

SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION
Third Floor Rotunda
Frank H. Rogers Science & Technology Building
Desert Research Institute
755 E. Flamingo Road, Las Vegas
9:00 a.m., Friday, April 16, 2010

Members Present: Mr. James Dean Leavitt, Chairman
Dr. Jason Geddes, Vice Chairman
Mr. Mark Alden
Dr. Andrea Anderson
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
Mr. Michael B. Wixom

Members Absent: Mr. Cedric Crear

Others Present: Chancellor Daniel J. Klaich
Executive Vice Chancellor & CEO, HSS, Maurizio Trevisan
Vice Chancellor, Academic & Student Affairs, Jane Nichols
Vice Chancellor, Administrative & Legal Affairs, Bart Patterson
Vice Chancellor, Finance, Mark Stevens
Vice Chancellor, Health Sciences System, Marcia Turner
Vice Chancellor, Information Technology, Robyn Render
CEO & Special Counsel to the Board, Scott Wasserman
President Michael D. Richards, CSN
President Stephen G. Wells, DRI
President Carl Diekhans, GBC
President Fred Maryanski, NSC
President Maria C. Sheehan, TMCC
President Neal J. Smatresk, UNLV
President Milton D. Glick, UNR
President Carol A. Lucey, WNC

Also present were faculty senate chairs Mr. N. Mark Rauls, CSN; Dr. Dave Decker representing Dr. Alan Gertler, DRI; Mr. Gregory Robinson, NSC; Mr. Jim Lowe, NSHE; Dr. Cecelia Maldonado, UNLV; Dr. P. Elliott Parker, UNR; Mr. Scott Huber, TMCC; and Mr. Gil Martin, WNC. Student government leaders present included Mr. Nathaniel Waugh, ASCSN President, CSN; Ms. Paulette Batayola, SGA President, GBC; Ms. Amsala Alemu-Johnson, NSSA President, NSC; Mr. Adam Cronis, CSUN President, UNLV; Ms. Jessica Lucero, GPSA President, UNLV; Mr. Eli Reilly, ASUN President, UNR; Ms. Jillian D. Murdock, GSA President, UNR; Mr. Adam Porsborg, ASTM Board Chair, TMCC; and Mr. Andy Pozun, ASWN President, WNC.

Chairman James Dean Leavitt called the meeting to order at 9:01 a.m. on Friday, April 16, 2010, with all members present except Regent Crear.

1. Information Only – Introductions – President Smatresk announced that two UNLV students recently received prestigious national honors. Mr. Michael Dudek was the honored recipient of the Truman Fellowship, and Shipra Day was the honored recipient of the Goldwater Scholarship. President Smatresk also announced that the SIS portion of the iNtegrate project went live at UNLV with no issues, while being understaffed and ahead of schedule.

President Glick introduced incoming officers, Mr. Charlie Jose, ASUN President-Elect; Mr. Matt Smith, GPSA President-Elect; and Dr. Eric Herzig, Faculty Senate Chair-Elect.

President Maryanski introduced incoming Faculty Senate Chair-Elect, Dr. Robin Herlands. Regent Cobb requested that President Maryanski elaborate on an email sent the day before related to two NSC nursing students. President Maryanski related that two students from NSC's nursing program, specializing in pediatrics, were able to respond quickly to each of their patients that were in distress, and, in fact, saving the life of one.

President Smatresk welcomed UNLV's Faculty Senate Chair-Elect, Dr. Cecilia Maldonado.

President Sheehan also thanked the TMCC and System iNtegrate teams for the implementation of the SIS at that institution, adding that a celebration would be held in May.

President Richards introduced Mr. Darren Divine, CSN's new Vice President for Academic Affairs. He related that Ms. Hyla Winters was also recently appointed as Interim Associate Vice President for Academic Affairs.

Regent Wixom shared with the Board a recently published article in the Harvard Business Review in which Dr. Atul Gawande was interviewed and stated that the University of Nevada School of Medicine had a unique program in that its "schools of medicine and nursing have combined facilities and courses. Doctors and nurses in training are learning how to work together. It's a brand new thing." Regent Wixom felt this was a wonderful compliment to the School of Medicine and to the System as well. He asked that the article be distributed to the Regents.

Chairman Leavitt expressed his appreciation to his fellow Board members for their time, care, and attention in responding to public inquiries, as well as the work of the presidents and faculty senate representatives.

2. Information Only - 2011 Capital Improvement Projects (Agenda Item #1) - Chancellor Daniel J. Klaich introduced the 2011 Capital Improvement Program proposal. The final proposal will be considered by the Board at its regularly scheduled meeting in June 2010 (*Ref. BOR-1 on file in the Board office*).

Chancellor Klaich related that revenue projections appear to be leveling off and it was hoped that those projections would stay level with the projections made by the Economic Forum. It was currently unknown if funds will be available for capital improvement projects in the next biennium. However, the Chancellor felt that the System had an obligation to bring forward critical projects in the event that funds were available.

2. Information Only - 2011 Capital Improvement Projects (Agenda Item #1) – (Cont'd.)

As indicated in the reference materials, there are three categories of projects that staff is asking the Board to prioritize. The category titled “Two-Percent Replacement Value Projects” reflects projects recommended by the campuses for deferred maintenance. The “Systemwide Deferred Maintenance” category reflects what the System normally receives in HECC/SHECC funds. The third category, “Unfunded 2009 Priorities,” reflects each campus’ highest priority new project, which may have changed from the previous biennium. Also included in this category is the issue of matching funds. He did not expect the legislature will provide funds for a project without the source of its matching funds having been identified and confirmed.

Regent Geddes asked if consideration was being given to the establishment of timelines or thresholds for raising matching funds. Chancellor Klaich felt that was possible, adding that it would be difficult for him to appear before the legislature in 2011 unless he is able to present the source for the matching funds.

Regent Geddes indicated that he has always struggled with replacement value and the maintenance of existing buildings. He asked why TMCC’s HVAC Retrofit and Renewal project was listed as an unfunded priority instead of as a deferred maintenance project. Chancellor Klaich explained that although either list would be appropriate for that particular project, he did not want to leave TMCC off the unfunded list entirely, adding that the HVAC project had been part of the construction priority list in past years.

Regent Geddes felt that the deferred maintenance projects listed under the “Two Percent Replacement Value Projects” category should be the System’s first priority and asked if the System should request more funding for deferred maintenance than for new buildings. Chancellor Klaich replied that although there are more projects that could be listed under deferred maintenance, the System did not want to put the Board in a position of making an unrealistic request.

Regent Geddes observed that the System was requesting approximately \$45 million in deferred maintenance and approximately \$103 million for new buildings. Chancellor Klaich confirmed that was correct and added that the \$103 million for new buildings included \$55 million in matching funds.

Regent Wixom echoed Regent Geddes concerns with regard to deferred maintenance. He felt that one of the unheralded accomplishments of the Board in the last few years was its focus on deferred maintenance and its implementation of the 2% replacement value policy. He stated that he would support deferred maintenance before he would support the construction of a new building. He felt that the System’s first priority should be the preservation of its capital infrastructure.

Regent Knecht agreed with both Regents Geddes and Wixom. He observed that within the “Unfunded 2009 Priorities” category there was exactly one project for each institution, and asked if that had been a constraint with developing the list. Chancellor Klaich agreed that it did appear to be coincidental. However, other than two projects in the top 10 for CSN, there was actually one project for each institution left over from the unfunded 2009 CIP request.

2. Information Only - 2011 Capital Improvement Projects (Agenda Item #1) – (Cont'd.)

Chancellor Klaich requested that the Board allow him to return with the final list in June, including details on those campus projects that require matching funds.

Regent Knecht agreed that prioritization was essential and that replacement value and deferred maintenance were important. He asked that the projects be ranked without regard to where they are physically located and that the cutoff point should reflect some natural division where there is a large gap between two projects on the list. He also asked that when looking at the matching funds, he felt it was important for the Chancellor to take a critical look at the likelihood of the matching funds even materializing, adding that projects with less hope of achieving their matching funds should be lower on the priority list.

Regent Cobb inquired about the possibility of capitalizing on the rent paid for the System Administration office in Las Vegas. Chancellor Klaich said the same discussion was taking place in terms of the School of Medicine's buildings located at the University of Nevada, Reno. However, those requests would not fall under the category of capital improvement. Rather it would have to be presented to the legislature in the form of a bill draft request for bonding authority to monetize those rents. Regent Cobb asked if it would be appropriate for the Board to address those concerns at a time closer to the beginning of the next legislative session. Chancellor Klaich stated that would be appropriate.

Regent Rawson felt that deferment of critical maintenance was reflective of the economic situation. However, he cautioned that when maintenance is deferred for too long, it becomes more costly to make those repairs.

Regent Page asked if there was confidence in the matching funds being received, specifically for UNLV's Hotel College Academic Building. President Smatresk indicated that positive conversations were occurring.

Chairman Leavitt asked Chancellor Klaich if he was satisfied with the direction provided by the Board. Chancellor Klaich stated that he was.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B)

The Board of Regents approved the budget reduction plans for FY 2010 as presented by NSHE System Administration, the universities, the state college and community colleges, and the Desert Research Institute. Budget reduction plans for FY 2011 were also approved as presented by the institutional presidents for Nevada State College, the community colleges and the Desert Research Institute. The Chancellor for System Administration and the presidents of the universities provided a report on the progress to date for the development of their plans to absorb the FY 2011 budget reduction mandated by the 26th Special Session of the Nevada Legislature. Final plans for System Administration and the universities are scheduled to be presented to the Board at its regularly scheduled meeting in June 2010.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Chairman Leavitt received Public Comment during the consideration of this agenda item.

President Richards presented CSN's FY 2010 and FY 2011 Budget Reduction plan (*see Exhibit 1*)

President Richards also shared with the Board a few samples of questions that he has received. First, it has been asked if CSN will need to come back to the Board for additional action on its budget. In answer to that question, President Richards stated that CSN would need to return to the Board prior to the next biennium in order to address bridge funding. Second, it has been asked what preparations CSN is making for the next potential round of budget cuts. President Richards stated that CSN has an excellent process in place for communication and input from its constituents as well as a plan for the implementation of a measured growth strategy. Finally, it has been asked how the budget reduction affects CSN's academic quality. President Richards stated that CSN has constricted to its core mission and is sacrificing its access mission in order to preserve the academic quality. However, that could not be sustained for the long term.

Chancellor Klaich added that deferred maintenance was allocated as a percentage amount among the appropriation lines of the budget. Although the legislature imposed budget cuts on general fund dollars only, the System has allocated the cuts based on general fund and ARRA funds.

Regent Geddes asked President Richards to elaborate on the term "redeployment" as it relates to the satellite locations. President Richards explained that CSN has tried to redistribute resources from sites that are waning to sites that are experience growth. Regent Geddes observed that was not necessarily an actual reduction to the budget. President Richards stated that was correct.

Regent Page asked what the process for employee buyouts entailed. President Richards replied that in the past, the opportunity for buyouts applied to professional staff and faculty. This year, it was extended to the classified staff. Regent Page asked what the response to that opportunity has been. President Richards replied that early indications suggest that this incentive will be more successful than in previous years.

Regent Gallagher felt it was important for the presidents to be mindful that quality must be maintained throughout this process. President Richards agreed and related that approximately four years ago, CSN decided to pursue every specialized accreditation that was available. To-date, the institution has obtained 30 out of 34 of those accreditations. He felt that was a tremendous tribute to the CSN faculty. Secondly, CSN decided to embark on a long term strategy to hire more full-time faculty in key disciplines.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Regent Cobb asked if CSN would be making horizontal as well as vertical cuts. President Richards stated that both types of cuts were being made. Regent Cobb asked if CSN was able to quantify savings in efficiencies. President Richards replied that CSN was not yet able to quantify those savings. However, a final report on the reorganizational efforts will be available at the end of April. Regent Cobb asked that if efficiencies are found, that the information be shared with the Chancellor so it may be passed on and possibly adopted within the System-wide Efficiency and Effectiveness initiative.

Regent Wixom related that due to the economic situation, there has been an increasing reliance on adjunct or part-time faculty throughout the nation. That has initiated an ongoing discussion on whether that will affect quality, and asked if that discussion was occurring within the System. Chancellor Klaich stated that he and the community college presidents were working to put together a study group that will address those issues. It was preferred that the group be chaired by someone outside of the System. Chancellor Klaich related that the presidents have recommended an individual with whom he was having ongoing discussions and will report the outcome of those discussions to the Board at the appropriate time. Regent Wixom asked that the Chancellor also address the different types of adjunct faculty and the success rates of adjunct faculty who are provided a course outline and class objectives opposed to those that are required to develop that information on their own.

Regent Knecht indicated that, while he shared Regent Wixom's concerns, he felt that it was entirely possible to manage and improve faculty while increasing reliance on adjunct faculty. He asked that operational measures in support of the adjunct faculty be taken into consideration.

Regent Anderson supported CSN's strategy in hiring more full time faculty and relying less on adjunct faculty. While she agreed that adjunct faculty is vitally important to the institutions, she felt that there were many aspects of college life that the adjunct faculty do not have the opportunity to become involved in that she felt was extremely important.

Regent Anderson asked if CSN had found it necessary to turn students away. President Richards replied that a manual calculation conducted in the School of Science and Mathematics showed that approximately 5,000 students had been turned away. That number could be more or less if a comprehensive data collection system was in place. Regent Anderson stated that it was important to get that data out to the public so that they realize the impact of the budget cuts.

Regent Schofield asked that the System and institutions provide the Regents with as much data as possible to facilitate the most sensible and effective decision making. He wanted to make the right decisions that would create the least amount of issues. He asked that each institution address vertical as well as horizontal cuts.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Mr. Nathaniel Waugh, ASCSN President, CSN, related that he had been pleased with the high level of involvement shown from all levels at CSN throughout this process. In terms of the actual plan, CSN was able to make the necessary cuts without drastically impacting its students. He expressed his support of the plan as presented, adding that it was the best possible plan given the circumstances. He added that CSN's students felt the quality of education was being maintained.

Mr. Mark Rauls, Faculty Senate Chair, CSN, echoed Mr. Waugh's comments and expressed appreciation to President Richards for supporting the faculty and the faculty senate's central role in the development of the criteria and application of CSN's program review process.

Regent Knecht thanked the faculty, staff and student representatives for being a part of the process throughout this crisis.

Regent Knecht moved approval of CSN's FY 2010 and FY 2011 budget reduction plan. Regent Wixom seconded.

Ms. Aimee Riley, Student Senator, CSN, agreed that CSN had enforced a participatory process throughout the crisis. However, she was concerned for CSN's continued ability to provide access. She felt that part of the purpose of community colleges is the ability to provide access to those who otherwise would not have the resources.

Regent Schofield asked for clarification what the result of that day's vote would be. Chairman Leavitt clarified that the Board would be voting upon the budget reduction plans for Nevada State College, the community colleges and the Desert Research Institute. The discussion for UNLV, UNR and the System, for FY 2011, will be for information only at this time due to the level of difficulty in the processes involved. Budget reduction plans for the universities and the System (*FY 2011*) will be brought back to the Board in June for final action.

Regent Schofield called a point of order stating that it was his understanding that a vote would be taken in June for all institutions. He felt that the Board has not had the opportunity to consider all options and indicated that he could not support any action that day. Chancellor Klaich clarified that plans would be brought to the Board for all institutions that day if not for the fact that the processes for UNLV and UNR have to be vetted over a longer timetable. For Nevada State College, the community colleges and the Desert Research Institute, there would not be additional information for those six institutions in June that the Board did not have that day.

Regent Schofield related that he had received much correspondence from the public and felt it was incumbent upon the Board not to rush to take action. If the Board has until June 1, he asked that it use that extra time.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Regent Anderson asked President Richards if the redeployment of staffing for the satellite centers had already been done. President Richards stated that it had, adding that Board's action that day would help CSN gain the direction needed to move other plans forward.

Regent Blakely addressed Regent Schofield's concerns, relating that the Board's action that day would allow the institutions to begin to take the necessary steps to manage the budget shortfall. He felt that holding the Board's vote to a later meeting would send the wrong message and asked Regent Schofield to reconsider his position.

Regent Cobb asked President Richards to confirm that the budget reduction plan for CSN, as presented, was accurate and complete and that the Board's action was being requested to approve it. President Richards stated that was correct. Regent Cobb joined Regent Blakely in asking Regent Schofield to reconsider his position. Regent Schofield replied that although he wanted to be a team player, he felt that the Board did not have all the information, adding that his vote in favor of the budget reduction plans would be made with great reluctance.

Upon a roll call vote, Regents Cobb, Gallagher, Geddes, Knecht, Leavitt, Page, Rawson, Schofield, Wixom, Alden, Anderson and Blakely voted yes. Motion carried. Regent Crear was absent.

President Lucey presented WNC's FY 2010 and FY 2011 Budget Reduction plan
(see Exhibit 1)

President Lucey related that in 2006 the Board approved WNC's strategic plan which included improving student success, enhancing institutional excellence and protecting its communities. In 2007, the budget crisis was becoming apparent and the college started to realize the impact that it would have on the institution and that strategic plan.

As part of WNC's plan to protect its strategic plan, President Lucey related that the college conducted a rural center review. She was proud to say WNC was still offering rural programming at every single one of its sites, although some facilities have been lost. Next, all college programs were reviewed. In addition, WNC had reviewed its operating budgets and made appropriate adjustments. In fall 2007, a freeze was imposed on hiring. In addition, there have been approximately a dozen buyouts, along with some of the usual resignations. Each year WNC uses savings from vacancies to fund the buyout program. Also in the fall of 2007, WNC organized a small ad hoc committee to discover and develop new ways in which to do things. As a result, some offices were combined and volunteers were solicited, particularly from the Carson City chapter of RSVP. President Lucey related that WNC was successful in managing the reduction without resorting to layoffs.

Regent Alden left the meeting.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Beginning in 2010, WNC has started hiring some of the previously frozen positions, although some vacancies will be held in reserve against the potential for another crisis.

President Lucey related that quality was important to an institution like WNC. One measure of quality is that the WNC's Foundation Family Campaign (*annual employee giving campaign*) resulted in 58% staff participation. That was the highest number that the college has ever experienced. President Lucey stated that she was especially proud that one-third of WNC's classified staff had participated, particularly since those individuals had experienced a very difficult year.

President Lucey explained that there was a 19% increase in enrollment last fall and a 13% increase in enrollment this spring. Half of that money would be used towards the 2010 reversion. There was no confidence that in 2011 there would be excess student fees to handle the \$1.1 million reversion. As a result, 12 vacancies would not be filled. WNC is fortunate to have a strong pool of adjuncts for the engineering faculty position as well as for the welding faculty position.

Regent Knecht related that as one who lives in the WNC community he has been thoroughly impressed with the college's administration, the faculty and the support from the students. He felt that WNC had used a very measured and thoughtful approach, which was reflected by the lack of campus eliminations.

Regent Knecht moved approval of WNC's budget reduction plan. Regent Cobb seconded.

Regent Blakely asked President Lucey to elaborate on the reduction in the insurance premium. President Lucey replied that was a state-wide reduction. As a System, there were fewer claims made for issues such as flooding. As a result there was a reduction in the premium which resulted in a pass through savings for almost all institutions.

Regent Blakely asked that the positions for grant writer, engineering faculty member and welding faculty member be filled as soon as it was feasible. President Lucey agreed those positions were priorities.

Mr. Andy Pozun, ASWN President, WNC, related that the faculty, administration and staff had done a wonderful job protecting the students from the affects of the budget cuts. So much so that many of the students do not even realize what has been done. Mr. Pozun related that President Lucey and WNC's administration have been open and accessible to the WNC student government and have done an excellent job in managing the cuts.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)
 - A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)
 - B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Mr. Gil Martin, Faculty Senate Chair, WNC, related that there is a real community environment at WNC and all have come together to weather this crisis the best way it could. He commended President Lucey and the WNC administration for its careful planning over a number of years. He added that it was important to have good financial planning for the future, and although the hiring freeze has helped, it is a fine line to walk. He commended the faculty for absorbing enrollment increases and maintaining academic quality.

Motion carried. Regents Alden and Crear were absent.

President Sheehan presented TMCC's FY 2010 and FY 2011 Budget Reduction plan (*see Exhibit 1*)

Regent Alden entered the meeting.

Mr. Scott Huber, Faculty Senate Chair, TMCC, related that the faculty has had a very collaborative role with TMCC's administration throughout this crisis. He felt that TMCC had been very conservative but pro-active in its approach and that had served the institution well. In order for TMCC to protect its core mission of instruction, all other areas were affected, including employee buyouts, program consolidation, curtailing of adjunct faculty and deferment of maintenance. Mr. Huber felt that the high level of communication had fostered confidence and trust between the faculty, staff and administration. He felt that TMCC had done everything at it could to position itself for the future.

Regent Geddes expressed concern that all of the campuses had deferred maintenance even further as part of the budget reduction plans. Although he understood why the campuses would decide to defer maintenance, he encouraged them not to, cautioning that eventually those items would become critical and more expensive repairs.

Regent Wixom also expressed concern for using deferred maintenance as an ongoing tool for budget reductions. Although he will support the plans with deferred maintenance presented that day, he would not continue to do so in the future, adding that at some point in time the practice of deferred maintenance had to stop or the System will create immense long-term problems.

Regent Knecht echoed Mr. Huber's comments. He felt a common thread existed in the presentations thus far that the process has brought the System together.

Regent Knecht moved approval of TMCC's budget reduction plan. Regent Page seconded.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Regent Cobb noted that TMCC's deferred maintenance was approximately \$120,000 (5% of TMCC's budget) and indicated that he would rather those funds not have come from academic program. He asked how many students would be impacted by the vertical cuts listed on page 30 of the reference material (*see Exhibit 1*). President Sheehan replied that those programs had been recommended for phase out as a result of curriculum review. The impact on students would be negligible.

Regent Cobb asked President Sheehan to confirm if there had been several dean positions eliminated at TMCC. President Sheehan stated that was correct. Regent Cobb related that he has repeatedly heard that the administration was bloated and that the budget reductions did not affect that level. In asking that question, he wanted to emphasize that administration is not immune to the impact of the budget cuts.

President Sheehan acknowledged the Regents' concerns in deferring maintenance, adding that extreme care was needed in determining projects that could safely be deferred.

Regent Gallagher asked Chancellor Klaich if there was a way to strongly emphasize to the legislature that funds were needed more for the maintenance of existing buildings than for the construction of new buildings. Chancellor Klaich replied that part of the answer lied with the Board, adding that the Board had made it clear two years ago that maintenance was a priority.

Regent Rawson related that, from a legislative standpoint, there is rarely money available to make up for past errors, adding that a prudent legislature will not bond maintenance. However, the campuses are starting to feel the impact of the lack of funding. As Regents, it may be necessary to make some very unpopular decisions in the future.

Regent Rawson asked if there was a firm handle on how many insurance policies were currently in effect throughout the System including malpractice insurance, automobile coverage, and so forth. Chancellor Klaich thanked Regent Rawson for his leadership on that issue and felt that there was significant opportunity for savings going forward in terms of normalizing the System's business and purchasing practices. Regent Rawson asked that the opportunity also be taken to make sure that the System and institutions are adequately insured.

In terms of the deferred maintenance issue, Regent Blakely suggested that the institutions utilize the skills of various student work study programs. He asked if the list of position vacancies at TMCC were prioritized. Mr. Huber related that there are currently positions in every discipline that need to be filled.

Regent Anderson asked if TMCC found that it was turning students away. President Sheehan indicated that in the current semester, 1,700 students were unable to access a single course after multiple attempts.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)
 - A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)
 - B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Mr. Adam Porsborg, ASTM President, TMCC, felt that TMCC administration had made effective decisions. He felt that the consensus of the students was that the TMCC administration has worked extremely hard to maintain quality for its students.

Motion carried. Regent Crear was absent.

Chancellor Klaich reported that the reference material for GBC contained a typographical error and pointed out on the first page of their budget reduction plan, the Reduce maintenance operating reduction should reflect \$103,768 (*instead of \$103,678*) resulting in a total of \$335,901 (*instead of \$335,811*).

The meeting recessed at 11:00 a.m. and reconvened at 11:16 a.m. with all members present except Regents Crear, Schofield and Wixom.

President Diekhans presented GBC's FY 2010 and FY 2011 Budget Reduction plan (*see Exhibit 1*).

Regent Wixom returned to the meeting.

President Diekhans related that GBC's process for developing its budget reduction plan included the formation of a Budget Task Force. GBC also imposed a hiring freeze and held vacant positions from the previous year. Over the last two years, the GBC Foundation has donated a total of \$250,000 to individual departments that could justify the need. In addition, GBC's employee contribution campaign has done very well.

President Diekhans related that he had met with GBC's advisory board to discuss the budget cuts and what it meant for the college. He also met with focus groups throughout GBC's service area to keep them informed. The president's administrative group worked diligently with the faculty and staff to make sure the cuts would not harm the core of the college and to ensure that quality and the college's mission were maintained. In FY 2011, although GBC will serve fewer students and will reduce support programs, its quality will be preserved. The \$1.02 million reduction for FY 2011 will be met by carrying forward the cost savings from vacant positions and voluntary employee buyouts based on years of service. For example, staff with 0-14 years of service received 50% salary buyout; staff with 15-24 years received 75%; and staff with 25 or more years received 100% buyout. The budget reduction plan included three non-teaching buyouts and one due to a program's elimination.

President Diekhans related that the savings from these reductions will not be seen until FY 2012.

Regent Schofield returned to the meeting.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Regent Rawson felt that when small numbers of students are affected, there tends to be less of an impact. However, particularly in rural communities, it was important to remember that the impact was greater in those lower populations. He asked if equipment from the programs that are being eliminated or suspended will be sold. President Diekhans related that the equipment, such as for Broadcast Technology, will be put to use in other areas.

Regent Anderson asked if GBC would be closing any of its satellite centers. President Diekhans replied that GBC will not be closing any satellite centers, as the focus groups throughout the service area have indicated the need for more services. He related that GBC was unique in that it has the most extensive interactive video system in the state, using approximately 45% of the System's bandwidth. There are as many as five sites in a single interactive class. By closing a center, the college would essentially shut down the ability of its faculty to pick up students. The number of interactive classes has increased because they have become much more efficient. He assured the Board that the quality of GBC's programs will be maintained.

Regent Anderson asked if GBC has had to turn students away. President Diekhans replied that the data collected in the fall 2009 had been based on enrollments and reflected that 418 registrations were turned away. In spring 2010, at least 122 students were turned away.

Regent Cobb observed that if a student fails to enroll, that student is never seen again. He felt that was a real tragedy of the reductions being implemented. He also related that a recent news article suggested the use of foundation funds for bridging the budget gap. However, he clarified that foundation funds are not available for operating expenses such as salaries. President Diekhans emphasized that the funds donated by the GBC Foundation were not used for salaries, strictly for the maintenance of equipment or other departmental needs.

Regent Cobb moved approval of GBC's budget reduction plan. Regent Knecht seconded.

Ms. Paulette Batayola, SGA President, GBC, related that GBC has become very efficient in the way it delivers interactive video classes. Although no one is in true support of budget reductions, the President's Budget Task Force has worked very hard not to impact the students. She added that the students have indicated their support of the proposed plan.

Motion carried. Regent Crear was absent.

President Maryanski presented NSC's FY 2010 and FY 2011 Budget Reduction plan (*see Exhibit 1*)

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

President Maryanski expressed concern for quality and its relationship to the management of adjunct faculty. In the current environment, there is a heavy amount of online instruction for which a national pool of adjunct faculty is accessed. NSC continues to explore alternatives for coordination for efficiency and effectiveness.

President Maryanski felt that one reason behind increased enrollment was the excellent job that NSC has done with retention through its commitment and compassion. NSC has worked hard to make sure its programs are responsive to the working-class demographic.

Regent Anderson asked if NSC found it necessary to turn students away. President Maryanski replied that although firm data is not available, NSC has 98 fewer sections offered for this coming fall than it had one year ago.

Regent Wixom asked President Maryanski to share his experiences from Connecticut. President Maryanski related that he was in Connecticut in the mid-1990's when the state's legislature committed to the university system approximately \$3 billion over a 19-year period to address deferred maintenance issues. Much of those funds were dedicated to the tear down and rebuild of an old building. However, much of that critical damage had been done by deferring maintenance. He felt that the NSHE did not want to find itself in a position that would require such a drastic response as it did in Connecticut.

Ms. Amsala Alemu-Johnson, NSSA President, NSC, stated that the decisions made for the budget reduction plan were made in a collaborative effort. She thanked President Maryanski, Provost Lesley Di Mare and Vice Provost Buster Neel for their frequent visits with the student government representatives. She expressed pride in the NSC faculty and staff. Although she felt that the reduction plan was well thought out, she was not satisfied or pleased that a reduction plan had to be developed.

Mr. Gregory Robinson, Faculty Senate Chair, NSC, related that this would be his last meeting as a Faculty Senate Chair and thanked the Board and Chancellor for helping faculty and students through the crisis. He greatly appreciated the Regents response to his phone calls and emails. Mr. Robinson thanked President Maryanski, Provost DiMare and Vice Provost Neel for facilitating a remarkably inclusive process and felt that the institution was stronger for it.

Regent Gallagher moved approval of NSC's budget reduction plan. Regent Knecht seconded. Motion carried. Regent Crear was absent.

President Wells presented DRI's FY 2010 and FY 2011 Budget Reduction plan (*see Exhibit 1*)

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

President Wells related that although elimination of the Cloud Seeding Program was included as a budget reduction measure, the program has been supported through private funds for at least one year. In terms of deferred maintenance, DRI returned approximately \$100,000 in HECC/SCHECC funds in FY 2009 and those funds were not built back into DRI's strategy for the future. In addition, the DRI Foundations have stepped up to support programs that would have otherwise been eliminated, such as DRI's Public Information Office.

Regent Page felt that sooner or later Nevada would realize how important it is to leverage its funds as DRI has. He hoped that sometime in the near future there would be a realization how important an investment in higher education, and education in general, is to the future.

Regent Page asked if DRI has offered buyouts and what those offers have been. President Wells replied that there has been one buyout, accepted for one year's worth of salary. Regent Page asked the other institutions with buyout policies what their criteria included. President Lucey indicated that WNC offers 6 months of salary. President Glick related that UNR offers 6 months of salary, on a limited basis, in only one college at this time.

Regent Page asked how DRI made the determination to offer one year in a buyout. President Wells replied that when considering what it will take for one person in a critical position to be eliminated, it was felt that one year was a fair and honest approach and one that would not lead to other problems. Regent Page felt that a one-year period was a lucrative buyout. President Wells stated that was a point well taken.

Regent Geddes asked if there was any indication that the cloud seeding program would be privately supported for more than one year and if the current support was for the entire program, or for only certain portions. President Wells clarified that although the support is from various agencies, the Southern Nevada Water Authority has authorized expenditures for a three year period. Other agencies including the Truckee Meadows Water Authority, Washoe County and the Walker Irrigation District have also been instrumental. What has traditionally been a service of the state has now become more of a self-funded process. A business plan and an advisory board is in the process of being developed that includes representatives from those stakeholders. Regent Geddes observed that with the significant amount of leveraging seen from that single program, it was difficult to see it eliminated.

Regent Knecht thanked President Wells for reaching out to other parts of the state to continue the cloud seeding program. He hoped the program could be sustained on a long-term basis.

Regent Cobb reemphasized the significance of leveraging, adding that for every \$1 the state invests in DRI, \$4 is returned to the community. He felt it was imperative

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

to keep emphasizing that point to the community. He complimented President Wells for turning the cloud seeding situation into a public-private relationship that will hopefully be sustained.

Regent Wixom observed that a few years ago the System had acknowledged the Georgia Plan as having tremendous potential. He asked that the concept of that plan be revisited as the System moves forward. Chancellor Klaich replied that pursuit of that plan had been funded through unclaimed property. However, there has been more and more pressure placed on diverting those funds to the state general fund.

Regent Gallagher felt that although funding is increasingly difficult, she felt that pursuing the concepts behind the Georgia Plan would be a great benefit to the state. She felt that the current economic downturn reflects how appropriate and how important it is for Nevada to diversify its economy. Regent Gallagher added that over the years, there have been many successes within the System. However, even at those times, she did not feel the pride in the System that she feels now in how everyone has come together during this crisis.

Regent Wixom acknowledged that while it was a difficult time, he felt it was probably the best time to make the case in support of the Georgia Plan.

Regent Blakely complimented DRI's proposal for including a best case and worst case scenario. He asked that the other institutions use that type of philosophy going forward.

Regent Alden moved approval of DRI's budget reduction plan. Regent Knecht seconded. Motion carried. Regent Crear was absent.

The meeting recessed at 12:07 p.m. and reconvened at 12:30 p.m. with all members present except Regents Blakely, Crear and Wixom.

Chancellor Klaich presented System Administrations' FY 2010 budget reduction plan (*see Exhibit 1*). Chancellor Klaich will present the System Administration FY 2011 budget reduction plan to the Board at the June meeting.

Regents Blakely and Wixom returned to the meeting.

Chancellor Klaich related that in order for the FY 2011 budget reduction plan to be presented to the Board in June, there were a number of actions being considered including dealing with the University Press and the Nevada Industry Excellence program (*formerly known as MAP*). He has met with staff from both programs and has asked them to develop plans that run from the potential of becoming more self-sustaining to potential closure.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)
 - A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) – (Cont'd.)
 - B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) – (Cont'd.)

Regent Wixom moved approval of System Administration's FY 2010 budget reduction plan. Regent Rawson seconded. Motion carried. Regent Crear was absent.

Regent Alden left the meeting.

President Glick presented UNR's FY 2010 budget reduction plan (*see Exhibit 1*). President Glick will present the UNR FY 2011 budget reduction plan to the Board at the June meeting.

Regent Gallagher moved approval of UNR's FY 2010 budget reduction plan. Regent Rawson seconded. Motion carried. Regents Alden and Crear were absent.

President Glick related that several of the colleges and programs have responded to the recommended program reductions and eliminations with alternative solutions that save the same amount of money, some of which have been adopted and embraced. President Glick related that either he or UNR Provost, Dr. Marc Johnson, have met with numerous groups including affected faculty, the Faculty Senate, the undergraduate student senate, the graduate student senate and various other stakeholder groups throughout the state.

President Glick felt that this was a watershed moment that would define what kind of university UNR becomes and how it serves the state. The decisions to be made will either focus the university to ensure quality and to promote workforce, research and discovery that will diversify and invigorate the economy or it will reduce the quality of everything it does. President Glick stated that the university chooses quality and focus while at the same time recognizing the great pain of the individuals that will be affected.

President Glick added that the university is not arguing that the programs being eliminated are of poor quality or without value. He was stating that, given the loss of \$44 million, the university had to stop doing some things if it was going to continue serving the state in the most effective way possible. President Glick stated that the university has also tried to minimize the number of students affected.

Every student that will be impacted has received a letter asking the student to contact the university and that the university will make it possible for them to complete their degree. If the student has taken advantage of that request, a personal conversation has occurred between the university and the student on how to plan the achievement of their degree.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

Chairman Leavitt asked if any issues with the Code were identified as a result of the curricular review. President Glick indicated that UNR could work within the current Code language. Vice Chancellor Patterson added that UNR's process is consistent with Board policy. For clarification, Vice Chancellor Patterson indicated that the curricular review process is a much more elaborate and separate process from declaring financial exigency.

Regent Geddes asked if the affected students received a phone call in addition to letters. If not, Regent Geddes encouraged the university to provide that personal touch. Provost Johnson indicated that registered letters were mailed to the affected students and the return receipts are being tracked. Regent Geddes felt that after recruiting the students, a real effort needed to be made to retain them through this situation.

Provost Johnson continued with a report concerning UNR's proposal regarding FY 2011 potential reductions (*see Exhibit 1*).

Regent Geddes felt it was very important to the state of Nevada to keep CABNR and its mission moving forward. Provost Johnson agreed, adding that the university never intended to abandon agriculture. However, that program could be served at a lower cost. Provost Johnson related that he and President Glick are interacting with the stakeholder groups and are moving toward a compromise.

Regent Wixom observed that there have been reports in the media that some level of salary roll back could occur. For purposes of illustration, Regent Wixom asked, for FY 2011, if the System tried to approach this situation with an overall salary reduction, what would need to be the approximate savings. Chancellor Klaich replied that target would be roughly \$34 million.

Regent Wixom asked what percentage would be used to roll back salaries to achieve \$34 million. Chancellor Klaich replied that if the entire \$34 million was to be saved through a salary roll back, the Board would be looking at anywhere between 6% (*\$11.75 million*) and 24% (*\$34 million*).

Regent Wixom related that he had received a number of inquiries regarding UNR. One phone call in particular questioned the methodology, and when asked what they would suggest, they indicated that administration should be cut. Regent Wixom stated that administrative costs were already down to 4%, compared to Arizona State University that was at 14%. In response to those that have felt the process was not as open as it should have been, he did not know how it could have been made any more open. He commended UNR's efforts as illustrative of the open decision making process. He hoped that the Board would stay focused on the fact that this is the hand it has been dealt and he felt it was the only way to effectively preserve the System's core functions.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

Regent Cobb related that he has also urged constituents to participate in the curricular process at the institution level. He felt that the proposals for curricular review were about as open and inclusive as they could possibly be. He felt that when the final proposals were presented to the Board in June, it would be very difficult for the Board to reject the institutions' recommendations. He felt that the Board's endorsement was not just a rubber stamp, but rather it was the Board's support of the process.

Regent Cobb related that he had received several calls from students in the Interior Design program commenting that the program generates more in revenues than it incurs in expenses. He asked that UNR address that concern. Provost Johnson stated that the calculations do not include overhead costs such as heat and lights, but does take into consideration faculty costs versus student registration fees. President Glick added that there is only one full-time faculty in the Interior Design program and that it is necessary to send the students to TMCC in order to complete that degree.

Regent Cobb asked President Glick to dispel the rumor that UNR was closing CABNR in order to justify the sale of the university's farm. President Glick indicated those were separate issues. Once the program decisions have been made, a careful review will be conducted of what facilities the remaining program will require. The initial recommendation was not for the purpose of selling the farm. However, the farm does present an opportunity cost. Provost Johnson agreed, adding that, for example, there is a meat processing center on the farm that was used to teach and conduct research in Meat Science, which was no longer offered. Provost Johnson indicated that he has also been asked if the university has a buyer for the farm, to which the answer is no. President Glick added that the university has two commitments that it has to fulfill in terms of the farm. First, UNR will have to either sell, or transfer an easement for the Truckee Meadows River Project. Secondly, there is the need for an access road on the east side of the farm that is of high priority for both the cities of Sparks and Reno to allow better access between the two. Both of those issues had developed long before the current budget situation.

With respect to real estate, Chancellor Klaich emphasized that the institutions must first seek authority from the Chancellor to enter into negotiations, as well as approval from the Board for any transactions. Regent Cobb felt it was important that be clarified as there have been some allegations made that closing CABNR was a means to selling the farm.

Regent Cobb indicated that he had heard some comments that although UNR is maintaining the pre-veterinary program, it will no longer offer large animal training, which he understood gave the student an edge. Provost Johnson related that the pre-veterinary program required for acceptance into the veterinary programs of Colorado State, Washington State and Oregon State universities do not require large animal experience. However, there has been discussion for providing some large animal experience through the university's equine facility.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)
 - A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)
 - B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

President Glick added that in the university's discussion with its stakeholders, there has been unanimous support of an alternative proposal that retains some animal research specialties but within a different unit.

Regent Cobb asked if he understood correctly that UNR will be maintaining CABNR as a separate college within the School of Science. President Glick related that was a proposal endorsed by the stakeholders, but not yet endorsed by the faculty. Provost Johnson related that proposal was still under review.

Regent Rawson related that in the past, a minimum number of six students could petition a class to be offered. He asked if such a policy was still in place. Provost Johnson clarified the difference between offering a class, rather than an entire degree. A new degree program would require approval from the Board.

Regent Rawson asked for assurance that the university was taking the statewide effect into consideration when reviewing each program. President Glick related that much time is being spent considering how any particular program will allow the university to continue serving the state's need and to rebuild its economy. The bottom line is how to maintain programs to help this state, recognizing that the university also wants to save every program. Regent Rawson emphasized that one of the Board's overall missions is to help solve problems within the state.

Regent Schofield felt that, through team work, the university had addressed many of the issues that had concerned him. He wanted to be very careful not to micromanage the institutions.

Chairman Leavitt left the meeting.

Regent Anderson stated that she was very pleased for the inclusive process that UNR has implemented. She was also very pleased to hear that there may be a compromise for the CABNR program. Regent Anderson asked if UNR found it necessary to turn students away. President Glick stated that so far the university has not had to turn students away. However, the university now provides fewer options. He clarified that the reason that UNR has not had to resort to turning students away is that the faculty teaching load has increased between 15% and 19%, adding that could not continue long-term.

Chairman Leavitt returned to the meeting.

Dr. P. Elliott Parker, Faculty Senate Chair, UNR, related that two years ago, the UNR Faculty Senate voted unanimously in favor of vertical cuts to maintain the quality of the university. Dr. Parker related that in the next week, he would be chairing a meeting in which the UNR Faculty Senate will vote on which programs to recommend for elimination, adding that they would not be making the final decision. He indicated that he disagreed with some of Provost Johnson's proposals,

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)
 - A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)
 - B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

and agreed with others. The attitudes of most of the faculty that he has worked with have been professional. Some have argued that the Provost does not have complete information and some have proposed alternatives. He acknowledged that this is a terrible time but that he, the President and the Provost were trying to do their duty.

Chairman Leavitt recognized Dr. Parker for being an instrumental advocate for the advancement of higher education in addition to his university duties.

Regent Cobb questioned Dr. Parker's statement that the decisions were not the Faculty Senate's to make. Dr. Parker clarified that the Faculty Senate will be making recommendations to the President's office. He felt that if the Faculty Senate said no to every recommendation, they would not be effective in this process. Regent Cobb asked if the recommendations by the Faculty Senate were made by a majority vote. Dr. Parker stated that there will be a majority vote. Presently, there is a committee that is reviewing all of the proposals and responses. Every alternative is being considered and every possible group was being met with to make sure everyone is heard. That committee will be making recommendations to the Faculty Senate. The Faculty Senate will then debate each recommendation. That meeting will be open to the faculty to allow for as much debate and discussion as possible.

Ms. Jillian D. Murdock, GSA President, UNR, stated that it was worth noting that while every student was not directly involved, UNR's administration has been very informative, willing to answer tough questions and extremely flexible in accepting alternative proposals.

Mr. Matt Smith, GSA President-Elect, UNR, related that although he has been very involved in the curricular review process for his specific college, he felt that the process in general has been very confusing. He asked that before the Board makes its final decisions in June, that the institutional processes take into consideration the disproportional impact on graduate education, disproportionate impact on faculty diversity, tenured versus non-tenured eliminations, and the elimination of duplicate programs from multiple institutions.

President Smatresk presented UNLV's FY 2010 budget reduction plan (*see Exhibit 1*). President Smatresk will present UNLV's FY 2011 budget reduction plan to the Board at the June meeting.

Regent Wixom moved approval of UNLV's FY10 budget reduction plan. Regent Gallagher seconded.

Regent Anderson asked if UNLV has had to turn students away. President Smatresk stated that although students have not been turned away, the university is having a very difficult time serving upper division classes at the undergraduate level.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)
 - A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)
 - B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

Motion carried. Regents Alden and Crear were absent.

President Smatresk stated that rather than risking systemic collapse, it was important to approach the cuts surgically. He added that trying to administer this level of cuts within a three month period has been a tortuous and unrealistic exercise.

Dr. Michael Bowers, UNLV Provost, continued with a report concerning UNLV's proposal regarding FY 2011 potential reductions. (*see Exhibit 1*).

Provost Bowers emphasized that UNLV's process adhered to Code and UNLV Bylaws and to the shared governance and consultation model. Also, under UNLV's proposals, no tenured faculty will be laid off even if their program is eliminated, adding that affected tenured faculty may be reassigned. In addition, students will be given two years to complete their degree programs. Lastly, Provost Bowers indicated that UNLV was in support of differential tuition only in certain programs where there is high cost and/or high demand. Although differential tuition will protect some programs, it will not be the panacea to the issues before the System.

In terms of a program elimination, Regent Cobb asked what the savings will be if the applicable faculty and staff positions are not eliminated accordingly. President Smatresk clarified that the staff positions will be eliminated and the assistant professors that do not have tenure will be given the appropriate notice. There will be some savings, projected as being approximately 20-30% in year one and 20% the year after.

Regent Cobb expressed concern for that approach, adding that he may request further justification at the June meeting. President Smatresk replied that the challenge with program entrenchment is that it is often just as costly in legal fees as there are gains from the entrenchment process. The full savings will not be realized in year one which leads to the concept of bridge funding. In addition, UNLV currently has 52 employees that have taken a voluntary separation package. As a result of the entire process, UNLV will be forming a smaller, more focused university.

Regent Wixom asked when differential tuition may be considered a part of the solution and in what manner. Chancellor Klaich related that differential tuition will be further discussed during agenda item #4 (*Handbook and Procedures & Guidelines Manual Revision, Recommended Tuition & Fees, 2011-12 and 2012-13*).

In terms of that discussion, Regent Wixom asked if the institutions would be able to apply the proposed policy to the FY 2011 issues. President Smatresk replied that UNLV hoped to bring a number of differential tuition proposals to the June meeting. President Glick added that UNR will bring forth one differential tuition proposal to enhance one program that would not offset UNR's budget reduction.

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

Dr. Cecilia Maldonado, Faculty Senate Chair, UNLV, related that the UNLV administration and Faculty Senate have been working very collaboratively. She thanked President Smatresk for his willingness to involve faculty in the process and for preserving tenure at UNLV. She related that letting go of faculty with tenure impacts the university's ability to recruit and retain and also impacts its national reputation.

Mr. Dan Gianoutsos, student within UNLV's Department of Educational Leadership Doctorate program, related that the students within that department were being very proactive in this process and, on their behalf, he presented the following points. From a financial perspective, the Department generates approximately \$200,000 more than it costs. From an institutional perspective, the Department produces more doctoral degrees than any other department at UNLV, which was important for Carnegie classification. That Department also serves as a farm program for southern Nevada's K-12 system as well as provides assistantships that contribute to the workforce. In addition, there was a real need in southern Nevada for higher education programs as the closest comparable programs were located in Los Angeles or Phoenix. Mr. Gianoutsos concluded his remarks by stating that Nevada has serious educational challenges and that it is important to continue to educate its future educators.

Dr. Patricia Schultz, Principal, Clark County School District (CCSD), as well as an Executive Doctorate Cohort member at UNLV, related that the Executive Doctorate students were in attendance at this meeting as part of its policy class. The UNLV Department of Educational Leadership directly impacts the CCSD as it is the fifth largest school district in the nation and the UNLV program produces 50% of the principals. The department also has the potential to impact every child in the state. There is a massive retirement of principals looming in Nevada's future. Current research shows that principals prepared by programs housed at research and doctoral institutions are more effective. The UNLV program is phenomenal with cohort members that travel from great distances including Elko, Battle Mountain and even Utah, in order to attend. The program has directly impacted the lives of its members and their ability to lead.

Regent Cobb respectfully requested that the comments made by the public that day be directed toward the curricular review process, and not in defense of a particular program.

Mr. Derek Lester, a candidate for UNLV's Department of Educational Leadership Doctorate program, stated that program was essentially the only public institution program that offers degrees in higher education leadership. If UNLV does not train the leaders of public and private colleges, there may be several unintended consequences including the loss of a competitive pool of state and national full-time students, the loss of foreign national academic journals, and the loss of two

3. Approved - FY 2010 And FY 2011 Budget Reduction (Agenda Item #2) – (Cont'd.)

A. Approved - FY 2010 Budget Reduction (Agenda Item #2A) - (Cont'd.)

B. Approved - FY 2011 Budget Reduction (Agenda Item #2B) - (Cont'd.)

national centers for academic research including the Association for the Study of Higher Education. Mr. Lester also indicated that the program generated revenue. In conclusion, Mr. Lester felt that cutting the program will decrease the quality of university administration throughout the state.

Mr. Adam Cronis, outgoing CSUN President, UNLV, expressed appreciation for the collaborative approach that the Board has supported throughout the process. He credited President Smatresk for doing an excellent job during such difficult conditions. Mr. Cronis felt that out of this terrible situation there has come unity but he feared that as the months unfold, that unity would begin to fray. He urged all those involved to continue to walk shoulder to shoulder and remain unified.

Regent Cobb related that Mr. Cronis had circulated an interesting survey regarding the UNLV student attitude toward tuition increases. He felt it had been very informative and appreciated that it had been shared with the Board.

Ms. Jessica Lucero, outgoing GPSA President, UNLV, related that UNLV's Program Evaluation Committee was doing an excellent job. She also thanked President Smatresk for talking with the students before making the final decisions.

Regent Knecht asked that when presenting substantive arguments on the merits of a particular program that the commentary include factual numbers, any possible alternatives as well as evidence that a copy of the materials were sent directly to the administration of the applicable institution.

4. Approved - Handbook and Procedures & Guidelines Manual Revision, Recommended Tuition & Fees, 2011-12 and 2012-13(Agenda Item #4) – The Board of Regents approved the recommendations of the Tuition and Fees Committee for tuition and fees adjustments for academic years 2011-12 and 2012-13 noted as "Option A", as well as approval of additional policy revisions concerning the establishment of future tuition and fees (*Title 4, Chapter 17, Section 1 & 10; Title 4, Chapter 15, Section 8; and Title 4, Chapter 18, Section 18*). The proposal also included a provision authorizing NSHE institutions to establish differential program fees under certain circumstances (*Title 4, Chapter 17, new Section 21; P&GM Chapter 7, Section 5*). (*Ref. BOR-4a; BOR-4b; and Handout on file in the Board office*)

Chancellor Klaich reported that the Tuition and Fee Committee brought forward the first reading of its recommendation at the March Board meeting. In addition to the Chancellor's presentation, Regent Geddes will have the opportunity to explain his proposal to increase student fees by 7.5% per year in addition to the surcharge already in place. Ms. Jessica Lucero, GPSA President, UNLV, will also be provided an opportunity to present a suggested amendment to the proposed differential program fees policy.

Chancellor Klaich began by stating that the System was not unmindful of the reality of budget cuts and the potential for students to have to pay more in fees. However, it seemed to him that right now was not the time. Having said that, there has been discussion about

4. Approved - Handbook and Procedures & Guidelines Manual Revision, Recommended Tuition & Fees, 2011-12 and 2012-13(Agenda Item #4) – (Cont'd.)

bridge funding or differential program fees. He clarified that the Board should not think that this request precludes future requests for other various reasons.

Chancellor Klaich recommended that the Board adopt the recommendations of the Tuition and Fee Committee as presented. Instead of the mathematical policy traditionally followed in the past, it has been recommended that items such as tuition and fees charged at peer institutions, higher education inflation, anticipated state funding and institutional needs be considered. At the March meeting, Regent Knecht had questioned the propriety of that recommendation without an accompanying contraction measure on the expenditure side. Chancellor Klaich explained that although he did not like to return to the Board without pursuing proposed recommendations, he felt it would be better served as a possible budgeting parameter for the FY 2011-13 budget discussion.

Chancellor Klaich related that the Tuition and Fee Committee proposal also recommends discontinuation of the Children of Alumni discount. It was felt that now was not the time to continue to offer discounted tuition. He added that the few students that are currently enrolled under that discount will be grandfathered in.

In addition, Chancellor Klaich related that Ms. Lucero has submitted an amendment to the policy proposal under consideration that recommends, if a program comes forward with a differential fee recommendation, that special course fees for that program be limited to absolute consumables within the period of the course. Secondly, the proposed amendment addresses the “sameness factor” that the Board has historically preferred when the institutions have proposed fees. Chancellor Klaich felt that the System was outgrowing that policy and, with the increased pressure on tax dollars, the institutions probably did not want to be similar.

In summary, Chancellor Klaich stated that there were a number of recommendations involved with this agenda item, including: 1) a general policy change as listed in the materials (*including Ms. Lucero's proposed amendment*); 2) discontinuation of the Children of Alumni discount; 3) a provision for increasing the financial aid targets; and 4) an adjustment to the 2011-12 and 2012-13 tuition and fees as recommended by the Tuition and Fee Committee.

Regent Knecht felt that this issue was more subtle and challenging than it first appears as it proposes a major change to the budgeting process. He indicated that the overall annual productivity gain in the current economy, over the long term, approaches approximately 2.5% to 3% per year when considering reduction in real costs relative to incomes and gains in services received. He recognized that education, general government and health care all suffer from “cost disease.” His point is that although he appreciates the difficulty that we do not have the technological gains, he felt that there could be something done through embracing the technology changes in the business and operation models to make some improvements. He did not expect 2.5% to 3% annual gains in education, rather he suggested approximately half of that rate incorporated as a standard in both pricing and budgeting. He did agree that it is a standard and practice that could be incorporated into the budget going forward.

4. Approved - Handbook and Procedures & Guidelines Manual Revision, Recommended Tuition & Fees, 2011-12 and 2012-13(Agenda Item #4) – (Cont'd.)

Chancellor Klaich related that one idea from his visit to the Maryland System, was that they posted an annual report of every savings, no matter how small. He felt that some of this methodology and transparency could be incorporated into such a report. Regent Knecht added that in market competition, suppliers do not specify why a product may cost less one day. Rather, an external standard called “market price” is imposed, and that is often a discipline lacked by the public sector.

Regent Wixom referred to Ms. Lucero’s proposed amendment, and asked what was meant by the term “consumables.” Ms. Lucero replied that consumables were items such as sterile equipment that could only be used that year and belonged only to one student.

Regent Wixom asked if Ms. Lucero was saying that when a differential tuition fee model is established, it needs to start from scratch from a basic fee so that it does not artificially increase those fees that may have already been included. Ms. Lucero replied that was correct, adding that the amendment would eliminate special course fees and add back in only those fees that are specifically for consumables on a year-to-year basis in case the cost of those consumables change from year to year.

Regent Wixom asked if Ms. Lucero was saying that the amendment would allow for the establishment of differential fees for a course. However, the prior special course fees, other than consumable fees, would be eliminated. Ms. Lucero stated that was correct, adding that the base would be the differential program fee that the consumable fee would be added to.

Regent Geddes expressed support of the proposed amendment. He also agreed that the same model did not have to be used by every institution.

Relative to Option B, Regent Geddes related that for more than twenty years, the Board of Regents has held to the low fee model that subscribed to the impression that the lower fees would allow more people access to an education in the state of Nevada. Although he understood the reasoning, that model has not worked. The Board now has an opportunity to begin moving the System forward and with more control of itself. He did not feel that anyone believed the System would come out of the next legislative session without an increased fee or surcharge. With the 2010 Letter of Intent that allows the System to increase fees and retain those fees on campus, he did not want to use those funds to backfill what the legislature was cutting in order to balance the System’s budget. He wanted to take the opportunity to move toward the high tuition model that would allow for more control of dollars on the campuses. He personally, as an elected official, did not feel comfortable presenting a flat fee proposal to the legislature, feeling that would be an indication to the legislature that this Board was counting on it to solve the System’s problems.

Regent Knecht asked Chancellor Klaich and Ms. Lucero, if, for example, the cost of the chemistry lab would be in the differential fee while the cost of the chemicals would be considered the consumables. Chancellor Klaich stated that was correct.

4. Approved - Handbook and Procedures & Guidelines Manual Revision, Recommended Tuition & Fees, 2011-12 and 2012-13(Agenda Item #4) – (Cont'd.)

Regent Schofield left the meeting.

Regent Knecht did not completely agree with Regent Geddes comments that the low tuition model did not serve to increase access to higher education in the state of Nevada. He felt that people often forget that Nevada has benefited over five decades with the highest population growth. In a certain sense, Nevada has always played catch up. That said, Regent Knecht did express sympathy and support for Regent Geddes' proposal, provided that the 2010 Letter of Intent policy was observed. He felt that everyone agreed that the System needed to become more revenue self-sufficient and what Regent Geddes was proposing was a step forward in that regard.

Chairman Leavitt indicated that he did have great sympathy for Regent Geddes proposal (*Option B*) as it relates to the 2010 Letter of Intent. He was particularly concerned for the tuition and fee increases that the students have experienced over the last few years. The Board has repeatedly made the statement that it is choosing quality over access. However, he felt that if the Board goes with the Chancellor's recommendation (*Option A*) with Ms. Lucero's proposed amendment, it is doing something in small part to stay true to the access mission.

Regent Wixom asked what the total fee increase has been over the last two to three years. Chancellor Klaich replied that basic registration fees have increased approximately 39% over the last five years.

In terms of Regent Geddes proposal (*Option B*), Regent Wixom asked how that proposal would fit into the budgeting process over the next few years. He expressed concern that Option B was perhaps premature and may take away flexibility going forward. Regent Geddes felt that his proposal provides far more flexibility in that the 2010 Letter of Intent allows the System to retain fees in excess of 5% and to spend those dollars to meet its needs. In terms of student access, Regent Geddes felt that the System was turning students away because it did not have the funds to keep its doors open or provide classes, not because of the level of tuition increase. If the System can create those additional access dollars, then those people that are truly impacted by the increased fee will have a way to pay for their education other than through loans.

Regent Wixom felt that since the outcome of the upcoming election cycle was unknown, and its resulting effect on the make up of the legislature, there was some uncertainty that the current situation would remain the same. At some point in time, it was not only access, but also elasticity that becomes the issue. If the Board adopted Option B, he felt that it would be acting prematurely and placing the System in a situation where students may stop enrolling. Regent Geddes replied that of comparative institutions within the region, Nevada will not change significantly in the tuition scales. He felt that the System would lose if it does not add student fees to its next budget request. He added that the UNLV student survey echoes that the students are tired of the fees being used to backfill and balance the budget.

4. Approved - Handbook and Procedures & Guidelines Manual Revision, Recommended Tuition & Fees, 2011-12 and 2012-13(Agenda Item #4) – (Cont'd.)

Regent Rawson asked if the NSHE was still a member of WICHE and if there were requirements to use that organization's statistics. Vice Chancellor Nichols replied that it is the choice of this Board to use any WICHE ranking or statistic. There is no requirement to use those statistics.

Regent Gallagher related that at one time, the Board refused to raise student fees so the legislature calculated what would have been the outcome of increasing student fees and reduced the System's budget accordingly. She stated that she would rather present a plan to the legislature than to have the legislature make the decision for the System.

Regent Wixom moved approval of Option A, with Ms. Lucero's amendment. Regent Gallagher seconded.

Regent Geddes requested that the Board vote on the proposed policy with Ms. Lucero's amendment, and then vote on the choice of Option A or Option B separately.

Regent Wixom withdrew his motion.

Regent Wixom moved approval of the recommended policy revisions, with Ms. Lucero's amendment. Regent Gallagher seconded. Motion carried. Regents Alden, Crear and Schofield were absent.

Regent Wixom moved approval of Option A. Regent Gallagher seconded.

Regent Wixom explained that although he agreed with the concept of Option B, he felt that it was premature, adding that due to the large number of low-income students in the state of Nevada, he was afraid that tuition would become so high it would deter those students from pursuing higher education.

Regent Cobb stated that he was also sympathetic to Regent Geddes' option. However, he felt that Regent Geddes' premise that the students would favor higher tuition and fees instead of fewer classes was an error. He also felt that the students have been tremendously flexible and supportive over the last few years and that it was the Board's turn to be supportive.

Upon a roll call vote, Regents Gallagher, Leavitt, Page, Rawson, Wixom, Anderson and Cobb voted yes. Motion carried. Regents Blakely, Geddes and Knecht voted no. Regents Alden, Crear and Schofield were absent.

The meeting recessed at 3:09 p.m. and reconvened at 3:15 p.m. on Friday, April 16, 2010, with all members present except Regents Alden, Anderson, Crear, and Gallagher.

At the request of Regent Alden, Mr. Wasserman related that although Regent Alden had to leave the meeting, had he remained he would have voted against agenda items #4 through #8. Regent Alden felt that it was the wrong time to increase student fees given the current environment.

5. Information Only - Public Comment (Agenda Item #13) – Mr. Robert Maxey, CSUN President-Elect, UNLV, read a prepared statement regarding the increasing cost of higher education (*full statement on file in the Board office*).

Regents Anderson and Gallagher returned to the meeting.

6. Approved - Request for Sale of Property, Fire Science Academy Site, Carlin, Nevada (Agenda Item #11) – The Board of Regents approved UNR President Milton D. Glick’s request to sell to the Nevada State Lands Division 408.06 acres (*APN 005-280-002*) and related improvements located in Carlin, Nevada and more commonly known as the UNR Fire Science Academy for the proposed sale price of \$10 million. This included a request that the Board grant the Chancellor authorization to execute the finalized Sales and Purchase Agreement as well as any documents in connection with the sale. In addition, this request sought authorization for UNR and the NSHE to join with the State Public Works Board and Nevada Department of the Military to present the proposed Fire Science Academy site sale plan to the Interim Finance Committee (*Ref. BOR-11a; BOR-11b; BOR-11c; BOR-11d; BOR-11e on file in the Board office*).

Senator Richard Bryan urged the Board to support this request, adding that time was of the essence. He related that the military appropriation had been made available due to a Nevada National Guard Armory planned for construction in Elko. He felt that the proposed co-location plan was a win-win option for all those involved and would leverage monies from the federal and state levels.

Regent Geddes moved approval of UNR President Milton D. Glick’s request to sell to the Nevada State Lands Division 408.06 acres (*APN 005-280-002*) and related improvements located in Carlin, Nevada and more commonly known as the UNR Fire Science Academy for the proposed sale, price of \$10 million, a request that the Board grant the Chancellor authorization to execute the finalized Sales and Purchase Agreement as well as any documents in connection with the sale, and authorization for UNR and the NSHE to join with the State Public Works Board and Nevada Department of the Military to present the proposed Fire Science Academy site sale plan to the Interim Finance Committee. Regent Cobb seconded. Motion carried. Regents Alden and Crear were absent.

7. Approved - Procedures & Guidelines Manual Revision, 2011-13, Tuition & Fees, University of Nevada School of Medicine, UNR (Agenda Item #5) – The Board of Regents approved UNR President Milton D. Glick’s request for approval of the proposed tuition and fee structure for the 2011-13 biennium for the University of Nevada School of Medicine (*UNSOM*). This request reflected an increase in both *UNSOM* resident and non-resident tuition and fees of 15% per year for each year of the 2011-13 biennium and included a proposed distribution of fees and tuition (*P&GM Chapter 7, Sections 2 and 14*) (Ref. *BOR-5 on file in the Board office*).

President Glick related that as a result of the Board’s removal of a policy that restricted tuition increases at the School of Medicine to no more than 9% per year, the School has returned for the required final reading of a recommendation of a 15% increase for each year in the next biennium. This increase would still leave tuition below that found at most every other medical school in the region.

Although 15% was significant, Chairman Leavitt asked why a higher increase was not recommended if it still left the School of Medicine lower than most other schools in the region. President Glick replied that there was concern to keep the tuition affordable, and that a higher increase may deter students from entering primary care.

Chairman Leavitt asked if state support for those students that will be returning to practice in rural areas had been pursued. President Glick requested additional time to determine the answer to that question.

Regent Geddes moved approval of the tuition and fee structure for the 2011-13 biennium for the University of Nevada School of Medicine (*UNSOM*), including an increase in both *UNSOM* resident and non-resident tuition and fees of 15% per year for each year of the 2011-13 biennium, as well as a proposed distribution of fees and tuition. Regent Cobb seconded. Motion carried. Regents Alden and Crear were absent.

8. Approved - Procedures & Guidelines Manual Revision, Academic Success Initiatives Fee and Performing Arts Fee, UNR (Agenda Item #6) – The Board of Regents approved the request of UNR President Milton D. Glick of two fees, effective fall semester 2010, to support academic success and performing arts on campus (*P&GM Chapter 7, Section 6*) (Ref. *BOR-6a; BOR-6b; BOR-6c on file in the Board office*)

Academic Success Fee:

\$25 per undergraduate student per semester enrolled in one or more credits.

\$5 per graduate student per semester enrolled in one or more credits.

Performing Arts Fee:

\$5 per undergraduate student per semester enrolled in one or more credits per semester.

\$5 per graduate student per semester enrolled in one or more credits.

8. Approved - Procedures & Guidelines Manual Revision, Academic Success Initiatives Fee and Performing Arts Fee, UNR (Agenda Item #6) – (Cont'd.)

Regent Page moved approval of UNR's request for two fees, effective fall semester 2010, to support academic success and performing arts on campus. Regent Geddes seconded.

Regent Rawson asked if only a certain percentage of UNR's students were polled. Ms. Jillian Murdock, GSA President, UNR, replied that this request was included on the last open ballot, which had a 17% turnout.

Regent Rawson asked if there were any concerns regarding the low turnout. Ms. Murdock replied that there were 220 students in support of the performing arts fee. Mr. Eli Reilly, ASUN President, UNR, replied that although the election turnout is never where the student government would like it to be, it was the highest turn out in several years (*17% for graduate students; 14% for undergraduate students*). Mr. Reilly added that nationally, student turnout is approximately 11%, which reflects that UNR was ahead of that curve. President Glick emphasized that this was the highest turnout in the university's history.

Regent Knecht asked Mr. Reilly to specify what services the students would receive for the academic success initiatives fee. Mr. Reilly replied that the fee would be used for expansion of the writing center, the tutoring center and mathematics assistance.

Regent Knecht indicated that he was more comfortable with the \$5 performing arts fee than the \$25 academic success fee.

Regent Geddes observed that even in these difficult times, the students were voting to support fees for necessary initiatives and programs.

Upon a roll call vote, Regents Geddes, Leavitt, Page, Rawson, Schofield, Wixom, Anderson, Blakely, Cobb and Gallagher voted yes. Motion carried. Regent Knecht voted no. Regents Alden and Crear were absent.

9. Approved - Procedures & Guidelines Manual Revision, 2011-13 Tuition & Fees, William S. Boyd School of Law, UNLV - (Agenda Item #7)- The Board of Regents approved the request of UNLV President Neal J. Smatresk and Dean John White, William S. Boyd School of Law, for the proposed tuition and fee structure for the 2011-13 biennium for the William S. Boyd School of Law (*P&GM Chapter 7, Section 3*) (*Ref. BOR-7 on file in the Board office*).

President Smatresk related that although the proposal did not include an increase for FY 2012, it did include a significant increase of 3% in FY 2013.

Regent Wixom moved approval of the proposed tuition and fee structure for the 2011-13 biennium for the William S. Boyd School of Law. Regent Gallagher seconded.

9. Approved - Procedures & Guidelines Manual Revision, 2011-13 Tuition & Fees, William S. Boyd School of Law, UNLV - (Agenda Item #7) – (Cont'd.)

Regent Page asked how non-resident tuition is handled. President Smatresk replied that non-resident tuition is currently a System policy, not an institutional level policy. Vice Chancellor Nichols confirmed that there is a System policy on the requirements for converting from non-resident to resident status. Specifically for the UNLV School of Dental Medicine, and the School of Medicine, there is an assumption that the student will convert. However, those are the only two places where that assumption seems to be made in the policy itself.

Regent Page asked what the resident criterion was for undergraduate students. Vice Chancellor Patterson replied that the statutory requirements for residency are the same for undergraduates and graduates. However, individual units sometimes may almost encourage that after a year the student gain residency. However, the student must still meet the criteria. Vice Chancellor Patterson felt that what Regent Page was asking was whether more of a presumption should be created against residency, adding that was a much broader question that would need to time for consideration.

Regent Page asked if residency within the law and dental schools were treated differently. Vice Chancellor Nichols stated that there should be no difference in the criteria whether the student attends the professional schools or is an undergraduate. However, there is an indication within the tuition and fee policy language for the professional schools of what will happen after one year. Regent Page asked, after one year of attendance at the dental school, would the student become a resident. Vice Chancellor Nichols replied most likely. Regent Page asked if an undergraduate would receive residency after one year. Vice Chancellor Nichols replied it was much more difficult for an undergraduate to gain residency citing factors such as age, dependency and intent to stay in Nevada after graduation. It was those same factors that often worked in favor of the graduate students in gaining residency.

Regent Page asked if dental and law school students were treated the same. Vice Chancellor Nichols stated that the criteria for both were the same. Regent Page indicated that he would like to return to this subject at a later time.

Regent Geddes did not feel that the increase was high enough. Dean White indicated that he understood Regent Geddes' concern, adding that the School's strategy was primarily to ensure its competitiveness while being able to plan for and respond to additional budget reductions. He related that UNLV's biggest competitor, Arizona State University, will be approximately \$500 higher in tuition than UNLV next year.

In terms of competitiveness, Regent Geddes did not feel that the previous increase had deterred enrollment. Dean White stated that enrollment was not the issue, adding that there were plenty of applicants, originating from both in- and out-of-state. The level of increase reflects more sensitivity to the rankings that in turn affect those applications.

Motion carried. Regents Geddes and Page voted no. Regents Alden and Crear were absent.

10. Approved - Procedures & Guidelines Manual Revision, FY 2010-11 and 2011-13 Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #8) – The Board of Regents approved the request of UNLV President Neal J. Smatresk and Dr. Karen P. West, Dean of the UNLV School of Dental Medicine, for approval of the proposed tuition and fee structure for FY 2010-11 and the 2011-13 biennium for the School of Dental Medicine (*P&GM Chapter 7, Sections 4 and 16*) (Ref. BOR-8 on file in the Board office).

Regent Gallagher moved approval of the proposed tuition and fee structure for the FY 2010-11 and 2011-13 biennium for the School of Dental Medicine. Regent Knecht seconded. Motion carried. Regent Geddes voted no. Regents Alden and Crear were absent.

11. Information Only - 2011-13 Biennial Budget Discussion (Agenda Item #9) – Chancellor Daniel J. Klaich related that the System would present the 2011-13 biennial budget at the June Board meeting.

Regent Rawson asked if it was possible for the proposed budget to include language for a trust fund, stabilization fund or a carry-over fund from surplus or savings. Chancellor Klaich indicated that was a top priority.

12. Approved - Trust Fund for the Education of Dependent Children (Agenda Item #10)- The Board granted Chancellor Daniel J. Klaich authority to seek Board of Examiners and Interim Finance Committee (IFC) approval for an allocation of \$25,000 from the IFC contingency fund to provide sufficient funding in FY 2011 to make payments for registration fees, laboratory fees and expenses for required textbooks incurred by a dependent child of a police officer, firefighter, Nevada Highway Patrol Officer, volunteer ambulance driver or attendant who was killed in the line of duty. (Ref. BOR-10 on file in the Board office)

Regent Page related that the balance of the account (*approximately \$3,200*), would not cover the costs of summer tuition for the six students that are currently eligible. In addition to the request to approach the IFC for \$25,000, Regent Page related that alternative funding sources such as grants were also being pursued.

Regent Wixom moved approval of granting the requested authority to Chancellor Klaich to seek Board of Examiners and Interim Finance Committee (IFC) approval for an allocation of \$25,000. Regent Gallagher seconded.

Regent Rawson asked if there was any obligation on behalf of dependents of members of the Nevada National Guard. Vice Chancellor Nichols replied that there is a different mechanism that addresses military dependents under Nevada Revised Statute. Although both mechanisms are a cost to the state, the Trust Fund for the Education of Dependent Children is completely dependent upon the availability of funds within the designated account.

12. Approved - Trust Fund for the Education of Dependent Children (Agenda Item #10) - (Cont'd.)
Chancellor Klaich asked if the motion included the granting of authority to the Chancellor to seek IFC approval for an allocation. Chairman Leavitt stated that authority was given in the motion and second. For the record, Chancellor Klaich clarified that System staff cannot address the IFC without the Board's authority to do so.

Motion carried. Regents Alden and Crear were absent.

Regent Cobb left the meeting.

13. Information Only - Chancellor's Report on the Efforts of the Education Reform Blue Ribbon Task Force (Agenda Item #12) - Chancellor Daniel J. Klaich provided a report to the Board of Regents on the efforts to-date of the Education Reform Blue Ribbon Task Force. Recommendations generated from this Task Force will be submitted to the Governor and Legislature for their consideration.
14. Information Only – Revisions to the NSHE Code (Agenda Item #3) – The Board considered the following changes to the NSHE Code. This was the first hearing at which this request was presented for information only. Final action will be requested at the June 2010 meeting of the Board (*Ref. BOR-3 on file in the Board office*).
- A. Information Only - Handbook Revision, Definition of "Financial Exigency" (Agenda Item #3a) - This was the first reading of a Code change to Title 2, Chapter 1, Section 1.1(h). The purpose of this change is to include that certain legislative cuts of a magnitude of greater than 10% are deemed to trigger a review of financial exigency (*Ref. BOR-3a on file in the Board office*).
 - B. Information Only - Handbook Revision, Definition of "Furlough" (Agenda Item #3b) - This was the first reading of a Code change to Title 2, Chapter 1, Section 1.1(I). The purpose of this change is to establish that certain broad-based pay reductions or furloughs may be implemented in the next fiscal year without a declaration of financial exigency, but the pay reductions cannot be higher than 8% in a biennium (*e.g. 4% per year*) or 12% over two biennia without declaring financial exigency (*Ref. BOR-3b on file in the Board office*).
 - C. Information Only - Handbook Revision, Appointment and Termination (Agenda Item #3c) - This was the first reading of a Code change to Title 2, Chapter 5, Section 5.4.5 and Section 5.4.7. The purpose of this change is to clarify that pay reduction is one of the options following a declaration of financial exigency (*Ref. BOR-3c on file in the Board office*).

For the following discussion, Chancellor Klaich explained that he had asked that the following three points be considered during the development of the proposed revisions. The first was that there should be some specific tipping point at which the System

14. Information Only – Revisions to the NSHE Code (Agenda Item #3) – (Cont'd.)

considered financial exigency and the second, to consider if the Code allowed pay reductions even in the event that financial exigency was declared. Third, if the Legislature cuts the pay lines of the appropriations bill, is there a way for the System to manage that loss without having to declare financial exigency. He related that Vice Chancellor Patterson has been working with the faculty senate chairs to prepare these recommendations. He emphasized that this is the first reading of these revisions with the final reading to be heard at the June Board meeting.

Vice Chancellor Patterson related that although there was a lengthy process involved with the development of the proposed revisions, he indicated that the proposals are not universally supported and that it was an ongoing process.

Vice Chancellor Patterson pointed out that, when considering pay reduction, it be noted that System employees, just as with other state employees, are already under a 4.6% pay reduction. However, due to contractual restrictions, that legislatively-mandated reduction posed issues for the faculty and professional staff contract structure. Tenured faculty were given a workload increase options and there was a delay in providing a year's notice before fully implementing the 4.6% reduction for non-faculty. The legislature had concerns regarding the System's ability to respond to its request. The objective of these proposed revisions is to try and meet some of the legislature's concerns while retaining the core of the contractual expectations of the System's employees and retaining the Board's authority to make decisions about core issues for the NSHE, including salary and compensation issues.

Vice Chancellor Patterson stated that item A. *Handbook* Revision, Definition of "Financial Exigency," was designed to provide a benchmark for when the Board may start to consider financial exigency. He explained that in the 1980's the Board prepared a contingency plan for financial exigency based on a 10% budget cut level. However, all that provision accomplished was to state that a 10% budget cut reduction was serious enough to warrant consideration of financial exigency.

In terms of item C. *Handbook* Revision, Appointment and Termination, the current Code provides for terminations or furloughs in the event of financial exigency. It does not provide any clarification for reducing salary. The proposed revision attempts to clarify that language to include salary reduction as an option.

Regent Cobb left the meeting.

Vice Chancellor Patterson related that Item B. *Handbook* Revision, Definition of "Furlough," will allow the Board to reduce base salaries an average of 4% over the next biennium, without having to make a declaration of financial exigency. Specifically, because there is a 4.6% reduction in place for FY 2011, this provision would permit an average reduction of 3.7% in FY 2012 and in FY 2013. Vice Chancellor Patterson stated that these revisions do not address the salary schedules, indicating that would need to be a separate discussion.

Regent Geddes asked how those percentages were determined. Vice Chancellor Patterson stated that the 10% was only a benchmark from which the discussion of financial exigency could begin.

14. Information Only – Revisions to the NSHE Code (Agenda Item #3) – (Cont'd.)

Regent Geddes asked if there was a way to tie that number to appropriation levels instead of percentages. Vice Chancellor Patterson replied that may be possible and he would take that under consideration.

Regent Wixom referred to Section 1.1, specifically where it states “...*deemed sufficient for the Board of Regents to consider whether a condition of financial exigency exists.*” He stated that he could view that language as empowering the Board to declare financial exigency, and asked Vice Chancellor Patterson if that was the intent. Vice Chancellor Patterson replied that was not the intent of the revision and indicated that phrase would be revised before the final reading in June. Regent Wixom suggested that the language be revised to state “... *deemed sufficient for the Chancellor to recommend to the Board of Regents to consider whether a condition of financial exigency exists.*” Vice Chancellor Patterson stated that would be appropriate.

Regent Rawson expressed concern for implementing salary cuts when those reductions were not somehow tied to workload as that does have an impact on salary schedules. He felt that designation of those salary reductions as “temporary” attempted to address those concerns. However, he asked that consideration be given to the designation of a small working group of faculty leaders to review the proposed changes in order to determine if the faculty’s rights were being compromised.

Vice Chancellor Patterson stated that it was very important for Code changes to be adopted prior the beginning of the next contract year that starts on July 1st. The notices sent out on July 1st would provide a full year notice before implementation of any of those sections. Regent Rawson agreed that it would not meet the Board’s purposes to delay this beyond the next Board meeting. However, he would like to have the faculty’s input in the meantime.

Regent Anderson related that she had also heard some of the same concerns expressed by Regent Rawson. Vice Chancellor Patterson indicated that the issue was not that the System did not want to provide more notice. It was more reflective of the amount and timeframe of the reduction made to the System’s budget. The current financial exigency section provides for 15 days notice for a salary reduction. In terms of a workload reduction, the issues are how would the Board mandate that reduction and does that create more confusion or liability issues. Secondly, he questioned if the Board wanted to send the message to the legislature that the System would reduce its workload upon a temporary reduction in salary.

Regent Knecht expressed concern for the technical interpretation of Section 1.1 (h) that states “*Legislative budget reductions of greater than 10% in general fund appropriations,*” and asked what the starting baseline was. He felt that from a policy standpoint, he could argue that there could be an appropriation made during the regular legislative session in May and then an additional 10% reduction in special session, or the comparison could be based on what the legislature did in May with what was done the previous year. He asked what the proposed revision intends and could language be added to make it clear and unique. Vice Chancellor Patterson stated that the additional phrase “*either during a biennium or from biennium to biennium,*” was intended to address those concerns. Regent Knecht felt that was fair enough provided that it was stated clearly to reduce any ambiguity.

14. Information Only – Revisions to the NSHE Code (Agenda Item #3) – (Cont'd.)

Regent Gallagher asked if the faculty were involved in the development of the proposed revisions. Vice Chancellor Patterson stated that he had had discussions with faculty leadership and had accepted many of their recommendations.

4. Information Only - Public Comment (Agenda Item #13) – (Cont'd.)

Mr. N. Mark Rauls, Faculty Senate Chair, CSN, representing the Council of Senate Chairs, wished to thank Vice Chancellor Patterson for meeting with them several times and for working with them. Although they have not come to full agreement, the Council wished to thank Chancellor Klaich and Vice Chancellor Patterson for giving serious consideration to their concerns. The gravity of the long term impact of these proposed Code modifications necessitates a thorough vetting process with all concerned. At this point, the various Senates have not had the opportunity to adequately examine the proposed changes and would request that opportunity in order to ensure that the amendments benefits the System's ability to respond without creating unintended consequences. Chancellor Klaich has indicated that he is willing to consider reasonable amendments if made in a timely manner. He thanked the Board for their willingness to work with the faculty and their continued demonstration of their commitment to shared governance.

Ms. Angela Brommel, NFA State Secretary, recognized that given the seriousness of the situation, inaction was not a viable option. Although pay cuts would have detrimental effects, so do all of the other options. Ms. Brommel related that the NFA participated in consultations over the proposed Code changes and felt that a less-invasive outcome was produced and the proposal is the most tolerable of any option considered. Chancellor Klaich has made clear that this is not an avenue for a pay cut, it is about a process. The proposals are the result of a collaborative dialogue among faculty leaders and the Chancellor's office, a dialogue that the NFA believes is essential for any proposal. Ms. Brommel indicated that the NFA would continue to welcome the opportunity to work with the Chancellor and the Board.

Ms. Shari Lyman, NFA Chapter President, CSN, concurred with Ms. Brommel's comments.

Ms. Leah Wilds, NFA Chapter President, UNR, also expressed support for Ms. Brommel's statement.

Regent Knecht thanked the NFA representatives for a very constructive approach to the issues.

Chairman Leavitt thanked CSN for hosting the Board meeting, as well as all others involved. He emphasized that there has never been more camaraderie on the Board than at this time. Sometimes it was easy to lose sight of the fact that the System was in the midst of a unique opportunity for all stakeholders to champion higher education. He expressed a great deal of pride in the institutional presidents and the level of communication that was occurring. He also thanked the student and faculty representatives for their outstanding cooperation and efforts.

4. Information Only - Public Comment (Agenda Item #13) – (Cont'd.)

Regent Rawson stated that although there is great concern for the outcome of the next legislative session, he was impressed that so many creative ideas were coming forward. He felt there was a fundamental restructuring and redesign occurring. Despite all of the difficulties that the System faces, it has the best team possible among the presidents and Regents.

Chairman Leavitt indicated that although there are positives to be made, the System and its institutions were not adequately funded. Although the System is being as innovative as possible, it was important to remember that adequate funding was imperative.

15. Information Only - New Business (Agenda Item #14) – Regent Page requested a review of residency status for all of the professional schools.

The meeting adjourned at 4:38 p.m.

Prepared by: Jessica C. Morris
Administrative Assistant IV

Submitted for approval by: Scott G. Wasserman
Chief Executive Officer and Special Counsel
Board of Regents

Approved by the Board of Regents at the June 3-4, 2010, meeting.