BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

Ballrooms B & C
Joe Crowley Student Union
University of Nevada, Reno
87 West Stadium Way, Reno

Thursday, June 3, 2010, 9:00 a.m.
Friday, June 4, 2010, 8:00 a.m.

Members Present:	Mr. James Dean Leavitt, Chairman	
	Dr. Jason Geddes, Vice Chairman	
	Mr. Mark Alden	*{via teleconference}*
	Dr. Andrea Anderson	
	Mr. Robert Blakely	
	Mr. William G. Cobb	
	Mr. Cedric Crear	
	Mrs. Dorothy S. Gallagher	
	Mr. Ron Knecht	
	Mr. Kevin J. Page	
	Dr. Raymond D. Rawson	
	Dr. Jack Lund Schofield	
	Mr. Michael B. Wixom	

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
	Interim Vice Chancellor, Finance, Mark Stevens
	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. Bill Kerney, CSN; Ms. Laura Edwards, DRI; Ms. Sarah Negrete, GBC; Ms. Robin Herlands, NSC; Mr. Fred Egenberger, NSHE; Dr. Cecilia Maldanado, UNLV; Dr. Eric Herzik, UNR; Mr. Scott Huber, TMCC; and Mr. Jim Strange, WNC. Student government leaders present included Mr. J.T. Creedon, ASCSN President, CSN;

Mr. Steve Gronstal; GRAD President, DRI; Ms. Jacqueline Lemback, SGA Vice President, GBC; Ms. Brandi Scheff, NSSA President, NSC; Mr. David Rapoport, CSUN President, UNLV; Mr. Kyle George, GPSA President, UNLV; Mr. Charlie Jose, ASUN President, UNR; Mr. Matthew J. Smith, GSA President, UNR; Mr. Adam Porsborg, ASTM Board Chair, TMCC; and Mr. Jason McGill, ASWN President, WNC.

Chairman James Dean Leavitt called the meeting to order at 9:23 a.m. on Thursday, June 3, 2010, with all members present.

On behalf of Mr. Link Piazzo, 2010 Distinguished Nevadan Award recipient, Regents Schofield and Cobb presented a book to the Board of Regents written by Mr. Piazzo entitled "Never Give Up."

Regent Cobb requested a point of personal privilege to disclose that his daughter is employed at the University of Nevada, Reno, University Studies Abroad Consortium as a professional employee in the capacity as Director, Student Information and Program Administrator. Since the budget reduction recommendations being made by President Glick following the university's program evaluation and elimination process does not impact the Consortium, disclosure is not statutorily required. However, while not statutorily required, Regent Cobb stated that he was disclosing this information so that the relationship and the factors leading to this conclusion are on the public record. Regent Cobb also disclosed that his daughter as a professional employee could ultimately be impacted by agenda item numbers 9C *(pay reduction following declaration of financial exigency)* and 10 *(effecting grant-in-aid benefits for professional staff)*, but that any resulting benefit or detriment accruing to her is not greater than that accruing to any other member of the group of professional employees. Pursuant to NRS281A.420(4), it is statutorily presumed that the independence of judgment of a reasonable person in his situation would not be materially affected by this relationship. Pursuant to the statute, he would participate in the discussion and vote on these matters before the Board *(full statement of disclosure is available in the Board office)*.

Regent Schofield requested a point of personal privilege to disclose that his son is employed at the University of Nevada, Las Vegas, as a professional employee in the capacity of a part-time faculty member. Since the budget reduction recommendations being made by President Smatresk following the university's program evaluation and elimination process does not impact his son's employment, disclosure is not statutorily required. However, while not statutorily required, Regent Schofield stated that he was disclosing this information so that the relationship and the factors leading to this conclusion are on the public record. Regent Schofield also disclosed that his son as a professional employee could ultimately be impacted by agenda item numbers 9C *(pay reduction following declaration of financial exigency)* and 10 *(effecting grant-in-aid benefits for professional staff)*, but that any resulting benefit or detriment accruing to him is not greater than that accruing to any other member of the group of professional employees. Pursuant to NRS281A.420(4), it is statutorily presumed that the independence of judgment of a reasonable person in his situation would not be materially affected by this relationship. Pursuant to the statute, he would participate in the discussion and vote on these matters before the Board *(full statement of disclosure is available in the Board office)*.

In honor of the passing of Mrs. Barbara Greenspun, Chairman Leavitt requested a moment of silence. Chairman Leavitt related that Mrs. Greenspun had been a great friend to higher education and requested that condolences be communicated to the Greenspun family on behalf of the Board.

1. Information Only – Introductions *(Agenda Item #1)* – President Lucey introduced new ASWN President, Mr. Jason Hill, and new Faculty Senate Chair, Dr. Jim Strange. She also related that Ms. Connie Capurro, WNC's Vice President of Academic and Student Affairs has chosen to transition back to the ranks of the faculty. Ms. Carol Lange, current Dean of Instruction will become the interim Vice President of Academic and Student Affairs. President Lucey also acknowledged WNC Professor Emeritus, Dr. Tim Haller for many years of service.

   President Sheehan introduced new ASTM Board Chair, Mr. Cesar Benitez, and continuing TMCC Faculty Senate Chair, Mr. Scott Huber.

   President Diekhans introduced new GBC Faculty Senate Chair, Ms. Sarah Negrete. Sitting in for continuing SGA President Ms. Paulette Batayola was SGA Vice President, Ms. Jacqueline Lemback. Also in attendance was SGA Secretary, Ms. Crystal Morgan.

   President Richards introduced incoming ASCSN President, Mr. J.T. Creedon, and new CSN Faculty Senate Chair, Mr. Bill Kearney. President Richards also congratulated CSN's Baseball team for uncommon success during the last season.

   President Maryanski introduced new NSC Faculty Senate Chair, Ms. Robin Herlins, and new NSSA President, Ms. Brandi Scheff.

   President Wells introduced new GRAD President, Mr. Steven Gronstal, and new DRI Faculty Senate Chair, Ms. Laura Edwards.

   President Glick introduced new ASUN President, Mr. Charlie Jose, new GSA President, Mr. Matthew Smith, and new UNR Faculty Senate Chair, Dr. Eric Herzik. President Glick also announced that Dr. William Sparkman, Dean of the College of Education has requested to return to the faculty. Dr. Christine Cheney has been appointed to fill that role for a period of two years.

   President Smatresk introduced new CSUN President, Mr. David Rapoport, and new GPSA President, Mr. Kyle George.

   Regent Knecht related that recently the State Board of Education had appointed two liaisons to the Board of Regents. He introduced the northern liaison, Professor Dave Cook, a current member of the faculty of WNC who has served higher education for many years. On behalf of State Board of Education President Mr. Christopher Wallace, Mr. Cook expressed greetings and stated that it was the Board of Education's desire to create a consistent and direct relationship with the Board of Regents. To that end, the Board of Education commended Chancellor Klaich for his significant role in assisting the Governor's State of Nevada Education Reform Blue Ribbon Task Force with the Race to the Top application for federal funding. Mr. Cook stated that as partners, the Board of Education stood by the Board of Regents in its efforts to secure adequate funding to maintain the programs offered in higher education. He added that in education, if any one part fails, it all fails and that both levels of education are a consistent continuum.

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

   Chancellor Klaich introduced Mr. Fred Egenberger, new Faculty Senate Chair for System Administration.

2. Information Only – Institutional Student and Faculty Presentations *(Agenda Item #2)* - Chairman James Dean Leavitt requested that the President of the hosting institution introduce one student and one faculty member to discuss a topic of the hosting President's choosing to highlight current programs or activities of the institution.

   President Glick introduced Dr. Dean Burkin. He related that Dr. Burkin had completed his Bachelor of Science degrees at Victoria University of Wellington, New Zealand, in Developmental Biology and his Ph.D. at the University of Colorado in 1994 in biochemistry. Dr. Burkin travelled to Cambridge University, England, to complete post-doctorate studies in genetics and then to the University of Illinois, where he studied integrins and muscular dystrophy. In March 2003, Dr. Burkin was hired by the University of Nevada, Reno, as an Assistant Professor in the Department of Pharmacology, and his research focuses on developing therapies for children with muscular dystrophy. Dr. Burkin teaches Medical Pharmacology and is Director of the Nevada Transgenic Center, which has produced 30 novel strains of mice for biomedical research. Since 2003, Dr. Burkin has received seven grants from both NIH and private foundations totaling more than $3.2 million in direct costs. Also since 2003, Dr. Burkin has published 16 peer-reviewed papers, served on the IACUC and reviewed grants for NIH. In 2009 Dr. Burkin was promoted to Associate Professor with tenure at the University of Nevada, Reno *(full presentation on file in the Board office)*.

   Regent Wixom hoped that as a whole, the System would engage more with the public on its achievements and the positive role and force that higher education can be within the state. He asked what policies and procedures were in place in terms of the protection of intellectual property rights as a key to becoming more financially independent. President Glick replied that the Office of Technology Transfer was recently reorganized and is now shared with DRI. One of the major changes is the mining of good ideas. If ideas are not brought forward, they never advance to the point of discoveries and patents. However, UNR does not have sufficient critical mass or the legal expertise in some areas and must reach outside the university to develop those areas.

   President Smatresk related that although UNLV has policies in place for the protection of intellectual property and technology transfer, there are not yet many projects. As a result of the budget situation, the office for the Vice President of Research is grossly understaffed. However, he felt that one of the aspects of a mature university is that it embeds the value of intellectual property, which is the university's current focus.

   President Wells expressed his appreciation for the efforts taken to bring the UNR and DRI shared Office of Technology Transfer up to speed. However, the program is in its infancy and is still cultivating ideas.

2. Information Only – Institutional Student and Faculty Presentations *(Agenda Item #2)* – *(Cont'd.)*

Regent Wixom felt that in times of crisis, it was important to seize opportunities. He requested that an analysis be undertaken to encourage, exploit and utilize intellectual property for the benefit of the System. Chairman Leavitt expressed his appreciation for Regent Wixom's comments and directed Regent Cobb, as Chair of the Academic, Research and Student Affairs Committee, to pursue this matter further.

President Glick related that a point of pride at UNR is its competitiveness in the National Competition for Concrete Canoes. He introduced UNR students Mr. Robert D. Coomes and Mr. Jorge Gonzalez *(full presentation on file in the Board office).*

Mr. Coomes and Mr. Gonzales related that The Concrete Canoe team started in 1979 and participated consistently until 1998 when the team disbanded until 2005. In 2005, the program was revived, and by 2008 the team had placed 1st at regional and national competitions. However, due to many of the team's members having graduated in 2008, in 2009 the team suffered a bit, but rallied in 2010 to place 1st once again in regional competition and will soon be heading to the national competition. Mr. Coomes and Mr. Gonzales related that many of the student benefits from this competition include hands-on learning, concrete mix design, advanced engineering concepts, translation of design to final product, development of project skills as well as other skills such as management, organization, finances and presentation. The team's ultimate goal is to continue the program which will need young recruits, a new facility for canoe construction, as well as monetary support in the amount of $10,000 to $20,000 per year.

Regent Crear stated it was nice to see students having fun while learning and asked what happens to the old canoes. Mr. Gonzales related that due to lack of storage space, only the nose is typically cut off and saved. However, the national championship boat was still on display in one of the engineering buildings. Regent Crear asked if the team considered speaking with high school students and to use this team as a recruiting tool. Mr. Coomes indicated that has been done. However, there has been some concern expressed by the younger students for the amount of upper level thinking that is required.

Regent Schofield asked what size gravel is used. Mr. Coomes clarified that the cement was made from 100% recycled glass product that is then heavily reinforced. Regent Schofield asked if the team actively recruited into the middle school level. Mr. Coomes indicated that was being done through the College of Engineering.

Regent Anderson asked if the students themselves manned the boat. Mr. Gonzales related that the competition included being able to float the boat on its own, as well as 4-men and 2-men sprints and a 3-men and 3-women race.

Chairman Leavitt indicated that it may make a good fundraiser to auction off the boats.

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

On behalf of Chairman Leavitt and the Board, Vice Chancellor Nichols presented a Certificate of Appreciation to Professor Emeritus Mr. Tim Haller for his contributions to Western Nevada College and to the System's Common Course Numbering Committee.

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

On behalf of Chairman Leavitt and the Board, Chancellor Klaich presented a Certificate of Appreciation to Dr. Mike Reed for 38 years of service to the University of Nevada, Reno, and to the NSHE Administration.

Regent Page introduced Mr. Chuck Osorno, Regional President of Wells Fargo, and accepted a check for $10,000, from Mr. Osorno on behalf of Wells Fargo, for the Dependents of Police and Fire Fighters Fund that assists with the costs of education for children of police or fire fighters killed in the line of duty.

Regent Geddes thanked the UNR Joe Crowley Student Union for the Nevada Well water bottles that were presented to the Regents. He explained that the Nevada Well could be found on the 3rd floor rotunda of the Student Union and encouraged everyone to use and reuse the water bottles and to use the well.

Regent Knecht acknowledged UNR for initiating a new program for academic letter of intent signing day modeled after the ceremony traditionally used for student athletes. He felt this was an outstanding way to communicate that UNR and the System were all about education, quality and reputation. President Glick stated that it had been a wonderful experience to meet the students and their families.

The meeting recessed at 10:18 a.m. and reconvened at 2:37 p.m. on Thursday, June 3, 2010, with all members present.

3. Information Only – Public Comment *(Agenda Item #6)* – Dr. Teresa Jordan, professor and Chair of the Department of Education and Leadership *(EDL)*, UNLV, related that the proposed elimination of the EDL was a sad moment as that program was UNLV's first doctorate degree program in 1974 and is the only available program for two state certification areas in southern Nevada. Dr. Jordan related that the EDL's courses are not redundant to other areas of campus and therefore its students cannot attain their goals by switching majors that do not meet the necessary Department of Education requirements. Secondly, the EDL department had taken the university's mission on diversity as a call to action and is one of the more diverse departments in terms of both faculty and students on campus. The proposed elimination includes all non-tenured tenure-track faculty that are entirely from underrepresented populations. In addition, Dr. Jordan stated that the requested rationale for the proposed elimination of the EDL has not yet been received. Without that data, the EDL is left with three assumptions for its targeted elimination: 1) the cost; 2) the number of faculty in residence; and/or 3) the ratio of senior faculty to total faculty.

In terms of the first assumption *(cost)*, Dr. Jordan related that the cost was driven in part by a request from central administration that the EDL absorb three former administrators and one former community engagement researcher. Those positions increased the department's per-student cost from $8,500 to $11,720. In terms of the ratio of senior faculty, Dr. Jordan related that 56% of the department's faculty are full professors. She felt it was being assumed that if a major department such as the EDL were being eliminated, perhaps additional faculty might leave or retire and thus increase the potential

3. Information Only – Public Comment *(Agenda Item #6) – (Cont'd.)*

cost savings for the university. She felt that the difficulty with that assumption is that the current economic conditions impact the ability to move or retire and therefore this assumption will likely not result in the anticipated salary savings. Dr. Jordan stated that the department accepts and understands the need to reduce administrative overhead and academic units. The department is requesting that the Board of Regents take action to retain the academic programs of the EDL. Dr. Jordan felt that would be a win-win situation in that the Board can reduce costs of $1.1 million by streamlining the structure of a reorganized College of Education thereby not losing its annual revenue stream of approximately $2 million.

Dr. Paul Meachum, President Emeritus of CSN and Professor Emeritus of UNLV, stated that the EDL was a primary department of the university and that the department's existence impacted the university's continued Carnegie classification. The EDL ranked third in graduate productivity and provides critical professional development to K-12 community constituents. The EDL also provides 48.6% of the Clark County School District's initial administrative placements and 40% of its promotional advancements. Elimination of this program would be a great loss to the state and would leave the door open to other systems filling the need. He felt that through the years, the EDL had been a good university citizen and had quietly and efficiently been doing its job. Even with the specter of the current damage, the department continues to believe it is an important component to the university's ability to serve the state.

Ms. Janice Klaassen, Director of the Independent Laboratory Sciences Program, UNLV, asked the Board to reconsider the proposed elimination of the Clinical Laboratory Sciences *(CLS)* program. Ms. Klaasen related that 70% of all medical diagnostic and treatment decisions made by physicians are based on medical laboratory test results. According to the American Society of Clinical Pathologists and the US Bureau of Labor Statistics, Ms. Klaassen related there was a medical laboratory personnel shortage of 10% throughout the country, and 15% in the state of Nevada and that understaffing jeopardizes the rate of return as well as the quality of lab results. UNLV's CLS program is the only accredited baccalaureate level program of its kind in the state of Nevada. The associate program offered by CSN was not the same in that those personnel were more limited in their functions. Ms. Klaassen indicated that CSN recently obtained a substantial Department of Labor grant to increase training for displaced workers in the state. However, if UNLV's program is eliminated, she asked where CSN's students would go for career progression.

Ms. Klaassen related that UNLV's CLS program has had a 100% national board pass rate for the last seven years, one of only three programs in the country that could boast such a statistic. Due to workforce shortages, all CLS graduates are able to find jobs within three months of graduation. Since 2008, after being given a directive, the program has increased its enrollment by 50%. Ms. Klaassen stated that in December of 2009, the Board of Regents approved an increase to the CLS lab fee in order to prevent the program's closure, yet the program was still being proposed for elimination. In addition, the closure of Arizona's only CLS program caused enrollments in Nevada to increase and now Nevada's only program is being proposed for closure. California's four programs were no longer accepting out of state students due to its own budget situation. Ms.

3. Information Only – Public Comment *(Agenda Item #6)* – *(Cont'd.)*

Klaassen related that the program's costs were approximately $9,200 per FTE. However, because it was a designated clinical program, the university is reimbursed $10,000 per FTE, which generated revenue of approximately $1,200 per FTE. With its critical need and essential role, Ms. Klaassen felt it would be irresponsible to eliminate the only program of its kind in the state of Nevada and urged the Board to keep the UNLV CLS program open.

Ms. Jo Anne Edwards addressed the Board regarding the proposed closure of UNLV's CLS program. Ms. Edwards related that although she was currently employed by the Joint Commission on Accreditation of Healthcare Organizations *(JCAHO)*, she was addressing the Board on behalf of patients, as a resident of the state of Nevada and on behalf of the American Association of Clinical Pathologists *(AACP)*. She stated that just that morning her son-in-law was released from a local hospital where he had been diagnosed and treated for pneumonia as a result of a laboratory test. In addition, her husband had passed away a few years ago due to cancer. She pointed out that while fighting his condition, he had been dependent upon laboratory results to receive chemotherapy treatment. She also expressed concern for the rural communities' access to laboratory tests and blood transfusions without the personnel graduating from the CLS program. She stated that she also represented the AACP that certifies the graduates from the CLS programs. As an employee of the JCAHO, she related that she has seen that there is a critical shortage of clinical pathologists. Ms. Edwards related that just that day, on a website for upcoming careers, clinical laboratory sciences was rated #4, preceded by nursing, pharmacists and pharmacy technicians. She felt that if UNLV's CLS program was closed, Nevada's rural areas, patients and physicians would suffer. She urged the Board not to eliminate the CLS program.

Mr. Robert Metz, founder and current CEO of the American Sports Academy presented a packet of information related to 160-acre Olympic sports training center on property currently owned by the Board of Regents and the University of Nevada, Reno. He asked that the Board consider placing an item to discuss this proposal further on the September Board agenda. He noted that on page 2 of the proposal was a typographical error related to the rent amount that should reflect $1,192,000 annually. Chairman Leavitt indicated that the Chancellor and President Glick would be willing to meet with Mr. Metz.

Ms. Lisa Miller, recent graduate of UNLV's CLS program, related that during her internship she had learned firsthand just how close to the edge CLS personnel were. If a shift was one person short or if one piece of equipment was down, the test results were sometimes delayed by hours. She felt that one of the reasons for the shortage was not enough CLS graduates, adding that elimination of that program would only exacerbate the situation. She asked the Regents to consider the invisible link between the nurses and the doctors to provide adequate health care to all Nevadans. Ms. Miller acknowledged that although the program was expensive, it would be much more costly to eliminate the program. She related that although she had a degree in biology and chemistry, it was not enough training for the very specific testing functions performed by CLS personnel.

3. Information Only – Public Comment *(Agenda Item #6) – (Cont'd.)*

Ms. Carla Snyder addressed the Board as one of 25 students who have applied to and have met the requirements of the CLS program at UNLV. Each one has spent time and money to meet the program requirements with the assumption that the program would be there upon meeting those requirements. She related that she submitted her application on May 1st and then learned that the program was up for elimination on May 11th. She and the other students felt that they had worked for years only to have the rug pulled out from under them. She pointed out that the Board's reference material states that CLS will be "fully operational through next July and the students will be given two years to complete their education." In her opinion, fully operational meant allowing qualified students to start this fall and be given the opportunity to complete the program in that reasonable two year time frame. She asked that the Board not eliminate the program and dismiss the students' efforts thus far.

Ms. Natalie Kozlowski related that she had just begun the CLS program in the spring. Due to that timing, she may be the only student in some of the classes. She felt that since the classes were being provided for one student, it would be much more efficient to accept the students that had met the recent application deadline and requirements in order to fill those classes up during the next two years.

Ms. Nadia Ayala addressed the Board as a recent graduate of the CLS program. She related that in her clinical internship, she had also seen the effects of a significant shortage of CLS workers. Due to that shortage, she emphasized that UNLV's CLS program has 100% job placement. She felt that the quality of healthcare in Nevada would be decimated if this program were to be eliminated. In addition, she felt that the cost of healthcare would increase because the salaries needed to attract laboratory service personnel from outside of the state would be driven up. She asked the Board to allow the students that have met the recent application deadline to complete the program.

Dr. Sachiko St. Jeor, Professor of Clinical Medicine, UNR, addressed the Board regarding the proposed closure of the Center for Nutrition and Metabolism *(CNM)* within the School of Medicine. Dr. St. Jeor felt that there had been some confusion regarding what was actually being proposed for closure. She requested the Board's consideration to officially close the Nutrition, Education and Research Program and repositioning the CNM as a school-wide/statewide resource for the next two years, with essentially the same targeted state mandated budgetary cuts. She felt her proposal was based on data that had been overlooked in the initial evaluation *(full statement and recommendation available in the Board office)*. The rationale for her recommendation included allowing for the completion of current grants, planning for the implementation or transfer of pending grants and planned support for extramural grants. The CNM would serve as the research base for clinical trials needed by the School of Medicine and could provide the basis for further research and educational integration. In addition, repositioning of the CNM would allow for the renewal of a successful model for collaboration and the development of a stronger unit if the opportunity allows. It would also allow for departmental fusions in the School of Medicine, the strengthening of nutrition on campus by working with the Department of Biochemistry to integrate relevant basic sciences and the new Department of Food, Agriculture and Nutrition. It would also continue working with the other departments in

3. Information Only – Public Comment *(Agenda Item #6)* – *(Cont'd.)*

the School of Medicine and Student Health and fit into the Academic Health Center model. *(Statement on file in the Board office from Dr. Raymond Plodkowski, Chief of Endocrinology, Nutrition and Metabolism Division, as submitted by Dr. St. Jeor.)*

Mr. Ron Lemke, Associate Professor of Supply Chain Management, UNR, addressed the Board regarding the elimination of the Supply Chain Management program. He felt that the program was identified for elimination because there was not a true understanding of the importance of the program for the state of Nevada. He related that supply chain management students have the analytical and quantitative skills that are in demand in Nevada and across the country. He felt that supply chain management was closely related to UNR's land grant mission and quoted from the original Land Grant Act of 1862 that stated land grant schools should teach "such branches of learning that are related to agriculture and mechanic arts in such a manner that the legislatures of the states may prospectively prescribe in order to promote the liberal and practical education of the industrial classes." Mr. Lemke related that the Nevada legislature passed ACR 30 the previous year, which established a subcommittee to attract business to the state related to supply chain assembly, manufacturing, warehousing, and transportation. According to the U.S. Bureau of Labor Statistics, supply chain activities account for 22% of employment in the state of Nevada. UNR's program is the only program in the state that teaches students how to manage a supply chain, schedule production of manufacturing facilities or how to manage inventories. Mr. Lemke related that the legislature's subcommittee had recently met and indicated it was going to send the Board a letter asking that it not terminate this program. He hoped the Board would listen to that subcommittee's request.

Dr. Colleen Peterson, Associate Professor in Residence in UNLV's Department of Marriage and Family Therapy and Director of UNLV's Center for Individual, Couple and Family Counseling, addressed the Board regarding her concerns related to the proposed closure of the Marriage and Family Therapy *(MFT)* program. Dr. Peterson disclosed that although she also serves as the president of the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors, she was not speaking on that board's behalf, although that association would bear influence on her testimony *(full testimony on file in the Board office)*. She felt that the elimination of UNLV's MFT program would seriously decrease the number of mental health providers at a time when Nevadans are experiencing more stress and mental health needs than ever before. She related that in Nevada, 57% *(approximately 650,000*) of adults are in need of mental health services that they are currently not receiving. Nevada has the highest rate of depression in adults 26 years and older, the lowest number of mental health providers per 100,000 in the region, and has the highest rate of divorce in the country. Dr. Peterson related that the profession of Marriage and Family Therapist is recognized as separate and distinct from other mental health professionals, with separate degrees, licenses and certifications. She felt that needed to be clarified, as part of the rationale for elimination of the MFT program at UNLV was that the program was redundant. She pointed out that as part of UNLV's MFT program students provide 10,000 hours of therapy to the community at little or no cost to those who cannot otherwise afford it. Eliminating the MFT program would significantly reduce the number of mental health providers in Nevada at a time when they are desperately needed. She asked that the Board reconsider the elimination of UNLV's MFT program.

3. Information Only – Public Comment *(Agenda Item #6)* – *(Cont'd.)*

Dr. William Speer, interim dean for the College of Education at UNLV asked that the faculty be allowed to demonstrate the very real propensity to be creative, innovate and collegial in the university's efforts to redesign, re-conceptualize and reinvent the College of Education in ways that will contribute to UNLV's significant role in the revitalization of Nevada.

Dr. Glenn Miller, Professor of Natural Resources and Environmental Sciences, UNR, addressed the Board in regard to the consistency of the process employed at UNR in terms of the American Association of University Professors *(AAUP)* guidelines. He felt that in these incredibly difficult times, it was acknowledged that faculty would be dismissed. However, Dr. Miller cautioned against the belief that the university was following AAUP guidelines. He related that under AAUP guidelines, termination can be done under financial exigency or under curricular review that is based primarily, if not exclusively, on curricular revision and not on financial exigency. He hoped that the Board remembered that notions of tenure and academic freedom are fundamental to a modern university. He did not want the NSHE to play a lead role in destroying those notions.

Dr. Maureen Kilkenny, Professor of Resource Economics, UNR, addressed the Board on behalf of the faculty of the Department of Resource Economics and the Department of Animal Biotechnology. Dr. Kilkenny related that all five departments in the College of Agriculture, Biotechnology, and Natural Resources *(CABNR)* ranked in the top quartile in all three criteria of teaching productivity, research productivity and external funding. The faculty of the Department of Resource Economics was in the top quartile in terms of externally funded research. In research quality, it ranked in the top quartile in the world in terms of publicly recognizable documentation. The research and teaching done by the Resource Economics faculty included the areas of agriculture, ranching and horticulture, as well as forestry, bio fuels and global warming. Dr. Kilkenny stated that the department's Ph.D. program is so valuable that it was stripped from the elimination proposal and given to another department that does not have the faculty capable of teaching it. She indicated that although the faculty was being fired, the curriculum was being retained which led her to the conclusion that the faculty was being fired for ulterior reasons. The low enrollment rationale used by UNR has enabled the targeted elimination of individual faculty and, in some cases, the collective punishment that is required by eliminating entire programs. She did not feel that was the real intent of the process. The faculty recognizes that money must be saved and have voted in favor of reducing costs, including salaries, in order to retain the whole. Dr. Kilkenny felt that there was no civilized way to break a contract with a human being that has given their life as a tenured faculty member in accepting a relatively lower payment in return for a contract of security. She urged the Board to do the right thing.

Mr. Kyle George, GPSA President, UNLV, recognized that in these extraordinary times, unpopular stances must be made. He recognized that proposed program eliminations were extremely unpopular because every identified program has tremendous value to the community, state and university. However, the GPSA asked the student population for proposed real alternatives that would help balance the budget without impacting the students and no ideas were forthcoming. He stated that he stood before the Board not liking the direction the state had taken, adding that the position that the university was in came from a place well above the level of the Board.

3. Information Only – Public Comment *(Agenda Item #6)* – *(Cont'd.)*

Mr. David Rapoport, CSUN President, UNLV, related that although the students have indicated their support of UNLV's proposal for a $5 surcharge, it was not with open arms but rather with the understanding that the surcharge was temporary, that it would assist in keeping programs open and help the students complete their degrees.

Mr. Charlie Jose, ASUN President, UNR, related that although the students do not endorse program elimination, they do understand that cuts are necessary to protect overall academic integrity. He stated that although the students expressed concern for the level of student input in the curricular review process, President Glick, Provost Johnson and the faculty ensured that the students had a voice. He related that ASUN Senate Resolution #77-46 was drafted to express a sense of loyalty to fellow students. Mr. Jose emphasized that the ASUN does not endorse the elimination of programs and departments but understood the necessity for the difficult decisions. In regards to the curricular review process, he expressed his gratitude for the faculty, staff and students that came together for a common good *(memo and resolution on file in the Board office)*.

Mr. Matthew Smith, GSA President, UNR, related that the GSA reluctantly supported the proposed budget reduction plan. He stated that at the April Board meeting, he had expressed four primary contentions with the reduction plan and that the first three *(graduate education, underrepresented faculty and statewide parity)* had since been addressed in a broader perspective. His fourth contention was with the curriculum and he echoed Dr. Miller's earlier statements, that if the curricular review process was to be conducted again in the future, specific attention be given to curriculum.

Mr. Smith also related that the GSA echoed the institutional presidents' unanimous opposition to any cuts or limitations to the grant-in-aid program *(agenda item #10)*. He felt that a great many faculty and classified staff that directly interact and impact the recruitment and retention of students use those benefits to hone their skills. The impact that a change to the grant-in-aid policy would have on that interaction would be immeasurable.

Chairman Leavitt thanked all those that had participated in public comment. He indicated that the budget reduction proposals were by far the most important item ever discussed by the Board.

The meeting recessed at 3:48 p.m. and reconvened at 3:58 p.m. on Thursday, June 3, 2010, with all members present.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – The Board of Regents approved the Budget Reduction Plans for FY 2011 for System Administration, the University of Nevada, Reno, and the University of Nevada, Las Vegas, as presented including a new $5.00 per semester hour program elimination bridge fee for FY 2011 and FY 2012 for UNLV, as well as the following organizational unit and program eliminations and reorganizations *(Ref. BOR-8a on file in the Board office)*:

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

University of Nevada, Reno:

- Reorganization of the College of Education, including the elimination of the Department of Curriculum, Teaching and Learning; the Department of Educational Psychology, Counseling and Human Development; the Department of Educational Specialties; and the Department of Educational Leadership. Elimination of the following academic programs: *(Ref. BOR-8b on file in the Board office)*
  - Counseling and Educational Psychology; EdD, EdS, PhD
  - Educational Leadership; EdD, PhD
  - Educational Specialties; EdD, PhD
  - Literacy Studies; EdD, PhD
  - Special Education and Disabilities Studies; EdD, PhD
  - Teaching English to Speakers of Other Languages; MA *(program deactivation only)*

- Elimination of the Department of Animal Biotechnology and elimination of the following academic programs: *(Ref. BOR-8c on file in the Board office)*
  - Animal Biotechnology; BS
  - Animal Science; BS, MS

- Elimination of the Department of Resource Economics and elimination of the following academic programs: *(Ref. BOR-8d on file in the Board office)*
  - Agricultural and Applied Economics; BS
  - Environmental and Resource Economics; BS
  - Resource and Applied Economics; MS

- Elimination of the Center for Nutrition and Metabolism *(Ref. BOR-8h on file in the Board office).*

- Other miscellaneous academic program eliminations: *(Ref. BOR-8e on file in the Board office)*
  - Speech Communications, MA *(program deactivation only)*
  - German Studies; BA
  - Interior Design; BS
  - Supply Chain Management; BS

University of Nevada, Las Vegas:

- Organizational Unit Eliminations: *(Ref. BOR-8f on file in the Board office)*
  - Department of Marriage and Family Therapy
  - Teaching and Learning Center
  - Department of Educational Leadership
  - School of Informatics
  - Department of Recreation and Sport Management
  - Department of Sports Education Leadership

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

University of Nevada, Las Vegas:

- Academic Program Eliminations: *(Ref. BOR-8g on file in the Board office)*
  - Clinical Laboratory Sciences Program, BS
  - Urban and Environmental Horticulture, BS

Regent Alden moved that the Board declare financial exigency and implement a graduated salary reduction plan of between 2% and 8% based on salary, excluding classified and part-time employees.

Regent Geddes asked if that was an appropriate motion for the Board to vote upon.

Regent Wixom appreciated Regent Alden's motion but felt it was not appropriate.

Vice Chancellor Patterson related that the Code would require the Chancellor and presidents, after consultation with the faculty, to determine that no other alternatives were available before it would be appropriate for the Board to consider Regent Alden's motion.

Chairman Leavitt ruled Regent Alden's motion failed for lack of a second.

Chancellor Klaich related that Regent Alden's motion disclosed a potential difficulty in the Code in that, as it is currently written, the Chancellor and the presidents are the gatekeepers for financial exigency, not the Board of Regents. He emphasized that he did not particularly desire to be that gatekeeper. The Board's appropriate demand that the Chancellor undertake critical analysis in terms of a potential declaration of financial exigency was separate and apart from whether such a recommendation should come from the Chancellor or from the Board itself. He felt this was an important point for potential future discussion.

Chancellor Klaich reiterated the Chairman's earlier comments that this is likely as difficult a decision as the Regents will ever face, particularly after hearing the powerful public testimony. The two universities have been through a terrible and gut wrenching process to eliminate programs and faculty, the closure of opportunities to students and the reduction of institutions that many have worked to build up. However, as difficult as the process has been, he felt that the two universities needed to be congratulated for the remarkable process that was undertaken.

President Glick related that in the past two years, UNR had lost $44 million in state appropriations, corresponding to 21% of UNR's general fund appropriations. He felt it was clear this was a long term problem and that it was his job to do what was best to position the university for the future. The UNR Faculty Senate resolved, and the administration agreed, that its top priority was to protect students and academic programs. It was also agreed that cuts should be strategic or vertical, rather than across the board, in order to maintain the integrity of as many existing functions as possible. In the first $33 million reduction, no academic programs were affected. In the second $11 million reduction, in order to maintain academic programs, it became necessary to narrow what

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

the university offered. President Glick stated that, as seen on page 19 of Ref. BOR-8a, even with the second set of reductions, the university has protected the colleges relative to all other units. The total reduction to the colleges was 9.1%. Administrative units were reduced by 19% and other units by 22%. The areas of the president, the provost, vice president for research, intercollegiate athletics, the agricultural experiment station and statewide programs have all been reduced by more than 24%, compared to the colleges' reductions of 9.1%. In the last two years, the university had lost over 350 positions. The present plan includes elimination of 26 faculty members involving the following demographics: 18 males, six females; 22 white and four Asian.

In the classified staff category, President Glick related that the plan includes termination of 7.5 positions, including two males, 5.5 females, 6.5 white and one Asian. In relating these numbers to the Board, President Glick emphasized that he did not want to minimize the terrible effects on the people. In terms of students, it was the universities best estimate that of its 17,000 students, 30 graduate students will be directly affected, as well as 275 undergraduate students. The students are being contacted directly in order to assist them with completion of their degrees.

In terms of sponsored projects, President Glick stated that it was estimated that out of the university's approximate $100 million in sponsored research and public service projects, approximately 1% *(approximately $1 million)* was being placed at risk.

President Glick related that when the university decided to implement a curricular review process consistent with the Board's Code, UNR's faculty senate was asked to develop that process. The process that was then developed included initial proposals recommended by the provost, followed by a period of time for the affected departments and units to respond and present a defense. Those responses then went to the appropriate college for review. Following that, the faculty senate elected a curricular review committee to review all of the above materials and then present a report with its findings back to the faculty senate. The faculty senate then voted and forwarded its recommendations to the president's office. President Glick stated that he was now in the process of making his final recommendations. Some of the criteria in Provost Johnson's original proposals included factors such as degrees granted, major enrollments, FTE production, scholarly productivity, grant awards, relationship to the fulfillment of other programs, centrality to mission and national and international uniqueness. In some cases the colleges or stakeholders came back with alternatives. Some of those alternatives were accepted as evidenced by the College of Education and the College of Agriculture, Biotechnology and Natural Resources.

President Glick extended his deep personal gratitude to all of the participants including the faculty, students, staff and stakeholders in the community. He particularly thanked the Faculty Senate Curricular Review Committee who had worked diligently to put forth the best possible recommendations. In large part, he stated that he had accepted the committee's recommendations and several of the provost's recommendations were changed as result of the information received back from the colleges and from the faculty senate. However, in the end, the burden rests with the president and he took full responsibility for the decisions. President Glick stated that the faculty positions being eliminated were not due to poor performance, and emphasized that they were good

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

people. He stated that the program reductions did not come easily, nor should they have. He is convinced that the long term health of the university, and of the state of Nevada, was best served by making strategic reductions to protect the quality of the remaining academic programs. He believed to go a different direction would send the university into a downward spiral in the quality of the entire university. He urged the Board to give serious consideration to the budget proposal put before it.

Regent Gallagher stated that she had never come up against anything as difficult as what the presidents have been asked to do, nor had she ever been as proud of the presidents.

Regent Gallagher moved to approve the UNR FY 2011 Budget Reduction Plan as presented by President Glick. Regent Knecht seconded.

Regent Knecht thanked President Glick, Provost Johnson, the UNR Administration, the faculty senate and the UNR Curricular Review Committee, as well as the Nevada Faculty Alliance for their efforts. He also thanked the students for their candor and good citizenship. He loathed having to make these decisions but felt it was the least bad thing the Board could do.

Regent Wixom expressed his strong support for President Glick, the UNR administration and the faculty. He felt it had been an extraordinary process that had been fair and equitable in every possible way. He also felt it was important to state that neither he, nor any member of the Board that he has spoken with, ever viewed this process as a means for the Board to undermine or question tenure.

Regent Rawson asked if any of the proposals made during public comment were new and should be considered. He indicated his support for the proposal with the caveat to save what could be saved. President Glick replied that the best predictor of the future is the past. He wished he could say that the grants could be developed to support the programs. He also wished to separate the issue of closing a program versus allowing the faculty to continue their efforts if they can find a grant to support those projects.

Chairman Leavitt asked President Glick if the Board's action that day precludes any creative efforts over the coming months to alter, ameliorate or change programs, units or colleges. President Glick stated it would not preclude it. The Board's action would set in motion a series of actions that need to be taken. However, for the individuals affected, he pledged to work with them in full and good faith. President Glick stated that of the $44 million total loss, approximately $5 million still needs to be resolved through the borrowing of internal loans to be paid back over the next three years.

Regent Blakely related that he was happier with the revised proposal as presented that day due to the additional input from the students and other stakeholders.

Regent Anderson thanked President Glick for his efforts to work with the stakeholders to keep the College of Agriculture and the College of Education as intact as possible.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

Regent Crear requested an explanation for why UNR's reference material reflected certain percentage cuts by area but does not specifically identify what those cuts represent. President Glick stated that, in general, the cuts included a dramatic reduction in the Media Relations office, elimination of the ombudsperson position and reduction of lobbying expenses. He offered to provide the specifics to Regent Crear the next day.

Regent Crear felt that it would be difficult to vote on the reductions without knowing what was specifically entailed. For example, there is a cut of $300,000 in Student Services. President Glick replied that the process for eliminating an administrative unit is different from the curricular review process used to evaluate academic programs. In the case of administrative cuts, the vice president of a department is expected to make the cuts that are deemed the least damaging. Those cuts are then reviewed and negotiated where appropriate, but are not micromanaged. President Glick added that in administrative services, a number of the reductions are achieved through position eliminations that are attained through a higher rate of attrition. However, in academic units that high rate of attrition is typically not experienced so a different approach must be used. President Glick stated that the full budget was available and would be provided to Regent Crear.

Regent Crear indicated that although he understood the need for the different processes, the Board would ultimately be held accountable for approving the plans and therefore he needed to know what was being cut. President Glick replied that the major cuts being approved are the academic program eliminations, which the Board must approve. The Board typically does not approve every adjustment of non-academic areas. Chancellor Klaich stated that was not accurate, adding that over the years the Board has reserved the right unto itself to change the budgets. He personally felt that President Glick's description of the non-academic reductions was satisfactory and hoped that the Board felt it was also, adding that he did not feel that the Board wanted to drill down to that level of cuts in non-academic areas.

Regent Crear felt that if the reductions indicated included something that he felt passionately about, he wanted to know. Chancellor Klaich replied that level of detail was being provided. Regent Crear felt it was not and that only total sums were being presented. He felt that if the Board was being held accountable for taking action, it needed to know what it was being held accountable for.

Chairman Leavitt asked President Glick if the information could be provided by the next day. President Glick was unsure if the information could be compiled by the morning, but stated he would get it Regent Crear as soon as possible.

Regent Crear asked if the rationale used to develop the recommendations was available. President Glick explained that a target number is assigned to each senior administrator and they are expected to make the decisions necessary to reach that target. Each area is currently in different stages of determining those cuts. Regent Crear felt that his questions had not been answered and expressed significant concern for approving a general dollar amount without knowing where the specific reductions would be made. President Glick stated that UNR's budget officer would compile the requested

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

information and submit it to Regent Crear as soon as possible. Regent Crear noted President Glick's earlier comment that those cuts were still being determined and asked if the information to be provided to him would be realistic. President Glick stated that the information would reflect the present state of each budget area.

Regent Cobb provided a reminder that this Board is a lay board and most of its members have full-time jobs in addition to devoting a fair amount of time to the issues at hand. None of the Regents, presidents, faculty or students signed up for these difficult decisions. In addressing the sentiment that the Regents' approval of the presented recommendations would simply be a rubberstamp of the presidents' decisions, he stated that was not the case, that a considerable amount of the Regents' time has been devoted to evaluating the issues and reading the many letters. He quoted from an article in the March issue of the Chronicle of Higher Education, "(i)n no state do prospects look bleaker for public higher education than in Nevada where fiscal, demographic and academic challenges all rank among the toughest in the nation." Regent Cobb expressed concern that the reductions faced that day may not be the end of the budget crisis, adding that some estimates suggest that the 2011 legislature will face a budget shortfall of up to $3 billion. The amount of this anticipated shortfall is almost incomprehensible as it represents nearly 50% of the total spending of the current biennium. Potential future cuts on higher education could be dramatic. The decisions today will bring unfortunate consequences, the impacts of which must be minimized to the fullest extent possible so that the institutions may continue to fulfill their mission of education and research. It was his personal belief that the curricular review processes used by UNR and UNLV, although necessarily imperfect, do reflect honest attempts and efforts at minimizing the impacts of these reductions on higher education. He joined in complementing the students, faculty and administration that have worked so hard in evaluating this difficult process.

Regent Page concurred with Regent Cobb. He also felt that Regent Crear had a valid point and asked that more detail be included in future budget reduction recommendations.

Regent Gallagher agreed with both Regent Cobb and Regent Page. The Regents handed the presidents this job and the Board needed to allow the presidents to do it. She had no problem with legitimate questions. However, she felt that when the presidents present their recommendations to the Board, it had to know that everything possible was done to make the situation right.

Regent Schofield related that he had recommended a more simplified method of a 7% cut across the Board. However, it was explained to him that was not the best strategy at this time because of the need for vertical cuts. He felt that there were no winners in the situation. He echoed the statements that the Board must depend upon the judgment and skills of the presidents that it has employed.

Regent Geddes stated that as a two-time graduate of the UNR College of Agriculture, he was very grateful to the president and provost for working with the various stakeholders and constituents around the state on an alternative proposal. He indicated his support of President Glick's recommendations but urged the UNR administration to retain as many of the impacted faculty as possible, if those opportunities existed.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

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

President Smatresk stated that there were no two presidents in any state that were facing more severe cuts than President Glick and himself. Nevada's two universities have been through extraordinary cuts in the last three years with its budgets having been reduced by 30%. He does not know of a university that could maintain fundamental processes, administrative departments and educational programs any better than the two universities have.

President Smatresk stated that if a mistake had been made, it was that UNLV handled the first $44 million budget reduction in a way that appeared to be business as usual. He was very sympathetic with the heart-wrenching concerns expressed from the public and faculty. However, there were no good decisions to be made. As of July 1, UNLV will have $10.67 million less in its budget. As discussed at the last Board meeting, UNLV has focused all of the previous cuts on non-academic areas. In the current proposed budget reduction plan before the Board, $5.7 million will be cut from non-academic areas in a similar manner and process as UNR. The reference material for UNLV includes an outline of the impacts for non-academic areas. In addition, UNLV had launched a voluntary separation package which was accepted by approximately 70 individuals. President Smatresk indicated that 45.3% of the non-academic cuts would come from the president's office. He did point out that the Office of the Vice President of Diversity would remain intact. In terms of academic areas, the provost's office has been assigned $4 million in cuts of which $1 million will come from administrative and organizational sub-units and $3 million will come from academic departments.

President Smatresk related that the net effect of what UNLV has done is not dissimilar from UNR and in fact many steps were virtually identically. Over one year ago, the UNLV administration and faculty senate agreed upon a curricular review process. Last fall, the first round of deliberations began and throughout every step the deans and academic units have been at the table in consultation. The program savings that were solicited from the deans were subsequently evaluated by a joint faculty and administrative evaluation team.

In light of the special 2010 legislative session, President Smatresk related that in the spring, he had created a list of programs with high cost per FTE for review. That list was submitted to a review committee that was formed as agreed upon with five UNLV Faculty Senate members and five administrative personnel. Extensive interviews were conducted with deans, chairs and directors. In addition, extensive data modeling support was provided from the Office of the Vice President of Finance. A tiered list of actions, including proposed eliminations, was then formed and submitted to the president's office for further and final consultation. That list was then submitted to the deans and directors, the president's cabinet, the faculty senate and to the student government leadership. Input from each of those groups then formed a final set of recommendations.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

President Smatresk stated that throughout the process, guiding metrics were employed that related to every measurable aspect of departmental performance and function and that data was supplied upon request to any committee that required it. However, the dominant metric involved was enrollment. The university could not afford to lose a significant level of enrollment due to the actions being taken or it will lose tuition and fee revenue, which would then drive further cuts. For example, an FTE enrollment loss of 5%, in the face of a 30% reduction in funding, would drive an additional loss of $6 million in tuition revenue. President Smatresk emphasized that the $3 million in academic program reductions being considered that day would double with even a 5% drop in enrollment. He urged the Board to consider that tuition revenue loss scenario when questioning why the university has been conscience of very high-cost programs that would impact the fewest number of students possible. In addition, UNLV has attempted to find programs where the students could be redirected if possible.

Mr. Gerry Bomotti, Vice President of Finance and Administration, UNLV, related that an analysis of each program was conducted that took various metrics into consideration, such as majors, services, course enrollments, resident versus non-resident and grant in aid. UNLV tried to account for every affected student and individual employee. Human Resources will work with the non-tenured faculty, the state classified employees to minimize bumping and with professional staff to find vacant but funded positions.

UNLV Provost Dr. Michael Bowers reiterated that this was a very undesirable situation. All of the programs being recommended for elimination were excellent. UNLV has recommended cuts where it felt that undergraduate and graduate students would still be able to find an alternative route or major. He stated that he would also be working with deans and faculty over the next few months to reassign tenured faculty as appropriate.

Regent Wixom thanked President Smatresk, the UNLV administration and the UNLV Faculty Senate for their efforts in this very difficult process. He expressed his appreciation for the way UNLV has responded to the community.

Regent Wixom moved to approve UNLV's 2011 Budget Reduction Plan, including a $5 per semester hour program elimination bridge fee and any waiver of Board policy that may be implied by this action. Regent Page seconded.

Regent Geddes failed to see the difference between the fee increase that he proposed at the last Board meeting that failed and the currently proposed bridge fee. President Smatresk replied that as the state withdraws its support, the university has a choice to collapse higher education or try to do something different. In the future, there will need to be a detailed discussion on what is the best model and approach to take. He asked the Regents to allow the presidents to work with faculty and students to develop and bring those proposals forward.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

Regent Geddes requested to hear from the student leaders. Mr. Kyle George, GPSA President, related that the key difference between the proposed bridge fee and the increased fee proposed at the last meeting was the scale of the increase and an imposed sunset.

Mr. David Rapoport, CSUN President, related that for the undergraduates, the sunset clause was the primary factor.

Regent Blakely indicated his support of the UNLV proposal. However, he did express concern for the CLS program, and hoped that there would be the opportunity to keep the program alive through the creation of a less developed program. Vice Chancellor Nichols indicated she would keep that in mind.

Regent Anderson related that she had received many concerns from several highly respected members of the medical and criminal justice community in regard to the proposed elimination of the Marriage and Family Therapy program. Those individuals have no other interest except that they have seen the results of inadequate resources. She asked UNLV to consider alternatives for that particular program. She also expressed concern for the elimination of the Educational Leadership Program as that program fulfilled a need within the Clark County School District. She noted that the Clark County School District is the fifth largest school district in the nation and many of its principals and instructors participate in that leadership program. She indicated that she would not feel comfortable supporting the elimination of those programs without an indication that those programs might continue at some level. President Smatresk replied that it was critical to understand that the proposed bridge fee and program eliminations were only the beginning of a process that includes elimination, reorganization and reallocation. In the next phase of reorganization, there will be discussions within each of the units approved for elimination that may include retention of portions of a program. Although he was hopeful that the recommended eliminations would continue at some level, it was not possible to cut $55 million from a university's budget and expect it to maintain service levels. Regent Anderson asked President Smatresk to keep her informed on the status of the Marriage and Family Therapy Program. President Smatresk indicated that he would do that, adding that it was important for Nevada's constituents to express its will through its ability to vote.

Regent Rawson related that as a former legislature, he had supported various programs that are now being challenged, including mental health related programs. He was not going to presume to step into the processes that had been taken, feeling that they were proper, noticed and public. However, he did indicate that some of the programs proposed for elimination were initially funded because they supported the needs of the state and not just those of higher education. He asked that the universities consider where it may be appropriate to retain some of those programs on an entry level basis.

Regent Page asked how long employees were given to apply for the severance package. Mr. Bomotti replied that the program opened in mid-spring for approximately two months with a final deadline to withdraw set for June 4, 2010. Throughout that time, informational workshops had been made available. Regent Page asked if uncertainty

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

remained with the exact number of participating employees. Mr. Bomotti replied that 71 employees have applied to-date. However, the final deadline to withdraw applications would be the next day, June 4, 2010.

Regent Page asked what the package entailed. Mr. Bomotti related that most of the applicants were full-time employees having been employed at UNLV for at least ten years and having met other service-related criteria. The package was for one year's worth of pay, which for many also equaled the one-year notice period.

Regent Page expressed his frustration that the System needed to become more efficient and noted that it had taken months to roll out the severance packages. He also cited the many invitations that are both expensive to produce and mail. Mr. Bomotti replied that the program could have been rolled out sooner. However, UNLV felt that it made more sense to keep that time period open until after the programs marked for eliminations were determined.

Regent Schofield expressed disappointment in the proposed elimination of the UNLV Educational Leadership Program that had been established in the 1970's. However, he did find hope in President Smatresk's comments that there may be the opportunity to retain some of the programs at some level.

Regent Knecht thanked President Smatresk, the UNLV administration, faculty and students for their hard work and efforts throughout the process. In terms of the Educational Leadership Program, he asked if a number of districts were looking favorably upon an alternate career path to superintendent that involves a master in public or business administration supplemented with specific courses on public management. President Smatresk indicated that he was aware that alternative scenarios did exist.

Regent Crear asked President Smatresk to elaborate on the demographic of the faculty and staff affected by the closure of the Educational Leadership Program. President Smatresk stated that the numbers have been calculated for tenured faculty, staff and non-tenured faculty for all of the programs proposed for elimination. In total, the eliminations will impact 14 non-tenured faculty, of which four are non-white *(Asian, Latino/a, African American or Indian)*. By race, the rate of representation in the faculty is 3.13% for non-white and 3.69% for white. There appeared to be no disparate impact on the non-tenured faculty for all of the programs eliminated. He could not address the specifics for the Educational Leadership Program but would take Dr. Jordan's comments at face value.

Regent Crear asked Dr. Jordan to further elaborate on the number of position eliminations within the Department of Educational Leadership and the effect those eliminations have on minority demographics. Dr. Jordan stated that within that specific department, the eliminations include two non-tenure track faculty both of whom are minorities, as well as four faculty-in-residence staff.

Regent Crear thanked President Smatresk for keeping the Regents informed throughout the process.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

In terms of the severance package, Regent Blakely felt that it had been appropriate for UNLV to take the additional time to appropriately notify and work with the staff and faculty. However, he did agree with Regent Page that the System needed to begin to operate differently.

Regent Alden felt that the Board was on a path of destruction and stated that he would not support the proposed program eliminations.

Regent Page commended President Smatresk and the UNLV staff for their effective communication and for working through a very difficult process.

Chairman Leavitt indicated that throughout the entire process over the last few months, he had the opportunity to work very closely with President Glick and President Smatresk. Every conversation had reflected outstanding ethics, character and concern for the situation and he would be remiss if he did not express his appreciation and gratitude.

Regent Schofield expressed his pride in the civility among all those involved throughout this difficult process.

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

3. Information Only – Public Comment *(Agenda Item #6)* – *(Cont'd.)*

Mr. Anthony Wojeski, private ranger in Storey County, related that it was his understanding that there was only one horse researcher at the University of Nevada, Reno, within a department that is proposed for elimination. He expressed concern for the hundreds of wild horses in the region and felt that there should be someone in the university system looking out for those animals. He felt it was important to save that researcher position or to somehow continue the services offered through that program.

The meeting recessed at 5:44 p.m. on Thursday, June 3, 2010, and reconvened at 10:00 a.m. on Friday, June 4, 2010, with all members present.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

Chancellor Klaich presented the 2011 Budget Reduction Plan for System Administration *(Ref BOR-8a, page 28)*.

Chancellor Klaich related that overall, the budget reduction plan includes various items such as reduction of special projects, a larger than normal percentage reduction for the University Press and reduction of direct student loans. System Computing Services will be leaving vacant a number of authorized positions and Nevada Industry Excellence

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

(formerly known as MAP) will be reduced. The System will be receiving a property insurance savings and the Las Vegas System office lease has been slightly reduced. In addition, there has been a reduction in the WICHE budget which is now a part of the System's overall budget as a result of the last legislative session. He noted that this budget reduction was approved by the WICHE commissioners at its last regular meeting.

Specifically, Chancellor Klaich related that the recommendation includes a disproportionate reduction to the University of Nevada Press of 25% for FY 2011, 25% for FY 2012, and 35% for FY 2013, as well as direction to reconstitute the advisory board to focus on the critical Nevada Works and Nevada Scholars programs. In terms of the Nevada Industry Excellence *(formerly known as MAP)*, Chancellor Klaich stated that the program had a three year window in which to become self sustaining, moving from a reduction of 17.5% in FY 2011 to approximately 35% in FY 2013, with no state dollars after 2013. Chancellor Klaich related that the savings in terms of the University Press and the Nevada Industry Excellence budget reductions had much to do with efficiency and effectiveness. However, he could not say that those savings would be returned to higher education specifically.

Chancellor Klaich related that as he had reported at the March meeting, SCS continues to work with its Advisory Council and the campuses to prioritize and catalog a complete list of its services and the costs involved. Recommended reductions will be brought before the Board at a later meeting. Chancellor Klaich related that the consolidation of business operations throughout the System such as Business Centers North and South, police forces and library services, is a much larger undertaking that is currently still in the discussion stage.

Regent Alden agreed that the Nevada Industry Excellence program needed to become self sufficient. He asked Chancellor Klaich if any budget reductions were being made to the finance or audit departments. Chancellor Klaich replied that there currently were not.

Regent Alden moved to approve System Administration's 2011 Budget Reduction Plan. Regent Gallagher seconded.

Regent Page recalled that Mr. Bruce James, Chairman of the Nevada Spending and Government Efficiency *(SAGE)* Commission, had experience with financially turning around the United States Government Printing Office in Washington, DC. He asked Chancellor Klaich if he had the opportunity to speak with Mr. James regarding the operation of the University Press. Chancellor Klaich stated that although he had not spoken with Mr. James directly about the University Press, some of the same actions were being implemented such as outsourcing of traditionally internal functions.

Regent Page asked if consideration had been given to increasing electronic publications. Chancellor Klaich indicated that Mr. James had felt that there would soon be a revolution in electronic printing and publications, including the use of electronic textbooks. In those terms, Chancellor Klaich emphasized that the System will need to work closely with the faculty in proposing changes to what has typically been a faculty prerogative.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

In terms of obtaining grants, Regent Cobb expressed concern that reducing funds available for special projects will exacerbate the situation and cause a greater reduction in matching funding. Chancellor Klaich stated that the recommendation is brought to the Board with the knowledge that there will be negative ramifications. However, there just was nowhere else from which to make the cut.

Regent Cobb noted that the reduction to special projects is listed for $140,000, and asked what the total budget amount was. Vice Chancellor Nichols related that this cut had been considered very carefully. The legislature has always provided matching funds for specific EPSCOR projects. One of the negative ramifications of this cut is that there is a very strong possibility that in the future the System will have to return money under the NASA program. However, there was just no other area to turn to in order to meet the budget reduction. Chancellor Klaich added that the proportional cut equals the same 6.9% reduction that most other areas have been asked to comply with, unless it had been determined that a specific area could bear a larger percentage cut.

Regent Cobb stated that this reflected a vicious downward spiral in the System's ability to receive grant funds because it will not have the matching funds available.

Vice Chancellor Nichols stated that the total special projects budget was $2,365,000.

Regent Page asked if it was known what the total dollar amount of grant funds that the System was missing out on due to a lack of matching funds. Vice Chancellor Nichols indicated that would be a difficult number to specify as each institution would need to be consulted. However, she felt that number would be in the millions.

Regent Cobb asked Vice Chancellor Nichols to apply Regent Page's question to a specific grant that was referred to during the previous day's ARSA Committee meeting. Vice Chancellor Nichols replied that had been an example provided by UNR. However, that had not been an EPSCOR grant. President Glick explained two years ago, UNR did not receive a $12 million grant to expand its earthquake center because it did not have enough matching funds. However, this year UNR has reapplied for that grant but will have to raise $3 million in matching funds for a $15 million grant. He noted that those grants are entirely the responsibility of the institutions as the System would not have the resources for that level of matching funds.

Regent Page emphasized that if any of the institutions can receive $15 million in grant funding in exchange for $3 million in matching funds, there should never be any money left on the table. He stated that it was important for the System to change the model of how it does business so that all opportunities are taken advantage of.

Regent Crear related that in the previous day's Investment and Facilities Committee, he had also pointed out that this is a major issue. The System needed to find ways of not leaving grant money on the table.

Regent Crear asked if the $1.15 million reduction identified in the SCS budget affected the iNtegrate project or the backfill needed to implement the next phase of that project. Chancellor Klaich replied that the budget reduction would not affect the iNtegrate project.

4. Approved – Budget Reduction Plans *(Agenda Item #8)* – *(Cont'd.)*

The positions being eliminated had been held vacant in anticipation of these cuts. However, the burden for back fill has really fallen on the campuses, and most heavily upon the pilot campuses *(TMCC and UNLV)*.

Regent Crear noted the $2,500 for national direct student loans and although relatively small, he asked for that reduction to be absorbed elsewhere if at all possible.

Regent Page asked if it would be possible to compile a list of grants that are missed for lack of matching funds. Vice Chancellor Nichols replied that a list could be compiled of the known lost opportunities. However, there are many that are not known about because the faculty is aware that matching funds are just not available. She added that this is a problem nationwide because the federal match requirement is a tremendous burden on many of the states that are hardest hit by the economic situation.

Regent Wixom asked Vice Chancellor Nichols if she manages and coordinates requests for matching grants at the System office level while each of the institutions coordinates its own efforts. Vice Chancellor Nichols replied that was correct.

That being the case, Regent Wixom asked if the System's interests were better served by a more coordinated effort to obtain more matching grants, or to leave those efforts separate. President Glick replied that although monitored by the institution, many grants are faculty driven in that the faculty writes, submits and performs the work. For that reason, it was necessary that the grant coordination remain at the campus level. However, for institutional grant-in-aid, there could be more coordination as there is for the EPSCOR grants. Another reason for typical grants to be coordinated at the campus level is that many require a very rapid turnaround from awareness to application to determining if matching funds can be found.

Vice Chancellor Nichols related that this Board has tried for many years to get one pot of funding for research grants from the state legislature. There is nothing in the formula to fund matching money for grants, nor does there appear to be the will of the legislature to support that initiative. Regent Wixom related that although he does not want to impose needless bureaucracy, he felt that the System needed to ask itself if it should have a designated office or personnel to focus entirely on matching grants. He asked that the Board address its policy initiatives to make sure that the System takes full advantage of all available opportunities. He felt that it was particularly important during difficult times that the System and institutions not lose these opportunities.

Chairman Leavitt concurred, adding that with the upcoming legislative cycle it may be better to consider having that discussion at the September meeting. Vice Chancellor Nichols stated that she would work with the presidents and sponsored projects office to prepare materials for that meeting.

Regent Crear also concurred, adding that there was a significant return on investment that was being missed, and asked that this discussion occur at the September Board meeting.

Upon a roll call, motion carried unanimously.

5. Information Only – Chairman's Report *(Agenda Item #3)* - Chairman Leavitt reminded the Board that there have been several changes over the last year including the decision to go to a quarterly meeting schedule. There has now been a year with this experiment, and although there are members of the Board that have some angst with that decision, he has heard rave reviews from System Administration and from other Regents. The quarterly meeting schedule has allowed the Board to focus more on policy and less on the tendency to micromanage. Also over the last year, the Board officers have instituted meetings with the leadership of the faculty senate and student body governments. The relationship between the Regents and the Chancellor has also strengthened over the last year. Chairman Leavitt noted that the many remarkable events that have occurred over the last year have increased the overall collegiality throughout the System.

   Regent Knecht complimented Chairman Leavitt's leadership over the last year.

6. Information Only – Chancellor's Report *(Agenda Item #4)* - Chancellor Daniel J. Klaich expressed his hope that now was the time to get back to the mission of educating the young men and women of Nevada and for healing. As the System was mindful of missed opportunities, he hoped that the Board was mindful that the presidents and the System office were operating with a reduced staff. In particular, the presidents have taken significantly disproportionate hits in their administrative areas in order to protect academic missions.

   Chancellor Klaich related that one of his goals as Chancellor is to have the NSHE be a resource for the state. When the state has a problem or challenge before it, he wanted it to immediately think of the personnel and resources that its higher education system had to offer. He highlighted that when the state thinks about reapportionment, he wanted them to think of Mr. Scott Wasserman who had previously guided the state through two reapportionments and no lawsuits and is a valuable statewide resource. In addition, Mr. Mark Stevens remains highly connected with and is a valuable resource to the members of legislative leadership and for the state of Nevada going into the next session.

   Chancellor Klaich related that there was currently a team of people from Nevada at a national consortium in Nashville, Tennessee, geared to developing strategies for increasing the number of higher education degrees and graduates in the United States. The expense for the System's participation was borne by the consortium. Representatives from Nevada attending the consortium include Ms. Magdalena Martinez and Ms. Sharon Wurm from the System office, Ms. Sonja Horsford, faculty of UNLV, Mr. Bill Cathy, faculty from UNR and Ms. Stacey Woodbury from the Governor's office.

   Chancellor Klaich related that there is a community college task force being established that will be chaired by Mr. Bruce James. He expressed concern that as the System focuses on efficiency and effectiveness, there will be a greater pressure placed on the community colleges in the state. The task force will be looking at what is being done throughout the country so as not to reinvent the wheel. Some of the wonderful things happening in community colleges across the country include the critical importance of remedial education both from a cost standpoint and for advancing students. He stated that he would be using the task force to bring back recommendations to the Board on how to strengthen the System.

6. Information Only – Chancellor's Report *(Agenda Item #4)* – *(Cont'd.)*

In terms of formula funding, Chancellor Klaich related that a consultant has already met with the presidents and will soon begin to meet with some of the Board members on how to create a better funded system. He expressed concern for mission differentiation and felt the System needed to do a better job of knowing what the roles of the specific institutions were and how to fund for them. He stated that he has made no secret that the current input-based formula is not sufficient and should be changed to one based on outcomes.

Chancellor Klaich stated that he would be pursuing the efficiency and effectiveness initiative vigorously and in partnership with the Governor and the state legislature, working to create an understanding that the System's funds need to remain with the System in order to enhance its quality and not used to sustain other state departments. One of the themes of the efficiency and effectiveness effort is how the NSHE can become more entrepreneurial. That spirit of entrepreneurialism is supported by the Chancellor and the presidents so long as it is part of a larger compact by which the state and higher education agrees to allow the System flexibility coupled with accountability, more control of revenues that are raised and to retain those revenues. He related that he felt there was an opportunity in the current financial situation to strike a compact with the state.

Chancellor Klaich related that in addition to assisting with the Race to the Top application, the Education Reform Blue Ribbon Task Force has also been charged with recommending education reforms to the legislature. He felt the efforts of the task force would be invaluable in that regard.

In conclusion, Chancellor Klaich applauded the Board's support of the presidents and their decisions. Now the Board and System needed to look to the future, and although there will in all likelihood be access issues as a result of the narrower System of higher education, emphasis will be placed on the System's commitment to quality.

7. Approved – Consent Agenda *(Agenda Item #5)* – The Board of Regents approved the Consent Agenda as presented.

(1.) Approved – Minutes *(Consent Agenda Item (1.))* – The Board of Regents approved the minutes from the following meetings:

- February 2, 2010, special Board of Regents' meeting *(Ref. C-1a on file in the Board office).*
- March 4-5, 2010, regular Board of Regents' meeting *(Ref. C-1b on file in the Board office).*
- April 16, 2010, special Board of Regents' meeting *(Ref. C-1c on file in the Board office).*

(2.) Approved – *Handbook* Revision, Universal ID *(Consent Agenda Item (2.))* – The Board of Regents approved the request of Vice Chancellor Jane Nichols for revision to the Universal ID *(UID)* policy *(Title 4, Chapter 21, Section 4)*. The revisions remove from the Board *Handbook* the list of data included in the UID and places it into the *Procedures and Guidelines Manual*. Due to the ongoing evolution of the UID in practice, moving the list of specific UID fields to the *Procedures and Guidelines Manual* allows for needed flexibility as the iNtegrate implementation progresses *(Ref. C-2 on file in the Board office).*

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

(2). Approved – *Handbook* Revision, Universal ID *(Consent Agenda Item (2.))* – *(Cont'd.)*
Regent Wixom asked Vice Chancellor Nichols to elaborate on this item. Vice Chancellor Nichols related that this request is to move the details of universal ID policy from the *Handbook* to the *Procedures and Guidelines Manual* so as the project moves forward, the details can be changed without requiring Board action. However, Vice Chancellor Nichols emphasized that the model and the commitment for the program will remain.

(3.) Approved – *Handbook* Revision, University Admissions *(Consent Agenda Item (3.))* – The Board of Regents approved the request of Vice Chancellor Jane Nichols for a correction to policy regarding university admissions *(Title 4, Chapter 16, Section 4)*. Specifically, the provisions of Board policy governing university admissions are revised to be consistent with the Board's policy regarding placement using standardized test scores. The revision clarifies that for admission purposes it is recommended that all students take the ACT or SAT test and are required for those applicants who do not qualify on the basis of a high school record alone. Current policy governing placement into remedial courses provides for the use of these scores but allows an institution to use alternative testing tools when supported by institutional research *(Ref. C-3 on file in the Board office).*

Regent Knecht asked if the requirement for SAT or ACT testing was being removed. Vice Chancellor Nichols indicated that this is a correction to a contradiction that was found in the policies and provides clarification that in addition to the use of test scores for placement in remedial classes the institutions can use alternative testing tools when those tools are supported by institutional research.

(4.) Approved – New Endowment Account *(Consent Agenda Item (4.))* – The Board of Regents approved Interim Vice Chancellor Mark Stevens request to accept a $10,495 donation from the Friends of Sammy Davis Jr. Fund and other donors to establish the Devin Hosselkus Memorial Art Scholarship account for the benefit of UNR Art Department students *(Ref. C-4 on file in the Board office).*

Regent Knecht requested that a letter of thanks and commendation be sent to the donors on behalf of the Board.

Regent Gallagher moved approval of the Consent Agenda. Regent Alden seconded. Motion carried.

6. Information Only – Chancellor's Report *(Agenda Item #4)* – *(Cont'd.)*

Regent Cobb asked Chancellor Klaich to elaborate on the status of the efficiency and effectiveness initiative. Chancellor Klaich indicated that he and Vice Chairman Geddes have met regularly to this point and have addressed individual problems where appropriate including business operations, police and libraries. He indicated that he would move forward to the extent that he does not overburden the campuses with additional committee structure. However, he felt there was a fundamental flaw with the efficiency and effectiveness initiative idea that was not apparent in Maryland - that is, that the System needs to be able to retain any savings that it finds. He felt that would need to be part of the budget mechanism that he previously alluded to, adding that would also provide incentive to the institutions to save money.

6. Information Only – Chancellor's Report *(Agenda Item #4)* – *(Cont'd.)*

Regent Cobb agreed with that analysis. However, philosophically, he was concerned that if those involved were entirely from inside the System, the recommendations would lack credibility. Chancellor Klaich felt that the community college task force would be an integral part of that initiative and would include representatives from throughout the state. In all likelihood a similar structure is implied for the System's business functions.

Regent Crear expressed concern that, in his opinion, Mr. James may not have the best interest of the community college system in mind. Chancellor Klaich indicated that although Mr. James could be aggressive, he had the best interest of the higher education in the heart of his soul. Chancellor Klaich acknowledged that initially he held similar concerns about Mr. James until he had the opportunity to sit down with him and realized that his initial concerns had been very wrong. He encouraged Regent Crear to do the same.

Regent Knecht concurred with Chancellor Klaich's remarks in terms of Mr. James. In addition, he urged that the efficiency and effectiveness initiative and formula review efforts be self executing on a continuing basis.

Regent Schofield also concurred with Chancellor Klaich in regard to Mr. James.

8. Approved - 2011 Capital Improvement Program *(CIP)* Request *(Agenda Item #7)* – The Board of Regents approved the 2011 Capital Improvement Program proposal to be submitted to the State's Department of Administration for consideration by the 2011 Legislature *(Ref. BOR-7 on file in the Board office).*

Chancellor Klaich related that per the Board's direction from the April 16, 2010, meeting, restoration projects were placed at the top of the list. He stated that he was also recommending a revision of the new project list that placed the UNLV Hotel College academic building as the highest priority, the Shadow Lane ACTC as the second priority and the NSC Nursing College as the third priority.

Regent Alden moved approval of the 2011 Capital Improvement Program Request as presented. Regent Geddes seconded. Motion carried.

The meeting recessed at 11:15 a.m. and reconvened at 11:21 a.m. on Friday, June 4, 2010, with all members present.

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – The Board of Regents considered Vice Chancellor Bart Patterson's request for the following changes to the NSHE Code. All proposed changes were properly noticed in advance of the meeting in compliance with Title 2, Chapter 1, Section 1.3.3 *(Ref. BOR-9 on file in the Board office).*

Vice Chancellor Patterson related that in the last regular session of the legislature, a 4.6% pay reduction or furlough was adopted for all state employees. However, that was difficult to implement contractually for the NSHE's faculty and professional staff. One

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

year's notice was implemented for the non-tenured faculty. The Board adopted a workload increase option for tenured faculty due to those contract restrictions.

The basic changes before the Board are to enhance fairness and flexibility in applying salary cuts to all professional employees when reductions are adopted by the legislature. The proposed revision is an attempt to maintain the basic integrity of the Code, and not to vary it in a dramatic way. When these provisions were first presented to the Board in April, there were some questions of concern regarding some of the Code provisions. He then went back to the faculty per those questions from the Board and reworked the proposed revisions. From the versions proposed in April, agenda item #9.A has been slightly revised, agenda item #9.B contains a substitute proposal and agenda item #9.C remains intact from the original version.

A. Approved – *Handbook* Revision, Pay Reduction Following Declaration of Financial Exigency *(Agenda Item #9.C)* - The Board approved 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. This item was unchanged from the proposal submitted to the Board at its April 16, 2010, meeting *(Ref. BOR-9c on file in the Board office).*

Regent Gallagher moved approval of a Code change to Title 2, Chapter 5, Section 5.4.5 and Section 5.4.7, as proposed. Regent Cobb second. Motion carried.

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* - The Board approved a substitute Code change proposal to amend Title 2, Chapter 5, Section 5.4.5(b), including an amendment to revise the language submitted to read "*without **first considering the** recommendation of the Chancellor and the Council of Presidents after consultation with the faculty senates,…"* The purpose of this amendment is to establish that final legislative action to reduce pay up to 6% to state employees may generally be applied to all NSHE professional employees without declaring exigency, based on Board approval following the required consultation and recommendation process *(Ref. BOR-9b on file in the Board office).*

Vice Chancellor Patterson related that this proposal is designed to deal with the situation that the System found itself in after the last regular legislative session. It is an attempt to provide flexibility to the Board in the event that the state reduces salaries. If the 2011 legislative session implements a pay reduction to state employees, this provision would allow the System to apply that reduction, capped at 6%, to professional employees on July 1, 2011. As part of that, there is not the same process for financial exigency. The cap makes it a much less dramatic change. If the legislature comes back with payroll reductions of higher than 6%, the

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

Board has the same option to consider financial exigency and could apply the full extent of the legislature's reduction. In short, this provision provides another option in the event that there is a salary reduction implemented by the legislature.

In terms of both 9.A and 9.B, Regent Alden asked why the Board could not vote on financial exigency and why that recommendation had to first come from the Chancellor. Chancellor Klaich replied that although that was a great question, it is not something being discussed in this context. However, he has asked Vice Chancellor Patterson to draft language to be brought back to the Board that clarifies that a recommendation can be made by Chancellor and presidents, but the ultimate power remains with the Board. Chancellor Klaich stated that he had no desire to inhibit or take the power away from the Board.

Regent Gallagher moved approval of the Code change to Title 2, Chapter 5, Section 5.4.5(b), as proposed. Regent Page seconded.

Regent Knecht related that he had worked with Vice Chancellor Patterson to draft some additional language that would address Regent Alden's concern.

Regent Wixom called a point of order, noting that such a friendly amendment would result in a change to the declaration of financial exigency policy and that had not been posted under this agenda item.

Vice Chancellor Patterson stated that, in fact, those were two different issues. One is a discussion about the criteria for declaring financial exigency and then there is the discussion prompted by this agenda item, a revision to Title 2, Chapter 5, Section 5.4.5(b) that states: *"Such legislatively authorized pay reduction shall not be implemented earlier than the start of the next fiscal year commencing after the date of Board of Regents approval nor without a recommendation of the Chancellor and the Council of Presidents after consultation with the faculty senates,…"*

Regent Wixom stated that if the Board was going to change the method by which it could declare financial exigency that needed to be a separate agenda item.

Vice Chancellor Patterson clarified that the section of Code proposed for revision is not, on its own, the policy by which a declaration of financial exigency is made. That is a completely separate policy. This proposed revision is to Title 2, Chapter 5, Section 5.4.5(b), which addresses only the requirements for implementing a pay reduction.

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

Regent Wixom asked if Regent Alden's point had referenced the method of declaring a financial exigency. Chairman Leavitt agreed that it did. However, because these items were so closely related, the amended language that Regent Knecht wanted to proffer should be brought back at a subsequent meeting.

Vice Chancellor Patterson read the provision under this agenda "…*Such legislatively authorized pay reduction shall not be implemented earlier than the start of the next fiscal year commencing after the date of Board of Regents approval nor without a recommendation of the Chancellor and the Council of Presidents …"* which is not the same language as the financial exigency section. For the sake of clarification, Vice Chancellor Patterson stated that his discussion with Regent Knecht was that the Board could consider a slight change to that wording to state "*without **[first considering]** a recommendation of the Chancellor and the Council of Presidents following consultation with the faculty senates…"*

Chairman Leavitt asked if it would be appropriate and timely to add that language now provided there was an acceptance to a friendly amendment. Vice Chancellor Patterson replied that would be appropriate because it was only a clarification and would not amend the financial exigency section.

Regents Gallagher and Page accepted the friendly amendment to revise the proposed policy language to include *"first considering."*

Regent Cobb asked that the full motion be read for the purposes of the record. Vice Chancellor Patterson clarified that the amended proposal for revision to Title 2, Chapter 5, Section 5.4.5(b) would then read as "*nor is a declaration of financial exigency (with the accompanying requirements of Section 5.4.7) required in order for the Board of Regents to consider and implement pay reductions or unpaid leave equating to 6% (six percent) or less of base pay as a result of final legislative action to generally reduce all state employee pay by that amount. Such legislatively authorized pay reduction shall not be implemented earlier than the start of the next fiscal year commencing after the date of Board of Regents approval nor without **first considering the** ~~a~~ recommendation of the Chancellor and the Council of Presidents after consultation with the faculty senates, with consideration of alternative means of reducing expenses to meet budget reductions and methods of maintaining recognition of base pay and salary schedules. The pay reductions or unpaid leave shall be for no more than two years. If the final legislative action continues to generally reduce all state employee pay beyond a two year period, the Board of Regents may likewise extend such reductions beyond two years, up to a cumulative cap of 6% for the entire period of the reduction, based on the same process of consultation and recommendation required for the initial implementation.*

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

Chairman Leavitt requested public comment from the Faculty Senate or Student Body Presidents as it specifically relates to agenda item 9.B.

Mr. Wayne Kearney, Faculty Senate Chair, CSN, presented a statement on behalf of the Faculty Senate of the College of Southern Nevada *(full statement on file in the Board office)*. Mr. Kearney related that the proposed change presented as 9.B. constitutes a fundamental change in the System's contract with tenured faculty and threatens that economic security which is so critical in attracting and keeping the best faculty who will then best serve our student and community. The unique nature of the present economic crisis may make such extraordinary measures attractive if only in the short term. However, as proposed, this change to the Code will continue long past the present circumstances. It permanently reshapes the tenure contract in response to dramatic but temporary circumstances and opens the door to a host of unintended consequences while undermining the core of our institutions - the faculty. Thus, the Faculty Senate of the College of Southern Nevada cannot support the proposed change labeled 9.B. on the agenda.

Mr. Stephen Konowalow, faculty of CSN and representing the CSN chapter of the Nevada Faculty Alliance provided a statement to the Board *(full statement on file in the Board office)*. Mr. Konowalow related that in regards to the Code change that allows for tenured salaries to be cut without a declaration of financial exigency, the CSN chapter of the NFA asks that the Board adopt it only as a temporary measure instead of a permanent change. He reported that they fear that a permanent change such as this, even with the very important caveats added by Vice Chancellor Patterson, could become a tool for weakening the protections of tenure at the community colleges. As community college salaries are in general lower than those of the universities, even a small salary reduction could have the effect of driving junior faculty to seek employment elsewhere. Thus, recognizing AAUP *(American Association of University Professors)* protections of tenure, Mr. Konowalow reported that they respectfully cannot support this Code change without a sunset provision.

Dr. Eric Herzik Faculty Senate Chair, UNR, provided a statement on behalf of the UNR Faculty Senate *(full statement on file in the Board office)*. Dr. Herzik related that all of the Senates have worked with and appreciate the efforts of Chancellor Klaich and Vice Chancellor Patterson in fashioning a reasonable response to the current financial crisis. The faculty has made concessions that are not totally desired just as the Regents have accepted programmatic cuts that were in no way sought. He indicated that they believe it is critical that the Board be given increased flexibility but it is also vital some basic protections embodied in the proposed Code changes

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

be included. He reported that they therefore respectfully ask the Regents to accept the Code changes brought forth by Chancellor Klaich and Vice Chancellor Patterson as they are an effective balance of factors for dealing with Nevada's ongoing budget situation.

Mr. Matthew J. Smith, GSA President, UNR, stated that although the GSA certainly shares the grave concerns about faculty recruitment and retention, given the dire circumstances and the extensive discussions and negotiations with the faculty leadership, they deferred to the position articulated by Dr. Herzik.

Regent Geddes stated that he truly appreciated the faculty for stepping up with increased faculty workloads, and the students for having stepped up with increased fees. In his opinion, the AAUP refers to a guarantee of employment and dollar stream, not the amount of that dollar stream. He did not feel that a six percent cut affected that guarantee of employment and dollar stream. However, he expressed concern that a specific percentage had been designated in the policy and asked what would happen if the legislature declared a 7% or 8% cut. He asked if the difference would be made up with non-tenured faculty or with operating cuts. He also asked if policies at other systems had been considered where there is a reduction on a graduated scale based on salary, adding that a 6% salary reduction to someone that was making $40,000 per year was much different than to someone making $400,000 per year. He was seeking more flexibility so that reduction could be dealt with more fairly.

Regent Rawson understood the need for changes and appreciated the work of the System and faculty. He asked Vice Chancellor Patterson if the legislature declared a 6% reduction that was never restored, this policy could not be utilized again until that reduction is restored. Vice Chancellor Patterson replied that the policy is set up so that there is a review every legislative session. However, the manner in which the budgets are built assumes that the reduction will sunset as there is no way to determine if the legislature will restore or continue that reduction. For instance, if the legislature were to impose a six percent reduction in the spring of 2011, provided it was adopted by the Board, it would go into effect on July 1 2011 and kept for two years. Then in 2013, if the legislature kept that reduction, this policy would remain in effect.

Regent Rawson asked if the legislature tried to reduce salaries by another six percent, this policy could not be used again to reduce the faculty's salary until the initial six percent was restored. Vice Chancellor Patterson stated that was correct, adding that if the legislature reduced salaries by another 6% in a subsequent session, the NSHE would be looking at the

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

possible declaration of financial exigency that would then impose a higher level of reduction.

Regent Rawson stated that this policy was then a way for the System to avoid a situation similar to bankruptcy. Vice Chancellor Patterson indicated that was correct. However, at the end of the day, if the salary or budget reductions are great enough, that was something the Board would have to consider.

Regent Rawson felt that the proposed revision was not intended to defeat tenure but may have some unintended consequences. He asked if there could be another review of this policy in two years. Vice Chancellor Patterson stated that he and the Chancellor had committed to continue working with the faculty senates to look at the whole of the administrative structure. He felt that it is important to put this policy in place now, but that did not mean it was the end of the discussion on this issue. Regent Rawson understood the need for implementing this policy now but asked if it would be destructive to amend the motion to allow for a review of the policy in two years. Vice Chancellor Patterson stated that the Board always has that power so he did not feel that it needed to be part of the motion. Regent Rawson indicated that his suggestion was meant to provide some comfort to those that feel their livelihood is being threatened.

Regent Rawson proposed a second friendly amendment to include an opportunity for the Board to review the policy in two years.

Chairman Leavitt stated that would not be his preference because he felt that would be the equivalent of a sunset and would not provide any certainty and predictability.

Regents Gallagher and Page accepted the second friendly amendment.

Regent Cobb asked where the procedure for financial exigency could be found in the Code. Vice Chancellor Patterson replied that was Title 2, Chapter 5, Section 5.4.5 as amended by the Board's action taken for the previous agenda item 9.C.

Regent Cobb expressed opposition to agenda items 9.A and 9.B. He indicated that his opposition to 9.A. was that the decision to declare financial exigency should not be predicated upon the recommendation of the campus presidents, the chancellor, faculty senates or others. Such a

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

decision should rest with the Board according to its constitutional mandate. Regent Cobb explained that his opposition to agenda item 9.B. was that the percentage reduction was not on a graduated scale, feeling that posed an inherent unfairness. He also expressed concern with the limitation of 6%, adding that if the legislature were to impose a reduction greater than that number, the difference may be balanced on the backs of non-tenured and administrative faculty. His additional concern was that only a legislative reduction of salaries would trigger the policy, a reduction to the overall budget would not.

Regent Alden concurred entirely with Regent Cobb.

Regent Knecht thanked the majority of the faculty senate and the NFA for standing behind these compromised and reasonable measures. He agreed with Regent Cobb's point that the decision to declare financial exigency should ultimately rest with the constitutional powers of this Board and should not be bottle necked or otherwise be disabled by personnel that the Board employs, hence the proposed amendment to the policy language. As for the 6% issue, if the legislature requires an 8% cut, the Board has a number of options including an across the board cut, the implementation of vertical or other operating cuts or with the declaration of financial exigency. He felt that the six percent policy did not bind in any way, and in fact seemed to liberate somewhat the Board's choices. Finally, to Regent Rawson's friendly amendment, although he understands the point behind it, he did not agree with it feeling that it indicated the policy was only temporary.

Chairman Leavitt clarified that upon the end of the Board's discussion, a vote will be taken on the motion with the friendly amendment. If that motion does not pass, the Board will then be provided an opportunity to vote upon the original motion.

Regent Wixom felt that there existed some confusion on what this specific policy revision was about. He stated that his discussion did not relate to the procedures for financial exigency or where the power to make such a declaration rested. This discussion only relates to 9.B., which is only in regard to the 6% discussion with the friendly amendment. He asked Chancellor Klaich and Vice Chancellor Patterson to confirm that. Chancellor Klaich and Vice Chancellor Patterson agreed. Chairman Leavitt also confirmed the objective of this conversation was specifically with the 6% language proposed in 9.B. and that Regent Knecht's suggested language relating to the powers of the Board could be discussed at a later time. Regent Wixom appreciated the fact that it should be discussed but felt that addressing it at this time, with this particular item could lead to a profound misunderstanding.

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

Regent Wixom asked Regent Cobb to clarify his previous point that the Board would be limited by the six percent number. Regent Cobb explained that, in his opinion, the indication of a specific six percent does not allow the Board to impose a graduated scale across the board among all employees and that if the legislature says there will be a salary reduction of six percent, then the policy is triggered. However, if the legislature just reduces the budget by six percent, the policy will not then be triggered. Vice Chancellor Patterson stated that the policy is predicated by the legislature's reduction of salaries by 6%. Chairman Leavitt asked if it was not triggered by a reduction to the operating budget. Vice Chancellor Patterson stated that is correct. Regent Wixom requested further clarification.

Chancellor Klaich explained that there have been a number of legislative sessions and actions of the Governor to reduce budgets. If those actions are to reduce the budgets, this policy revision would not address a generic requirement for budget reductions. If the legislature mandates a specific budget reduction, that reduction percentage is brought to the Board and the Board acts in whatever way it has at its disposal. This revision is only responding to a very narrow circumstance, that when the legislature imposed a 4.6% furlough in the last session, he and Vice Chancellor Patterson were compelled to come before the Board and inform them that different actions had to be taken for different categories of employees that resulted in different impacts. At that time, he had committed to the Board and faculty to bring forward the narrowest Code change that he could reasonably recommend for this specific situation. The proposed revision is the narrowest Code change that he could recommend. If the legislature mandates salary reduction for state employees, then this Board will have the authority to pass it through to all employees. He felt the proposed revision was not limiting the Boards authority at all and that it was in fact expanding that authority. He commended faculty leadership for reaching a negotiated settlement on the expansion of the Board's authority.

Chairman Leavitt reiterated that the proposed revision was simply a solution to a very narrow problem.

Regent Wixom expressed his appreciation for the participation of the faculty in this process and the process itself was very important. Secondly, he felt there comes a point in time when the System should declare financial exigency. The proposed revision allows a very narrow window of opportunity to address a very narrow situation. If the legislature mandates a larger than 6% reduction, at that point in time he would consider supporting a declaration of financial exigency. Finally, he stated that he was not in support of Regent Rawson's friendly amendment and

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

indicated that he would be voting against that motion. Regent Wixom requested that if the motion with the friendly amendment fails, the Board have the opportunity to vote again on the proposed changes as requested.

Regent Knecht clarified that his points were related to the fact that the proposed text, as originally written, appeared to suggest that the Board did not have the authority to consider a declaration of financial exigency without the recommendation of the Chancellor first. He agreed that the policy would address legislatively mandated reductions in salary and not in the general budget. With the foresight of the faculty accepting this compromise, and with the foresight of Chancellor Klaich and Vice Chancellor Patterson, the Board would give itself more room to act without having to make a declaration of financial exigency. If a 7% or 8% pay reduction was mandated, the Board would still maintain its option to declare financial exigency. He echoed Regent Wixom's reservations regarding Regent Rawson's friendly amendment.

Regent Geddes agreed with Regent Cobb greatly on the tiered system. He asked if the proposed policy could be amended in a way that the accumulative reduction would not exceed 6%. Vice Chancellor Patterson stated that he would not recommend making such a change that day, adding that it could be placed again on a future agenda. He stated that it was very difficult to determine, in terms of a permanent Code change, how such a structure would look.

Regent Geddes expressed his discomfort with voting for the policy revision as proposed. However, if the Board does not approve anything, then if the legislature mandates a pay cut on July 1, 2011, the Board will not have an opportunity to pass that on until July 1, 2012. Vice Chancellor Patterson stated that if no change was approved, then for 2011, the Board would have to go through the same process at it did in 2009.

Chairman Leavitt provided an opportunity to Regent Rawson to withdraw his friendly amendment. Regent Rawson declined to withdraw his request for a friendly amendment to clarify that the Board would revisit this policy in two years.

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

Regent Knecht moved approval of the proposed revision with the amended language "***first considering the***" as read into the record by Vice Chancellor Patterson. Regent Wixom seconded.

9. Action Taken - Revisions to the NSHE Code *(Agenda Item #9)* – *(Cont'd.)*

B. Approved with Amendment - *Handbook* Revision, Certain Pay Reductions without Declaration of Financial Exigency *(Agenda Item #9.B)* – *(Cont'd.)*

Regent Cobb asked for clarification that if the Board did not take action that day, it would limit its ability to address such a situation in the next biennium. Vice Chancellor Patterson stated that was correct.

Regent Alden related that he did not want to vote against the motion but asked if Regent Cobb had a suggested amendment to address the concept of a graduated scale. Regent Cobb indicated that although he shared the same concerns as Regent Alden, in light of not having the luxury of time, he would be reluctantly voting in favor of agenda item 9.B.

Upon a roll call vote, motion carried unanimously.

Regent Knecht stated that he was in support of the originally proposed policy revision specifically because it did not include a graduated scale.

C. Motion Failed - *Handbook* Revision, Definition of "Financial Exigency" *(Agenda item #9.A)* – Motion failed for a Code change to Title 2, Chapter 1, Section 1.1(h). The purpose of this change was to clarify that certain legislative cuts of a magnitude of greater than 10% were deemed to trigger a review of financial exigency. This version was slightly amended from the version first presented to the Board on April 16, 2010 *(Ref. BOR-9a on file in the Board office).*

Regent Blakely moved approval of a Code change to Title 2, Chapter 1, Section 1.1(h).

Chairman Leavitt ruled that the motion failed for lack of a second.

The meeting recessed at 12:26 p.m. and reconvened at 12:46 p.m. on Friday, June 4, 2010, with all members present.

10. Affirmation of Existing Policy- *Handbook* Revision, Professional Staff and Dependent Grant-In-Aid *(Agenda Item #10)* – The Board of Regents rejected all three proposed options and reaffirmed its current grant-in-aid policy *(Ref. BOR-10 on file in the Board office).*

Chancellor Klaich related that although this item was being brought forward at the request of the Board, neither he nor the presidents support this proposed revision or any change to the grant-in-aid policy as it is a significant tool in the recruitment and retention of quality faculty. He added that due to the previous day's action, it was no longer necessary for the Board to consider this change to the grant-in-aid policy.

Regent Geddes moved approval of Option 3 *(one year waiting period before benefits start)*. Regent Wixom seconded.

10. Affirmation of Existing Policy- *Handbook* Revision, Professional Staff and Dependent Grant-In-Aid *(Agenda Item #10)* – *(Cont'd.)*

Regent Knecht indicated that in the event the motion failed, he would like to offer a second motion to reject all three proposed options and to reaffirm the existing policy.

Regent Geddes stated that this was too important a benefit to eliminate altogether. However, as grant-in-aid is a student-tuition and taxpayer funded benefit, he supported Option 3 that would require a one year waiting period for the incoming staff to accrue an investment in the System before receiving such a significant benefit.

Chairman Leavitt expressed his strong opposition to any change in the existing policy. He stated that this benefit was a recruiting tool and provided an opportunity for faculty to develop their skills.

Regent Anderson pointed out that professional employees were already under a one year contract. She felt that it was s very important tool for recruiting faculty with college-age children. In additional, it was an important benefit for classified employees that meet all aspects of a job except for perhaps one component that they could take a class in and get up to speed quickly, such as a computer class.

Regent Crear asked for the presidents' input. Chairman Leavitt related that through the Chancellor's previous comments, all of the presidents strongly objected to any change in the existing grant-in-aid policy.

Regent Page also expressed his opposition to any change in the existing policy.

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

Regent Knecht moved that the Board reject all three options and reaffirm its current grant in aid policy. Regent Page seconded. Upon a roll call vote, motion carried unanimously.

11. Motion Failed – *Handbook* Revision, Special Reduced Fees Eliminated *(Agenda Item #11)* – Motion failed for requested revisions to Board policy that would have eliminated the authorization for special reduced fees for certain categories of students, including certain senior citizens and non-matriculated foreign language speakers *(Title 4, Chapter 17, Section 13) (Ref. BOR-11 on file in the Board office).*

Regent Alden moved approval of revisions to the NSHE *Handbook (Title 4, Chapter 17, Section 13)*. Regent Knecht seconded.

Regent Geddes disagreed with the elimination of these special programs, noting that there have been many people within the System that were receiving these benefits and the System should continue offering them.

11. Motion Failed – *Handbook* Revision, Special Reduced Fees Eliminated *(Agenda Item #11)* – *(Cont'd.)*

Regent Anderson noted that there are many senior citizens in Nevada that rely upon the opportunity to take classes and expressed her opposition to this proposal.

Regent Cobb asked if there were any projections of how many senior citizens would be able to pay these fees and take the classes. Vice Chancellor Nichols replied that type of projection would need to be given with caution as it was based on the assumption that seniors would continue to take classes but would pay for them. The actual savings is not going to be as high because there will be those that choose not to pay for the classes.

Regent Anderson stated that there are many senior citizens in Boulder City that would not pay full fee for the classes and the System would lose those students.

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

Regent Crear left the meeting.

12. Approved - *Procedures & Guidelines Manual* Revision, Fee To Support the UNLV Consolidated Students of the University of Nevada *(CSUN) (Agenda Item #12)* – The Board of Regents approved UNLV President Neal J. Smatresk's request to assess undergraduate students a $2.47 per credit fee to support the UNLV Consolidated Students of the University of Nevada *(CSUN)* student government *(Ref. BOR-12 on file in the Board office).*

Regent Gallagher moved approval for UNLV to assess undergraduate students a $2.47 per credit fee to support the UNLV Consolidated Students of the University of Nevada *(CSUN)* student government *(P&GM, Chapter 7, Sections 6 & 13).* Regent Geddes seconded.

Regent Alden asked if this was yet another per-credit-hour fee that the students would bear. President Smatresk indicated that this was a fee that the students have requested. Regent Alden indicated that he could not support this request, adding that in his opinion, the students already bear too much.

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

13. Approved - *Procedures & Guidelines Manual* Revision, Distribution of Student Registration Fees, 2011-12 and 2012-13 *(Agenda Item #13)* – The Board of Regents approved Interim Vice Chancellor Mark Stevens' request for the distribution of student registration fees for academic years 2011-12 and 2012-13 *(P&GM Chapter 7, Section 13)*. At the April 16, 2010, meeting, the Board approved tuition and fees for 2011-12 and 2012-13 that will modify the allocation of student registration fees between the state-supported operating budget and amounts retained by the institutions. In addition, institutions were provided an opportunity to recommend changes in the allocation of the campus retained categories *(student access, capital improvements, etc.)*. The reference materials outline the distribution of student registration fees based on approval by the Board of Regents on April 16, 2010, and modification of campus retained amounts as requested by the University of Nevada, Reno, and Nevada State College *(Ref. BOR-13 on file in the Board office).*

Regent Crear entered the meeting.

Regent Alden moved approval of the recommended distribution of student registration fees for academic years 2011-12 and 2012-13. Regent Gallagher seconded.

Interim Vice Chancellor Stevens reported that at the April 16, 2010, meeting, the Board approved registration fees for academic years 2011-12 and 2012-13. The student fee surcharge approved in academic year 2010-11 was made permanent. No further increase in student registration fee was approved. The student fee surcharge that was made permanent in academic years 2011-12 and 2012-13 totaled $14 per credit for undergraduates at UNR and UNLV; $10 per credit for undergraduates at NSC; $10 per credit for upper division at GBC, CSN and WNC; and $6.25 per credit at the community colleges *(lower division)*. As was the case for academic year 2010-11, these amounts will be allocated to the state-supported operating budget in 2011-12 and 2012-13.

Interim Vice Chancellor Stevens related that for UNR undergraduates, a recommendation was being made to reallocate 69 cents from the general improvement category to the activities and program category. This would more properly record expenses associated with the athletics academic advising center that specifically addresses athletes as opposed to the general student population which is typically funded through the general improvement category.

Interim Vice Chancellor Stevens stated that due to facilities at NSC not coming on line as soon as originally anticipated, there is a greater need during 2011-12 and 2012-13 to support general improvement and student access. A recommendation is being made to reallocate a total of $9.29 per credit from the capital improvement category with $4.29 per credit reallocated to student access and $5.00 per credit reallocated to general improvement.

Regent Geddes asked if the bridge fee previously approved under agenda item #8, as part of UNLV's budget reduction plan, would appear in a separate account solely used for the transition of program closures. President Smatresk indicated that was correct, that those funds would be used to provide transition and the bridge to graduate those students.

13. Approved - *Procedures & Guidelines Manual* Revision, Distribution of Student Registration Fees, 2011-12 and 2012-13 *(Agenda Item #13)* – *(Cont'd)*

Regent Page noted that UNR was not requesting a change to its athletic fee and asked what category the UNLV athletic fee would be found in. President Smatresk indicated that UNLV was not requesting a change to its athletic fee at this time. Regent Page indicated that his concern was more that without a change, UNR's deficit would continue to grow.

Chancellor Klaich stated that he and President Smatresk have had very clear discussions that the bridge fee is being established to assist UNLV in the temporary funding of its planned reductions. That temporary bridge fee will not be recommended to become permanent and will disappear after two years.

Motion carried.

14. Approved - 2011-13 Biennial Budget Operating Request *(Agenda Item #14)* – The Board of Regents accepted the report of Chancellor Daniel J. Klaich concerning the 2011-2013 budget requests for operating and one-shots for the 2011 legislative session. The Board may provide direction to the Chancellor with regard to formulating the biennial and one-shot budget requests. The Board intends to take final action in approving the biennial operating and one-shot budget requests at its August 27, 2010, meeting *(Ref. BOR-14 and additional handout on file in the Board office).*

Regent Alden moved to accept the report as presented by Chancellor Klaich. Regent Geddes seconded.

Chancellor Klaich related that the proposed budget is in accordance with the instructions as set forth by the state's Budget Division with one exception in that it does not include a rollback of 10%. He chose not to burden the Board or the campuses with a process that he could not ground in reality.

Upon the request of Regent Knecht, Chancellor Klaich further explained that the System had just been through an excruciating process to reduce budgets by 6.9%. He related that he has looked at the revenue projections going forward and he could see a structural deficit in the budget that was estimated to be more than $2 million *(or approximately 30%).* If and when that reality comes, the System will grapple with it. However, to just go through the pain because 10% was arbitrarily assigned did not make sense to him.

Regent Knecht asked if the number came from the state budget office. Chancellor Klaich stated that was correct.

Regent Gallagher felt that Chancellor Klaich was absolutely right, adding that it was wise to wait until the process is further along and a more specific percentage has been established.

14. Report Accepted - 2011-13 Biennial Budget Operating Request *(Agenda Item #14)* – *(Cont'd.)*

Regent Cobb felt that it sent the wrong message to request $45 million in salary increases instead of protecting the jobs that had been eliminated in the previous day's action. Chancellor Klaich indicated that while he understood Regent Cobb's comment, he related that another interpretation of the salary budget was to protect the programs and personnel that remained and to build on the quality. He encouraged the Board to protect, in every possible way, the merit pool even though that pool does not currently have any available funds. That merit pool was something that the System had fought for years to receive and he did not feel that it should be dropped out the budget. With respect to the salary budget, that was essentially a restoration of the furloughs that were taken out of the salary line during the last session, and which according to the legislative action of the last session would sunset. All that the System has reflected is the legislative sunset in the salary line. Regent Cobb asked if that was the furlough. Chancellor Klaich stated that was correct.

Regent Knecht requested clarification that the motion is to approve $603,903,715. Chancellor Klaich stated that would be his recommendation.

Regent Geddes asked if the Board will have final approval of the budget at its August meeting. Chancellor Klaich stated that was correct.

Regent Knecht indicated that he would support the motion that day because it was not final action. His vote was intended to telegraph nothing other than to move business along.

Motion carried. Regent Cobb voted no.

Regent Cobb requested an alternative proposal be presented at the August Board meeting to reflect restoration of the furloughs since it sunsets and an alternative that excludes longevity and merit. Chancellor Klaich stated that those items would be reflected independently for separate consideration.

15. Report Accepted - Nevada State College Facilities Master Plan *(Agenda Item 15)* – The Board of Regents accepted the report for the 2010 Facilities Master Plan Document for Nevada State College *(Refs. BOR-15a; BOR-15b; and BOR-15c on file in the Board office).*

Regent Alden moved to accept the report for the 2010 Facilities Master Plan Document for Nevada State College. Regent Crear seconded.

Mr. Buster Neel, Vice President of Finance and Administration, related that over 350 people participated in the development of the proposed master plan including a team of consultants including urban and campus planners, design and landscape architects, and engineers in the areas electrical, civil, mechanical and traffic as well as advisors from an economic and financial perspective. The participants also included students, faculty and staff, the city of Henderson, Regent representation, representatives of System Administration, individuals from sister institutions, local utility companies, private and

15. Report Accepted - Nevada State College Facilities Master Plan *(Agenda Item 15)* – *(Cont'd.)*

public sector representation as well as the surrounding property owners. Mr. Neel introduced Ms. Barbara Maloney, Partner with BMS Design Group, and lead consultant on this project.

Ms. Maloney provided the following project report, including several project renderings *(full report on file in the Board office as Ref. BOR-15c).*

- NSC Mission: Nevada State College was created to provide access to the baccalaureate degree for the citizens of Nevada, particularly first generation and low income students.

- Master Plan Vision:
  - Sustainability and Carbon Neutrality
  - Campus/Town Integration
  - Vital Living and Learning Environment
  - Respect for the Desert Environment
  - Campus as Educational Laboratory

Ms. Maloney related that of the 500-acre site, it was determined that the campus proper would take approximately 350-acres, leaving 150 acres for other uses such as long-term planning as well as complementary and supporting facilities.

Ms. Maloney introduced Mr. Cole Roberts, Senior Consultant from ARUP, an international engineering firm instrumental in developing and testing many of the sustainability concepts. Mr. Roberts continued with the NSC Master Plan report in terms of sustainability.

- Sustainability Vision:

  "The Nevada State College community will become an exemplary and highly visible model for sustainability in higher education that demonstrates how a college campus achieves carbon neutrality and self-sufficiency through education, practice and partnership.

  The campus will embrace technology and improve our relationship to our region; designed and intended to teach and aid in teaching, the campus will inspire faculty, staff, students and visitors to take the next steps toward a sustainable future. As such, it must blend the best of the past, the proven innovation of the present, and the needs of our future." *(Steering Committee, May 21, 2009)*

Regent Cobb asked if Black Rock Foundation had been contacted. He related that a local private school recently received a grant from them to install solar panels for the entire school. He recommended that the consultants add Black Rock Foundation to its list of potential partners.

15. Report Accepted - Nevada State College Facilities Master Plan *(Agenda Item 15)* – *(Cont'd.)*

Ms. Maloney related that the master plan also includes design guidelines that provide a focus on creating a campus that feels like it belongs in a desert environment. The next step is that the campus will proceed with implementation strategies including public/private partnerships and the preparation of an RFP and RFQ.

Regent Knecht asked if a quantitative analysis of the social cost effectiveness had been conducted, adding that he presumed this may be too early in the planning stages to justify such an analysis. Mr. Roberts replied that a social return on investment calculation had not been conducted. Although not unheard of to perform that analysis at this early stage, the assumptions then become very wide ranging.

Regent Knecht felt that politicians and the public sector tended to talk aspirationally in terms of carbon neutrality and sustainability and are often not clear on what those terms mean and therefore not held accountable. Since a social cost effectiveness analysis cannot be conducted at this stage of planning, Regent Knecht indicated that he had hoped to find a set of protocols within the master plan for how those items are assessed and monitored throughout the various stages of the process so that a quantitative accounting could be provided at a later time. Mr. Roberts replied that the master plan was not designed to author how sustainability would be implemented or tracked. However, the approach taken was to provide flexibility and manageability to the master plan while setting targets to established protocols, ratings or measurable benchmarks. To some extent it rests with the Board of Regents over the course of the project to build upon the master plan and its references to its vision, mission, protocols and intentions.

Ms. Maloney added that this master plan was intended to be a physical plan although it did take a detailed look at sustainability factors. She felt that Regent Knecht had made a good point that there did need to be an implementation strategy and means of moving forward to determine if the master plan was succeeding.

Regent Knecht felt that there needed to be a way to measure prospectively and retrospectively. He asked if there was currently a standard for measuring carbon mitigation. Mr. Roberts indicated that field was in constant development.

Regent Knecht stated that he would abstain from the vote as a reflection of his opinion that the System needed to focus on and pursue operational details of accountability and social cost effectiveness.

Motion carried. Regent Knecht abstained.

16. Approved - 2011 Bill Draft Requests *(Agenda Item #16)* – The Board of Regents approved proposed topics, as presented, for potential bill drafts for the 2011 Session of the Nevada State Legislature. Assembly Bill 535 (Chapter 348, *Statutes of Nevada 2009)*, among its various provisions, permanently eliminated the Board's authority to request the drafting of legislative measures on behalf the Nevada System of Higher Education. Therefore, if the Board wishes to pursue any legislation, a sponsor for such legislation will need to be secured *(Ref. BOR-16 on file in the Board office).*

16. Approved - 2011 Bill Draft Requests *(Agenda Item #16)* – *(Cont'd.)*

Chancellor Klaich related that the document before the Board was largely unchanged from that presented at the April meeting with the one exception of an additional request for a legislative interim study on the formula funding.

Regent Cobb moved approval of the proposed potential bill drafts for the 2011 Session of the Nevada State Legislature. Regent Gallagher seconded.

Regent Cobb noted that one of the proposed requests was for the retention of 25% of unspent general funds. He understood that request to have been proposed by the Governor but asked if the System supported that specific percentage, or an unidentified percentage.

Chancellor Klaich replied that System would continue to work with legislative leadership to determine if there was support for this request. Although Regent Cobb's suggestion was well founded, he felt that this was such a critical issue that he would accept 25% if it came down to it.

Regent Cobb asked to amend his original motion to approve the bill draft request as proposed by the Chancellor with the exception of changing item #3 to allow the NSHE to retain "a percentage" of unspent general funds as opposed to 25%. Regent Gallagher accepted that amendment.

Regent Anderson offered a friendly amendment to the motion to amend the bill draft request to allow the NSHE to retain all of its unspent general funds each year.
Regents Cobb and Gallagher accepted the friendly amendment.

Chancellor Klaich indicated that although he felt that was a wonderful amendment, he emphasized that the System wanted to attract momentum on this issue and the current language would allow a point from which to negotiate.

Regent Wixom asked if the retention of funds as a result of the positive outcomes of the efficiency and effectiveness initiative would be dovetailed into the request to retain unspent funds. Chancellor Klaich replied that would require a more comprehensive proposal from the presidents that may be more appropriately encompassed in the appropriations act rather than in a specific bill draft.

Regent Wixom expressed concern that if the efficiency and effectiveness initiative requires an additional bill draft request then the Board would have to revisit the issue. Chancellor Klaich replied that if it was determined that the efficiency and effectiveness initiative required an additional bill draft request, System Administration would bring that

16. Approved - 2011 Bill Draft Requests *(Agenda Item #16)* – *(Cont'd.)*

additional request to the Board at the August meeting. He understood that would be a significant enough change that the Board would want to weigh in on it. Regent Wixom indicated his support of the motion with that caveat.

Regent Rawson expressed his sentiment that the term "rainy day fund" tended to have a negative connotation associated with it but he was not sure that "budget stabilization" was the appropriate term either. Whichever term is used, he requested that the right words be used consistently. Chancellor Klaich appreciated Regent Rawson's comment and would make that change.

Regent Geddes noted that under other matters for consideration, moving classified staff under the umbrella of the System was indicated. If pursued, he asked that all benefits and investments associated with that category of staff follow them. Chancellor Klaich replied that although he wanted that item noted on the list, he would only actively pursue the first five requests listed.

Regent Anderson referred back to the motion and asked that the term "as recommended by the Governor" be removed from the document. Chancellor Klaich replied that he anticipated the removal of that phrase in the essence of her friendly amendment.

Motion carried.

17. Approved - *Procedures & Guidelines Manual* Revision, Student Health Service and Health Insurance Rates *(Agenda Item #17)* – The Board of Regents approved Interim Vice Chancellor Mark Stevens' request for the 2010-2011 School Year Student Health Service/Student Health Insurance Rate Changes. In accordance with Board policy *(Title 4, Chapter 17, Section 18)*, student fees require Board approval. These revised student fees will be codified in the NSHE *Procedures and Guidelines Manual*, and will be effective in the Fall, 2010 semester *(Ref. BOR-17 on file in the Board office).*

Regent Rawson moved approval of the 2010-2011 School Year Student Health Service and Health Insurance Rates *(PGM, Chapter 7, Section 6.F)*. Regent Geddes seconded.

Regent Knecht noted that there was a variation in the health service fee per semester between UNLV and UNR, with UNLV reflecting the lower amount. He asked why there was such a difference between them. Interim Vice Chancellor Stevens replied that the rate determination was made at the institution level and asked the institution representatives to respond further.

Dr. Cheryl Hug English, Director of the Student Health Center, UNR, related that the fees are established differently at each of the institutions. At UNLV the fee is structured so that it is mandatory for all students with one or more credits and there is a summer school fee. The difference in the premium is also affected by the greater number of students at UNLV than at UNR. Regent Knecht noted that it was in part an economy of scale issue.

17. Approved - *Procedures & Guidelines Manual* Revision, Student Health Service and Health Insurance Rates *(Agenda Item #17)* – *(Cont'd.)*

Dr. Hug English confirmed that it was, adding that when UNR's fee was established in 1974, it was the structure the students were in favor of. In terms of this request, student input was again sought on potential options including a structure that mimicked UNLV's. However, UNR's administrative fee committee preferred to leave the structure mandatory for six or more credits.

Regent Knecht asked what the overall rate of increase was for the student health centers, and the total revenue projected from all of these fees for the coming year, versus the prior year. Dr. Hug English related that for UNR, the proposed fee increase would generate approximately $350,000.

Regent Knecht asked what the base number was for the $350,000 projection. Dr. Hug English replied that the current fees generate approximately $2.1 million. This fee increase would result in approximately $2.45 million. Regent Knecht observed that would be an approximate 6% increase.

Dr. Hug English noted that UNLV was not requesting an increase in the student health fee.

Regent Knecht clarified that he was looking at all associated student insurance rates. Dr. Hug English replied that, in terms of the insurance rates, there was not a proposed premium increase for UNR undergraduates, international students or graduate students. For the medical students, there was an approximate 12.5% increase being proposed. She could not provide a total percentage because there were different student bodies involved. President Glick added that of the entire UNR student body, approximately 300 undergraduate students actually buy the insurance so adding the health fee and the insurance premium together would not work. Dr. Hug English added that the insurance is voluntary and is purchased by the student. Although the fee is passed through the university, it does not impact the institution financially.

Regent Knecht stated that although he was concerned about the financial impact to the university, he was also concerned about the total impact to the students and their families. He was trying to determine the total healthcare bill because of the high single and double digit annual rate of increase. He understood that for many parts of the request, it was necessary to look at the longer term context because rates have not increased for a number of years. However, when a constituent questions why there is an increase in health fees by 13%, he would like to be able to share with them what the increase was in the total health insurance cost. Dr. Hug English added that with the exception of the medical students, the insurance costs are not increasing, only the health fee. She added that over the last 15 years, UNR has only increased the health fee by $22.

In terms of the dental school health insurance rates, Regent Page observed that the student rates were increasing from $1,665 to $1,700 but the spouse rate was increasing from $2,991 to $4,900 and asked if that was correct. President Smatresk indicated that was correct, adding that was the rate that the insurance company negotiated due to their assessment of the pool and the expenses involved.

17. Approved - *Procedures & Guidelines Manual* Revision, Student Health Service and Health Insurance Rates *(Agenda Item #17)* – *(Cont'd.)*

Regent Page asked how often that contract goes out to bid. Dr. Hug English replied that the bids go out every few years, adding that there are fewer and fewer insurance carriers willing to bid on student insurance plans. The insurance carriers that do bid make it very clear that their bids are for the student, so the spouse and dependent coverage is always quite high.

Regent Page observed that the annual fee for health, life and disability insurance for the medical students is $2,365, but the annual fee for health insurance only for the student is $2,576. Dr. Hug English clarified that the life and disability adds $77.44 to the basic health insurance premium.

Motion carried.

The meeting recessed at 2:20 p.m. and reconvened at 2:34 p.m. on Friday, June 4, 2010, with all members present.

18. Approved - Tenure Upon Hire and Approval for Starting Salary Above Salary Schedule, UNLV *(Agenda Item #19)* – The Board of Regents approved UNLV President Neal J. Smatresk's request for approval of tenure upon hire for Dr. Yusheng Zhao and for compensation above the established salary schedule, effective August 1, 2010, as the HiPSEC *(High Pressure Science and Engineering Center)* Executive Director in the Department of Physics and Astronomy within the College of Sciences, at a base salary of $170,000 which exceeds the established maximum salary of $163,437 *(Ref. BOR-19 on file in the Board office).*

Regent Alden moved approval of granting tenure upon hire and for starting salary above schedule for Dr. Yusheng Zhao, as the HiPSEC *(High Pressure Science and Engineering Center)* Executive Director in the Department of Physics and Astronomy within the College of Sciences at the University of Nevada, Las Vegas. Regent Page seconded. Motion carried.

19. Approved - *Handbook* Revision, Appointment, Resident Physicians and Resident Dentists *(Agenda Item #18)* – The Board of Regents approved UNR President Milton D. Glick's request for revision to Title 4, Chapter 7, Section 2.4 of the *Handbook*, to change the current policy which requires medical resident physicians employment contracts to be issued for the fiscal year. The proposed revision will allow the University of Nevada School of Medicine to issue 12-month employment contracts that are not tied to the fiscal year to medical resident physicians who are off-cycle for reasons related to a late start date or when required for reasons related to remediation *(Ref. BOR-18 on file in the Board office).*

19. Approved - *Handbook* Revision, Appointment, Resident Physicians and Resident Dentists *(Agenda Item #18)* – *(Cont'd.)*

Regent Alden moved approval of the revision to the NSHE *Handbook (Title 4, Chapter 7, Section 2.4)*, allowing the University of Nevada School of Medicine to issue 12-month employment contracts that are not tied to the fiscal year to medical resident physicians who are off-cycle for reasons related to a late start date or when required for reasons related to remediation. Regent Page seconded. Motion carried.

20. Approved - Faculty Hire Above Salary Schedule, UNSOM *(Agenda Item #20)* – The Board of Regents approved UNR President Milton D. Glick's request for the employment salary above schedule for Christian Stone, M.D., in the position of Associate Professor, Gastroenterology, Internal Medicine, Las Vegas, UNSOM, at a salary of $417,000, which exceeds the established maximum salary of $219,452 *(Ref. BOR-20 on file in the Board office).*

Regent Alden moved approval of granting starting salary above schedule for Christian Stone, M.D. in the position of Associate Professor, Gastroenterology, Internal Medicine, Las Vegas, UNSOM. Regent Gallagher seconded.

Dr. Ole Thienhaus, Dean, University of Nevada School of Medicine, related that there is a very large department of Internal Medicine in both Las Vegas and Reno. However, Internal Medicine departments cannot generate enough revenue to be self sustaining without the employment of specialists. The UNSOM is also laying the groundwork for a fellowship program in gastroenterology. In addition, that specialty will assist in developing translational research and partnerships with the Department of Physiology. In terms of the salary, gastroenterologists are the highest paid non-surgical professionals in the field with salary expectations that exceed the School of Medicine's current salary schedule for non-surgical physicians. With the UMC's investment of 46%, and with the expectation of significant clinical practice income, there is a good leverage ratio for the 10 % of the salary that is support through state funds.

Regent Rawson related that he was supportive of this request because of the shared salary structure. However, he asked that on all of these types of requests that there be accountability. Chancellor Klaich related that a report was provided to the Audit Committee on the previous day. That report was very constructive and can certainly be reported on an annual basis or more often upon the Board's request.

Regent Page added that although improving, the report provided to the Audit Committee reflected instances where targets had not been met by a significant amount. He felt that in addition to continued monitoring, there needed to be a provision in the contracts that allowed for the adjustment of salaries when revenue targets are not met. President Glick stated that the contracts have been completely restructured to allow for that adjustment as well as a 30-day notice of non-renewal.

20. Approved - Faculty Hire Above Salary Schedule, UNSOM *(Agenda Item #20)* – *(Cont'd.)*

Regent Wixom asked for an explanation of "state funds." Dean Thienhaus stated that those funds are part of general fund appropriations that the School of Medicine receives.

Regent Crear understood from the report presented to the Audit Committee that 50% of the physicians that have a practice plan have not met their targets. He asked what was being done to rectify that and where the difference is generated to cover the shortfall. He stated that it was not comforting to him to see a request for nearly $200,000 over the established salary schedule when there are departments, programs and staff being eliminated. Dean Thienhaus stated that Regent Crear's points expressed at the last Board meeting had been taken very seriously. He acknowledged that there had existed a bad track record of accountability but steps are being taken to rectify the situation. He related that over the last quarter, salaries for underproductive physicians in the practice plan have been reduced by $90,000, which was considerable.

Regent Knecht echoed the concerns expressed in terms of accountability and the ability to audit and asked for details from the Audit Committee report. Regent Page read the outcome of the report presented to and discussed at the previous day's Audit Committee meeting *(Ref. A-19)*.

Going forward, Regent Knecht stated that he would like to see a monitoring program included in the employment agreements that allows for timely reports to management, the institutional president as well as to the Chancellor that provides reasonable assurance that the practice plans are on track and being managed.

Regent Schofield expressed concern for the lack of accountability when the System was struggling to balance the budget.

Regent Alden expressed his support of this employment contract.

Regent Wixom stated that the agenda item before the Board was specific to an employment contact and felt it advisable to address the general contract concerns as a separate item.

Regent Knecht requested that future practice plan contracts contain provisions for management and monitoring. Chairman Leavitt referred Regent Knecht's request to the Audit Committee.

Motion carried. Regent Crear voted no.

21. Approved - Faculty Hire above Salary Schedule, UNSOM *(Agenda Item #21)* – The Board of Regents approved UNR President Milton D. Glick's request for employment salary above schedule for Tarek Ammar, M.D., FACG, in the position of Assistant Professor, Gastroenterology, Internal Medicine, Las Vegas, UNSOM, at a salary of $410,000, which exceeds the established maximum salary of $184,224 *(Ref. BOR-21 on file in the Board office).*

21. Approved - Faculty Hire above Salary Schedule, UNSOM *(Agenda Item #21)* – *(Cont'd.)*

Regent Rawson moved approval of granting starting salary above schedule for Tarek Ammar, M.D. in the position of Assistant Professor, Gastroenterology, Internal Medicine, Las Vegas, UNSOM. Regent Alden seconded. Motion carried. Regent Crear voted no.

22. Information Only - Public Relations, Branding, Marketing and Recruitment Efforts, UNR *(Agenda Item #22)* - Each of the institutions and System Administration have been requested to provide a report on their efforts undertaken in relation to their public relations, branding, marketing and recruitment. At this meeting, representatives from UNR provided an overview of their current and planned public relations, branding, marketing and recruiting efforts *(Ref. BOR-22 and power point presentation on file in the Board office).*

President Glick provided a presentation *(power point presentation on file in the Board office)* on the public relations, branding, marketing and recruitment efforts at UNR.

Chairman Leavitt thanked Regent Crear for initiating these presentations over one year ago.

Regent Cobb asked if the Silver Scholar award *(dictionary)* was still given to the top sophomore or junior students in each of the high schools. Ms. Patricia Richard related that the Silver Scholar award is now extended to the top 15% of eighth graders throughout the state, with the award being presented to the students at a presentation on the university campus.

23. Approved – Election of Officers *(Agenda Item #23)* - In accordance with Regents' Bylaws *(Article IV, Section 2)*, an election of officers for FY 2010-11 was held. These officers are elected to serve from July 1, 2010, through June 30, 2011.

Chairman Leavitt related that nominations for the Chairman will be requested, followed by a roll call vote. If one nominee receives 7 or more votes, he or she will be elected Chairman. The same process will be followed for the election of Vice Chairman.

A. Chairman – Regent Alden nominated Regent Leavitt.

Regent Page seconded. Upon a roll call vote, motion carried unanimously.

B. Vice Chairman – Regent Knecht nominated Regent Geddes.

Regent Page seconded. Upon a roll call vote, motion carried unanimously.

23. Approved – Election of Officers *(Agenda Item #23) – (Cont'd.)*

Regent Wixom publicly expressed his appreciation to Regent Leavitt and Regent Geddes for their herculean efforts throughout the last year during very difficult times, adding that there will be another year of challenges ahead.

24. Approved – Audit Committee *(Agenda Item #24)* - Committee Chair Mark Alden reported that the Audit Committee met on June 3, 2010, and received follow-up responses for six internal audit reports that had been presented to the Audit Committee at the December 2009 meeting.

The Committee requested that the Internal Audit Department perform a supplemental review of equipment purchases for the UNLV Presidential Exit audit.

The Committee requested that the University of Nevada School of Medicine Practice Plan provide a financial report at the Committee's September meeting.

Action items
Board action was requested to approve the following recommendations of the Audit Committee.

- Minutes – The Committee recommended approval of the minutes from the March 4, 2010, meeting.
- Change in Scope, External Audit – The Committee recommended approval of a request from Grant Thornton LLP, for additional costs of $250,000, plus out of pocket expenses of $17,000, for a change in scope of the external audit for the year ended June 30, 2010.
- Follow-up, Management Letter, University of Nevada School of Medicine – The Committee recommended approval of a follow-up report on the June 30, 2009, management letter.
- Internal Audit Reports – The Committee recommended approval the following internal audit reports:
  - ✓ Risk Management/Worker's Compensation, BCN
  - ✓ Food Service, UNR
  - ✓ Presidential Exit Audit, UNLV
  - ✓ University Press, NSHE
  - ✓ Purchasing Card Program, NSC
  - ✓ Automotive Technology, TMCC
  - ✓ Purchasing Department, CSN
  - ✓ Admissions and Records Department, WNC
- Foundation Audit Exemption, NSHE – The Committee recommended approval of a request from the NSHE Health Sciences Foundation for an exemption from the audit requirements stated in the Board of Regents *Handbook (Title 4, Chapter 10, Section 9, B1)*. The Committee requested that the Internal Audit Department perform a closeout review of the NSHE Health Sciences Foundation.

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

Regent Page moved acceptance of the report and approval of committee recommendation. Regent Wixom seconded. Motion carried.

25. Approved – Investment and Facilities Committee *(Agenda Item #25)* – Committee Chair Michael B. Wixom reported that the Investment and Facilities Committee met on June 3, 2010, and heard the following:

- Mr. Ken Lambert from the Public Employee' Retirement System *(PERS)* presented a report on asset allocation and investment returns in the PERS fund.
- Ms. Ruby Camposano reported that the account balance of the Operating Pool's reserve account was +$1.4 million as of close of business, Thursday, June 2, 2010.
- Mr. Scott Nash of JNA consulting Group, LLC, presented information relating to bond refinancing options. Mr. Nash also discussed NSHE bond refunding criteria, the call provisions on outstanding bonds and bond restructuring options.
- Cambridge Associates made a presentation on various potential asset allocations for NSHE's pooled endowment and pooled operating funds. The report included performance and cost comparisons of various types of investments. The Committee recommended that the next meeting include a thorough review of the current asset allocation within the operating fund, including potential changes in the operating fund's asset allocation if that is deemed appropriate.

Action items

Board action was requested to approve the following recommendations of the Investment and Facilities Committee.

- The Committee recommended approval of the minutes from the March 4, 2010, meeting.
- Cambridge Associates presented a report on asset allocation and investment returns for the pooled endowment and pooled operating funds for the quarter ended March 31, 2010. Based on Cambridge Associates' presentation, the Committee approved a redemption of $1.0 million from the PIMCO Total Return account in the endowment pool and directed the funds to the Wells Fargo Heritage money market account. The redemption is necessary to fund the quarterly distribution in the endowment pool and meet capital call requirements.
- Following Interim Vice Chancellor for Finance Mark Stevens' recommendation regarding the commercial banking services contract with Bank of America, the Committee recommended approval of extending the existing five year contract for six months through June 30, 2011. The existing five year contract with Bank of America expires on December 31, 2010, with provisions for renewal. NSHE will issue a Request for Proposal by September 2010 and present the results to the Committee at the December 2010 meeting. The six month extension is necessary for transition in the event that a new bank is hired.

25. Approved – Investment and Facilities Committee *(Agenda Item #25)* – *(Cont'd.)*

- The Committee recommended approval of President Neal Smatresk's request for approval of the first amendment to the Interlocal Cooperative Agreement between the Board of Regents of the Nevada System of Higher Education and the Clark County School District dated June 20, 1997. The amendment is required to modify the configuration of the Paradise Professional Development Elementary School site, and supports the development of the Hospitality Campus.
- The Committee recommended approval of President Neal Smatresk's request for approval of conveyances required to support a future construction project intended to improve traffic flow and access to the Thomas and Mack Center parking lots and the new Tropicana Avenue parking structure in a manner consistent with the UNLV *Master Plan.*
- The Committee recommended approval of the quarterly report on the activities of the Space Study Working Group, and advised that the final recommendations should include provisions to ensure the amended reports are auditable, report all academic use, report room use in real terms, and provide qualitative measures to trigger space renovation.
- The Committee recommended approval of a two-phase procedure to implement Board policy to quantify Life Cycle Costs for new buildings requested by institutions during the 2013 capital budget cycle, which will consider discount rates and other appropriate cost of money adjustments to maximize the accuracy of the operating and capital investment costs incurred during the useful life of the buildings.
- The Committee recommended approval of DRI's President Stephen G. Wells request for DRI's "Renewable Energy Experimental Facility," consisting of two new buildings and associated site improvements, to be constructed with funding from the U.S. Department of Energy, matched with DRI Indirect Cost Recovery *(ICR)* funds and in-kind contributions from industry partners.

Regent Wixom moved acceptance of the report and approval of committee recommendation. Regent Crear seconded. Motion carried. Regent Page abstained.

26. Approved – Business and Finance Committee *(Agenda Item #26)* – Committee Chair Raymond D. Rawson reported that the Business and Finance Committee met on June 3, 2010, and heard the following reports:

- All Funds Revenues and Expenses of the NSHE for the third quarter of fiscal year 2009-2010.
- NSHE Fiscal Exceptions of Self-Supporting Budgets and the status of state appropriations for the third quarter of fiscal year 2009-2010.
- Budget transfers of state appropriated funds between functions for the third quarter of fiscal year 2009-2010.

26. Approved – Business and Finance Committee *(Agenda Item #26)* – (Cont'd)

- NSHE crime statistics report for calendar year 2009 prepared in compliance with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics requirement of the Higher Education Act of 1965.
- The Committee discussed progress towards development of a set of budget *(including formula funding)* and performance metrics and efficiency, effectiveness and accountability principles and measures.

Action items:
Board action was requested to approve the following recommendations of the Business and Finance Committee:

- The Committee recommended approval of the minutes from the March 4, 2010, Business and Finance Committee meeting.
- The Committee recommended approval for the Nevada System of Higher Education to expend any excess student registration fee revenues for the purpose of funding additional adjunct faculty and to seek Interim Finance Committee authorization to expend any additional registration fee revenues not utilized for adjunct faculty and any nonresident tuition and surcharge fee revenues in addition to the amounts authorized in FY 2010.

Regent Rawson moved acceptance of the report and approval of committee recommendation. Regent Knecht seconded. Motion carried.

27. Approved - Academic, Research and Student Affairs Committee *(Agenda Item #27)* – Committee Chair William G. Cobb reported that the Academic, Research and Student Affairs Committee met on June 3, 2010, and heard the following:

Vice Chancellor Jane Nichols presented highlights from the 2009 NSHE sponsored projects report that included information on research grants. In addition, Vice Chancellor Nichols reported on compensated outside professional and scholarly services performed by full-time faculty members across the NSHE, including institutional resolution of potential conflicts of interest, during the 2009 calendar year.

Associate Vice Chancellor Crystal Abba presented highlights from the 2008-09 NSHE *Financial Aid Report,* including policy strategies for making college affordable. Next, Ms. Abba reported on the recent adoption of college readiness standards for the State of Nevada and its implications for P-16 education.

Action Items
Board action was requested to approve the following recommendations of the Student and Academic Affairs Committee:

- Approval of the minutes from the March 4, 2010, meeting.

27. Approved - Academic, Research and Student Affairs Committee *(Agenda Item #27)* – *(Cont'd.)*

Action Items – *(Cont'd.)*

- The DRI organizational unit change to eliminate the Center for Arid Lands Environmental Management, replacing it with the Clean Technologies and Renewable Energy Center
- UNLV organizational unit eliminations for the following centers that are no longer active:
  - Arthur C. Clark Center for Immigration and Opportunity;
  - Biotechnology Center;
  - Center for Economic Education;
  - Center for Education Research and Planning;
  - Center of Excellence in Women's Health;
  - Center for Health Sciences Research;
  - Center for Molecular Medicine and Radiation Biology;
  - Center for Outreach in School Leadership Development ; and
  - Center for Volcanic and Tectonic Studies.
- Elimination of the Associate of Arts in Applied Anthropology at TMCC.
- UNR organizational unit change of the Department of Speech Communication and Theatre and the Department of Music and Dance to the Division of Communication Studies, the Department of Theatre and Dance, and the Department of Music.

Regent Cobb moved acceptance of the report and approval of committee recommendation. Regent Alden seconded. Motion carried.

28. Approved – Cultural Diversity Committee *(Agenda Item #28)* - Chair Cedric Crear reported that the Cultural Diversity Committee met on June 4, 2010, and heard the following:

- Dr. Fabienne McPhail Naples, UNR Associate Vice President for Student Success Services, and Dr. Reginald Chhen Stewart, Director of UNR's Center for Student Cultural Diversity, presented a report on the UNR's initiatives to promote student success, especially efforts to improve recruitment, retention, and graduation of students from diverse backgrounds, including recent data on the enrollment and graduation rates of minority students.
- Ms. Lynn Mahlberg, GBC Vice President for Student Services, presented a report on the institution's initiatives to promote student success, especially efforts to improve recruitment, retention, and graduation of students from diverse backgrounds, including recent data on the enrollment and graduation rates of minority students.

28. Approved – Cultural Diversity Committee *(Agenda Item #28)* – *(Cont'd.)*

- Vice Chancellor Jane Nichols outlined the elements that must be included in the institutional plans for increasing faculty diversity that will be signed off by each respective President and Senate Faculty Chair. The plans must include appropriate measures for recruitment, retention, promotion, and tenure of minority faculty and are due to the Committee for final approval at the September 2010 meeting.
- Mr. Mark Ghan, Co-chair, NSHE Equity, Diversity and Inclusion Council, reported on the outcome of recent meetings of the Council. The Council is leading the system involvement in the University of Southern California Equity Scorecard grant opportunity designed to improve student success through the use of data and identification of specific changes in institutional behavior.

Action Items:
Board action was requested to approve the following recommendations of the Cultural, Diversity Committee:

- The Committee recommended approval of the minutes of the March 5, 2010, meeting of the Cultural Diversity Committee.
- The Committee recommended approval of the strategic plan for implementation of supply chain inclusion policies and practices system-wide and at each NSHE institution as presented by Vice Chancellor Bart Patterson.

Regent Crear moved acceptance of the report and approval of committee recommendation. Regent Alden seconded. Motion carried.

29. Approved – Health Sciences System Committee *(Agenda Item #29)* - Chair Dorothy S. Gallagher reported that the Health Sciences System Committee met on June 4, 2010, and heard the following:

- Chairperson Gallagher provided her Chair's report. She invited Vice President Ron Zurek to provide an update on the recent efforts to negotiate renewal of the lease for the facility housing the UNSOM practice plan located at 1707 West Charleston. He noted that the effort has been successful, and that it will help to enable the UNSOM practice plan to have an option to purchase this facility in the future if they wish to.
- The Committee was provided with an overview by Executive Vice Chancellor Trevisan and HSS Foundation President Harvey Whittemore, regarding the recent activities of the HSS Foundation. In particular, they conveyed the recommendations from the last Foundation meeting in which the Foundation members recommended that the Foundation be dissolved and that an ad-hoc committee be created to continue to support the HSS mission. President Whittemore noted that this action in no way diminishes the Foundation members' support for this effort, but rather is a recommendation to help save money. Regent

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

- Wixom asked about the tax implications of this action and President Whittemore stated that all appropriate steps have been taken to avoid tax issues. Regent Cobb thanked the Whittemores for their support and asked where the remaining funds would be distributed, and President Whittemore provided details regarding distribution. Regent Knecht added his thanks to the Whittemores and the other Foundation members. The Committee discussed how the ad-hoc committee will be formed and Chairperson Gallagher asked staff to bring back some details on the formation of the ad-hoc committee to the next HSS Committee meeting.
- The Committee was provided with an overview from Executive Vice Chancellor, Maurizio Trevisan regarding the recent activities related to the efforts to develop a stronger partnership between NSHE health sciences programs and the University Medical Center *(UMC)* and the efforts to promote the transition of UMC into a true Academic Health Center. In particular, he provided the Committee with an update on efforts to hire consultants to assist in the evaluation of the UMC operations and the options for partnership development between NSHE and UMC. He also provided background on a new advisory group which has been established by the County Commissioners, composed of representatives from NSHE, UMC and the Nevada Cancer Institute, with the purpose of addressing specific details related to partnership development between NSHE and dynamics. He also provided an overview of the Commissioners consideration of the appointment of a separate governing board for UMC, and the potential role, and makeup of this group. Regent Gallagher asked if NSHE would have any financial responsibility for the hospital, and Executive Vice Chancellor Trevisan said that NSHE will not have any financial responsibility. Regent Rawson asked for more details about the Commissioners consideration of a new governing board structure and Executive Vice Chancellor Trevisan provided additional explanation. Regent Rawson asked that this Committee be updated regularly on this issue. He also asked if the Medical School was interested and involved, and Executive Vice Chancellor Trevisan said they were and that the Dean and other administrators from UNSOM/UNR are actively involved in this process. Regent Wixom asked if members of the System and/or Board have sufficient D&O insurance if they are involved in this process, and who would pay for that coverage. He requested that staff confirm that NSHE representatives are sufficiently covered in this regard. Regent Cobb requested that a written report be given to this Committee regarding the UMC issue. Regent Gallagher noted that things are very preliminary now and that there is a tremendous amount of work to be done on this. She also noted that it is important to keep the Committee updated.
- Provost Marc Johnson provided a statement to the Committee with an overview of the process/status of the UNR efforts to conduct a search for a Dean of the University of Nevada School of Medicine/VP for Health Sciences. Four candidates have been identified and faculty, students and other key stakeholders have been involved in the process. They are in the final stages of this process. Regent Rawson asked whether or not residency of the candidate in Las Vegas was an issue in the selecting of the candidate. Executive Vice Chancellor Trevisan stated that his understanding is that this does not appear to be an issue and the final selection of the candidate will not be based on this.

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

- During the Roundtable Discussion, Chairperson Gallagher stated that the time has come to have a broader discussion about the future direction of the HSS and how strongly the Board is going to support HSS. She recommended that time be set aside at the next Regents meeting to discuss this issue. Regent Cobb asked if a more formal white paper be presented regarding this. Regent Wixom has noted how the HSS concept has evolved over time and that it may be best to have Executive Vice Chancellor Trevisan and the Chancellor present an overview of the current focus of HSS and future recommendations to the Committee for consideration. The HSS plan approved at the Regents' meeting at GBC and other past presentations can serve as a starting point for this discussion. Regent Rawson asked if some of these documents could be redistributed. He also asked that CIP planning be included in this discussion.
- The new business discussion included a discussion of the importance of reminding and updating the Board with the details of HSS activities, goals, roles and direction. Regent Cobb asked that the documents presented at the GBC meeting regarding HSS be redistributed to the Committee and staff agreed to do so.

Action items:
Board action was requested to approve the following recommendations of the Regents Health Sciences System Committee:

- The Committee voted to approve the minutes of the March 4, 2010, meeting.
- The Committee voted to approve of the HSS Foundation's recommendation to dissolve the Foundation and to create a new ad-hoc Committee composed of representatives from the NSHE institutions and HSS to continue to support the HSS mission.

Regent Gallagher moved acceptance of the report and approval of committee recommendation. Regent Rawson seconded. Motion carried.

30. Information Only - New Business *(Agenda Item #30)* – Regent Alden commended Chairman Leavitt for instituting a reduced meeting schedule, he would like to see even fewer meeting days with fewer items on the agenda.

Regent Geddes stated that conference realignment was an approaching issue and he encouraged the presidents to alert the Regents as soon as information is available. Specifically, he was concerned how the Board of Regents would not have a say in conference decisions that would ultimately impact the System's budget by millions of dollars.

Regent Page asked that the practice plans within the UNLV School of Dental Medicine also be presented the Audit Committee for monitoring purposes.

Chancellor Klaich congratulated the CSN baseball team for a great year.

The meeting adjourned at 3:26 p.m.

Prepared by: Jessica C. McMullen
Administrative Assistant IV

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

Approved by the Board of Regents at the September 9-10, 2010, meeting.