SPECIAL MEETING

BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

UNLV Student Union Ballroom
University of Nevada, Las Vegas
4505 S. Maryland Parkway, Las Vegas
9:00 a.m., Friday, May 6, 2011

Video Conference Connection to:
System Administration, Reno
2601 Enterprise Road, Conference Room

Members Present:	Mr. James Dean Leavitt, Chairman	
	Dr. Jason Geddes, Vice Chairman	
	Mr. Mark Alden	
	Dr. Andrea Anderson	
	Mr. Robert Blakely	
	Mr. William G. Cobb	
	Mr. Cedric Crear	
	Dr. Mark W. Doubrava	
	Mr. Ron Knecht	
	Mr. Kevin C. Melcher	
	Mr. Kevin J. Page	
	Dr. Jack Lund Schofield	
	Mr. Michael B. Wixom	*{via telephone}*

Others Present:	Chancellor Daniel J. Klaich
	Executive Vice Chancellor & CEO, HSS, Maurizio Trevisan
	Vice Chancellor, Academic & Student Affairs, Jane Nichols
	Vice Chancellor, Administrative & Legal Affairs, Bart Patterson
	Vice Chancellor, Finance, Mark Stevens
	Vice Chancellor, HSS, Marcia Turner
	Vice Chancellor, Information Technology, Steven Zink
	CEO & Special Counsel to the Board, Scott Wasserman
	President Michael D. Richards, CSN
	President Stephen G. Wells, DRI
	President Carl Diekhans, GBC
	President Lesley Di Mare, 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 Maldonado, 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. Paulette Batayola, SGA President, GBC; Mr. Sebring Frehner, 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. Cesar Benitez, ASTM Board Chair, TMCC; and Mr. Jason McGill, ASWN President, WNC.

Chairman Leavitt called the meeting to order on Friday, May 6, 2011, at 9:10 a.m. with all members present except for Regents Schofield and Wixom.

Regent Crear led the pledge of allegiance.

Chairman Leavitt requested a moment of silence in memory of the passing of President Milton D. Glick.

1. Information Only - Public Comment *(Agenda Item #2)* – Ms. Gina M. Sully, Student at CSN, addressed the Board to express concern that as a result of the budget reductions she now sees little possibility of finding work as an educator in southern Nevada and she fears that her degrees will be worth little on the national job market as NSHE's reputation is negatively impacted.

   Ms. Patricia Martinelli Price, Southern Nevada Diversity Round Table, addressed the Board in regard to redistricting and wanted to make sure that the minority populations were considered. She related that in 2007, minorities that traditionally do not have access to higher education including Native American, African American, Latino, Hispanic and Asian communities contributed $1 trillion in goods and products to the national economy. She stated that redistricting decisions needed to be fair and equitable for all people. She felt that education is power and it is important to ensure that it is funded adequately for all students.

   Mr. Jose Solorio, Si Se Puede Latino Democratic Caucus, addressed the Board in regard to redistricting, specifically in terms of communities of interest which primarily comprise Districts 4 and 5. He felt the current census reflects that Latinos live more in specific areas of Las Vegas and creates a community of interest core. The proposed Districts 4 and 5 split that area but he felt those areas should be comprised together. He felt that was important to diversity in representation, including representation on the Board of Regents. He asked the Board to please take into consideration that the area be included as a whole. He felt that the Board was doing a great job faced with such a devastating budget. He felt that if businesses are to be brought in, their priorities include a quality education and that there is not as much tax insensitivity.

1. Information Only - Public Comment *(Agenda Item #2) – (Cont'd.)*

Ms. Carrie Sampson, Graduate Student, UNLV, asked the Board for access to recent documents and reports regarding funding formula studies. Mr. Mark Stevens, Vice Chancellor of Finance, NSHE, provided Ms. Sampson with his contact information so that the requested materials could be provided to her. Chairman Leavitt asked that the information also be sent to the Regents.

Regent Alden related that the Legislature orders the formula funding. He felt that southern Nevada was short changed by that formula. However, formula funding is used instead of program funding for a variety of reasons including that program funding allows the subjective elimination of programs that are not liked.

Regent Cobb noted that 30% of UNR's enrollment comes from southern Nevada.

Mr. Howard Watts, III, representing the Progressive Leadership Alliance of Nevada, addressed the Board regarding the proposed redistricting plan. First, he thanked the NSHE and Mr. Scott Wasserman, CEO and Special Counsel to the Board of Regents, for taking the time to meet with representatives from the community to hear concerns prior to the mapping process and for their openness and transparency. He commended the first draft of the proposed maps. He indicated that although the large Latino community is one of interest, the proposed maps create two districts *(proposed Districts 4 and 5)* with a majority Latino population and felt that should be commended. He asked that consideration be given to increasing the Latino population slightly in those two proposed districts so that voting age population could be factored in. Overall, he felt the proposed plan to be a solid place from which to start.

Ms. Christine Samson, Student in UNLV's Athletic Training Program, asked the Board to consider retaining the Athletic Training program. She felt that although that program is costly to UNLV, it also has great successes and provides a positive image to UNLV.

Regent Doubrava related that although he understood the impacts of the budget cuts, he also agreed that the UNLV Athletic Training program was an important program.

Mr. Fernando Romero, representative for Democracia USA and Hispanics in Politics, related that he generally endorsed the proposed redistricting plan and encouraged efforts to create opportunities for Latinos to elect their own representatives.

Ms. Laura Powell, English department, UNLV, related that when she was brought to UNLV in 2006, she had been told that the institution was working to achieve higher research rankings and to become a better university. She had been excited to be part of a program that was growing. However, since her arrival budgets have only been cut. She felt the Board could appreciate how challenging it was for the graduate assistants in the English department to live on less than $14,000 per year. She felt that divisiveness would only take the System in an opposite direction than needed and that everyone should work as a single unit.

1. Information Only - Public Comment *(Agenda Item #2) – (Cont'd.)*

President Richards shared that CSN recently recognized 23 outstanding students with scholarships, including two Regents' Scholars. CSN also awarded for the first time the Jack Kent Cook scholarship which is a national, highly competitive scholarship of up to $30,000 a year and renewable for three years. President Richards introduced Mr. Bill Kerney, Faculty, CSN, to report more on that scholarship. Mr. Kerney related that the winner of the Jack Kent Cook scholarship, Ms. Maryknoll Palisoc had been born in the Philippines and had come to Las Vegas with her family. Ms. Palisoc recently turned 21 and graduated with a 4.0. CSN is very proud of Ms. Palisoc's achievement in science and math as well as her outstanding community service.

Regent Knecht thanked CSN English Professor, Dorothy Chase, for being instrumental in bringing Ms. Palisoc's situation to the Board's attention.

Mr. Kyle George, GPSA President, UNLV, related that this would be his last Board of Regents meeting and thanked the Board and his colleagues over the last year for the tremendous work that has been done. Regent Crear commended Mr. George for his commitment to UNLV and the System. He thanked Mr. George for his candidness and his poignant messages, adding that Mr. George's courage to stand up and express his opinions had been well received by the members of the Board.

Chairman Leavitt stated on behalf of the entire Board that the student leaders were respected and greatly appreciated for their selfless and often thankless work.

Mr. Mark Vukovich, Student, UNLV, stated that from the perspective of having been a student at both UNLV and UNR, he has seen that the budget cuts have been equally harmful. He related that UNLV's Athletic Training program was not only a family but the program was crucial to keeping family and children safe and asked that the Board not cut the program.

Regent Wixom entered the meeting.

2. Approved - Distinguished Nevadan Award *(Agenda Item #3)* – The Board approved the posthumous awarding of UNR President Milton D. Glick with a Board of Regents 2011 Distinguished Nevadan award *(Handbook, Title 4, Chapter 1, Section 14 and Procedures & Guidelines Manual Chapter 8, Section 1) (Ref. BOR-3a and BOR-3b).*

Motion made and seconded by all Regents present.

Regent Cobb stated that it had been difficult to receive the call that President Glick had succumbed. He had not been able to attend the ceremony and the Board had been gracious enough to allow his son to stand in for him. He related that two things that he found most impressive of all the statements made about President Glick had come from

2. Approved - Distinguished Nevadan Award *(Agenda Item #3)* – *(Cont'd.)*

Mr. Eli Reilly and Mr. Matthew Smith indicating that President Glick did everything for the students. Regent Cobb read a poem written by Dr. Cheryl Hug English, Interim Dean of the University of Nevada Medical School *(on file in the Board office).*

Motion carried. Regent Schofield was absent.

3. Approved - Minutes *(Agenda Item #1)* – The Board of Regents approved the minutes from the February 3, 2011, Board of Regents' special meeting. *(Ref. BOR-1)*

Regent Knecht moved to approve the minutes of the February 3, 2011, Board of Regents' special meeting. Regent Alden seconded. Motion carried. Regent Schofield was absent.

4. Approved - Appointment, Interim President, UNR *(Agenda Item #4)* – The Board of Regents approved the appointment of Dr. Marc Johnson as Interim President of the University of Nevada, Reno. The terms and conditions of the appointment were provided at the meeting. *(Handbook, Title 2, Chapter 1, Section 1.5.5 and Procedures & Guidelines Manual Chapter 2, Section 1). (Ref. BOR-4 and handouts available in the Board office).*

Regent Alden moved to approve the appointment of Dr. Marc Johnson as Interim President of the University of Nevada, Reno. Regent Cobb seconded.

Chancellor Klaich reported that the terms and conditions of the appointment of Dr. Marc Johnson to the position of President of UNR are before the Board and are consistent with actions previously taken over the last two years when filling a vacancy in the office of president. Chancellor Klaich recommended a stipend of 15% in addition to Dr. Johnson's current salary as Provost.

Regent Schofield entered the meeting.

Chancellor Klaich related that there had been many names mentioned who could have served as president. However, as a point of personal privilege, he related that one of the names mentioned often was Dr. Jane A. Nichols, Vice Chancellor of Academic and Student Affairs. He stated that his recommendation was to confirm Dr. Johnson for one year or until a permanent president is selected. His recommendation was made without reservation or condition.

Regent Crear asked if Dr. Johnson has expressed an interest in being considered for becoming the permanent president.

4. Approved - Appointment, Interim President, UNR *(Agenda Item #4)* – *(Cont'd.)*

Chairman Leavitt related that he has indicated both privately and publicly that it was his recommendation that the chair of the intended search committee make that decision. His personal opinion was that Dr. Johnson has earned the opportunity to apply for the position depending on the decision of the search committee chair. Chairman Leavitt stated that it was his intention to commence a national search beginning in the fall of 2011, whether that search committee is appointed by him during his term as Chairman or becomes the responsibility of the next chairman.

Regent Crear asked if the term of the proposed contract was consistent with the appointments of President Di Mare and President Smatresk. Chancellor Klaich related that each of those contracts had been handled in slightly different ways depending on the needs of the respective campuses.

Regent Crear asked to hear from Dr. Johnson.

Regent Knecht commended Chancellor Klaich for the memo to the Board regarding this appointment *(available in the Board office)*. He liked that the Chancellor thoroughly vetted both sides and provided a good sense of where the concerns lied among the various areas of the UNR campus. He felt that it was important to note that some part of the campus community pointed out that Dr. Johnson was straightforward, adding that it spoke volumes that the remark was made in light of the fact that Dr. Johnson had to make budget cuts that impacted his own academic discipline of agriculture.

Regent Knecht felt that the Code overreached in stating that the Board must conduct a national search and cited UNLV President Smatresk as an example. Regent Knecht felt that a case could be made that a search may not be necessary based on performance and that an appointment could be made from within the System. Regent Knecht asked that an agenda item be prepared for the June Board meeting to discuss a potential Code revision to repeal the requirement that a national search be conducted. He felt that the Board could and should be trusted with the discretion to make the decision to conduct a national search or to rely upon its own review of circumstances and succession planning. Regent Alden concurred with Regent Knecht's request.

Regent Knecht stated that he was in support of the appointment of Dr. Johnson as the interim President of UNR even though he grappled with the long term situation.

Regent Crear disagreed with Regent Knecht's observations. He felt that the Board had already bypassed the Code, mission and philosophy when making appointments without conducting a search. Although the policy has not been effective in the last six or more appointments, he felt that if the Code provisions were eliminated, the mission statement would also have to be changed. In order to talk of diversity and finding qualified candidates, he felt that searches had to be conducted. He expressed concern for using the budget as an excuse to bypass philosophy and felt that fundamentally went against what he believed the NSHE and education in general was established for.

4. Approved - Appointment, Interim President, UNR *(Agenda Item #4)* – *(Cont'd.)*

Regent Cobb agreed with the opposing comments made by both Regent Knecht and Regent Crear. He felt that if a national search had not been conduced, UNR would not have had President Glick. However, he also felt that there was a reasonable basis for freeing the Board's hands as to whether a search had to be conducted or not. In regard to the appointment of Dr. Johnson, Regent Cobb felt that the biggest compliment is that President Glick had selected Dr. Johnson to be the Provost of UNR. Regent Cobb expressed his support for the recommendation of Dr. Johnson.

Regent Schofield echoed Regent Cobb's comments. He related that he was impressed with Dr. Johnson's quiet strength. He stated that President Glick had the foresight and vision to have chosen Dr. Johnson and indicated his support of the recommendation.

Regent Page also indicated his support for the recommendation of Dr. Johnson as interim President of UNR. He asked if there was any indication for how the interim Provost position would be handled. Chairman Leavitt indicated that if Dr. Johnson's appointment is approved by the Board, that question would then be answered.

Regent Blakely expressed his endorsement of Dr. Johnson as interim President of UNR.

Vice Chancellor Patterson cautioned the Board that a Code change was not on this agenda adding that such a change requires certain notification and vetting requirements and that the June Board meeting would be too soon.

Regent Knecht asked that if a Code change could not be addressed at the June Board meeting, that it be addressed as soon as possible. He felt that it was important to address the question of continuity in these very difficult times.

Chairman Leavitt stated that he was in support of the Chancellor's recommendation to appoint Dr. Johnson as interim President. He related that the comment he heard from the public time and again was that Dr. Johnson and President Glick were a team with a joint vision. That sentiment coupled with the fact that support was so strong in light of the tough decisions that the Provost had to make regarding the budget had convinced him that Dr. Johnson was a good recommendation for the position.

Dr. Johnson related that he was very pleased and appreciated the confidence that the Chancellor and Regents have in him for this recommendation. It was very clear in the Chancellor's memo that the entire university wants stability and continuity. UNR has a great purpose with faculty, staff, students and administrators that work closely together in achieving the key missions of student access, success, high quality education, research and engagement in the community to address the significant issues that Nevada has.

Dr. Johnson stated that President Glick will be missed. He assured the Board that he and President Glick shared the same strategic vision for the university and that will be the guide that carries him through the next year. In regard to the position of provost, Dr. Johnson stated that an interim provost would be identified after he had the opportunity to

4. Approved - Appointment, Interim President, UNR *(Agenda Item #4) – (Cont'd.)*

meet with different groups around campus to seek their input on what characteristics were wanted in a provost. That nominee will then be vetted through the Chancellor's office. Dr. Johnson stated that as interim President, he would have a real interest to maintain the values that President Glick had brought to the System.

Regent Knecht asked if the motion on the floor was to approve the terms of the contract that was distributed to the Board that morning. Chairman Leavitt confirmed that it was.

Motion carried.

5. Information Only - Public Comment *(Agenda Item #2) – (cont'd.)*

Mr. Alfonso Ayala, UNLV Student, addressed the Board to express his concerns regarding discrepancies in the funding formula. He felt that UNLV and CSN receive the lowest amount of funding in the state relative to every dollar that the System receives. He felt that the demographics also reflect that UNLV and CSN serve the largest populations of underrepresented students that typically are in need of more services and resources. He asked why the formula was not more of a priority during the legislative session.

Chancellor Klaich stated that Senator John Lee had introduced SB 374 to the legislature that provides for the study of the funding formula. Chancellor Klaich stated that there had not been a hearing in the Senate or the Assembly at which he had not expressed how critical a study for the funding formula is. He did not want anyone to think it was being ignored, adding that it was a focal point of the legislative agenda and he would consider it a personal failure if SB 374 is not passed.

Regent Knecht asked Mr. Ayala to submit a copy of the documentation that reflects the demographic information referred to during his comments to the Board.

Regent Cobb asked that Vice Chancellor Stevens provide the same information to Mr. Ayala as requested earlier by Ms. Sampson. He related that approximately 30% of UNR's enrollment includes students from southern Nevada. He also emphasized that the NSHE is a System of higher education for Nevada that includes the mission to serve the entire state. He asked that those perspectives be kept in mind.

Mr. Jose Solorio noted there appeared to be a discrepancy in the district numbering on the maps presented for the upcoming redistricting presentation, specifically the districts adjacent to proposed District 4. Mr. Wasserman replied that the Clark County map showing the proposed redistricting contained the accurate district numbering, adding that some of the handouts had been created just the previous day and the district numbering would be corrected.

Mr. Solerio added that when looking at redistricting, he felt it was important, particularly for the Latino community, to consider voting ages. Mr. Wasserman stated that information would be taken into consideration.

6. Approved - Board of Regents Redistricting Plan *(Agenda Item #7)* - Mr. Scott G. Wasserman, Chief Executive Officer and Special Counsel to the Board of Regents, provided an update on census information as it pertains to the Board of Regents. A redistricting plan was presented to the Board for its consideration for recommendation to the Nevada Legislature. Based on the report, the Board approved the redistricting plan as presented.

Mr. Wasserman related that this process started in 2009 with conversations with Legislative Counsel Bureau staff. He presented the following information in a PowerPoint presentation:

- Measuring Population Equality –Terminology:
  - ✓ Ideal population – the ideal district population is equal to the total state population divided by the total number of districts.
  - ✓ Deviation - is the degree by which a single district's population varies from the ideal population.
  - ✓ Overall range or maximum population deviation – the difference in population of the largest district and the small district.

Mr. Wasserman reported that ideal district population is equal to the total state population divided by the total number of districts. The total state population is 2,700,551 according to the U.S. Census. When that total population is divided by 13 Regent districts, the ideal population for each district becomes 207,735 people.

- Summary of Legal Principles for Redistricting:
  - ✓ Population of districts can withstand a constitutional challenge only if there are minor deviations in population between districts.
  - ✓ Redistricting plans with a maximum population deviation among districts of under 10% fall within "minor deviations" but such deviations should be justified by traditional race-neutral principles.
  - ✓ A redistricting plan must not violate Section 2 of the Voting Rights Act. That is, a redistricting plan must not be discriminatory against any person or group of persons on account of race, color or status as a member of a language minority group.
  - ✓ A redistricting plan must avoid racial gerrymandering.
  - ✓ Racial gerrymandering exists when:
    - Race is the dominant and controlling rationale in drawing district lines; and
    - Traditional race-neutral districting principles become subordinate to racial considerations.

Mr. Wasserman stated that the proposed redistricting plan complies with both the written letter and spirit of the law as specified under Section 2 of the Voting Rights Act.

6. Approved - Board of Regents Redistricting Plan *(Agenda Item #7)* – *(Cont'd.)*

- Traditional Districting Principles:
  - ✓ Compactness
  - ✓ Contiguity
  - ✓ Preservation of political subdivisions
  - ✓ Preservation of communities of interest
  - ✓ Preservation of cores of prior districts
  - ✓ Protection of incumbents
  - ✓ Compliance with Section 2 of the Voting Rights Act

- 2011 Joint Rules of the Nevada Legislature:
  - ✓ Requires plans not to exceed overall range of population deviation of 10%; no district to exceed plus or minus 5% from the ideal district.

Mr. Wasserman stated that the proposed redistricting plans have no more than three-eighths of 1% overall deviation.

  - ✓ Equality of population in accordance with the standard for state legislative districts is the goal of redistricting for the Board of Regents.
  - ✓ Federal decennial census must be the exclusive database for redistricting.

- Public Testimony and Input:
  - ✓ Board of Regents meetings – public comment and written statements.
  - ✓ Legislative hearings.
  - ✓ Meetings with various constituent groups.
  - ✓ Meetings/correspondence with individuals.
    - Many of those comments are reflected in the plan being considered today.

Mr. Wasserman stated that he had attended as many legislative meetings as possible, adding that for those meetings that he was not able to attend he obtained video testimony and has taken into consideration the public comments made at those meetings. He also had met with various constituent groups in Carson City, Las Vegas and Reno, and has met with constituents that have asked to meet with him. In addition he has had meetings and correspondence with many individuals that have presented comments and thoughts. Many of those comments are reflected in the proposed plans.

- Population Growth:
  - ✓ Statewide Distribution of Districts
    2000 Population *(Census Data)*
    - Clark County: 1,375,765 = 69% of the state's population. 69% of 13 districts = 8.97.
    - Rest of the state: 622,462 = 31% of the state's population. 31% of 13 districts = 4.03.

6. Approved - Board of Regents Redistricting Plan *(Agenda Item #7)* – *(Cont'd.)*

- ✓ Statewide Distribution of Districts
  2010 Population *(Census Data)*
  - Clark County: 1,951,269 = 72.25% of the state's population. 72.25% of 13 districts = 9.39 districts.
  - Rest of the state: 749,282 = 27.75% of the state's population. 27.75% of 13 districts = 3.61 districts.

Mr. Wasserman stated that the proposed plan is for 13 districts, adding that his understanding is that there was not legislative support for increasing the number of regent districts.

- ➢ 2000 Census compared with 2010 Census *(existing districts prior to any redistricting)*:

Regent / District	Population	Ideal Population	Percent Deviation from Ideal	Actual Deviation from Ideal	2010 Census Population	2010 Ideal Population	2010 Percent Deviation from Ideal	2010 Actual Deviation from Ideal
1 – Crear	152,569	153,712	-0.74%	-1,143	181,127	207,735	-12.8%	-26,608
2 – Blakely	**153,856**	**153,712**	**0.09%**	**144**	**158,108**	**207,735**	**-23.9%**	**-49,627**
3 – Page	153,257	153,712	-0.30%	-455	159,153	207,735	-23.4%	-48,582
4 – Alden	**153,141**	**153,712**	**-0.37%**	**-571**	**192,450**	**207,735**	**-7.4%**	**-15,285**
5 – Schofield	151,640	153,712	-1.35%	-2,072	144,111	207,735	-30.6%	-63,624
6 – Wixom	**154,906**	**153,712**	**0.78%**	**1,194**	**202,622**	**207,735**	**-2.5%**	**-5,113**
7 – Doubrava	152,570	153,712	-0.74%	-1,142	162,061	207,735	-22.0%	-45,674
8 – Melcher	**151,390**	**153,712**	**-1.51%**	**-2,322**	**169,575**	**207,735**	**-18.4%**	**-38,160**
9 – Knecht	156,918	153,712	2.09%	3,206	188,068	207,735	-9.5%	-19,667
10 – Cobb	**157,252**	**153,712**	**2.30%**	**3,540**	**179,391**	**207,735**	**-13.6%**	**-28,344**
11 – Geddes	156,932	153,712	2.09%	3,220	212,209	207,735	**2.2%**	**4,474**
12 – Anderson	**151,568**	**153,712**	**-1.39%**	**-2,144**	**335,973**	**207,735**	**61.7%**	**128,238**
13 – Leavitt	152,258	153,712	-0.95%	-1,454	415,703	207,735	**100.1%**	**207,968**
Total	**1,998,257**				**2,700,551**			

Mr. Wasserman stated that the 2010 Census reflects that only Districts 11, 12 and 13 will not need to grow. The only two districts with over population are Districts 12 and 13. The population will shift out from those two districts causing all the districts to change.

Mr. Wasserman stated that the Population Report slide is based on the redistricting proposal presented that day. As the data shows, the plan as presented reflects an overall deviation of three-eighths of 1%, or a total of 759 people statewide.

6. Approved - Board of Regents Redistricting Plan *(Agenda Item #7)* – *(Cont'd.)*

Proposed Board of Regents Plan - May 6 Presentation v1
Population Report

District	Location	Incumbent Residing in District*	2010 Population	Ideal Population	Actual Deviation from Ideal	Percent Deviation from Ideal
1	Clark (part)	Crear	207,610	207,735	-125	-0.06%
2	Clark (part)	Blakely	208,010	207,735	275	0.13%
3	Clark (part)	Page	207,699	207,735	-36	-0.02%
4	Clark (part)		207,767	207,735	32	0.02%
5	Clark (part)	Schofield	207,620	207,735	-115	-0.06%
6	Clark (part)	Wixom*	208,042	207,735	307	0.15%
7	Clark (part)	Doubrava	207,941	207,735	206	0.10%
8	Clark (part), Elko, Eureka, Humboldt, Lincoln, Nye, White Pine	Melcher	207,521	207,735	-214	-0.10%
9	Carson City, Churchill, Douglas, Esmeralda, Lander, Lyon, Mineral, Storey, Washoe (part)	Knecht	207,283	207,735	-452	-0.22%
10	Washoe (part)	Cobb	207,430	207,735	-305	-0.15%
11	Pershing, Washoe (part)	Geddes	207,915	207,735	180	0.09%
12	Clark (part)	Anderson/Alden*	207,865	207,735	130	0.06%
13	Clark (part)	Leavitt	207,848	207,735	113	0.05%
Total			2,700,551			

Largest Positive Deviation is:	307	0.15%
Largest Negative Deviation is:	-452	-0.22%
Overall Range of Deviation is:	759	0.37%

* For purpose of 2012 General Election (new districts not effective until January 2013 except for purpose of November 2012 election). Regents continue to represent their existing districts until January 2013.

Note: The population database is derived from the 2010 Census Public Law 94-171 Redistricting Data as provided by the U.S. Bureau of the Census and validated by the Legislative Counsel Bureau.

Mr. Wasserman related that data contained in the Racial Data Report *(slides 17 & 18)* will be discussed in more detail later during the individual district map presentations.

Mr. Wasserman stated that the proposed district maps will be updated and will be posted on the System's website. The proposal retains 13 districts with the ideal population of each district increasing from 153,712 to 207,735 *(50,000 population increase on average for each district)*. He related that when considering changes to districts, the inner most districts must be addressed and changed first.

Mr. Wasserman stated that the proposed plan complies with the express legal requirements as well as the spirit of the Voting Rights Act. The proposed plan also complies with the preservation of equal population, political subdivisions, communities of interest and the cores of prior districts. He stated that although there is a renumbering of some districts, the core of the districts themselves has been protected in order to continue the term of the incumbents and to allow the people that voted those representatives into office the right to have those officers serve the remainder of their terms.

Mr. Wasserman stated that District 1 in 2000 had an African American population of 26.68% and is clearly a community of interest in North Las Vegas. That District had to

6. Approved - Board of Regents Redistricting Plan *(Agenda Item #7)* – *(Cont'd.)*

increase by 55,041 people, yet the African American population in the district has increased to 27.46% under the proposal being considered.

Mr. Wasserman reported that as of the 2000 Census, District 5 had a majority minority population of 55.11%. Although the 2000 Census did not include data on voting age population statistics, he suspected that was not a voting age majority at the time. Based on the 2010 Census, District 5 increases in population from approximately 151,000 to approximately 207,000 *(approximate increase of 55,000)*. The Hispanic population will increase to 60.64% *(125,889)*. Mr. Wasserman related that it was important to many of the members of the Latino community that the voting age population be reviewed. As a result, the overall population of 60.64% creates a majority voting age population of 53.6%.

Mr. Wasserman stated that proposed District 4 is the second majority Hispanic district. District 4 will have an open election in 2012 but until that time will continue to be represented by Regent Alden. Since Regent Alden is term limited, District 4 will not have an incumbent running for election in 2012. The Hispanic population of District 4 is 50.4%. One of the concerns for changing the area between Districts 4 and 5 is how that change will affect the voting age majority.
Mr. Wasserman stated that it was important to note that for all districts the approved changes will not take effect until January 2013. However, the districts will change for the purpose of the 2012 election so that those candidates may run for the proposed districts. He added that the candidates must reside within the approved districts.

Mr. Wasserman presented each of the proposed districts and reviewed the changes to be made to the existing districts *(full presentation on file in the Board office)*.

Mr. Wasserman noted that in response to concerns expressed for the districts that span from rural counties into Clark County, he had looked at the Senate's proposed redistricting plan and found that they were similar. Although the Senate was working independently from the Regents, he had found it interesting that the results were similar based on the legal requirements.

- Redistricting Timeline:
  - ✓ September 9-10, 2010, Board of Regents meeting – In depth review of legal requirements for redistricting.
  - ✓ Redistricting software purchased. Includes 2009 population estimates – review population estimates and general redistricting themes at the December 2010 Board meeting.
  - ✓ December 2-3, 2010, Board of Regents meeting – Board reviewed potential redistricting themes based on 2009 population estimates.
  - ✓ December 31, 2010 - Statewide population totals reported to the President of the United States *(congressional seats apportioned).*
  - ✓ February 7, 2011 – Legislative Session began - Legislature adopted Joint Rules addressing redistricting plans.

6. Approved - Board of Regents Redistricting Plan *(Agenda Item #7)* – *(Cont'd.)*

- ✓ February 24, 2011: U.S. Census Bureau provided census block level data on February 24, 2011.
- ✓ March 10 & 11, 2011, Board of Regents meeting – Board received additional public comment.
- ✓ May 6, 2011, Board of Regents meeting – Board considers for approval draft redistricting plan.
- ❑ May 2011 – Board recommended redistricting plan presented to the Legislature.
- ❑ On or before June 6, 2011, Nevada Legislature enacts into law Board of Regents' redistricting plan.

Mr. Wasserman thanked the Legislature for allowing the Board the time to meet with constituent groups and to meet as a Board to review the proposed plan before it makes its final decision.

Regent Cobb commended Mr. Wasserman on his work and asked what the approval and recommendation process should be.

Mr. Wasserman replied that if the Board chooses to approve and recommend the proposed plan to the Legislature, the Legislature will then make the final decision to create the districts statutorily. He felt that the proposed plan has support in Carson City, noting that it had been released to the public for a week. Thus far, any major issues have been addressed.

Regent Cobb moved to approve the proposed redistricting plan as presented and to present that plan to the Nevada Legislature. Regent Page seconded.

Regent Wixom requested a point of personal privilege to publicly express his appreciation to Mr. Wasserman. He related that Mr. Wasserman had met at length with himself and Regents Alden and Anderson regarding the significant changes to those districts. Regent Wixom expressed his strong support of the proposed plans.

Regent Anderson agreed, adding that Mr. Wasserman had worked hard on the proposed plans and had met with several groups to make sure that all the needs and issues were resolved.

Regent Melcher concurred, adding that Mr. Wasserman's testimony before the Legislature had also been excellent. He related that there is much concern for representation in rural Nevada. He noted that one of the benefits to the proposed plan is that the rural areas are now represented by three Regent districts, instead of just one.

Motion carried.

The meeting recessed at 11:10 a.m. and reconvened at 11:37 a.m. on Friday, May 6, 2011, with all members present except for Regents Schofield and Wixom.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5)* - The Board continued its discussion of the 2011-2013 NSHE Biennial Budget Request and approved the Chancellor's Four Point Plan.

Chancellor Klaich related when the Executive Budget was released, he had asked the presidents to develop reduction plans based on the Governor's recommended budget. The impact of that recommended budget would have been significant, adding that the $162 million in recommended cuts would mean layoffs of 1,500 faculty and/or staff and the turning away of 20,000 students and would close any number of colleges, programs and rural sites. The budget reduction plans were also built on tuition increases of 13% per year of the biennium with 15% carved out for need-based financial aid. When the Legislature's Committees of the Whole met on April 22, the System's budget reduction templates were presented, including a Four Point Plan for funding higher education

1. Averaging the cuts between FY 12 and FY 13 *(no additional cost to the State),*
2. Increasing student fees by 13% in FY 12 and an additional 13% in FY 13 *(generating $64.6 million over the biennium),*
3. Expenditure cuts of $43.3 million each year, and
4. Additional general fund support of $40.3 million each year.

(full handout on file in the Board office).

The essence of that plan was a reflection that there would be 1) significant permanent ongoing operating cuts to the System; 2) that students would be asked to pay more in fees and tuition and 3) that the System would expect and ask for new money from the state of Nevada. Those three elements would each roughly contribute equal thirds to the equation. That plan also included a faculty salary reduction of 5% as recommended by the Governor, as well as a plan to average the appropriation equally between the two years of the biennium. He emphasized that averaging would not cost the taxpayers of Nevada. However, it would allow some of the deepest reductions of year two to be accelerated to year one, making the overall cuts smaller and providing a better overall base budget going forward.

Chancellor Klaich related that some significant things had taken place during the previous week. The Economic Forum had met and reported that additional funds had been found. The total amount of the revenue forecast by the Economic Forum for allocation by the Governor's recommendation was approximately $217 million. That left approximately $270 million to be allocated by the Governor. That $270 million combined with the two previous budget restorations *(totaling $170 million)* created a total of $440 million in addbacks. Of the first two addbacks totaling $170 million, nothing was added to higher education's budget. Of the third $270 million added back, higher education had received $20 million. In discussion with the Governor's staff, those funds were not earmarked but rather allocated to the System's base budget.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Chancellor Klaich reported that just the previous day, the democratic leadership of the Assembly and Senate unveiled a plan titled "Reconstructing Nevada." The members of the Board have all received that plan and the Chancellor commended that plan. He related that the plan essentially revamps the tax structure of the state in a manner where when some of the tax revenue comes in other regressive tax revenue goes away. In addition the plan corrected accounting issues with the current Executive Budget whereby funds in future years would be utilized for current operations. Chancellor Klaich stated that of concern to him and to the Regents was the recommendation for an additional $123 million in funding for higher education. In conversations with legislative staff, there were not back up figures available for that number. However, the Regents have all seen as part of the package for the Four Point Plan, that it back fills approximately $126 million in the NSHE budget, including roughly equal amounts of new state funding, tuition and fees and operating reductions.

Chancellor Klaich stated that the general intent of his presentation that day was to mirror the Four Point Plan that had been presented to the Legislature's Committees of the Whole. However, although he could not tell the Regents what the details were for the recommendation in the democratic leadership's plan, he believed that it was a positive recommendation with respect to the System's budget. The Board would have to wait and see the backup material. Chancellor Klaich related that there is a legislative work session scheduled for May 7, 2011, that could be posted as a budget closing as late as 5:00 p.m. that night.

Chancellor Klaich stated that he believed that, with the assistance of the institution presidents and the guidance of the Board, the System has done everything it could possibly do. A plan has been laid on the table with respect to where the System is going. The System has called for financial reform of the manner in which higher education is funded including performance funding and mission differentiation.

Chancellor Klaich related that the more difficult news is that there appeared to be an enormous ideological divide during the legislative session that had nothing to do with higher education. It was unknown how that divide would be bridged. He stated that he will continue to fight for the very reasonable plan that the Board has put forward. There has been enormous support from the presidents, pro bono lobbyists and business community throughout the session. However, he stated that the System would not be the bridge over the divide in the Legislature. While the System could urge and insist on why higher education is critical to the future economy and diversification of Nevada, there will need to be other elements that enter the conversation before that divide will change.

Chancellor Klaich stated that the presidents have been asked to create proposed budgets based on the Four Point Plan if it were funded and implemented. He felt that if the Four Point Plan were to be funded, the System will be able to maintain access for approximately 12,000 of the students that may otherwise be denied. It may also be possible to avoid the elimination of 560 faculty and staff positions. He stated that although the plan was not without impact or pain, it is a significant step up.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Chancellor Klaich related that his goals for this legislative session include a budget that will protect the NSHE's institutions and their mission to the citizens of Nevada and leaving the System and the 63 legislative representatives knowing that the NSHE tells the truth. However, more importantly, he wanted the citizens of Nevada to know what the impacts were and what will occur if these budgets are not funded. He did not want a student or a parent coming to him in August asking why they were not told of the impacts. Chancellor Klaich reminded the Board of the situation that had occurred with DRI. President Wells had spoken and testified time and again that if DRI's budget was reduced the cloud seeding program would go away. When the program could no longer be supported and in fact went away, there was an uproar with questions of why the Legislature was not told, to which the response was that the Legislature had been told but had not listened. Chancellor Klaich emphasized that these budget reductions will have impacts. He firmly believed that the only way to break the generational cycle of poverty is through education, adding that it was important to keep that in mind in Nevada where there is a significant low income and first generation college going population.

Chancellor Klaich reported that there were three and a half weeks left to the regular legislative session. He felt to this point that with the assistance of the presidents, staff, supporters and representatives from the business community, the NSHE has carried the message of the Board and presidents with professionalism, dignity and honesty.

Chancellor Klaich related that following his presentation, Ms. Crystal Abba, Associate Vice Chancellor of Academic and Student Affairs, would then be providing a summary of pending legislative bills including fees, autonomy measures and the funding formula.

Regent Alden felt that some members of the public may have an incorrect interpretation of the Board of Regents' duties. He clarified that the Board sets the budget and policy. It does not fund education and it does not raise taxes. Regent Alden asked if he was correct in remembering that at its February 2011 meeting, the Board voted 13-0 to reject the Governor's budget. Chancellor Klaich replied that vote was to support the addition of revenue to the budget in excess of the Governor's recommendation. Regent Alden felt that being the case, the Regents have not taken any action that does not support the funding of education. Chancellor Klaich indicated that Regent Alden's remarks were correct for the portion of the budget that is comprised of state general fund appropriations.

Regent Alden asked Chancellor Klaich if the actions of the other twelve regents have enhanced the budget and if they acted as trustees of higher education. Chancellor Klaich indicated that was correct.

Regent Alden asked the Chancellor if his staff and the presidents have worked hard as a team to keep the budget together or to enhance it. Chairman Leavitt indicated that was correct. Chancellor Klaich added that the presidents have been supportive in a session where that is not easy. Throughout this time, the conversation in the Council of Presidents has been candid, but honest and professional.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Regent Alden requested a point of personal privilege to state that as a Republican, he felt that the Governor's budget was wrong in that it provides more to incarcerate than it does to educate a person.

Chancellor Klaich related that the Four Point Plan was intended to be an integrated whole. The students have said that they will pay fees that are matched by new money from the state. He expressed his appreciation to the students for their support.

Chairman Leavitt related that prior to this meeting he had asked that the Ethical Code of Conduct *(Handbook Title 4, Chapter 1, Section 2.4)* be distributed to all Regents and read that policy into the record:

> *4. Members of the Nevada System of Higher Education Board of Regents should meet responsibilities to the electorate by:*
>
> *a. Attempting to appraise fairly both the present and the future higher education needs of their communities.*
>
> *b. Regarding as a major responsibility of the Regents the interpretation of the aims and methods of the people of Nevada pertaining to higher education opportunities.*
>
> *c. Insisting that all Nevada System of Higher Education business be conducted in an open, ethical, and above-board basis.*
>
> *d. Vigorously seeking adequate funding (financial support) for all units of the Nevada System of Higher Education.*
>
> *e. Refusing to use a position on the Board of Regents, in any way whatsoever, for political or personal gain or aggrandizement.*
>
> *f. Holding confidential all matters pertaining to personnel which, if disclosed, would needlessly injure individuals or educational programs.*
>
> *g. Winning the public's confidence that all is being done within the Nevada System of Higher Education in the best interests of students.*

Chairman Leavitt felt that the Chancellor's Four Point Plan reflected shared sacrifice whereas the Governor's budget did not. He also felt that the low level of funding that was added back to the recommended budget did not reflect a high priority to higher education. He did not believe that current state administration reflected the priorities of this Board because its proposed budget does not reflect adequate funding for each of the eight institutions.

Regent Geddes asked Chancellor Klaich if county funds were still slated to go to the System. Chancellor Klaich stated that the Executive Budget redirects 9 cents of property

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

tax from Washoe County and Clark County to UNR and UNLV respectively. However, he personally felt that the NSHE serves 17 counties in Nevada, not just two, and the NSHE has eight institutions, not just two. If there were to be a redirection of property taxes, he felt that it should be from all 17 counties served and he has made those thoughts known to the Governor. At this time, the Governor's position remains the same that the 9 cents of property taxes are to be earmarked for the NSHE and those provisions are included in SB 434 which would be heard by the Legislature the following day. Chancellor Klaich stated that this was the Regents opportunity to provide further direction on that issue.

Chancellor Klaich related that there has been some discussion about whether the property tax redirection serves the interest of the System or not. In the recent forecast of revenues, property tax revenues decreased by approximately $2 million which was reflected in the reduction to the System's budget. He would rather have the taxes redirected to the general fund and have the NSHE funded with general fund dollars in equal amounts.

Regent Geddes asked if Clark County and Washoe County are in opposition to that redirection. Chancellor Klaich stated that the counties were not happy with the proposal.

Regent Geddes asked Chancellor Klaich and the presidents to elaborate on the process and timeline for curricular review and the impact of the addback funds. President Johnson replied that UNR has made reduction decisions based on its strategic plan with the heaviest cuts being made to administrative areas first and academic areas last. He related that most of the addbacks that would occur according to the Four Point Plan will be to save academic programs plus some of the administrative areas that would affect students such as admissions and records. The review process is done centrally in that the proposals were made according to a set of criteria. The same criterion that was used to place proposed reductions on the list will be used to remove them from the list.

Regent Geddes thanked UNR for the process it implemented last year in that departments were allowed to make counterproposals. He assumed that process was used this time and asked if there was coordination of those efforts. President Johnson stated that there were two types of reductions, one that was more administrative and did not affect tenured faculty and therefore did not go through the curricular review process. The reductions that effect tenured faculty go through the Board's approved curricular review process. Those programs had just been voted upon by the Faculty Senate earlier that week and some counterproposals have already been received. To the extent that those alternatives fall short of the original budget goal, the university will have to turn to other programs to make additional curricular review proposals for the fall.

Regent Geddes asked if additional revenues were allocated to higher education, would those funds be used to fill specific program gaps. President Johnson indicated that could not be determined yet as the curricular review process has not yet been completed. There

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

were two lists created. The first one that is currently under curricular review and a second one that contains additional programmatic ideas to show what the impact would be if indeed the worst case scenario came to fruition. The faculty was promised that the second list would not go under curricular review until a budget was approved.

President Smatresk related that UNLV is using a process that is remarkably similar in overall structure to UNR although formatted differently. UNLV will compile a series of recommendations from the second round of dean proposals. Those recommendations will then be sorted into a two tiered list. It is hoped that the first tier will adequately respond to the budget. The second tier list will contain options that have not yet been recommended.

President Richards related that CSN's process follows a similar pattern as UNR and UNLV. Philosophically CSN's priority is to restore access including a number of part-time instructors to hopefully cut in half the 9,000 students that would otherwise be turned away.

Regent Geddes asked the presidents if satellite campuses were a priority over the hiring back of administrative personnel. The presidents indicated that it was.

Regent Melcher felt that the planned use of the additional funds for restoration of access would be critical. He noted that there were different institutions operating different centers in the rural areas and some of those centers were being closed while others were not. He indicated that he has found it difficult to respond to questions regarding consistency.

President Lucey related that access issues in the rural communities are very complex and include three distinct missions. The first is the outreach service provided to get young people to consider college and to create a better life for themselves. The second addresses quality of life classes such as photography. The third is workforce development. Among those three missions, she felt that the priorities had to be outreach service and workforce development. With the deep cuts that are being made, the quality of life functions had to be abandoned. She understood that was very difficult to understand for those that believe the community college's role is to improve quality of life in a rural Nevada where there is not otherwise access to such things. When it was determined that WNC could not provide services in locations such as Hawthorne, the college began communicating with the school district to try and maintain as many services as possible. Every superintendent in every county within WNC's service area has agreed to accommodate WNC as much as possible to continue those classes whenever possible. Her goal now is to make sure WNC can provide as many classes as possible in rural areas where the largest number of students use college to improve their lives or aspire to have a college degree.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

President Diekhans related that as a result of the Governor's budget recommendation, GBC would lose approximately 11 teaching faculty over the next two years that represent 110 class sections that would not be offered. Since more than 60% of offerings in GBC's service area are distance education or web classes that means that all of the people in rural areas will be affected by the loss of 60 or more sections. As additional funding is received, faculty would be restored first in order to reinstate the sections that were lost.

Regent Melcher asked if the System was taking steps to maintain the 60/40 percentage of full time to part time faculty.. Chancellor Klaich clarified that is a funding ratio and not a staffing ratio. He suspected that none of the institutions were able to maintain that level of staffing. Regent Melcher understood but felt that it was important not to ignore that ratio. Chancellor Klaich felt that ratio would be considered during the course of the formula study.

Regent Anderson asked where the best possible source of funding was for the System to pursue additional funding in order see that the Four Point Plan succeeds. Chancellor Klaich indicated that was a very difficult question. He related that when asked by the Senate if he thought the System should be funded by allocations from K-12, he responded that he did not think that should be the case. He felt that answer was consistent with the policy of the Board and the former Chancellor. He felt that the improvement of K-12 was the best way to help the system of higher education, adding that it was counterproductive to delve into another agency's budget. He has refrained from trying to identify sources in other agency budgets and to focus on the message of how important higher education is. Given the actions of the Legislature in the last week, he felt that the budgets were not yet closed and funding was still in play.

Regent Geddes noted that the System has asked for the ability to move funds around budget line items. However, if that bill does not pass, he asked how that would affect the institutions' budget proposals. Chancellor Klaich noted that request is part of SB 434 and that there were a few scenarios pending. The first scenario is to compress the number of appropriation lines in the budget *(currently approximately 27)* into just nine, one for each institution and one for system administration. A second scenario would be to compress the number of budget lines into 12 lines, the same nine lines mentioned in the first scenario plus one for each of the professional schools. There were other scenarios such as the one that UNR used when closing its budget during the last session where the Legislature approved the budget lines and granted the System authority to address requested changes to the Interim Finance Committee because the closing dates are so tight.

Regent Geddes asked if community enrichment courses that are not part of workforce development or degree seeking programs will become 100% self supporting. President Lucey indicated that there would be a major shift in that direction, adding that WNC would be bringing a related proposal forward in the future.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Regent Schofield entered the meeting.

Regent Geddes noted that TMCC would be using additional funding to reinstate "some" of its allied health services. President Sheehan explained that TMCC would be taking a careful look at services and identified community needs to make sure that they are aligned with community opportunities.

Regent Geddes asked President Smatresk to explain why the UNLV Boyd School of Law was not experiencing a budget cut but was requesting a fee increase. President Smatresk explained that the give and take of tuition at law schools is that the higher the tuition, the harder it is to attract the top students. The tightrope is that funding has to be maintained while keeping in mind that if that funding is placed solely on the backs of the students, there will be a decline in overall quality. The question then becomes what is the minimum amount of tuition that can be charged to the students that can allow the Law School to retain its faculty and reputational aspects. He added that adjustments to the proposal would be made as the budget is finalized in June.

Regent Knecht clarified that although the Board had voted 13-0 on the proposition that the amount of general fund proffered to the NSHE by the Executive Budget was insufficient and that the $164.2 million reduction was too much, the Board had not stated where the Governor or Legislature should get that additional funding. For that reason, he felt that Chancellor Klaich was restrained to keep within the parameters of that vote. Chancellor Klaich agreed that he had been restrained by that vote.

Regent Knecht felt that there was some optimism in that the Governor had been explicit that although he would not give in on the total budget amount, he would consider that if the Legislature added more funding to the NSHE's budget, as the Four Point Plan envisions, that he would sign off on it. Regent Knecht asked the Chancellor if he understood that to be correct. Chancellor Klaich felt that Regent Knecht was correct, adding that he had not heard anything that indicates every penny had to be spent according to the Governor's recommendation.

Regent Blakely expressed his support of the Chancellor's Four Point Plan. He felt that the salary reduction for non-state funded employees would motivate partially funded personnel to become fully funded. He asked if CSN's equity issue has been considered in the Four Point Plan. Chancellor Klaich explained that the report was adopted by the Board and the request was partially funded in the 2009 legislative session. Although CSN's equity issue is not specifically addressed in the Four Point Plan, he clarified that the Board determines which programs are closed or which remain open by its ultimate acceptance of the budget plans. He added that as the concept of addbacks began occurring, he had made it clear to the presidents that only addbacks that favored the System would be considered.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Regent Page expressed concern about the forecast released by the Economic Forum. Although he was not in support of taking money from K-12, he felt that the System has suffered a disproportionate amount of the budget reductions and should fight to get as much as possible of the $60 million that it is short. Chancellor Klaich agreed that the cuts have not been proportionate, noting that the System received approximately 14% of the state general fund while at the same time it has received approximately 58% of the cuts. He did not feel that reflected shared sacrifice and has tried to express those concerns.

Chairman Leavitt felt that the Chancellor was hearing from the Board to politely but vigorously make it known that addbacks should be proportionate.

Regent Knecht related that over the last ten years the spending levels of the general fund for K-12 has increased by 128% while NSHE increased by 85%. He felt that now that the legislature is considering cuts and not budget increases, it is going to get even worse. He agreed that communication should be polite but vigorous.

Regent Crear did not feel that it would be wise pit the higher education system against K-12. He viewed K-12 as the System's partner. He felt that the plan unveiled by the democrats seemed an equitable way to fund most of the NSHE's issues and that focusing on that plan would be the better approach.

Regent Crear asked if the democratic plan includes the Governor's recommendation that 15% of any tuition increase be dedicated to scholarships. Chancellor Klaich indicated that he thought it was included although he has not seen the details of that plan.

Regent Crear indicated that as he reviewed the budget reduction plans, he questioned what information was accurate although he did not feel that was the fault of the institutions. He felt that there should be an unbiased way for the Regents to receive information.

Regent Page clarified that he was not advocating against the K-12 system. However, he felt that the NSHE should continue to fight for the funding that it needed.

Regent Anderson related that there has traditionally been a split of Perkins funding at approximately 85/15 between K-12 and higher education. She also did not want to hurt the K-12 system but the Board needed to find a way to fund higher education.

Regent Cobb requested clarification on how the Board would proceed that day. He agreed with Regent Crear's comments and felt that there needed to be an independent review of what could be accomplished among the various campuses. Chancellor Klaich related that two weeks prior, the presidents of the teaching institutions in Reno and Las Vegas met with the school district superintendents in those areas. They discussed how

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report
(Agenda Item #5) – (Cont'd.)

the two systems could work together to break down barriers for attending college more prepared. There did need to be stability in budgeting. The appropriation levels were being reset in the state of Nevada as well as the trajectory at which higher education needed to become more self sustaining.

Regent Melcher requested clarification that of the additional $270 million forecasted by the Economic Forum, $240 million went to K-12 while $20 went to higher education. He asked if the Chancellor was stating that in addition to that $20 million, higher education needed a minimum $60 million more. Chancellor Klaich indicated that was correct.

Regent Page agreed with Regent Cobb. He felt that there was a frequent answer provided that money would not be saved by taking certain actions. However, he did not necessary believe that.

Regent Knecht felt that the Board deserved factual and verifiable answers. He was nonplussed that there were conflicting responses within the report. He felt that in certain circumstances there was obviously a need to ask someone other than the institutions for answers.

Regent Crear stated that he has trust in the Chancellor. However, the Board needs to understand where the presidents are coming from. If the Board was going to head down this path, it needed to receive unadulterated information that it could act upon.

Chairman Leavitt related that under New Business he will announce information on a Board Retreat. He felt that this topic of discussion could possibly be added to that agenda.

Regent Blakely asked if differential fees could be used to augment programs. Chancellor Klaich replied that any of the proposals could be brought back to the Board with further appropriate policy changes. Regent Blakely asked that discussion be placed on the June agenda. Chancellor Klaich explained that when the differential fee policy was approved by the Board, it was for higher fees that would then be invested back into the applicable program. He indicated that the Board needed to be careful that such a discussion may jeopardize the entire differential fee policy.

Vice Chancellor Nichols stated that compounding the difficulty of such a discussion is that there is a bill in the Legislature addressing differential fees. Although that bill is similar to the Board's current policy, if passed it remains to be seen if it would allow such use. She indicated that she would report back to the Board when more is known.

Regent Blakely stated that math is vital to attaining an engineering degree and therefore he felt that supporting math through differential fees would be valid.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

President Smatresk related that at UNLV none of the programs for which differential fees were approved have been included on the current list for elimination. He felt that differential fees were a solid way to ensure program stability.

President Smatresk stated that there was a bit of mystery in all the budget proposals. UNLV has repeatedly stated that it is at or above market for graduate and non-resident tuition *($18,500 for UNR and UNLV)*, which is above regional averages. He repeated that he wished those numbers were not used in the calculation. On a final comment, if the goal of reviewing all programs is to provide them as cheaply as possible, he felt that was a bit inconsistent to previous conversations that the programs remain high quality. He stated that "cost" as a monetary variable for where programs should be is not going to be a solid approach to understanding the differing missions in a three tiered system.

Regent Cobb asked for clarification that the Four Point Plan would increase fees and not tuition. Chancellor Klaich stated that in developing the Four Point Plan, the System utilized the templates used by the campuses for calculating the fee adjustment. Vice Chancellor Stevens did not believe that non-resident tuition was increased by 13%. However, graduate and non-graduate fees were increased by 13% + 13%.

Chairman Leavitt asked the Student Body Presidents to comment on the proposed plans.

Mr. Kyle George, GPSA President, UNLV, related that Nevada Student Alliance has made the stance that it will not support additional tuition and fee increases until the Legislature meets the budget reduction half way. That being said, Mr. George stated that the Four Point Plan makes the distinction that it will require matching funds and with that caveat he felt that the increase proposed in the Four Point Plan could be supported.

Regent Geddes asked that the budget detail be brought back to the Board in June, adding that he disagreed with the presidents and felt that out-of-state tuition and professional school tuition should be raised higher than what was being proposed.

Regent Cobb expressed concern for the residency policies for the professional schools. Chancellor Klaich related that the Board needs to consider the entire range of tuition. Over time the Board has added policies including special discounts on tuition. He was not sure if there was room left in the System for any of those discounts.

Regent Page concurred with Regent Cobb also feeling that discounts needed to be addressed by the Board on a future agenda.

Mr. Matthew J. Smith, GSA President, UNR, expressed concern for the spirit of the differential fee policy. The NSA and the various student governments had very reluctantly supported the policy that the Board approved specifically because the fees would fund the applicable program and would not be used elsewhere. He strongly urged the Board not to diverge from that policy.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Mr. Casey Stiteler, ASUN President, UNR, echoed Mr. Smith's comments, adding that he felt it would be an injustice to the students to begin moving those fees around so soon after the policy was approved.

Ms. Crystal Abba, Associate Vice Chancellor of Academic and Student Affairs, provided an overview of the policy measures that were still being considered by the Legislature.

In regard to Millennium Scholarship measures, Ms. Abba related that the NSHE recommended that aside from providing a greater dollar value of the scholarship, that the scholarship's eligibility criteria not be changed. Ms. Abba related that there were five Millennium Scholarship bills introduced including the Governor's bill that would infuse the program with $10 million, three other measures that have not been passed and SB 220 which introduces a new scholarship funded by donations received after the death of former Governor Kenny Guinn *(approximately $220,000 to date)*. That scholarship will be administered and overseen by the College Savings Board. Requirements for that scholarship include eligibility for the Millennium Scholarship, that the student must major in elementary or secondary education, have a 3.5 GPA and make a stated commitment to teach in the state of Nevada upon graduation. SB 220 was enrolled and signed by Governor Sandoval, making it effective that day.

Ms. Abba related that there were two bills introduced regarding the P-16 Council. Neither bill passed the legislative deadline. The first bill would have eliminated the Council with no provision for reinstatement. The second *(SB 503)* would have replaced the current P-16 Council with a P-20 Council with a slightly different structure.

In regard to the Trust Fund for Dependent Children, Ms. Abba reported that a bill had been introduced creating a special license plate program with the funds generated to go toward that program. That bill was not passed. However, AB 476 currently pending before the Ways and Means Committee will mandate that the Trust Fund be reviewed annually by NSHE System Administration in order to provide a projection of the availability of funds and seek to cover any shortfall via the Interim Finance Committee.

In regard to concealed weapons, Ms. Abba related that existing law mandates that a concealed weapon cannot be carried on a university or college campus without the explicit permission of the president. The presidents have on rare occasion provided that permission, primarily to the campus police staff. Ms. Abba related that the original bill was passed in the first policy committee with an amendment that prohibits concealed weapons at sporting events. If this bill is passed, other than at sporting events, concealed weapons with proper permits would be allowed on NSHE property.

AB 128 prohibits the use of tobacco product on any property owned or occupied by the NSHE. The bill was amended in policy committee to provide that a citation and a misdemeanor could be issued to anyone found smoking on NSHE property but also allows NSHE the opportunity to designate smoking areas where it feels appropriate. The bill is currently before the Ways and Means Committee.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Ms. Abba reported that a number of measures are still pending that were introduced in support of the Board of Regents strategic plan that contains a general theme to provide the NSHE with the additional autonomy that it has recently requested.

- AB 241 provides for the creation of a rainy day fund for the NSHE.
- SB 449 authorizes the Board of Regents to have differential program fees and mirrors the intent of the Board's current policy.
- SB 451 provides for the retention of tuition and fees by NSHE institutions. The original version of the bill allowed the NSHE to retain 100% of tuition and fees. However, because this would be a significant change to the current policy it was felt this would be an appropriate issue to be considered by the formula funding study, if passed. At the NSHE's request, an amendment to the bill was approved to provide that tuition and fee increases be retained by the institution.
- SB 434 is a bill introduced by Governor Sandoval that covers a number of issues already addressed through other bills including fee retention, rainy day fund, college readiness standards and the NSHE's exemption from the State Public Works Board.
- SB 374 originally proposed that certain tax contributions be issued in support of Nevada State College. An amendment is being proposed that will essentially outline a formula funding study which the NSHE has asked for.
- AB 191 provides for partial tax abatement to businesses that invest $500,000 in research at UNR, UNLV or DRI. There is a similar provision for investments of $250,000 at the state college or community colleges.
- AB 449 promotes economic development through the creation of an advisory council, a permanent board with an executive director and an office of economic development. It creates and establishes criteria for the Knowledge Fund and sets up a program for the development and commercialization of research and technology through the universities and DRI.

Ms. Abba related that approximately 24 other measures did not meet legislative deadlines and have since died. However, it was entirely possible that any of the measures from those bills could appear in other measures.

Regent Knecht asked if the anti-smoking bill would prohibit the smoking of tobacco products or how narrowly tobacco produces are defined. Ms. Abba replied that to her recollection the bill uses the term "tobacco" but does not include a definition for tobacco products. Regent Knecht felt that if that bill were to pass it would be the ultimate non-triumph.

Chancellor Klaich related that Regent Cobb and other Regents have led much discussion to try and get a USTAR-type model in Nevada. That is the Knowledge Fund referred to in AB 449. However, while it may be a good thing it is currently unfunded with no source of funding having yet been identified.

7. Action Taken - Discussion of 2011-2013 NSHE Biennial Budget and Legislative Report *(Agenda Item #5) – (Cont'd.)*

Regent Cobb related that originally the $10 million budget for the Knowledge Fund would have come out of the NSHE budget. He stated that it was a great accomplishment that the Chancellor was able to remove that from the NSHE's budget. Chancellor Klaich explained that it would have been very harmful and would have successfully closed DRI.

Regent Alden moved to approve the Chancellor's Four Point Plan. Regent Blakely seconded. Motion carried. Regent Wixom was absent.

The meeting recessed at 1:52 p.m. and reconvened at 2:13 p.m. on May 6, 2011, with all members present except for Regent Wixom.

8. Acceptance of Report - Institutional Strategic Plan, DRI *(Agenda Item #6)* – The Board of Regents accepted the Desert Research Institute's Strategic Directions Five Year Plan *(Ref. BOR-6a and BOR-6b on file in the Board office).*

President Wells related that although this strategic plan is being presented, there is no guarantee that any of it will be implemented depending on the outcome of the Legislative session. President Wells provided the following PowerPoint presentation:

- 1959 Legislative Mandate for DRI:
  - ✓ Foster and conduct fundamental scientific, economic, social or educational investigations and applied research for industry, governmental or private agencies or individuals;
  - ✓ Encourage and foster a desire in students and faculty to conduct research;
  - ✓ Discover and develop talent for conducting research;
  - ✓ Acquire and disseminate knowledge related to the projects undertaken; and
  - ✓ Promote all research within the system generally

- Planning Processes:
  - ✓ In 2010 the President of DRI held a series of leadership meetings. Participants included administrators and faculty and staff representatives;
  - ✓ A set of strategic directions and goals were developed as a result of these meetings;
  - ✓ These outcomes as well as outcomes from prior Institute planning activities are reflected in this planning document;
  - ✓ The NSHE also developed a system-wide higher education master plan in 2010. This DRI-specific document ties to the NSHE document;
  - ✓ This document focuses on a five-year time frame of 2011-2015.

8. Approved - Institutional Strategic Plan, DRI *(Agenda Item #6)* – *(Cont'd.)*

- Strategic Trends and Issues:
  External Examples:
  - ✓ Growing trends toward federal funding at lower overhead recovery rates;
  - ✓ Requirement for matching *(cost-share)* funds from federal agencies;
  - ✓ Potential reductions or modifications to federal initiatives;
  - ✓ Aggressive recruitment of faculty due to NSHE uncertainty and state economic future; and
  - ✓ Need for the role and value that DRI plays in State to be continuously and effectively communicated and marketed.

  Internal Examples:
  - ✓ Diversifying funding base to complement federal funding;
  - ✓ Incubating and nurturing new research activities;
  - ✓ Recruiting, retaining and recognizing outstanding and diverse faculty;
  - ✓ Continued collaboration with NSHE institutions, bringing value to educational and collaborative research programs; and
  - ✓ Increased competition within NSHE to retain research faculty and loss of institutional investment.

- Strategic Opportunities:
  - ✓ Leveraging DRI's NSF rankings;
  - ✓ Leveraging DRI's unique business model to explore new and unique research opportunities;
  - ✓ Expanding DRI's role in Nevada's economic development and addressing state priorities such as renewable energy and technologies;
  - ✓ Expanding research park to incubate and attract businesses;
  - ✓ Expanding partnerships with local, national, and international businesses as well as institutions of higher education beyond our state *(public, private and international)*; and
  - ✓ Integrating engineering with DRI traditional sciences.

  Research Competitiveness as measured by Academic Institutional Rankings by National Science Foundation in R&D Expenditures in Environmental Sciences

  1. UC-San Diego
  2. Texas A&M University
  3. Woods Hole Oceanographic Institute
  14 Johns Hopkins University
  18 U. of Texas, Austin
  19. U. of Southern California
  20. DRI
  28. U. California-Davis
  32. Harvard U.
  35. Stanford U.
  40. UNR
  48. UNLV

8. Approved - Institutional Strategic Plan, DRI *(Agenda Item #6)* – *(Cont'd.)*

- DRI Strategic Directions -
  Tier 1 = highest priorities in 2 year period
  Tier 2 = important but secondary in terms of timing
  - ✓ Track 1 - Environmental Research Mission
  - ✓ Track 2 - Beyond Research: Economic Development, Education, and Policy Relevancy
  - ✓ Track 3 – Financial Support
  - ✓ Track 4 – Institute Administration
  - ✓ Track 5 – Facilities and Infrastructure
  - ✓ Track 6 – Comparative Peers

- Return on Investment: Human Capital DRI
  Judy Chow *(1985)*
  - ✓ Leveraged $130,000 in laboratory renovations and equipment into more than $46M in projects related to air quality studies in DRI's Environmental Analysis Laboratory.
  - ✓ Assemble a remarkable research staff of 24 highly trained researchers and staff.
  - ✓ High profile work includes analysis of China's Terra Cotta Warriors, standards development for the USEPA, and characterization of sources of pollution and their impact on human health.

Chairman Leavitt noted that investments in higher education take generations to bear fruit. He saluted what DRI does and what it represents. He asked President Wells to copy each member of the legislature on his presentation.

Regent Cobb moved to accept the Desert Research Institute Strategic Directions Five Year Plan. Regent Knecht seconded. Motion carried. Regent Wixom was absent.

9. Information Only - Report on the 2011 Association of Governing Boards Conference *(Agenda Item #8)* - Regent Mark W. Doubrava and Regent Kevin C. Melcher presented a report on their attendance at the 2011 Association of Governing Boards Conference.

Regent Doubrava related that he had attended a lecture on healthcare reform. At that lecture the speaker had reminded the audience that one day we all are going to be a patient, just as we all were students at one time. He related that 20% of healthcare is delivered by higher education medicine and that higher education has an important role in the delivery of healthcare in the United States. Regent Doubrava also felt that one of the important topics had been the predicted shortage of physicians and nurses by the year 2025 and that Medicaid was predicted to be the single largest component of federal funding by 2015. He added that in FY 2009, 21% of state expenditures were dedicated to Medicaid, compared to 10% of expenditures given to higher education. In FY 1999, those expenditures had been 10% to Medicaid and 11% to higher education.

9. Information Only - Report on the 2011 Association of Governing Boards Conference *(Agenda Item #8) – (Cont'd.)*

Regent Melcher related that he had also very much enjoyed attending the Conference. He related that former Regent Jill Derby had been a presenter at the Conference. The sessions that he focused on were sponsored by AGB and addressed the search for and selection of presidents, presidential succession and presidential transitioning. He felt that there had been good discussion groups and that he had benefited greatly from his attendance.

10. Information Only - New Business *(Agenda Item #9)* – Chairman Leavitt announced that the Board retreat previously scheduled for July 15, 2011, had been changed to July 29, 2011.

Regent Cobb asked if there was still a meeting scheduled for May 18, 2011. Chairman Leavitt indicated that he did not sense that meeting would be necessary. Chancellor Klaich stated that although he would not suggest cancelling that scheduled meeting there may not be enough information available by that time to discuss. The System would know more in about one week.

Regent Knecht asked that a review of the Code in terms of president searches be pursued by Vice Chancellor Patterson and that a discussion of that Code provision be placed on an agenda as soon as possible. Chairman Leavitt agreed.

The meeting adjourned at 2:51 p.m.

Prepared by: Jessica C. McMullen
Administrative Assistant IV

Submitted by: Scott G. Wasserman
CEO and Special Counsel to the Board of Regents

Approved by the Board of Regents at the September 8-9, 2011, meeting.