

WORKSHOP
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
The Springs Preserve
Desert Living Center
Lower Level Conference Rooms A & B
333 South Valley View Boulevard, Las Vegas
Saturday, July 11, 2009

Members Present: Mr. James Dean Leavitt, Chairman
 Dr. Jason Geddes, Vice Chairman
 Mr. Robert Blakely
 Mr. William G. Cobb
 Mrs. Dorothy S. Gallagher
 Mr. Ron Knecht
 Mr. Kevin J. Page
 Dr. Raymond D. Rawson
 Dr. Jack Lund Schofield

Members Absent: Mr. Mark Alden
 Mr. Cedric Crear
 Mr. Michael B. Wixom

Others Present: Mr. Daniel J. Klaich, Chancellor
 Dr. Jane Nichols, Vice Chancellor, Academic & Student Affairs
 Mr. Bart Patterson, Chief Counsel
 Mr. Scott G. Wasserman, Chief Executive Officer of the Board
 Mr. Richard Novak, AGB
 Dr. Kenneth A. Shaw, Facilitator

Chairman James Dean Leavitt called the workshop to order at 9:10 a.m. with all members present except Regents Alden, Crear, Schofield and Wixom.

Regent Rawson related that he serves as Chairman of the Board of Trustees for the Springs Preserve. He welcomed everyone to the facility. The Springs Preserve is a \$190 million campus that includes a state museum and a number of LEED Platinum certified buildings.

1. Information Only-Review and Discussion of the Board's Self-Assessment Study – Dr. Kenneth “Buzz” Shaw, former Chancellor of Syracuse University and former President of the University of Wisconsin System and Southern Illinois University, facilitated a discussion around Regents’ perceptions of the Board’s effectiveness in key areas of responsibility using data from the Board’s self-assessment study (*Ref. WRK-1 on file in the Board office*). The discussion was directed toward establishing a clearer understanding of the Board’s responsibilities and roles; establishing a consensus on specific objectives to improve the organization and

1. Information Only-Review and Discussion of the Board's Self-Assessment Study –
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effective operation of the Board, its relationships with constituents and performance; establishing increased efficiency in the working relationship between the Board and the Chancellor; and establishing a renewed sense of commitment to the System's mission and purpose.

Regent Schofield entered the workshop.

Dr. Shaw gave a PowerPoint presentation on the responsibilities of governing boards, board expectations of presidents, presidents' expectations of boards, the nuances of board roles and components of a high performance board culture (*on file in the Board office*).

Dr. Shaw directed attention to the summary of self-assessment questionnaire responses entitled "*The Regents Speak*" (*on file in the Board office*). The Board discussed the biggest issues facing Nevada and its citizens, the most important challenges facing the NSHE over the next several years and ideas for improving the organization and effectiveness of the Board. Major themes included the NSHE's relationship with the K-12 system, economic diversification, college access, building a culture of education, the budget crisis, use of lobbyists and government relations.

Regent Geddes and Chancellor Klaich spoke of the importance of developing a credible policy for tuition and fees. Regent Rawson observed that in the 1960s and early '70s, California had the preeminent system of higher education in the world. He always felt that the NSHE needed to create more access and keep costs down; however, he has come to the realization that within these constraints Nevada will never achieve what California had at that time. The current economy simply cannot support it. Regent Rawson agreed it is time to look at the tuition issue.

Regent Rawson discussed the benefit of having a System stabilization fund to ensure that basic services are still met in an economic downturn. Dr. Shaw indicated that sometimes it is easier to gain permission to carryover funds into the next biennium. Regent Knecht noted that a more substantial rainy day fund at the state level would give the System the protection it needs.

The Regents discussed important leadership and planning objectives including defining long-term goals for the institutions and the System as a whole, developing a long-term strategic plan for higher education, raising the overall stature of the System in Nevada and nationally and achieving stability and greater longevity in college presidencies.

With regard to financial reports, Regent Knecht expressed a desire to receive reports that are focused on important issues. Regent Gallagher would prefer

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PowerPoint presentations to be styled in concise bulleted points rather than a lot of text.

The workshop recessed at 10:37 a.m. and reconvened at 10:46 a.m. with all members present except Regents Alden, Crear and Wixom.

Dr. Shaw recommended that the Board urge new college presidents to hire a coach of their choosing to counsel them through the first six months to one year of their presidency. Regent Page inquired about the cost of a coach. Dr. Shaw stated that \$5,000-\$10,000 is typical. It can vary depending on how often the coach and the president decide to meet. In response to a question from Regent Gallagher, Dr. Shaw indicated that the coach does not need to be familiar with the institution. Dr. Shaw added that the cost of a coach is very reasonable when compared to the cost of hiring a president, agreeing to a contract and then having to break that contract when it does not work out.

Regent Cobb observed that the System does not have a reserve account for maintaining facilities. He believes the Board should look at that issue. Chancellor Klaich stated that the Board will have to determine whether the preservation of capital infrastructure or building new buildings should be set as the highest priority when developing the new budget. Regent Knecht feels that it may be a good time to focus on maintenance in the face of a decade or two of fairly low capital investment. Vice Chancellor Nichols observed that the Board has discussed alternative ways to meet the educational needs of students without constructing new buildings, including distance education.

With regard to representing and advocating for the campuses within the community, Chancellor Klaich noted that former Chancellor Rogers did a great job in establishing a network of communication. Regent Cobb feels that the System needs to expand its reach. Regent Page agreed that improvements can be made to the way the System publicizes the great things that are happening at the institutions. Chairman Leavitt noted that he and Chancellor Klaich have discussed sending out weekly letters that highlight the activities of the Chairman and Chancellor in an effort to increase communication, awareness and satisfaction.

Chairman Leavitt asked if anyone on the Board would be interested in producing a pledge document to be read at the start of each meeting. Chief Counsel Patterson pointed out that there is a set of expectations for Regents included in Board policy. Mr. Novak indicated that AGB has a statement the Board can use and adapt without any special permission. Regent Schofield liked the idea. Regent Cobb suggested that, rather than just a statement, maybe it can be a resolution that the Board adopts and posts to its Web site. Chairman Leavitt indicated that he and Mr. Wasserman will work on putting something together

1. Information Only-Review and Discussion of the Board's Self-Assessment Study –
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and can perhaps bring it forward at the next meeting. Regent Rawson suggested the statement begin with the following: "As a member of the Board, I will abide by the ethical code of conduct for Regents...", followed by some of the more important points of service. Regent Gallagher stated that the Board should exercise some decorum during meetings. Chairman Leavitt agreed. There are times when a Regent needs to lean over and talk to the person next to them; however, those instances should be limited. He suggested that perhaps the statement should include a reminder to be respectful to those addressing the Board.

The workshop recessed at 12:07 p.m. and reconvened at 12:40 p.m. with all members present except Regents Alden, Crear and Wixom.

Dr. Shaw directed attention to the compilation of aggregate responses to questions in the self-study questionnaire (*on file in the Board office*). The Board discussed issues relating to statewide policy and planning; accountability to the public; academic planning and policy; financial oversight; Board membership and orientation; Board organization and performance; and Board relationships with System and institution executives.

Chairman Leavitt expressed the Board's appreciation to Dr. Shaw for facilitating the discussion and sharing his knowledge and experience with the Board.

The workshop recessed at 1:49 p.m. and reconvened at 2:00 p.m. with all members present except Regents Alden, Crear and Wixom.

2. Approved-Board Review of Results of the Self-Assessment Study – Based on the results of the Board's self-assessment study, and the discussion thereon, the Board approved reducing the number of regularly scheduled meetings held annually from six to four, in an effort to improve efficiency and effectiveness in carrying out its duties, and adopted a meeting schedule for the remainder of 2009 and 2010.

Chairman Leavitt stated that there has been a significant amount of consideration given to reducing the number of regularly scheduled Board meetings from six to four. Such a change would mean that the meetings will be scheduled for two full days. Chairman Leavitt noted that the committees that were meeting off-cycle (*Investment and Health Sciences System*) will now be meeting on-cycle with the Board meetings.

Chairman Leavitt indicated that there are some legitimate concerns. In particular, he is concerned about the possibility of giving up some of the Board's oversight and not having the same level of camaraderie as a Board. He noted that, starting with the next meeting, there will be a dinner every Thursday night for the Regents and Presidents. These dinners will likely be scheduled for 7:00 or 7:30 p.m. and, therefore, will not preclude the President who is hosting the meeting from having

2. Approved-Board Review of Results of the Self-Assessment Study – *(continued)*

a special activity on their campus immediately following the meeting.

Mr. Wasserman presented a quarterly meeting proposal for the remainder of 2009 and for 2010. He explained that, as the System is dealing with furloughs and vacant positions, staff are struggling to finish their work from one meeting before they need to start preparing for the next meeting.

Vice Chancellor Nichols indicated that the proposal makes sense at this time. To make it work, the Board will have to find another way to deal with certain issues that are normally heard by the Board. In addition, staff will need to find other ways to communicate with the Board. Vice Chancellor Nichols added that she does not think quarterly meetings will work without also having some focused special meetings of the Board. However, special meetings can often be done in a half day by videoconference.

Chancellor Klaich agreed. He indicated that staff can build agendas around what the Board wants to accomplish. The Board will need to have some very organized special meetings; however, he thinks it is worth a try.

Chief Counsel Patterson observed that many items come to the Board on a routine cycle which may need to be adjusted to match a new meeting calendar. He noted that the Board will need to develop a plan for addressing investment and property matters. The Board can choose to delegate some of the more routine items, such as certain leases and easements, and continue to have full hearings on the more complex items at the committee and Board level, with any follow-up requests to be handled by the Chancellor's office. Alternatively, a special meeting of the Investment Committee can be held to deal with follow-up items and the Board can give the Committee the final authority to approve those items.

Regent Rawson asked whether a subset of the Board could be appointed to deal with routine items in between regularly scheduled meetings. Chief Counsel Patterson indicated that he has not looked into the possibility of having a subset of the Board. Currently, the Investment Committee has the authority to adjust certain things without full Board approval. Chief Counsel Patterson believes that it is within the Board of Regents' power to delegate authority to its own subset. Chairman Leavitt stated that he will add the topic to a future agenda for a full discussion.

Regent Rawson inquired about budget-related staffing issues that the Board needs to address before moving to a more rigorous meeting schedule. Chancellor Klaich indicated that the Board office and the Internal Audit department are both down one staff person. The budget that is currently being worked on does not provide for their replacement, nor does it provide for the replacement of the Executive Vice Chancellor. Vice Chancellor Nichols added that her department is down four people. Regent Rawson stated that he understands System Administration has to

2. Approved-Board Review of Results of the Self-Assessment Study – *(continued)*

abide by the same rules as everyone else; however, the Board has a significant fiduciary responsibility and must have the resources necessary to satisfy that responsibility.

Regent Rawson observed that the Board may want to consider holding its meetings on Friday and Saturday, as opposed to Thursday and Friday. He understands that may not be easy for staff; however, it might be easier on the Regents who are missing work to attend meetings.

Regent Gallagher expressed concern whether the Board can get its work done with only four regular meetings per year. The Regents are expected to be knowledgeable about what the campuses are doing and cannot delegate everything to staff.

The Board members expressed their interest in scheduling Friday-Saturday meetings. Chief Counsel Patterson stated that it would be more appropriate to discuss the idea of Friday-Saturday meetings when campus representatives are present.

Regent Geddes echoed Regent Gallagher's concerns of whether the Board can meet its constitutional responsibility in four meetings per year. He feels the Board should hold six focused meetings per year.

Regent Knecht indicated that he likes the idea of Friday-Saturday meetings, and is happy to try four meetings per year. He does not feel that the fulfillment of his duty as a Regent is dependent upon the number of days the Board meets. Chairman Leavitt indicated that an item will be added to the next agenda to gather input on Friday-Saturday meetings.

Regent Cobb indicated that he shares the concerns of Regents Gallagher and Geddes; however, he is willing to try a quarterly meeting schedule.

Regent Knecht observed that if the Chancellor instructs the Presidents to bring fewer people to the meetings, the number of those affected by moving to a Friday-Saturday schedule would be reduced.

Regent Knecht moved approval of adopting a meeting schedule of September 17-18 and December 3-4 for the remainder of 2009; a meeting schedule of March 4-5, June 3-4, September 9-10 and December 2-3 for 2010; and that further consideration be given to a Friday-Saturday meeting schedule for 2010 at the Board's September 17-18, 2009, meeting. Regent Page seconded. Motion carried unanimously.

3. Public Comment – Chairman Leavitt expressed his appreciation to everyone for attending. He encouraged the Regents to come to him with issues they feel are important. It is his intention to have regular correspondence with the Board. Chancellor Klaich shared his excitement about the job and expressed appreciation for the trust the Board has placed in him.

Regent Cobb stated that he was upset by recent memos reported on by the media regarding the disparity in funding between UNR and UNLV. He is supportive of an equity study; however, he does not want to see any more memos like that in the press. Regents Gallagher and Knecht agreed. Regent Knecht added that the Business and Finance Committee will be focusing on the issue.

4. New Business – With regard to the appointment of an acting or interim president of UNLV, Chairman Leavitt reported that the Code indicates the Chancellor, in consultation with the Chairman of the Board, will bring forward a recommendation at an appropriate time. Chairman Leavitt and Chancellor Klaich will be speaking to all of the constituent groups. Chancellor Klaich stated that he will provide a report to the Board on those discussions.

Regent Knecht indicated that, at some point, he would like the Board to address the number of presidential staff at Board meetings. In addition, at the September meeting, he would like the Board to discuss its policy concerning contract lobbyists and control of de facto lobbyists from the institutions. He also would like the Board to consider whether separate Board counsel is needed. Chairman Leavitt indicated he will place those items on the September agenda for discussion.

The workshop adjourned at 3:18 p.m.

Prepared by: Keri D. Nikolajewski
Program Officer

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

Approved by the Board of Regents at the September 17-18, 2009, meeting.