly required by state and federal environmental mandates. During the review of the Berkshire Bridge Capital Report, it was recognized that the FSA holds 35% of the total industrial fire training capacity. The quality, flexibility and sheer size of the facility is overshadowed by only one other training organization in the world. With the plan, the facility would not maintain status quo but continue to exceed the evolving expectations of the industrial emergency response community. The plan would also reinforce the efforts to serve the public sector agencies and departments that most commonly respond to flammable liquid and gas incidents throughout the country.

Mr. Peavler indicated that the difference between this plan and others that the Board has heard before is that the interim financial support includes support from industry, both mining and petrol chemical, in the form of increased tuition and corporate giving. The Elko community benefits from the clients of the FSA through airport usage, hotel rooms,

19. Action Deferred - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12) – (Cont'd.)*

rental cars and dining. Vendor supplier relationships have not been utilized to the extent seen at peer organizations. That support would be in the form of supplies, equipment and donations in return for networking opportunities and commercial recognition. Through partnerships, the plan enhances current class offerings through certification and curriculums currently available only from Texas A&M but not accessible at UNR due to jurisdictional issues. Texas A&M and UNR are currently engaged in planning class offerings and synergy will be realized in the very near future. As mentioned previously, the service provided by the FSA benefits a much broader base than the residents of Nevada. Precedent is set and jurisdiction justification made for federal funding to organizations that provide critical infrastructure to public safety and commerce entities.

- Three Year Plan – Implement the elements of the FSP to ensure stakeholder goals are met:

Corporate Giving	$2.2 million
State & Local Funding:	$317,000
Sponsorships:	$325,000
Partnerships:	$190,000
Tuition Increases:	$297,000
Elko Federal Appropriation:	$1.5 million
Federal Funding:	*(intentionally left blank)*
Total Plan Contributions during First Three Years:	$4.80 million

- Finances:

Goal	Estimated
Eliminate Operating Losses	$400,000
Deferred Maintenance Fund	$1.80 million
Operating Deficit Reduction	$3.06 million
Total Plan	**$4.80 million**

- Federal Support:
  - Why Do We Believe This Is Possible?
    - Consortium Based Model
    - The FSA is Critical National Infrastructure
    - Broad Based Support
    - Powerful Multi-state Delegations
    - Renewed Interest of the Nevada *(Congressional)* Delegation

Chair Wixom requested confirmation that $3.3 million was coming from the consortium and $1.5 million was in the form of one-time federal appropriation. Mr. Peavler indicated that was correct at this time. Long-term federal funding will be the consortium's approach. For clarification, Chair Wixom asked if the consortium would seek long-term federal funding after the initial $1.5 million appropriation has been applied. Mr. Peavler clarified that the consortium will be seeking federal funding for $1.5 million annually.

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Regent Dondero asked for how many years. Mr. Peavler indicated that it would be long-term with no sunset at this time, much like the current domestic preparedness consortium

Chair Wixom sought clarification that there would be an initial upfront injection of $4.8 million within three years and then $1.5 million annually thereafter. Mr. Peavler stated that was correct.

- Decision Tree:
  - Costs Associated with Implementing the Plan:

Item	Close Academy	Implement the FSP
LT Debt	$27.1 Million	$27.1 Million
Op Debt	$12.0 Million	$8.9 Million *($3.1 Million repaid)*
Def. Mtc.	N/A	Paid under Plan
Op Losses	N/A	Paid under Plan
Closure	$3.5 Million +	N/A
Total:	$42.6 Million +	$36.0 Million, Possibly less

- Together, A Win-Win Scenario:
  - No financial risk to the University during bridge period to a federal answer:
    - No downside risk.
    - Opportunity for substantial upside gain.
  - Limited Timeframe – 3 years.

- Implementing the FSP Accomplishes the Goals:
  - For the University: - eliminates operating loss risk, builds a deferred maintenance fund and repays a portion of the operating debt. Provides a potential for further debt payment in future years.
  - For the Industry – provides for program investment and ensures training capacity.
  - For the Elko Community – provides continuing economic benefits.

Mr. Peavler stated that the Stakeholders' Taskforce understands the new and interesting opportunity being explored by UNR and the National Guard. However, there are elements of the plan that can be initiated immediately regardless. The Stakeholders Taskforce requested approval of the plan as presented.

Regent Leavitt was impressed with the thoroughness of the report but felt that the federal funding was not solid. He had considered this very carefully and felt there was very limited downside and substantial upside. He noted that there had been substantial progress and that the situation was being taken seriously. As a courtesy to the Governor, he felt the 60-day delay could be granted.

Regent Leavitt moved approval of a 60-day delay.
Regent Rosenberg seconded.

19. Action Deferred - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12) – (Cont'd.)*

Regent Geddes appreciated that the federal funding was anticipated. However, because it was not currently committed, if it were to be taken off the table, the remainder of the $3.3 million would cover the $2.2 million deficit and leave $1.1 million for debt repayment if the federal funding is not received. Mr. Peavler clarified that the initial $1.5 million is not the long-term federal funding being sought.

Chair Wixom stated that the Board is being asked to approve a long-term plan based on commitments. However, the Board needs to understand the nature and length of those commitments.

Regent Geddes stated that if it is assumed that the $1.5 million does not come in, would the $3.3 million over three years be there so that the Board could make a decision that day and be confident the plan going forward will pay down some of the debt. Mr. Peavler confirmed that the remaining $3.3 million is not dependent on federal appropriations.

Regent Alden stated that he would not be supporting this initiative, adding that even if the $3.3 million appeared tomorrow, it would not even put a dent in the debt. He urged the Regents not to approve this recommendation.

Regent Dondero asked, when considering what this might bring to the state, why some of the other agencies such as the Nevada Test Site would not be a part of this.

President Glick clarified that he was not asking the Board to approve the stakeholders' plan, but rather to defer their decision for 60-days.

Mr. Peavler replied to Regent Dondero's question that the Nevada Test Site was a player in the current federal consortium for domestic preparedness, which the stakeholders are seeking possible inclusion of.

Regent Crear asked what ConocoPhillips' interest was in the FSA. Mr. Peavler replied that ConocoPhillips is a major client of the FSA. Regent Crear felt that most of the anticipated funding was questionable. He noted that corporate giving was down in the midst of corporate peril. It was not clear what the state and local funding consisted of. Sponsorship numbers were way down in the midst of economic crisis. He felt that it may be difficult to have a request for increased tuition passed by the Board. He asked if the corporate giving was guaranteed. Mr. Peavler stated that they have already received commitments for $2.2 million in corporate giving. However, the tuition increase was something that the FSA has authority over.

Regent Crear asked if tuition increases did not have to come to the Board. Vice Chancellor Nichols clarified that the charges for self-funded programs do not come to the Board, adding that those courses were not for academic credit. Regent Crear stated that the Board is carrying the operational debt but has no control over whether the tuition is increased. He asked how it could be called a self-sustaining program if the debt is on the System. His second issue was that in October, the Board was told that there was sufficient time for a solid proposal to be presented in December and now the Stakeholders' Taskforce presents a plan that is not solidified and requests two additional months. He was not sure how the Board could be asked to keep this roller coaster going.

19. Action Deferred - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12) – (Cont'd.)*

President Glick stated that the FSA would not close before July 1, 2009, due to contract commitments. A decision in two months would not change that date. He clarified that his request for an additional 60-days was due to the National Guard option and the Governor's request, which had not been on the table in October.

Regent Crear asked if the delay was not approved, would the Board then be discussing the potential closing of the facility. Chair Wixom clarified that there were two issues. The first was the plan presented by the Stakeholders' Taskforce and the second was the Governor's request to delay a decision by 60 days to address the National Guard proposal.

Regent Crear felt that if it would not affect the operating cost to delay a decision for 60 days, then he did not understand why a final decision could not wait.

Regent Geddes indicated that he would also support the plan if verification of the financial commitments existed. He felt that not approving the plan would be a missed opportunity to begin to pay down some of that debt and to eliminate the $6.50 student surcharge, or to start using that surcharge for other student-related purposes on the main UNR campus. His instinct is to close the facility but if this opportunity was lost, then so would the opportunity to eliminate the student surcharge. He indicated his support for delaying the decision.

Regent Sisolak stated that sometimes you just have to recognize that a bad decision was made and then compounded by further bad decisions. When the land in Stead was sold, he had urged the Board to apply those funds to this facility but the Board would not support that. This facility was not part of the System's mission. The System entered into this enterprise with the idea of generating revenue and it just has not worked out.

Regent Sisolak said that he had requested some information from UNR regarding the capital debt, operating and construction account balance, as well as federal and state support to-date *(handout on file in the Board office)*. He stated that the FSA is being subsidized by state O&M funds at $900,000 per year. He asked where the approximately $10 million indicated for debt repayment would come from. President Glick replied that right now it showed as a paper loss which needed to eventually be paid back. In 60 days he will be bringing a request to the Board to use property acquisition funds or to sell more water rights if necessary to clear that almost $12 million deficit. At this time he could not find enough money to clear the $27 million capital debt deficit.

Regent Sisolak felt that in 60 days there would be further requests for more time and the delays will just perpetuate. He commended President Glick for being proactive and the students for being patient in dealing with this. He noted that the current students had been in second or third grade when the Board of Regents made a bad decision. For the UNR students, the $6.50 per credit hour surcharge meant they were paying $100 per student per semester.

Regent Knecht felt that this had been a mistake from the beginning. He understood the problem and appreciated the efforts of the Stakeholders' Taskforce. However, he agreed that the losses needed to be cut. He also thanked President Glick for fine job in trying to resolve the situation. In acknowledging it was a mistake, and in the essence of moving

19. Action Deferred - Fire Science Academy *(FSA)*, UNR *(Agenda Item #12) – (Cont'd.)*

forward to minimize further risk and cost, he would support the delay requested by Governor Gibbons and Adjutant General Kirkland. However, if a solution was not made within 60 days, he will then vote to take whatever action is necessary to get out of it.

Regent Rosenberg related that the original proposal was made in good faith. The System is not alone in this endeavor and there is an entire region of the state that is asking for time. If nothing can be done, then he fully expects the Board to resolve the situation. He indicated his support for the motion.

Regent Gallagher felt that for the first time there had been a plan presented that could be viable. She stated that if it does not work in 60 days, she would vote with the other Regents to close the facility.

Regent Crear felt that out of respect for the Governor, the Board should comply with the request for an additional 60 days.

Chair Wixom stated that it was one of his objectives during his term as Board Chair to bring resolution to this issue. He had great respect for the Governor's request. However, he wanted everyone to clearly understand that he will support the additional delay strictly because of the National Guard proposal. He still had a number of questions regarding the source and commitment of funds before he could consider the stakeholders' plan as a viable option. He did not want his vote in favor of the delay to be construed as an endorsement of the stakeholders' plan.

Regent Crear asked for the motion to be repeated. Chair Wixom restated the vote as being to extend the matter for 60 days to the February 4-5, 2009, Board meeting to allow time for the National Guard proposal to be fully investigated.

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

President Glick thanked the Board for the additional time, the members of the Stakeholders' Taskforce for taking the System's position very seriously and the Governor for taking this on as an important charge to seek resolution. He thanked Regent Sisolak for keeping this in the forefront.

Chair Wixom asked Mr. Wasserman to prepare a formal response to Governor Gibbons notifying him of the Board's action that day.

The meeting recessed at 12:00 p.m. and reconvened at 12:18 p.m. on Friday, December 5, 2008, with all members present except Regents Alden and Leavitt.

20. Information Only - Public Relations, Branding Marketing and Recruitment Efforts, NSC and UNLV *(Agenda Item #20)* - Representatives from NSC and UNLV provided an overview of their current and planned public relations, branding, marketing and recruiting efforts. (*Refs. H-1 and H-2 on file in the Board office*).

Regent Crear related that he had found that, other than CSN, the institutions could be doing much more to get their message out to the public. The institutions have never presented their marketing plans to the Board and he felt that was necessary.

Mr. Spencer Stewart, Associate Vice President of College Relations and Dr. Lesley DiMare, Provost, NSC provided a presentation on NSC's marketing priorities, market research and FY 09 initiatives *(Ref. H-1)*.

Regent Crear acknowledged that NSC is doing everything possible within their financial constraints. He asked, in regards to building their website, have they spoken with their consultants regarding Search Engine Optimization *(SEO)*. Mr. Stewart replied that there have been significant internal conversations with their web building firm regarding SEO and felt that their site's ranking will be fairly high.

Regent Crear noted that NSC's web building firm was not located within the state of Nevada and felt it was very important to utilize in-state companies whenever possible. He requested that NSC include information on their home site to promote the opportunities available to work with NSC.

Regent Sisolak was still concerned that the students were not considering NSC as an option because they simply are not aware of it. Mr. Stewart related that they recently initiated a few large scale advertising campaigns with one-time funds and attempted to spread those funds around to non-Henderson communities. He stated they would take Regent Sisolak's comments to heart and step up their recruiting efforts. NSC currently has three recruiters that cover approximately 40 high schools. However, an Associate Vice Provost of Enrollment Management and Recruitment had just been hired and will also assist with these efforts.

Regent Sisolak suggested that a student at NSC should function as an ambassador to go into the high schools and establish a more instant connection with the students. NSC Provost DiMare replied that their new Associate Vice Provost of Enrollment Management and Recruitment will be focusing on student ambassadors that will travel with him and the recruiters to the local high schools.

Regent Crear felt NSC needs to find a way to differentiate itself from CSN. The higher education market is very competitive. Institutions that place a significant amount of money into their campaigns take the students away from local institutions, which in turn impacted the formula funding. The System is competing with out of state institutions that are looking at higher education as a business.

20. Information Only - Public Relations, Branding Marketing and Recruitment Efforts, NSC and UNLV *(Agenda Item #20)* – *(Cont'd.)*

Chair Wixom related that he has referred children of friends to NSC. He asked how successful their recruiters had been with developing a relationship with the high school counselors. NSC Provost DiMare felt there had been great success this year. She related that there have been three meetings this year with counselors from across the state coming to NSC to meet with the college's advisors, recruiters and faculty. They also hold breakfast events with high school counselors. Through their President's initiative, they have also started meeting with Clark County School District once a month to discuss ways in which high school students could be recruited. Chair Wixom asked if those efforts have been helpful. NSC Provost DiMare felt it had been tremendously helpful, adding that as a former high school teacher, it is important for the college to reach out to the high school teachers and counselors.

President Ashley related that over the last year, UNLV has merged all activities that interact with outside constituencies into one unit *(Development and Communication Activities)*. President Ashley stated that Dr. William Boldt, Vice President for University Advancement, has brought a real vision of what that consolidation could achieve in creating a compelling message.

Dr. Boldt provided a presentation on the UNLV University Strategic Communication Plan *(Ref. H-2)*.

In summary, Dr. Boldt related that UNLV is attempting to empower their colleges and units to tell their story with graphic standards and university messaging in mind. They have established a Communications Council that includes 35 representatives from throughout the campus. He stated that Reprographics is located on campus which allows for quality control. The UNLV Media Relations Department generates over 500 articles per year in professional publications, local newspapers and so forth. In marketing, they have been pushing web design to support the best web pages that correlate with their overall web design. The next step will include much more market research, including the development of a strategic marketing plan.

Regent Geddes asked if during the half-time broadcast of sporting events, does UNLV pay for its time or is it donated by the networks. President Ashley replied that those are aired at the cost of the networks.

Regent Whipple complemented Dr. Boldt for his enthusiasm and excitement.

Regent Crear was hoping to see some of those TV commercials during this presentation, noting that he had not seen those methods of advertisement outside of sporting events. Dr. Boldt replied that UNLV has been constrained by the current budget constraints. Regent Crear asked what the overall budget for UNLV is currently. Dr. Boldt replied that overall, the budget is $25 million for communications, reproduction graphics, marketing and media relations and approximately $4 million for operations.

20. Information Only - Public Relations, Branding Marketing and Recruitment Efforts, NSC and UNLV *(Agenda Item #20) – (Cont'd.)*

Regent Crear asked if branding efforts occurred out of state. Dr Espinoza replied that their out of state efforts were very limited, and occurred in a dated style such as participation in national recruitment fairs, visiting high schools and building the institution's ability to interact with students on-line.

Regent Crear asked how UNLV would attain its plan to gain national recognition as a research institution without a national promotion campaign. Dr. Espinoza replied that right now they have benefited from unsolicited interest from out of state students due to friends or relationship with alumni. They are hoping to become more proactive and responsive to student groups. Regent Crear asked if UNLV knew what the perception of its institution was. Dr. Espinoza related that it was very interesting. When talking to out-of-state students, they speak of specific programs they are interested in, such as the Hotel College. However, when speaking with students from California, those students talk about UNLV's wonderful reputation. They have a much more positive perception from out-of-state students than in-state students. Many in-state students are fighting against the perception that they want to go to college out–of-state, which is a common challenge in other states as well.

Regent Crear related that he had lived in the Las Vegas community for most of his life and felt that there was a perception about UNLV that it needed to overcome. That perception can only be changed by the university itself. The creation of great collateral materials is fantastic but how are those materials distributed and does the institution have a presence on websites that students use to communicate *(Flicker, My Space, Facebook and so forth)*. Although the current budgets are short, there was no reason to have a zero media budget. He noted that CSN manages to have a budget for print, radio, television and other grass roots efforts. He felt that it was indicative that they have one of the highest populations of any institution in the nation. He does not understand why the larger research institutions have a zero media budget. Any other $525 million company would not be operating in that manner. Dr. Boldt stated that there are more than state funds available and they must become more creative in obtaining more advertising dollars. The reason that these collateral materials were developed was so that UNLV's alumni association would have the tools necessary to get the word out. Regent Crear said that it was highlighted throughout the UNLV presentation that many programs have been created but are not known of. He stated that great things could be done all day long but unless the message gets out, no one will ever know.

Regent Crear stated that the television advertisements created for athletic events were of high quality. However, some of the other advertisements were not. Dr. Boldt related that is why they have established the Communications Council and within two years many changes will be seen.

Regent Schofield related that five years ago, the University of Southern California was able to raise $3 billion. Their campaign was so successful that a year later, the goal was set at $6 billion. They were able to raise that level of money because of their strong alumni association.

21. Approved – Election of Vice Chair *(Agenda Item #21)* - In accordance with Regents' Bylaws *(Article IV, Section 2)*, the Board elected Regent Geddes as Vice Chair for the remainder of FY 2008-2009, to assume the office upon the seating of the newly elected members of the Board *(effective January 6, 2009, through June 30, 2009)*.

Chair Wixom opened nominations for Vice Chair.

Regent Schofield nominated Regent Alden.

Regent Leavitt nominated Regent Geddes.

No further nominations were made.

Upon a roll call vote, Regents Wixom, Anthony, Crear, Dondero, Gallagher, Geddes, Leavitt, Rosenberg and Whipple voted for Regent Geddes. Regents Alden, Knecht, Schofield and Sisolak voted for Regent Alden. Motion carried.

Regent Alden moved to make unanimous the election of Regent Geddes as Vice Chair. Regent Anthony seconded. Motion carried.

22. Information Only – Farewell to Outgoing Regents *(Agenda Item #22)* - The Board members expressed their gratitude to outgoing Regents for their service to the Nevada System of Higher Education.

Regent Rosenberg presented Regent Dondero with a plaque on behalf of the Nevada System of Higher Education.

Regent Wixom presented Regent Sisolak with a plaque on behalf of the Nevada System of Higher Education.

Regent Anthony presented Regent Whipple with a plaque on behalf of the Nevada System of Higher Education.

Regent Knecht presented Regent Rosenberg with a plaque on behalf of the Nevada System of Higher Education.

23. Approved - Committee Reports - Chair Wixom dispensed with the reading of the reports but entered the reports as part of the record *(See agenda items #26 through #33 for modifications made to the following reports)*.

Audit Committee *(Agenda Item #23)* - Chair Steve Sisolak reported that the Audit Committee met on December 4, 2008, and received the follow-up responses for twelve internal audit reports that were presented to the Audit Committee at its February, April and June 2008 meetings.

23. Approved - Committee Reports – *(Cont'd.)*

Audit Committee *(Agenda Item #23)* – *(Cont'd.)*

Agenda items nos.19-21 relating to the Moss Adams presentation of the NSHE financial statements have been deferred to the February Audit Committee meeting.

Agenda item no.18, NSHE Financial Statements for the year ended June 30, 2008, were deferred to Friday, December 5, 2008, for further discussion.

Chair Sisolak requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the August 7, 2008, Committee meeting *(Ref. A-1 on file in the Board office).*
- Internal Audit Reports - The Committee recommended for approval the following internal audit reports
  (Ref. Audit Summary on file in the Board office).
  - ✓ Computer Network Security Audit, TMCC *(Ref. A-2 on file in the Board office).*
  - ✓ Cash Funds, UNLV *(Ref. A-3 on file in the Board office).*
  - ✓ Grants-in-Aid & Fee Waivers, UNLV *(Ref. A-4 on file in the Board office).*
  - ✓ Grants-in-Aid & Fee Waivers, CSN *(Ref. A-5 on file in the Board office).*

Budget & Finance Committee *(Agenda Item #24)* - Chair Ron Knecht presented a report that the Committee met on December 4, 2008, and heard the following reports:

Self-Supporting Budget to Actual Comparison for fiscal year 2008-2009.

All funds revenues and expenses of NSHE for the first quarter of fiscal year 2008-2009.

NSHE Fiscal Expenditures of self-supporting budgets and the status of state appropriated budgets for the first quarter of fiscal year 2008-2009.

Student association reports of revenues, expenditures and ending account balances for fiscal year 2007-2008.

Agenda item #9, NSHE Peer Institutions, was deferred to the next meeting of the Budget and Finance Committee.

Agenda item #10, 2008-2011 Biennial Budget Briefing, was deferred to the next meeting of the Budget and Finance Committee.

Chair Knecht requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the October 2, 2008, Committee meeting *(Ref. BF-1 on file in the Board office).*
- The Committee recommends approval for the Nevada System of Higher Education to expend excess student registration fees for the purpose of funding additional adjunct faculty and to seek Interim Finance Committee authorization to expend any additional student fee revenues not utilized for adjunct faculty costs, within the state operating budgets for fiscal year 2008-2009 *(Ref. BF-8 on file in the Board office).*

23. Approved - Committee Reports – *(Cont'd.)*

Cultural Diversity & Security Committee *(Agenda Item #25)* - Chair Cedric Crear reported that the Cultural Diversity & Security Committee met on December 4, 2008, and heard a report from Mr. Brian Davie, Legislative Services Officer from the Legislative Counsel Bureau on a recent study conducted by the Nevada State Legislature regarding school and campus safety. Representatives from UNLV and CSN presented information on business contracting practices that are in pace at their respective campuses intended to support diverse businesses and the number of contracts with minority-owned, women-owned and small businesses. The report included policies and practices related to business relationships with interactions with business enterprises owned by minorities, women or person with disabilities. At the Committee Chair's request, legal and program staff will work with EDI to develop a System policy that will address institutional business practices to promote and encourage contracts with businesses owned by minorities, women and person with disabilities. This proposed policy will be brought back to the Committee at the April Board meeting.

The Committee also received a report from Dr. Christine Clark, co-chair of the Equity, Diversity and Inclusion Council, regarding the outcomes of the most recent meetings of the Council. Due to a lack of time, the agenda items concerning hate crimes, the UNLV campus security review, and the UNLV institutional diversity report were deferred until the February Board meeting.

Chair Crear requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the October 2, 2008, Committee meeting *(Ref. CDS-1 on file in the Board office).*

Student & Academic Affairs Committee *(Agenda Item #26)* - Chair Jason Geddes reported that the Student & Academic Affairs Committee met on December 4, 2008, and heard the 2007-08 NSHE Distance Education Report from Dr. Terry Norris, Director of e-Learning at CSN, on behalf of the Distance Education Directors across the System. The Report documents the growth of distance education across the NSHE. Vice Chancellor Jane Nichols presented a report on the importance of adult "Ready Learners" returning to postsecondary education and earning degrees if the workforce needs of Nevada are to be met.

Chair Geddes requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the October 2, 2008, Committee meeting *(Ref. SAA-1 on file in the Board office).*
- Approval to establish the Academic Advising Center at UNLV that will replace the University College and will house the academic advising and student athlete academic services *(Ref. SAA-2 on file in the Board office).*
- Approval to change the UNR Nevada Small Business Development Center to the Business Services Group that will act as an umbrella organization over the Small Business Development Center and other educational and outreach activities *(Ref. SAA-3 on file in the Board office).*

23. Approved - Committee Reports – *(Cont'd.)*

Cultural Diversity & Security Committee *(Agenda Item #25)* – *(Cont'd.)*

- Approval to change TMCC's Division of Arts and Humanities; the Division of Health Sciences and Safety; the Division of Mathematics, Science, Engineering and Technology; the Division of Social Sciences and Business; and the Division of Workforce Development and Continuing Education to the School of Liberal Arts, the School of Sciences, the School of Business and Entrepreneurship and the Workforce Development and Continuing Education Unit *(Ref. SAA-4 on file in the Board office).*
- Approval of the elimination of the following programs at NSC:
  - Bachelor of Applied Science in Construction Management *(Ref. SAA-5 on file in the Board office)*;
  - Bachelor of Applied Science in Engineering Technology *(Ref. SAA-6 on file in the Board office)*;
  - Bachelor of Applied Science in Information Technology *(Ref. SAA-7 on file in the Board office)*;
  - Bachelor of Applied Science in Media Technology *(Ref. SAA-8 on file in the Board office)*;
  - Bachelor of Applied Science in Automotive Technology *(Ref. SAA-9 on file in the Board office)*; and
  - Bachelor of Applied Science in Horticulture Management *(Ref. SAA-10 on file in the Board office).*
- Approval of an Associate of Applied Science in Logistics Management at TMCC *(Ref. SAA-11 on file in the Board office).*
- Approval of a collaborative Ph.D. in Public Health at UNLV and UNR *(Ref. SAA-12 on file in the Board office).*
- Approval of a *Handbook* revision that will align institutional academic master plans with the NSHE Planning Report (*Title 4, Chapter 14, Section 3*) *(Ref. SAA-13 on file in the Board office).*
- Approval of the NSHE Planning Report required by state law.
- Approval of UNLV's Academic Master Plan *(Ref. SAA-14 on file in the Board office).*
- Approval of NSC's Academic Master Plan *(Ref. SAA-15 on file in the Board office).*

Technology Committee *(Agenda Item #27)* - Chair Bret Whipple reported that the Technology Committee met on December 2, 2008, and heard the following reports.

A discussion was held among committee members and staff to update all on the recent developments, current status and the future direction of the iNtegrate project. Discussions included (1) general project progress; (2) campus readiness assessments; and other matters concerning recent work on the project. In addition, reports were presented on plans for funding the institutional implementation of the iNtegrate project.

iNtegrate Project Director Robyn Render discussed the Project Bulletin and October's Monthly Status Report with the committee as examples of project communications for both targeted and broader audiences, providing a "snap shot" of the project progress at any given time.

23. Approved - Committee Reports – *(Cont'd.)*

Technology Committee *(Agenda Item #25)* – *(Cont'd.)*

Robyn Render presented to the committee two readiness assessment reports that evaluated the NSHE institutions for project readiness. CedarCrestone's report included the pilot campuses, University of Nevada, Las Vegas and Truckee Meadows Community College, as well as System Computing Services and College of Southern Nevada. The second report was completed by Moran Technology Consultants and assessed the non-pilot or "co-pilot" institutions: Nevada State College, Great Basin College, Western Nevada College and University of Nevada, Reno.

Robyn Render stated that the readiness assessment reports revealed that the highest risk area was in funding for the iNtegrate project affecting all institutions, but that this was neither a new nor unknown concern to the committee. Further, a summary of executive sponsorship, project communications, project management, business processes/functional activities, training, IT environment/support and staffing/backfill stated low to medium risk to the project across all institutions and was being addressed at those institutions.

Regent James Dean Leavitt asked Robyn Render if she was satisfied with the cooperation from the institutions. Director Render stated she was very pleased with the high level collaboration and involvement shown by the individual institution project leads and campus staff, but acknowledged that decisions would become harder as the project developed.

Associate Vice Chancellor Kenneth McCollum of System Computing Services *(SCS)* reported that the infrastructure team had successfully secured the hardware infrastructure. Director Render acknowledged the superb job the SCS had done on the RFP for acquiring the project hardware infrastructure for an estimated $1 million under budget.

Chief Counsel Bart Patterson commented on the comprehensiveness of the consulting, hardware and software contracts NSHE negotiated. The fixed pricing and locking in of maintenance costs will enable NSHE to predict and manage its technology costs more effectively.

The committee heard reports for funding the institutional implementation of the iNtegrate project. Funding sources discussed included reallocation of existing funds, distribution of investment reserve funds and use of, or increase to, the Technology Fee. Director Render stated that the project implementation budget of $30 million included a shortfall of $10 million. Chair Whipple stated that during the 2007 Nevada State Legislature, the iNtegrate project had been granted $10 million but that with the budget cuts, those funds had been returned to the state. Further, Chair Whipple affirmed that with the economic disadvantages facing the state and the unlikelihood of again receiving funds from the Legislature, and with the deficit of NSHE's own investment fund, finding other revenue source(s) to fund the project was imperative. The current funding on hand covers years one and two of the project, but that by the third year, the project would have exhausted all of its funds.

23. Approved - Committee Reports – *(Cont'd.)*

Technology Committee *(Agenda Item #25)* – *(Cont'd.)*

Director Render stated that recent collaboration with the Business Officers had yielded a more comprehensive view of costs facing the institutions. Further, a financial model had been created where the costs that SCS incurs to support all the institutions were identified and then allocated back to those institutions based on a couple different methodologies, 1) student FTE and 2) headcount. The Business Officers identified institutional costs and what additional funds each institution required; which was translated into what level of increase in the Technology Fee would be needed to generate the necessary funds. Across the institutions, the increase ranged from $.50 per credit hour at the low end and $4.00-$5.00 per credit hour at the high end. The institutions' funding requirements are above and beyond the $10 million dollar shortfall in the project budget.

At the proposal of a Technology Fee increase, the Committee heard from staff at pilot campuses UNLV and TMCC, that students have affirmed in the past they would support a fee increase for the iNtegrate project provided benefit to students could be justified.

Regent Schofield raised the economic issues that the students were facing and commented that the Board of Regents would need information from the campuses that justifies the need for increased fees during these difficult times.

Chair Whipple requested Board action on the following Committee recommendations:

- Minutes – The Committee considered for approval the minutes from the July 30, 2008, Committee meeting *(Ref. TC-1 on file in the Board office).*
- The committee recommends that the Board consider an additional Technology Fee to supplement the budget for the iNtegrate project in an amount to be determined by the Board at a future meeting as needed *(Ref. TC-3 on file in the Board office)*.

Investment Committee *(Agenda Item #28)* - Chair Thalia Dondero reported that the Investment Committee met on October 10, 2008, and December 2, 2008, and heard a report by UNLV President David Ashley and Senior Vice President Gerry Bomotti on the progress of the UNLV Hospitality Campus Project. Vice Chancellor Reed reported the balance of the operating pool reserve as of Dec. 1, 2008. The Committee was also informed by Vice Chancellor Mike Reed that the policy and procedures draft associated with NSHE's deferred maintenance and capital renewal is currently under review by the Business Officers and other appropriate institutional staff.

Chair Dondero requested Board action on the following Committee recommendations:

- Minutes – The Committee considered for approval the minutes from the September 26, 2008, and October 10, 2008, Committee meetings *(Refs. INV-1a and INV-1b on file in the Board office).*
- Based on Cambridge Associates' presentation, the Committee approved the recommendation to open an account and invest in the Wells Fargo Bank's Government Money Market Fund. The Committee approved to direct $50M from the Common fund short term account into this new fund as an initial investment.

23. Approved - Committee Reports – *(Cont'd.)*

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

- The Committee recommended approval of President Michael Richards' revised language to an interlocal agreement with the City of Las Vegas to construct a single structure on the southwest part of the Charleston Campus to house a fire station and college instructional space *(Ref. INV-4 on file in the Board office).*
- The Committee recommended approval of President Michael Richards' request for various easement agreements with the City of North Las Vegas associated with the completion of the CSN Transportation Technology Building at the Cheyenne Campus and the required half street improvements to Gowan Road *(Ref. INV-5 on file in the Board office).*
- The Committee recommended approval of President Milton Glick's request for a lease with Panda Express to operate a retail food operation in the Joe Crowley Student Union *(Ref. INV-8 on file in the Board office).*
- The Committee recommended approval of President Milton Glick's request for a 10-year lease with NewGardens LLC to construct a pilot aeroponics vegetable production greenhouse at the Valley Road Field Laboratory, with an amendment to the agreement that provides assurance regarding the contractor's ability to both capitalize the project and complete the construction prior to the December 2009 timeframe. In addition, the amendment should affirm that the contractor has no affiliation with UNR *(Ref. INV-9 on file in the Board office).*
- The Committee recommended approval of President Milton Glick's request to purchase real property located at 127 East 8th Street, Reno, located in the "Gateway" to the University of Nevada, Reno, for the appraised value of $300,000 *(Ref. INV-10 on file in the Board office).*
- The Committee recommended approved of the Capital Assets "Flow Process" Checklist intended to be used by the members of the Committee as a resource to improve understanding of the integrated nature of the real property matters, particularly as they relate to the acquisition of property, and the development and management of the capital improvement process *(Ref. INV-12 on file in the Board office).*
- The Committee recommended approval of the WNC property report update *(Ref. INV-11 on file in the Board office).*

Research & Economic Development Committee *(Agenda Item #29)* - Chair Jack Lund Schofield reported that the Research & Economic Development Committee met on November 25, 2008, and heard a report regarding the Walker Basin project that included information on communications projects, status reports on research projects, meetings of the stakeholders committee, activities of the acquisitions team, and progress on other project tasks. The report included an update on a pending scientific report as well as a description of the International Terminal Lakes Symposium. In addition, the Committee heard a report from the Nevada Commission on Economic Development regarding business developments in renewable and alternative energy initiatives. Staff also presented the 2008 NSHE Research Report that summarized the status and external funding of institutional research and other endeavors for EPSCoR, DRI, UNLV and UNR.

23. Approved - Committee Reports – *(Cont'd.)*

Research and Economic Development Committee *(Agenda Item #28)* – *(Cont'd.)*

Chair Schofield requested Board action on the following Committee recommendations:

- Minutes – The Committee recommended for approval the minutes from the September 25, 2008, Committee meeting *(Ref. RED-2 on file in the Board office).*
- The Committee recommended approval of DRI's Academic Master Plan *(Ref. RED-5 on file in the Board office).*

Health Sciences System Committee *(Agenda Item #30)* - Chair Dorothy S. Gallagher reported that Health Sciences System Committee met on November 25, 2008, and heard a report on the Health Sciences System Work Plan by Executive Vice Chancellor Trevisan, including details on progress that is being made in each of the core sections of the Work Plan.

The Committee was provided with a progress report on the development of a proposed new joint Ph.D. program between the UNR and UNLV Schools of Public Health. Executive Vice Chancellor Trevisan and representatives from the faculty and students of those Schools provided details about the proposed program and requested the Committee's support in proceeding to the Student and Academic Affairs Committee for program approval. The committee voted in favor of supporting this request.

The Committee was provided with an overview presentation by Dr. Penny Amy of the Inter-Institutional Biomedical Research Fund Grant which is offered to health science faculty throughout the NSHE institutions. This Grant program is intended to encourage inter-institutional collaboration and to provide seed money to help researchers develop more robust research proposals for additional extramural funding.

The committee was provided with an overview by Dr. Richard Lenhart of the activities lead by the Health Sciences System to promote collaboration among the NSHE Nursing Schools and Programs and with outside nursing stakeholders, such as hospital representatives.

The Committee was provided with an overview by Vice Chancellor Marcia Turner and representatives from UNLV and NSC Nursing programs regarding a proposed new fee for nursing students and medical residents who will be using the new Clinical Skills and Simulation Center under construction at the Shadow Lane Campus. The Committee voiced concerns regarding the use of funds to support positions, and the overall cost of the fees that are proposed. This was an informational only item, so no formal action was taken.

Chair Gallagher requested Board action on the following Committee recommendations:

- The Committee recommended that the new Public Health Ph.D. program proceed to the Student & Academic Affairs Committee for their consideration *(Ref. HSS-4 on file in the Board office).*

Regent Alden moved to accept the committee reports as presented with exceptions as noted. Regent Dondero seconded. Motion carried.

24. Approved – Audit Committee – Modification to Committee Report – Chair Steve Sisolak reported that the Audit Committee reconvened that morning to further discuss the NSHE Financial Statements for the year ended June 30, 2008.

Regent Knecht moved to accept the NSHE Financial Statements for the year ended June 30, 2008. Regent Geddes seconded. Motion carried.

25. Information Only – Student & Academic Affairs Committee – Modification to Committee Report – Regent Sisolak asked if programs being eliminated due to inadequate funding could be communicated to the Legislature. Chair Wixom requested that an informational packet be prepared for submission to the Governor's office.

26. Approved – Investment Committee – Modification to Committee Report – Chair Dondero related that at the December 2, 2008, Committee meeting, a legal opinion was requested for agenda item #6, International Sports Properties, Inc., *(ISP)* Office Lease Agreement. Chief Counsel Patterson replied that the legal opinion was distributed on December 3, 2008, as well as at this meeting. The requested legal opinion related to whether revenues from the Thomas and Mack Center could be directed to athletic programs as opposed to other expenses from general fund revenues. In summary of the opinion, Chief Counsel Patterson stated that the Board does have the authority under the statute to decide where those funds are to be directed. From a legal standpoint, the revenues from the ISP lease could be directed for athletic programs. Chair Wixom indicated that the question regarding the Board's policy be addressed as a separate policy item on a future agenda.

Mr. Ron Zurek, Vice President of Finance and Administration, UNR, related that there were three specific actions that UNR was requested to take in respect to the NewGardens, LLC. lease: 1) the addition of language that there be evidence satisfactory to NSHE that the lessee has capital sufficient to fully fund the construction of the greenhouse; and 2) that they be required to post a performance bond in favor of NSHE, or provide other sufficient arrangements at the discretion of NSHE, to guarantee completion of the greenhouse; and 3) that there be an indication that on the part of the members of the LLC, none of those members, principals or beneficial owners are affiliated with NSHE, the University of Nevada, Reno or the Nevada Agricultural Experiment Station. Mr. Zurek related that the revised lease language was prepared by UNR legal counsel as well as by Mr. Henry Stone, Legal Counsel, NSHE, of which copies were also available at this meeting.

Regent Sisolak asked where the revised language could be found in the lease. Mr. Zurek replied that language could be found on Page 2, Section IV. Regent Sisolak asked who would determine the amount sufficient to NSHE. Mr. Zurek replied that the construction budget is $1.2 million and the performance bond is being requested for 125% of the project cost. Regent Sisolak expressed his appreciation for the revisions that were made to the lease.

26. Approved – Investment Committee – Modification to Committee Report – *(Cont'd.)*

Chief Counsel Patterson clarified that the NewGardens, LLC. lease had been adopted by the Committee subject to amendment of the lease. No further action is necessary by the full Board at this time.

Chief Counsel Patterson stated that the ISP, Inc. lease failed at the Committee meeting. He noted that the Investment Committee Report had reflected that item was adopted upon a 3 to 2 vote. However, due to the Open Meeting Law, and because there are currently six members on that Committee, a minimum of four votes will be required for passage. He requested a motion to amend the Committee Report to reflect that the adoption of the ISP, LLC. lease was not passed due to an insufficient number of votes.

Regent Sisolak indicated that he was now comfortable to give approval to the ISP, Inc. lease, given Chief Counsel Patterson's legal opinion. Chief Counsel Patterson indicated that the Board could now entertain a motion to approve the ISP, Inc. lease.

Regent Sisolak moved to approve the ISP, Inc. lease. Regent Rosenberg seconded. Regent Crear abstained. Motion carried.

In further explanation of the ISP, LLC., lease, Regent Sisolak related that UNLV had requested approval of a lease for 600 square feet in the Thomas and Mack Center to the company that signage was sold to. It was asked if the $14,000 that is generated annually from that lease should go exclusively for athletics or for other general fund expenditures at UNLV. Specifically, it was asked, because the building was constructed with state funds, could the System use revenue generated from that building for athletics. Chief Counsel Patterson has advised that was permissible.

Regent Dondero moved to approve amendment to the Investment Committee Report to reflect that at the December 2, 2008, Committee meeting, adoption of the ISP, LLC. lease was not approved due to an insufficient number of votes. Regent Geddes seconded.

Motion carried.

27. Information Only – New Business *(Agenda Item #31)* – Regent Leavitt recommended that, from this point forward, all departing and previously departing Regents be invited to System events to honor their services and keep them connected with the Higher Education family. He requested that this item be placed on the next agenda.

Regent Geddes requested that a policy proposal be brought back to the Board for the Board to clarify and address in the Bylaws the number of affirmative votes needed on a committee for a recommendation to be made from a committee to the full Board. Chair Wixom stated that a proposal would be brought back to the Board for consideration on a future agenda.

27. Information Only – New Business *(Agenda Item #31)* – *(Cont'd.)*

Chair Wixom thanked UNLV President Ashley and the UNLV staff, CSN audio/visual and webcasting staff and CSN President Richards for the lending of that staff and equipment for use at the Board meeting.

The meeting adjourned at 2:47 p.m.

Prepared by: Jessica C. 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 February 5-6, 2009, meeting.