

**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 16, 2011, 8:00 a.m.

Friday, June 17, 2011, 8:00 a.m.

Video Conference Connection to:  
System Administration, Las Vegas  
5550 W. Flamingo Road, Suite C-1, Conference Room  
and  
Great Basin College, Elko  
1500 College Parkway, Berg Hall Conference Room

Members Present: Mr. James Dean Leavitt, Chairman  
Dr. Jason Geddes, Vice Chairman  
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

Members Absent: Mr. Mark Alden

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 Marc Johnson, UNR  
President Carol A. Lucey, WNC

Also present were faculty senate chairs Ms. Tracy Sherman, CSN; Dr. Morien Roberts, DRI; Ms. Sarah Negrete, GBC; Dr. Robin Herlands, NSC; Ms. Mary Arbutina, NSHE; Dr. Cecilia Maldonado, UNLV; Dr. David Ryfe, UNR; Mr. Brad Summerhill, TMCC; and Mr. Jeffrey Downs, WNC. Student government leaders present included Ms. Aimee Riley, ASCSN President, CSN; Mr. Steve Gronstal; GRAD President, DRI; Ms. Paulette Batayola, SGA President, GBC; Mr. Sebring Frehner, NSSA President, NSC; Ms. Sarah Saenz, CSUN President, UNLV; Mr. Michael J. Gordon, GPSA President, UNLV; Mr. Casey Stiteler, ASUN President, UNR; Ms. Stephanie Vega, GSA President, UNR; Mr. Scott Gaddis, SGA President, TMCC; and Ms. Heather Dodson, ASWN President, WNC.

Chairman Leavitt called the meeting to order on Thursday, June 16, 2011, at 8:14 a.m. with all members present except for Regent Alden.

Regent Schofield led the pledge of allegiance.

1. Information Only - Introductions and Campus Updates (Agenda Item #1) - Chairman James Dean Leavitt invited meeting participants to make introductions and asked the presidents to provide campus-related updates on events that have occurred since the Board of Regents last regular meeting.

President Johnson welcomed the Regents, staff, faculty and students of the NSHE to the University of Nevada, Reno. He introduced new appointments including Dr. Heather Hardy, Provost and Executive Vice President; Mr. Bill Winter, Interim Dean of the School of Journalism; Mr. John "Bird" Vilsec, Director of Information Technology; and Ms. Kathlin Ray, Dean of University Libraries. President Johnson also introduced incoming ASUN President, Mr. Casey Stiteler and incoming GSA President Ms. Stephanie Vega. President Johnson related that UNR experienced its largest spring graduation class with over 3,500 students. UNR has also experienced its highest retention rate with 80% of freshman enrolling as sophomores. President Johnson also related that UNR will begin the fall 2011 academic year with approximately 50 national merit scholars.

President Smatresk introduced incoming CSUN President, Ms. Sara Saenz, and incoming GPSA President, Mr. Michael Gordon. He related that UNLV graduated approximately 2,900 students in the spring of 2011, adding that class was not only the largest but also had the most diverse population with the largest number of Ph.D. graduates in UNLV's history. UNLV has also achieved approximately 80% freshman retention. President Smatresk related that Dr. Cecilia Maldonado would be sitting in as UNLV Faculty Senate representative for that meeting.

President Wells introduced incoming Faculty Senate Chair, Dr. Morien Roberts, and related that Mr. Steve Gronstal would continue to serve as the GRAD President. He announced that Dr. John Warwick will be leaving DRI and has accepted the position of Dean of the College of Engineering at Southern Illinois University Carbondale. Also, Dr. Cleve McDaniel, DRI's Senior Vice President for Finance Administration has resigned his position at DRI to become the new Vice Chancellor of Finance and Administration at the American University of Sharjah in the United Arab Emirates. He expressed his gratitude to Dr. Warwick and Dr. McDaniel and wished them success in their newest endeavors.

1. Information Only - Introductions and Campus Updates (Agenda Item #1) – (Cont'd.)

President Di Mare announced that Mr. Sebring Frehner would continue as NSSA President. NSC had its final accreditation visit in April and was encouraged by the preliminary comments of the accreditation team. President Di Mare also related that through a partnership with the City of Henderson, four NSC students will be traveling to Korea to teach English. This is the second year of this partnership and it is hoped that the program will grow.

President Richards introduced incoming ASCSN President, Ms. Aimee Riley, and incoming Faculty Senate Chair, Ms. Tracy Sherman. President Richards also related that Dr. Arthur Byrd, Vice President of Student Affairs has announced his retirement.

President Diekhans related that GBC also experienced a record setting graduation in the spring of 2011 with over 400 graduates (*18% increase over 2010*). GBC commissioned its 67 kilovolt electrical array for its high tech center. A conservative estimate is that it will save GBC a minimum of \$10,000 per year in electrical services from NV Energy. This project was made possible through a grant by NV Energy for \$330,000. President Diekhans related that the June 6, 2011, publication of the Wall Street Journal contained an article related to colleges working with economic development that highlighted GBC's students and lab. He reported that Ms. Paulette Batayola would return as SGA President and Dr. Sarah Negrete would return as Faculty Senate Chair.

President Sheehan introduced incoming Faculty Senate Chair, Mr. Brad Summerhill and new Vice President of Academic Affairs and Student Services, Dr. John Trujillo. She related that TMCC also experienced its largest graduating class ever in the spring of 2011. She acknowledged TMCC's Grants and External Funding office and the TMCC Foundation for their efforts in working with a donation to the college that would be addressed later during the course of this meeting. President Sheehan also announced that Dr. Delores Sanford, Vice President of Finance and Administrative Services, would be retiring on August 8, 2011.

President Lucey introduced incoming ASWN President, Ms. Heather Dodson, and incoming Faculty Senate Chair, Dr. Jeff Downs. She reported that WNC also experienced a record number of graduates in the spring of 2011 at 463 students. Those 463 graduates had accumulated a total of 510 degrees. She announced that Ms. Carol Lange, Vice President of Academic and Student Affairs will be retiring from WNC this year. President Lucey acknowledged Ms. Lange for her stalwart support of WNC and of her personally.

Regent Cobb related that he had accepted a position as United States Magistrate and expressed that it has been a difficult decision to leave the Board of Regents. He related that when asked why he became a Regent, he felt that it was his opportunity to pay back the System that has been very good to him and his family. He was very appreciative of the Chairman allowing him to deliver the Regents' remarks at UNR's commencement, adding that he had been privileged to rebut the contention that higher education had failed by pointing out the System's achievements and how it has benefited the state of Nevada.

1. Information Only - Introductions and Campus Updates (Agenda Item #1) – (Cont'd.)

Regent Cobb related that during a recent visit to Washington D.C. he had been particularly struck by two things he saw regarding higher education. The first was a statement on display in the Library of Congress “The foundation of every state is the education of its youth.” The second was contained in the statements carved into the Jefferson Memorial that indicates that the states are supposed to establish the law for educating common people and that a free government relies upon enlightened citizens. He felt that was the motivating factor for every member of the Board of Regents in promoting education for all and not just the elite. He thanked his fellow members of the Board for their help and insight.

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 Johnson introduced Wendy Calvin, Ph.D., Professor of Geophysics, Department of Geological Sciences and Engineering, and Director of the University of Nevada, Reno’s Center for Geothermal Energy and the National Geothermal Academy. Dr. Calvin joined the University in 2000 and was named the Director of the Center for Geothermal Energy in 2010. She has participated in several of NASA’s Mars Exploration spacecraft missions and was part of the U.S. Geological Survey Astrogeology team. She now oversees the National Geothermal Academy, a first-of-its-kind in the United States. The academy involves a consortium of top geothermal research institutions and the University of Nevada, Reno was selected from among those institutions to serve as the lead and host institution. The University also received a \$995,000 U.S. Department of Energy grant to develop and operate the Academy. The initial 8-week intensive course will begin on June 20, 2011, and will bring together a cohort from across the nation looking to advance their expertise in geothermal energy development and utilization (*power point presentation on file in the Board office*).

President Johnson introduced Ms. Megan Tabor and Mr. Sam Dugan, undergraduate students and Co-Presidents of the University of Nevada, Reno’s 2011 iGEM Team. The iGEM Team is a team of undergraduate biology, biochemistry and engineering students from the University of Nevada, Reno is preparing to participate in the International Genetically Engineered Machine Competition (*iGem*) next fall. Being prepared to compete in genetic engineering at the international level is an achievement itself, and this will be the third time that a UNR team has competed. They join Harvard, Stanford, MIT, U.C. Berkeley and other distinguished schools from around the world. Last fall the University’s team traveled to MIT to compete and received a silver medal for their work on plant biosensors (*power point presentation on file in the Board office*).

Regent Cobb was impressed by the students’ work and asked what the practical application of synthetic biology would be. Mr. Dugan replied that the practical application would be as a renewable energy. He was not sure it would be commercially viable as research was ongoing. Even if not commercially viable, the research would assist in the efforts of research teams across the world in the development of biofuels.

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

President Johnson stated that none of these activities are made possible without good faculty leadership and introduced the faculty advisors in the Biochemistry department, Dr. David Shintani and Dr. Christie Howard.

Regent Crear related that he and President Smatresk recently accepted a donation from Harold and Tina Lewis of \$50,000 in scholarships in the name of their daughter. Ms. Lewis is going to serve on the advisory board for the UNLV Foundation. He felt that their donation shows that there are still people out there that support higher education and who care about those that cannot afford it on their own.

The meeting recessed at 8:59 a.m. for committee meetings and reconvened at 1:24 p.m. on Thursday, June 16, 2011, with all members present except for Regent Alden.

3. Approved - Consent Agenda (Agenda Item #5) – The Board of Regents approved the Consent Agenda (Consent Agenda on file in the Board office).

Regent Wixom moved approval of the Consent Agenda. Regent Knecht seconded.

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

- January 21, 2011, special Board of Regents' meeting (Ref. C-1a on file in the Board office).
- February 11, 2011, special Board of Regents' meeting (Ref. C-1b on file in the Board office).
- March 10-11, 2011, regular Board of Regents' meeting (Ref. C-1c on file in the Board office).
- April 8, 2011, special Board of Regents' meeting (Ref. C-1d on file in the Board office).

(2.) Approved - Request to Expend Capital Improvement Funds to Purchase Furniture, Fixtures and Equipment, Cheyenne Campus Science Renovation Project, CSN (Consent Agenda Item #2) – The Board of Regents approved the request of CSN President Michael D. Richards to expend \$590,000 in Capital Improvement Funds to purchase furniture, fixtures and equipment (FF&E) needed to complete the Cheyenne Campus Science Renovation Project in time for Fall Semester 2011 (Ref. C-2 on file in the Board office).

Regent Wixom asked what the source of the CIP funds would be and what alternatives may exist. President Richards related that CSN has a science renovation underway on the Cheyenne campus that is scheduled for completion during the fall 2011 semester. This request will provide FF&E for that specific renovation. Ms. Patty Charlton, Senior Vice President for Finance and Facilities, CSN, explained that this request was funded by the Legislature during its 2009 session. Originally it was a much larger request of which \$8 million was funded. CSN provided a match of \$8 million in construction funds. The FF&E was removed from the project by the State Public Works Board. CSN was now requesting the funds to complete the project to purchase microscopes and

3. Approved - Consent Agenda (Agenda Item #5) – (Cont’d.)
- (2.) Approved - Request to Expend Capital Improvement Funds to Purchase Furniture, Fixtures and Equipment, Cheyenne Campus Science Renovation Project, CSN (Consent Agenda Item #2) – (Cont’d.)

the water filtration system and so forth. CSN has been planning for this match and the funds are coming from the capital improvement fees that are retained as a portion of the registration fee.

Regent Wixom asked Ms. Charlton to confirm that the FF&E was part of the original proposal presented to the Legislature but was then pulled out during the legislative process and was now being filled back in. Ms. Charlton indicated that was correct.

- (3.) Approved - Nursing Program Scholarship And Naming Opportunity, TMCC (Consent Agenda Item #3) – The Board of Regents approved the request of TMCC President Maria C. Sheehan to accept a \$500,000 donation from the Maxine S. Jacobs Foundation to fund nursing instruction and student scholarships and for the naming opportunity of the Maxine S. Jacobs Nursing Program at TMCC (Ref. C-3 on file in the Board office).

Mr. Herb Jacobs, Trustee of the Maxine S. Jacobs’ Foundation, stated that the Foundation was very pleased to be able to provide this gift to TMCC. He related that Ms. Jacob’s ambition had always been to help people enrich their own lives and that of the community. Over the past 14 years the Foundation has found TMCC to be a wonderful partner in pursuing those goals. They believe in the TMCC Nursing program both for the present and future needs of the community. On behalf of Ms. Jacobs and the Jacobs family, he was grateful for this honor and in joining TMCC in the continued growth of the Maxine S. Jacobs Nursing Program.

Motion carried. Regent Alden was absent.

4. Information Only - Public Comment (Agenda Item #6) – Mr. Glenn Christensen, Chairman of the NSC Foundation, thanked the Regents for their hard work during the legislative session. On behalf of the NSC Foundation, he expressed his strong support of the extension of President Di Mare’s employment contract. He related that NSC has stability and momentum as a result of President Di Mare’s leadership. He stated that after the passing of former president, Dr. Fred Maryanski, he had asked Chancellor Klaich and Chairman Leavitt to set as a priority for the selection of a new president the ability to bring together the various constituencies of NSC. He stated that President Di Mare has done a great job of coalescing the students, faculty, community and foundation of NSC more so than at any other time in the institution’s history. He respectfully requested that the Board delay or preferably abandon a presidential search. The NSC Foundation believed that President Di Mare was the right leader for the right job.

Mr. Christensen related that he was also the Chairman of the Nevada Development Authority and felt that for some time that higher education and economic development were inextricable linked. He related that the recent passage of AB 449 provides much

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

needed structure for the economic development efforts of Nevada and provides a great catalyst to the Nevada System of Higher Education to work more closely with economic development agencies and the business community at large. He applauded the efforts of Chancellor Klaich to reach out to the community by creating the Chancellor's Business Roundtable. He related that a way for the System and the NDA to work together is to jointly fund the Knowledge Fund which was established in the last session of the Legislature but not funded. Mr. Christensen stated that the bottom line is that while the higher education system and business community have worked well in the past, it needs to elevate the game in order to achieve respective goals as well as the state's objectives. He felt that joining forces would lead to more success for economic development and an educated Nevada and would generate the desired outcomes of more jobs, a more educated work force, a larger tax base and an economy that was not dependent on a few industries. He stated that the NDA is prepared to help in any way that it can.

Chairman Leavitt expressed his appreciation to Mr. Christensen for his friendship and efforts on behalf of the state of Nevada.

Regent Knecht saluted Mr. Christensen and the NSC Foundation Board for its thoughtful approach to NSC's presidential succession issues.

Mr. Tony Scinta, Interim Associate Dean, NSC, related that the previous year when he had spoken in support of President Di Mare he had done so due to the upward trajectory of the college since her arrival as Provost. He related that President Di Mare raises the profile of the college in a very positive light. The faculty is not at NSC for the prestige, but rather to build something and has invested a great deal of personal ownership into the institution. He felt that NSC was fortunate to have President Di Mare but clarified that he did not support President Di Mare merely because she provided stability but because he felt she was the best chance for NSC to be an excellent institution.

Mr. Sebring Frehner, NSSA President, NSC, related that a year ago he had voiced an opinion that he felt Provost Di Mare had all the skills necessary to be an institution president but not necessarily the experience. He stated that he has seen what President Di Mare has done over the last year and she has surpassed his expectations by far. He related that President Di Mare has supported and encouraged the student body to reach farther than it has ever reached before and has brought the student body, the faculty senate and the college together as one cohesive whole. He felt that the students would disagree with a search being conducted, adding that he felt that NSC already had the best candidate by far.

Ms. Angela Brummel, NSC's NFA President, related that President Di Mare has embraced both the professional and academic careers of the faculty. She felt that for her personally, in her role as NFA President, President Di Mare has allowed her to sit on various councils and committees and has provided access to her office. Ms. Brummel stated that President Di Mare had her deepest admiration and gratitude and that it has been the highlight of her career to work with someone that has holistically pulled every aspect of higher education into how she mentors.

Agenda items #23 (*Employment Contract, Head Men's Basketball Coach, UNLV*), #24 (*Hire above Salary Range, Associate Men's Basketball Coach, UNLV*), #25 (*Hire above Salary Range, Associate Men's Basketball Coach, UNLV*) and #26 (*Hire above Salary Range, Associate Men's Basketball Coach, UNLV*) were considered together:

5. Approved - Employment Contract, Head Men's Basketball Coach, UNLV (Agenda Item #23) – The Board of Regents approved the request of UNLV President Neal Smatresk for a three-year contract for UNLV Head Men's Basketball Coach Dave Rice, effective April 11, 2011, through April 10, 2014 (*Ref. BOR-23 on file in the Board office*).
6. Approved - Hire above Salary Range, Associate Men's Basketball Coach, UNLV (Agenda Item #24) - The Board of Regents approved the request of UNLV President Neal Smatresk to hire Mr. Justin Hutson as Associate Men's Basketball Coach at a base salary above the applicable scheduled salary range (*Ref. BOR-24 on file in the Board office*).
7. Approved - Hire above Salary Schedule, Assistant Men's Basketball Coach, UNLV (Agenda Item #25) - The Board of Regents approved the request of UNLV President Neal Smatresk to hire Mr. Heath Schroyer as Assistant Men's Basketball Coach at a base salary above the applicable scheduled salary range (*Ref. BOR-25 on file in the Board office*).
8. Approved - Hire above Salary Range, Assistant Men's Basketball Coach, UNLV (Agenda Item #26) - The Board of Regents approved the request of UNLV President Neal Smatresk to hire Mr. Stacey Augmon as Assistant Men's Basketball Coach at a base salary above the applicable scheduled salary range (*Ref. BOR-26 on file in the Board office*).

President Smatresk related that the Associate Coach and Assistant Coach contracts were being brought before the Board as the salaries are above range. The Head Coach salary is being brought before the Board as it is a multi-year contract. As a package, the contracts represent a savings of over half a million dollars per year.

Regent Geddes asked what the distinction was between the use of state funds and non-state funds in this specific pool of salaries. Mr. Jim Livengood, Athletic Director, UNLV, replied that all coach salaries are paid through non-state funds.

Regent Crear related that his concerns were in regard to hiring policies and not a reflection of Coach Rice personally. He felt that the hiring process was not consistent. His concerns go back to the hiring of UNLV's football coach and athletic director when he felt that making previous experience such a significant component of the position requirements limited the pool of diverse candidates. Now, with this position for head basketball coach, previous experience is not part of the criteria. He felt that when there is inconsistency for the high profile hires, it begs the question of what was occurring with the not so high profile positions. He noted that the search committee was comprised of four individuals and had not been a diverse committee. In addition, although the coaches do not receive state funds for salaries, the athletic department does. He felt that no improvements were being made to the process. He related that Chancellor Klaich has asked that former UNR President, Joe Crowley to serve on a committee to review hiring and best practices. Regent Crear expressed his frustration with the issues, stating that the NSHE was a public body and must have fair, equitable and honorable hiring practices. He wished Coach Rice the best success and expressed his support but also hoped that his comments were being heard.



- 5.-8. Approved - Employment Contract, Head Men's Basketball Coach (Dave Rice), UNLV (Agenda item #23); Hire above Salary Range, Associate Men's Basketball Coach (Justin Hutson), UNLV (Agenda Item #24); Hire above Salary Range, Assistant Men's Basketball Coach (Heath Schroyer), UNLV (Agenda Item #25); and Hire above Salary Range, Assistant Men's Basketball Coach (Stacey Augmon), UNLV, (Agenda Item #26) – (Cont'd.)

Chairman Leavitt thanked Regent Crear for expressing his concerns. After this search was completed, Chairman Leavitt had asked President Smatresk to summarize how the search had been conducted in terms of legal requirements. He had also asked Athletic Director Livengood to describe how the process had been conducted. Chairman Leavitt stated that there was no reason that Nevada could not lead the country in best practices.

Regent Cobb echoed Regent Crear's comments and acknowledged the efforts of Chancellor Klaich in promoting diversity and the importance of assisting minorities with their education at all NSHE campuses. He indicated his support of Coach Rice.

Regent Knecht felt that Regent Crear had brought forward two very important points. He felt that when there is inconsistency there is also a basis for suspicion and fairness issues but was glad to hear that the Chancellor would be addressing those issues. However, he felt it unfortunate that the appointments had to be tainted by such issues. Secondly, he felt that Regent Crear raised a very good point in terms of funding sources and that constituents need to be provided accurate and positive responses to questions in that regard. He indicated his support of this agenda item.

Regent Page stated that he was also in support of the appointments. He noted that there may be inconsistencies between UNR and UNLV contracts and felt that the UNR and UNLV Athletic Directors should work on those contracts to make them more consistent. He also asked that the legal counsel's signature line on the contracts include a date.

Regent Wixom expressed his strong support of the contract. With respect to the comments made, one of the great lessons is that government is protected by consistency and process. He asked if Dr. Crowley would report his findings to the Board and asked who else would be working with Dr. Crowley. Chancellor Klaich indicated that Dr. Crowley would be working with UNLV Athletic Director Jim Livengood, UNR Athletic Director Cary Groth, Vice Chancellor Patterson and Assistant Manager of Human Resources, Ms. Christine Casey. Chancellor Klaich stated that he has also given Dr. Crowley latitude in the hiring of anyone that he feels is critical to the process. The review should conclude by the end of this summer.

Regent Wixom asked what the scope of the review would entail. Chancellor Klaich stated that the review will begin with a review of the hiring processes used by the Mountain West Conference (MWC) and the Western Athletic Conference (WAC) to look at the manner in which head coaches are hired for major sports. He noted that Dr. Crowley has served as a president of the NCAA and has access to those resources as well. Chancellor Klaich stated that he has asked Dr. Crowley to return with a process that reflects best practices in Division 1 athletics in the United States for the hiring of head coaches in major sports, primarily football and basketball.

- 5.-8. Approved - Employment Contract, Head Men's Basketball Coach (Dave Rice), UNLV (Agenda item #23); Hire above Salary Range, Associate Men's Basketball Coach (Justin Hutson), UNLV (Agenda Item #24); Hire above Salary Range, Assistant Men's Basketball Coach (Heath Schroyer), UNLV (Agenda Item #25); and Hire above Salary Range, Assistant Men's Basketball Coach (Stacey Augmon), UNLV, (Agenda Item #26) – (Cont'd.)

Regent Wixom hoped that those practices may be extended to other areas although the focus of this review is on football and basketball. Chancellor Klaich agreed relating that those two sports were chosen because of their high visibility and that there was no reason not to extend the results outward.

Chairman Leavitt asked that the review include other conferences outside of the MWC and the WAC.

Regent Blakely related that he had been less than enthusiastic when Coach Rice had been selected. However, after having a chance to review Coach Rice's resume and educational background, he felt that not only had Coach Rice been a great student athlete but he has been a great student. He felt that it was standard practice that athletic directors call upon the people they have worked with and bring them into their coaching family. He felt that is what happened in this situation and that it was a good move.

Chancellor Klaich agreed with Regent Blakely, noting that Coach Rice not only has a national championship ring but is also a Rhodes Scholar and felt that this was a fantastic day for UNLV.

Mr. Livengood stated that Regent Crear's comments were on point and well taken. He related that coaching searches on any level are successful if the hires work out and the hires only work out if the student athletes graduate and if games are won. The most important concept was to be as inclusive as possible and to include anyone that could best serve UNLV as its head men's basketball coach. The search resulted in four great candidates, of which any one of them could have done a great job for UNLV. However, in his opinion, he felt that Coach Rice would serve UNLV the best in terms of where the program is currently and all its facets including athletics and academics. He had confidence in what Coach Rice could accomplish in Las Vegas and for the state of Nevada.

Regent Page stated that Amendments A and B of the contracts have been signed but the contracts themselves have not been signed. Mr. Livengood was not sure that a contract could be signed until after the Board's approval.

Vice Chancellor Patterson stated that the attachments are preliminary parts being attached to the main agreement. That main agreement has not been signed until after the Board's approval.

Regent Page asked if an offer letter could not be signed. Vice Chancellor Patterson stated that an offer letter could be signed contingent upon the Board's approval.

- 5.-8. Approved - Employment Contract, Head Men's Basketball Coach (Dave Rice), UNLV (Agenda item #23); Hire above Salary Range, Associate Men's Basketball Coach (Justin Hutson), UNLV (Agenda Item #24); Hire above Salary Range, Assistant Men's Basketball Coach (Heath Schroyer), UNLV (Agenda Item #25); and Hire above Salary Range, Assistant Men's Basketball Coach (Stacey Augmon), UNLV, (Agenda Item #26) – (Cont'd.)

Regent Geddes asked how in the Budget Bill the 2.5% pay reduction and the 2.3% furlough applies to the coaching staff and the athletic director. Vice Chancellor Patterson stated that was a good question because coach contracts are a negotiated contract compounded further by multi-year terms. However, these specific contracts have specific clauses for the legislatively mandated reduction and furloughs. Mr. Livengood stated that all of UNLV's coaches and staff will comply with the reduction and furlough days.

Regent Page noted that the UNLV Volleyball Coach contract was signed by the coach. He again questioned the consistency of contract practices. Vice Chancellor Patterson stated that the contract can be signed in anticipation of it being approved by the Board. However, it will not become a binding contract until such approval is received. He added that by signing the contract before it is brought to the Board, the employee is agreeing to being bound by the contract. If the Board does not approve the contract, then there is no contract. Regent Page stated that made sense but asked that the contracts be handled consistently.

Regent Crear noted that the head coach contract would not have even been presented to the Board except that it is for multiple years.

Regent Wixom moved to approve Agenda items #23 (*Employment Contract, Head Men's Basketball Coach, UNLV*), #24 (*Hire above Salary Range, Associate Men's Basketball Coach, UNLV*), #25 (*Hire above Salary Range, Associate Men's Basketball Coach, UNLV*) and #26 (*Hire above Salary Range, Associate Men's Basketball Coach, UNLV*) taken together. Regent Knecht seconded. Motion carried. Regent Alden was absent.

9. Approved - Employment Contract, Head Volleyball Coach, UNLV (Agenda Item #26.5) – The Board of Regents approved the request of UNLV President Neal J. Smatresk for a three-year contract for new Head Volleyball Coach, Ms. Cynthia Fredrick, effective December 22, 2010, through June 30, 2013 (*Ref. BOR-26.5 on file in the Board office*).

Regent Crear moved to approve a three-year contract for UNLV Head Volleyball Coach, Ms. Cynthia Fredrick, effective December 22, 2010, through June 30, 2013. Regent Geddes seconded. Motion carried. Regent Alden was absent.

The meeting recessed at 2:21 p.m. and reconvened at 2:30 p.m. on Thursday, June 16, 2011, with all members present except for Regent Alden.

10. Information Only - Chairman's Report (Agenda Item #3) - Chairman Leavitt related the battles and challenges experienced over the last two years during his term as Chairman of the Board and presented the members of the Board with a gift, followed by a video of his interview with Jon Ralston from prior to the beginning of the legislative session.
11. Information Only - Chancellor's Report (Agenda Item #4) - Chancellor Daniel J. Klaich expressed his appreciation to Chairman Leavitt and the members of the Board for the countless hours of time that they invest in the System.

The meeting recessed at 3:00 p.m. and reconvened at 3:15 pm. on Thursday, June 16, 2011, with all members present except for Regent Alden.

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

Mr. Demar Dahl, Chairman of the Elko County Commission, addressed the Board regarding the significant impact that a 72% reduction in budget would have on the University of Nevada Cooperative Extension program. He understood that there may be some positive change to that number and hoped that was the case.

Mr. John Carpenter, former State of Nevada Assemblyman, addressed the Board regarding the significant impact that the proposed budget reduction would have on the University of Nevada Cooperative Extension (UNCE) program, its faculty, staff and most importantly, the rural communities of Nevada. He felt that the UNCE should not be made to shoulder any more of a cut than the other programs and/or institutions and that it should possibly even be considered an entity unto itself due to the level of county, state and federal funding that it receives. Mr. Carpenter also expressed concern for the rural mission of GBC.

Dr. Sondra Cosgrove, CSN Chapter President of the Nevada Faculty Alliance (NFA), addressed the Board regarding agenda item #19 (*Handbook Revision, Tenure Decisions*), and conveyed the CSN NFA's opposition to the proposed action that, if approved, will no longer require the Board's vote on tenure recommendations and that creates an expedited process for granting faculty tenure.

Mr. Steven Gronstal, GRAD President DRI, addressed the Board regarding the proposed budget reductions at DRI and the impact that those reductions would have on the graduate programs and students, specifically the graduate students at DRI's Reno campus.

Mr. David Zeh, Chair-Elect, 2012-13 Faculty Senate Chair, UNR, expressed his appreciation to the students for their willingness to make sacrifices on behalf of the institutions. He addressed the Board regarding his grave concern for the termination of

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

tenured staff and faculty without the declaration of financial exigency as it will attract scrutiny of the national higher education community and therefore result in a negative impact to retain and recruit.

Dr. Morien Roberts addressed the Board regarding the real costs to the System if the furlough reduction is applied to 100% grant funded employees.

Ms. Tina Mudd, Nevada Department of Agriculture; Ms. Patricia Martinelli-Price, Pulidor Foundation; Ms. Kim Otero, 4-H Participant; Ms. Angela O'Callaghan, Specialist, University of Nevada Cooperative Extension; Mr. Ron McMenemy, Resident, Lee Canyon, Nevada; Mr. Mathew McGroarty, Mt. Charleston Volunteer Fire Department; Mr. Jeff Fontaine, Executive Director, Nevada Association of Counties; Ms. Susan Donaldson, Specialist, University of Nevada Cooperative Extension; Mr. Dan Kaffer, Nevada Resource Conservation Service; Ms. Genevieve Martin, Resident, Mt. Charleston, Nevada; Mr. Trace Otero, 4-H Participant; Ms. Malissa Otero, 4-H Participant; Ms. Bianca Hernandez, Chaparral High School; Mr. Mike Brown, North Lake Tahoe Fire Protection District; Mr. Alfonso Naranjo, Chaparral High School; Ms. Joan Presley, Fire Marshall, City of Reno; Ms. Ann Grant, Nevada Fire Safe Council; Mr. Ed Smith, Specialist, University of Nevada Cooperative Extension; Ms. Shannon Montana, Mother of 4-H President Scholar; Mr. Michael Welling, 4-H Participant; Ms. Marianne Merrium, UNCE Master Gardener, Ms. Mackenzie Lange, 4-H Participant; Mr. Joe Dibble, Resident, Nevada; Ms. Allison Welling, 4-H Participant; Ms. Katrina Boyden, 4-H Mountain Mustangs; Mr. Larry Burton, Resident, Ruby Valley, Nevada; Mr. Mark Walker, Chair of the Natural Resources and Environmental Sciences, UNR; Mr. Chris Pritsos, Chair, Nutrition Sciences, UNR; Mr. Glenn Miller, Professor, Natural Resources and Environmental Science, UNR; Ms. Christine Brandon, 4-H Leader; Ms. JoAnne Skelly, Extension Educator, University of Nevada Cooperative Extension; Mr. David Cook, Vice President, Nevada State Board of Education appeared before the Board of Regents expressing their concern regarding the significant impact that the proposed budget reduction would have on the services and programs provided by the University of Nevada Cooperative Extension (*UNCE*) program, including 4-H and the Nevada Fire Safe Council's Living with Fire program.

Mr. Bill Follette, Faculty, UNR, provided a summary of the process that has taken place at UNR since 2008 to determine the budget cut recommendations. He stated that there has been open involvement by the faculty and university constituents and that it had not been an arbitrary process. The process has been inclusive and has been worked on in good faith to preserve the core functions of the university. In making any consideration in adopting the budget recommendations, he asked the Board to remember that considering potential changes to the recommendations may disenfranchise the faculty that has worked hard to determined how best to deal with the cuts.

On behalf of Fire Chief Virgil Washington, Clark County Fire Department, Regent Crear read a letter prepared by Fire Chief Washington regarding the significant impact that the proposed budget reduction would have on the services and programs provided by the University of Nevada Cooperative Extension (*UNCE*) program, including the Nevada Fire Safe Council's Living with Fire program (*letter on file in the Board office*).

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

Regent Knecht expressed his concern that the public comment had been delayed even though it was known there would be possibly be many people due to a controversial set of issues. He suggested that in the future there be a time certain posted for public comment and that the Board interrupt whatever conversation is occurring at that posted time to hear public comment, particularly when it has attracted many people. He expressed his personal regret and apologies to those members of the public that were kept waiting that day.

12. Approved – Extension of Preliminary Assessment Agreement between UNLV and Majestic Realty Company for a Mixed Use Development Project, UNLV (Agenda Item #30)

– The Board of Regents approved an extension of not less than ninety (90) days of the existing Preliminary Assessment Agreement (PAA) between UNLV and Majestic Realty Company regarding the Company's development of a proposal for a mixed use development project primarily on the southwest quadrant of the UNLV Maryland Parkway campus, to include a stadium with related services and amenities (*Revised Ref. BOR-30 on file in the Board office*).

President Smatresk related that this request was being brought to the Board as a result of a legislative bill not passing that would have established a tax increment increase for support of this project. He stated that UNLV believes in this project, adding that when trying to do something to change the trajectory of the growth of UNLV that it might take time but giving up would only abandon that dream. He related that with more time, UNLV would be able to bring to the Board a successful set of alternative scenarios that may allow all or portions of the project to continue. The project was not just for a stadium or arena but for a large university mixed use village that will enhance the UNLV campus in many ways.

Regent Page moved to approve an extension for not less than ninety (90) days of the existing Preliminary Assessment Agreement (PAA) between UNLV and Majestic Realty Company regarding the Company's development of a proposal for a mixed use development project primarily on the southwest quadrant of the UNLV Maryland Parkway campus, to include a stadium with related services and amenities. Regent Schofield seconded.

Regent Crear related that he is a member of the Las Vegas Arena Board and he would abstain from voting on this agenda item. He requested clarification if the request is for 90 days or 150 days. President Smatresk replied that the request is for not less than 90 days, adding that it was felt 150 days should be sufficient enough time to determine alternatives.

Regent Knecht stated that he enthusiastically supports this project. He pointed out that nearly the full Board has expressed its support of this project, including Board members with districts outside of Clark County.

12. Approved – Extension of Preliminary Assessment Agreement between UNLV and Majestic Realty Company for a Mixed Use Development Project, UNLV (Agenda Item #30) – (Cont’d.)

Regent Schofield stated that he was compelled to support this project. He related that he had moved to Las Vegas in 1938 at the age of 14, when the population of Las Vegas was 5,000. He has since watched Las Vegas grow. He felt that supporting the project was one of the most “right” things that the Board could do adding that the concept of community was evidenced strongly in the project. He quoted Winston Churchill in stating “never give up.”

Regent Crear understood that the request is for not less than 90 days but asked if there was a maximum number of days. President Smatresk stated that it could be possible to bring something back to the Board prior to the end of 90 days but at a minimum the extension would allow UNLV to bring alternative plans to the Board.

Regent Crear stated that he wanted to make sure that progress would be brought to the Board and felt that the requested action did not make that clear. President Smatresk stated that it was UNLV’s intention to bring a plan back to the Board within 150 days.

Motion carried. Regent Crear abstained. Regent Alden was absent.

13. Approved - Procedures & Guidelines Manual Revision, 2011-12 and 2012-13 Tuition & Fees, William S. Boyd School of Law, UNLV (Agenda Item #10) – The Board of Regents approved the proposed increases in tuition and fees for the William S. Boyd School of Law to cover shortages as a result of the legislatively proposed State Budget reductions for FY 2012 and FY 2013, to provide additional revenues and provide bridge funding (P&GM Chapter 7, Sections 3 and 17) (Ref. BOR-10 on file in the Board office).

Regent Page moved to approve an increase in tuition and fees for the William S. Boyd School of Law to cover shortages as a result of the legislative proposed State Budget reductions for FY 2012 and FY 2013. Regent Blakely seconded.

Regent Cobb noted that those receiving the services will need to pay more in order to keep receiving the services and asked if that was correct. Dean White stated that was correct. Regent Cobb felt that analogy could be applied to other programs being discussed that day.

In terms of peer institutions, Regent Wixom asked where this increase would place the School’s tuition. Dean White replied that if no changes were made at the peer schools, this increase would move UNLV from the sixth highest to the eighth highest of the 13 peer institutions.

13. Approved - Procedures & Guidelines Manual Revision, 2011-12 and 2012-13 Tuition & Fees, William S. Boyd School of Law, UNLV (Agenda Item #10) – (Cont'd.)

Regent Knecht asked how much of the \$7 million of state general fund dollars in the Law School's budget pays for instructional costs and what percent of the total instructional costs are covered by tax dollars. Dean White indicated that nearly all of the state's general fund dollars go to instructional costs and therefore that percentage would be high.

Regent Knecht asked what the total yield was from tuition and fees. Dean White replied that the total yield is a bit obscured because of the budget reduction that will then be filled in by the increase in tuition and fees. He stated that the Law School's total budget is approximately \$16.5 million.

Regent Knecht clarified that the budget is comprised of approximately \$4.5 million in fees, \$7 million in general funds for FY 2011-12 and \$5 million in general funds for FY 2012-13. Dean White related that at one time, the state general fund had covered as much as 69% of the School's total budget. Now it only covers approximately 44% and is likely to go lower. A larger portion is being made up of tuition and fees, something in the 50% range.

Regent Knecht felt that the important aspect is that at one time the state general fund (*taxpayers*) covered two thirds of the School's budget. However, that has moved below 50% and is heading towards as little as one-third with tuition and other fees making up the difference.

Regent Page asked if the number of non-residents enrolled in the Law School was known. Dean White replied that incoming classes typically have approximately 20% to 24% non-resident students. After the first year, most non-residents establish residency making it much more difficult to track. However, since enrollment was still occurring he could not provide a specific answer.

Regent Page asked if any drop off in application has occurred as the cost of tuition and fees rise. Dean White stated that not up until this year when there has been a sharp drop in non-resident applications across the country. However, that drop has not appeared to impact the School's yield so far in large part because law school tuition around the country has increased for the same reasons that UNLV's tuition is increasing.

Regent Crear noted the higher percentage of the Law School's tuition and fees to be set aside for financial assistance compared to other programs and asked if that was high. Dean White replied that law school tuition is very competitive for the very best students and it is his goal to make sure those students can be retained and hopefully settle in the state of Nevada.

Regent Anderson noted the approximately 20% to 24% non-resident students that established residency after the first year. She asked if any consideration had been given to changing the rules that allow a non-resident student to establish residency. Dean White replied that from the Law School perspective alone, he would not be excited in changing that policy as it is a recruiting tool.

Motion carried. Regent Alden was absent.



14. Approved - Procedures & Guidelines Manual Revision, 2011-12 and 2012-13 Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #11) – The Board of Regents approved the request for an additional tuition and fee increase for FY 2012 and FY 2013 for the School of Dental Medicine (SODM) Pre-Doctoral Program (P&GM Chapter 7, Sections 4 and 18) (Ref. BOR-11 and revised BOR-11 on file in the Board office).

Regent Page moved to approve an additional tuition and fee increase for FY 2012 and FY 2013 for the School of Dental Medicine Pre-Doctoral Program. Regent Schofield seconded.

Dr. Karen West, Dean, School of Dental Medicine, UNLV, clarified that the request was for an 11% increase in tuition and fees, which was lower than originally proposed. The percentage was lowered because the budget cut was not as severe as expected and the School wanted to pass that break along to the students.

Regent Crear asked if the dental students were in support of lower tuition increase. Dean West confirmed that they were.

Regent Wixom asked how the SODM compared on a national level in terms of applicant pools and if the SODM's tuition policy has affected its applicant pool. Dean West replied that the applicant pool has not been affected at all.

Regent Anderson asked what percentage of the SODM students are in-state versus out-of-state. Dean West replied that one-third were out-of-state and two thirds were in-state.

Regent Anderson asked if those students could also earn residency during the second year while in school. Dean West replied that was correct, adding that it was her understanding that the residency policy was set by state law.

Vice Chancellor Patterson cautioned the Board that residency was a complicated legal issue. He stated that the Board needed to understand that the System does not keep non-resident tuition and fees. Secondly, there is a state law that sets a baseline for residency. Third, there are Board policies that establish certain requirements. There are legal issues as well as policy and implementation issues to be dealt with and considered. He related that he and Vice Chancellor Nichols will be reviewing all of the information over the next few months.

Regent Knecht noted for FY 2010 the dental school had general fund support of approximately \$8 million and for FY 2012, approximately \$6.4 million. However, in FY 2010, there was approximately \$5.6 million in tuition and fees and approximately \$17 million in self-supporting revenues. He asked how much of the general fund goes to something other than instructional support. Dean West replied that basically none of the state general fund supports non-instructional costs. Currently, at existing level, 28% of the budget comes from the general fund. When the reduction is implemented, that level will go down to 23%. The tuition increase will put the student burden at 23% also. The remainder will come from clinical income and research.

Regent Knecht asked to confirm that the self-supporting revenue is generated by the education program and goes to supporting instruction. Dean West stated that was correct. Regent Knecht felt that was a wonderful model.

14. Approved - Procedures & Guidelines Manual Revision, 2011-12 and 2012-13 Tuition & Fees, School of Dental Medicine, UNLV (Agenda Item #11) – (Cont'd.)

Regent Crear asked if a portion of the tuition and fees increase would go to scholarships. Dean West replied that 15% would go toward scholarships.

Regent Cobb asked how the SODM graduates are doing at finding employment. Dean West replied that over 50% go immediately into residencies. Of the remaining 50%, half go into practice in Nevada and other go out-of-state.

Regent Cobb asked, of the students that go into residencies, how many return to Nevada to practice. Dean West replied that 50% of those students also return to Nevada.

Regent Cobb asked on a philosophical level, how the SODM's tuition could be \$3,000 to \$4,000 less than the Law School. Dean West felt that the programs were not comparable, adding that the SODM compares itself to other dental schools across the country.

Regent Page noted that the SODM provides oral healthcare for Nevada citizens through more than 50,000 appointments annually.

Regent Schofield expressed his pride in Dean West and the services that the SODM provides to the residents of Las Vegas and the state.

To further respond to Regent Cobb's question, Regent Knecht explained that the SODM could provide lower tuition since half its budget is offset by its own self-supporting revenues. The other professional schools did not generate anything close to that level of income.

Motion carried. Regent Alden was absent.

15. Withdrawn - Request to Suspend Financial Stipend for Regents' Awards (Agenda Item #12)  
– Item was withdrawn from the agenda (Ref. BOR-12 on file in the Board office).

16. Action Taken- Handbook Revision, Special Reduced Fees Eliminated (Agenda Item #13) – The Board of Regents approved an indefinite suspension of Board policy (Title 4, Chapter 17, Section 13) to eliminate special reduced fees for non-matriculated foreign language speakers and senior citizens (Ref. BOR-13 on file in the Board office).

Regent Geddes moved to approve the elimination of special reduced fees for non-matriculated foreign language speakers but to allow a waiver for the special reduced fee for senior citizens that may be implemented at the discretion of each institution. Regent Page seconded.

16. Action Taken- Handbook Revision, Special Reduced Fees Eliminated (Agenda Item #13) – (Cont'd.)

Regent Cobb stated that he was concerned about the elimination of the senior citizens discount. However, he felt that leaving it up to the campuses may create an environment of unfettered discretion. Chancellor Klaich replied that would not happen because the current policy would be left in place. The discretionary aspect would be to the availability of space.

Regent Wixom stated that he was generally in support of the motion. However, as a general comment he stated that the Board was left with incredibly difficult decisions that will hurt people, adding that it was not the Board's intention to hurt people but to make the policies comply with budgetary realities.

Regent Wixom asked what amount the elimination of the senior citizen discount would generate. Chancellor Klaich estimated that number to be \$1.1 million.

Regent Wixom noted that the \$1.1 million reflects the potential revenue from both the senior citizens and non-matriculating. He asked if that had been broken down further into the two distinct categories.

Vice Chancellor Nichols related that there is currently zero non-matriculating foreign language speakers currently enrolled so the revenue realized by this action would come solely from the elimination of the senior citizens discount portion. Although the way that the policy is implemented varies widely throughout the System, the greatest use of the discount is on the UNLV and CSN campuses. Vice Chancellor Nichols stated that it would be a fallacy to believe that the senior citizens can wait and see if there are seats available in a class. In reality, the senior citizens register for a class as any other student registers. If the Board did not wish to pass the policy as proposed, she asked them to consider raising the age limit.

Regent Wixom stated that he then respectfully but strongly opposed the motion. He felt that given the population demographics, this discount becomes incredibly expensive during these difficult economic times. He recommended that, as requested, the discount for both senior citizens and non-matriculated foreign language speakers be eliminated.

Mr. Wasserman stated that the current motion is to only delete subsection 2 which relates to the non-matriculated foreign language speakers and would retain the existing policy as stated in subsection 1 allowing the campuses to waive tuition for senior citizens to remain.

Regent Page asked what the impact would be of raising the age limit from 62 to 65. Vice Chancellor Nichols related that the data was not currently available, adding that it could certainly be compiled for the Board's consideration.

Regent Geddes felt that the estimated income of \$1.1 million would be an absolute outside number. He felt that many senior citizens would not take advantage of the

16. Action Taken- Handbook Revision, Special Reduced Fees Eliminated (Agenda Item #13) – (Cont'd.)

program if they had to pay full price. He felt that the current system used for purging those students that do not pay for their classes could be used for withdrawing the senior citizens from a class should that class fill up with paying students. He felt that there was a need for the senior citizens program, adding that he could support raising the age limit.

Chairman Leavitt asked Vice Chancellor Nichols if she was in support of the motion. Vice Chancellor Nichols explained that it was her understanding that in this difficult time, these are seats being taken that would be otherwise filled by students paying the regular fee. In these difficult economic times, she did not feel that it was good policy to continue that discount program. She clarified that the estimated income of \$1.1 million was not based on whether the senior citizens would pay that fee but rather it was based on the assumption that students that need to be in that class would pay that fee.

Chairman Leavitt indicated that he strongly supports Regent Wixom's position.

Regent Knecht indicated that he was not persuaded by the idea that a "purging" policy could not be implemented, adding that he personally had been impacted by such a policy at another institution. He felt that the senior citizens could be provided a notice upon signing up for the class that their participation was contingent and subject to being purged if and when their seat was taken by a full-registration fee student. He added that the senior citizen could also be given the option of paying the full fee to avoid that contingent basis. He felt that it could all be done via the computer system, making it automated and self-executing.

Vice Chancellor Nichols did not intend to be in the position of advocating or opposing the Board's motion. However, she related that what is being proposed has been entirely too cumbersome and difficult for the campuses to implement. She felt that for a senior citizen to be notified on the third day of class that they can no longer attend would not make for a happy person. She felt it would be much easier and more probable for the campuses to implement a clear policy. She was simply conveying to the Board that this may be one program that is worthwhile to consider eliminating. Vice Chancellor Nichols indicated that the current policy for available seating was probably not practical but may be possible with some more work.

Regent Melcher stated that he fully supports senior citizens and life-long learning. However, in these difficult times, the System is trying to preserve its core academics and focus on what needs to be done to survive. He stated that he will be strongly opposing the motion and recommended that the policy be suspended indefinitely.

Regent Anderson concurred with Vice Chancellor Nichols that many of these senior citizens would not take the classes if they must pay full fee but realized that seats that could otherwise be filled with full-fee students were being taken. However, she also felt that the senior citizens sometimes fill classes that otherwise would not have enough students. She stated that while she did not like elimination of the discount, the policy is taking away seats from paying students.

16. Action Taken- Handbook Revision, Special Reduced Fees Eliminated (Agenda Item #13) – (Cont'd.)

Vice Chancellor Zink asked the Board to keep in mind that 50% of all classes have some level of supplementary on-line class support. He related that the System pays per-student for licensing and equipment. This is a net loss in the area of technical support, where the campuses have already taken a beating. Although technology is a marvelous benefit, its use will only increase as well as its costs.

Regent Blakely felt that the data presented was incomplete. He felt that more information was needed and that this item should be tabled until a future meeting when more complete data is available.

Regent Wixom felt that Regent Anderson had made a good point that in addition to the \$1.1 million in potential revenue, there were also associated costs. In regard to Regent Blakely's comments, Regent Wixom felt that given the nature of the data requested, he felt that better data may not be available.

Regent Crear asked that the motion be restated. Mr. Wasserman restated the motion is to eliminate the waiver for non-matriculated native speakers of a foreign language but to retain the waiver language in relation to senior citizens.

For clarification purposes, Regent Crear asked if a class holds 30 students and 25 have enrolled and paid, would senior citizens be able to enroll for those open five seats at a discounted price. Vice Chancellor Nichols replied that if the Board approved the motion, that would continue to be the policy.

Regent Crear asked, otherwise, there would be five seats available at full price. Vice Chancellor Nichols indicated that is correct.

Upon a roll call vote, motion failed. Regents Geddes, Knecht, Page, Blakely, Cobb and Crear voted yes. Regents Doubrava, Leavitt, Melcher, Schofield, Wixom and Anderson voted no. Motion Failed. Regent Alden was absent.

Regent Melcher moved to indefinitely suspend Board policy Title 4, Chapter 17, Sections 13.1 and 13.2 that authorizes that certain categories of students may register for a course without paying a registration fee or at a reduced fee, including certain senior citizens and non-matriculated foreign language speakers. Regent Wixom seconded.

Mr. Wasserman clarified that if the motion is approved, it would take another action of the Board to reinstate the policy.

Regent Melcher felt that it would be better to suspend the policies so that they do not have to be rewritten if the Board decides to revisit them, but will also provide the Board some time to think it through.

16. Action Taken- Handbook Revision, Special Reduced Fees Eliminated (Agenda Item #13) – (Cont'd.)

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

The meeting recessed at 6:25 p.m. on Thursday, June 16, 2011, and reconvened at 10:24 a.m. on Friday, June 17, 2011, with all members present except for Regent Alden.

17. Action Taken - 2011-2013 NSHE Biennial Budget and Legislative Report (Agenda Item #7)

- The Board continued its discussion of the 2011-2013 NSHE Biennial Budget Request that was submitted to the Governor, the Executive Budget, and final developments from the 2011 legislative session. Board approval was granted to implement the following six actions:

1. A temporary reduction to NSHE employee salaries of 2.5% for FY 2012 and FY 2013. Normal benefits shall not be available to employees on the salary reduction portion of their salary. Faculty funded by at least 100% through external grants and contracts may be excluded from this salary reduction for that portion of their salary that is self-funded and for the period that such external support continues in FY 2012 and FY 2013. UNSOM clinical faculty for whom a portion of their salary is derived from clinical contracts and clinical revenue may forego this salary reduction for that portion of their salary paid under those clinical contracts. Letter of appointment instructors, temporary part-time faculty, residents and graduate assistants shall not be subject to this salary reduction. An exemption from this salary reduction may also be provided for multi-year contracts if the Chancellor's office has determined that there would be an impairment of the contract by implementing a reduction. Salary reductions required by this section are final and are not subject to appeal, grievance or reconsideration;
2. A temporary requirement for six days per year of unpaid leave per 1.0 FTE for NSHE employees and a corresponding 2.3% salary reduction for FY 2012 and FY 2013, with contracts of less than 1.0 FTE being pro-rated accordingly. Letter of appointment instructors, temporary part-time faculty, residents and graduate assistants would not be subject to the furlough requirement. The unpaid leave required by this session is final and not subject to appeal, grievance or reconsideration but the Board shall protect the base compensation and benefits for this salary reduction for professional employees;
3. A new, temporary Section 8 in Chapter 3 of the NSHE Procedures & Guidelines Manual in order to implement Board action taken on the two previous motions in compliance with legislative budget reductions (*SB505*);
4. A temporary suspension of the provisions of *Title 4, Chapter 10, Section 11* concerning the permissible use of capital improvement funds for the purpose of bridge funding in FY 2012 only. For FY2012 only, capital improvement funds may be expended on maintenance items and lease costs that would otherwise be paid from the State Supported Operating Budget without prior Board approval for such individual expenditures;

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

5. Approval of revisions to the *Procedures and Guidelines Manual*, Chapter 7, Section 1, providing for a 13% surcharge in 2011-12 for undergraduates and a 5% surcharge in both 2011-12 and 2012-13 for graduate students, with a 15% set aside for student financial aid; and
6. Approval of the budget reduction plans of all NSHE institutions, including UNR's revised budget reduction plan with respect to the funding of Cooperative Extension, the request to transfer \$4,539,082 in appropriated state funds from UNR's main budget account to the University of Nevada School of Medicine budget account in order to offset budget reductions in FY 2012, as well as the granting of authority to President Johnson and the Chancellor to seek approval of that transfer from the Interim Finance Committee.

Chancellor Klaich provided a report from the 76<sup>th</sup> Regular Session of the Nevada State Legislature (*full presentation on file in the Board office*).

- Nevada State Legislature - 120 Days:  
The 76<sup>th</sup> Regular Session of the Nevada State Legislature convened on February 7, 2011, and adjourned after midnight on June 7, 2011. Legislative measures enacted during the session impact many areas, including policy and operating budgets.
- Summary of Legislation:  
A summary report of enacted legislation impacting higher education is available on the NSHE Web site at [www.nevada.edu](http://www.nevada.edu).
- NSHE Specific Measures:
  - AB478 – increases revenue bond capacity for UNR by \$35.7 million.
  - AB449 – creates the Knowledge Fund and establishes a program for the development and commercialization of research and technology at UNR, UNLV and DRI – no dollars appropriated to start-up the Fund.

Chancellor Klaich reported that the structure of AB449 was based on the USTAR model. Although funding for AB449 was not received, Chancellor Klaich felt that a victory had been achieved in the creation of the program.

- AB476 – appropriates \$25,000 for the Trust Fund for Dependent Children and authorizes NSHE to seek additional funds from the state's contingency fund in the event of a projected shortfall.
- AB570 – revises districts from which members of the Board of Regents are elected.
- SB449 – authorizes differential program fees and requires tracking of students through employment in Nevada.

Chancellor Klaich reported that an additional bill, AB29, is a prelude to the creation of an academic health center in partnership with the UMC in Las Vegas. The advisory board to UMC also backed that academic health center model.

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

- SB374 – Committee to Study the Funding of Higher Education:
  - ✓ 12 voting members – three appointed by the Senate, Assembly, Governor and Board of Regents.
  - ✓ 4 non-voting members – one person employed by the Budget Division, three NSHE employees.
  - ✓ Chairmanship – The chair of the Legislative Commission will designate the chair of the Committee.

Chancellor Klaich related that the Board had directed staff to begin working on SB374 over one year ago. A preliminary report from consultant, MGT America, has been received by the Board. The Legislative Counsel Bureau was also provided a copy of the report as a resource for the Committee. Chancellor Klaich clarified that the report addresses areas that the System and the State should be questioning and provides background on best practices.

- SB374 – Formula Committee Charge:
  - ✓ Review funding methods used in other states.
  - ✓ Consider methods where missions are appropriately considered in funding.
  - ✓ Review the funding of remediation in the context of instructional delivery methods.
  - ✓ Consider the retention of resident registration fees and non-resident tuition outside of the state supported operating budget.
  - ✓ Consider funding based on completed courses rather than course enrollments.
  - ✓ Consider performance funding mechanisms.

➤ Other Measures:

- Governor Guinn Millennium Scholarship:
  - ✓ SB486 – appropriates \$10 million in one-time funds to support the Millennium Scholarship program as recommended by the Governor.
  - ✓ SB96 - encourages recipients of the Millennium Scholarship to volunteer for at least 20 hours of community service each year.
  - ✓ Governor Guinn Memorial Millennium Scholarship:
    - The memorial scholarship fund will be administered by the State Treasurer.
    - Recipients of the annual memorial scholarship will be selected by the Board of Trustees of the College Savings Plans.
    - The annual scholarship award may not exceed \$4,500
    - Eligibility criteria:
      - A 4<sup>th</sup> year student with a declared major in education or secondary education;
      - 3.5 grade point average;
      - Eligible for the Millennium Scholarship; and
      - Committed to teaching in Nevada following graduation.



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

- The Open Meeting Law:
  - ✓ AB59 - imposes a civil penalty of \$500 for each member of a public body who attends a meeting where action is knowingly taken in violation of the Open Meeting Law, which is in addition to current provision of state law that provides that such an act is a misdemeanor.
  - ✓ AB257 – requires a public body to provide periods devoted to public comment, either:
    - One period at the beginning of the meeting before any actionable items are heard and one period before adjournment; OR
    - A period before each actionable item on the agenda, before action is taken.
- State Board of Education
  - ✓ SB197 restructures the State Board of Education to include elected and appointed members, in addition to four non-voting members including one member who is appointed by the Governor who represents the Nevada System of Higher Education, nominated by the Board of Regents.

Chancellor Klaich stated that SB197 is important to developing a more seamless relationship between higher education and K-12.

➤ What didn't pass?

- AB128 – prohibiting smoking on NSHE properties.
- AB241 – NSHE Stabilization Fund.
- SB231 – authorizing concealed weapons on NSHE campuses.
- SB434 – removing NSHE from under the State Public Works Board, carry-forward of unexpended state funds.
- SB451 – authorizing NSHE to retain certain fee revenues.
- SB501 – creating an event facilities district (*UNLV stadium*).

Chancellor Klaich expressed his disappointment that SB501 did not pass, adding that this bill would have provided a generational opportunity to transform UNLV and provide jobs. He related that the System and UNLV will continue to do everything possible to make this project a success.

17 Action Taken - 2011-2013 NSHE Biennial Budget and Legislative Report (Agenda Item #7)  
- (Cont'd)

- NSHE Operating Budget - Where we started . . . .  
Executive Budget Recommendation (in millions)

	FY2011 Budgeted	FY2012 Exec Budget Rec	FY 2013 Exec Budget Rec
General Fund/ Local Support	\$557.9	\$466.4	\$395.5
\$ Change from FY2011	--	- \$91.5	- \$162.4
% Change from FY2011	--	-16.4%	-29.1%

29.1% decrease in General Fund support was recommended in the Executive Budget for the Nevada System of Higher Education

- Restoration of Funding  
4-Point Plan
  1. Smoothing (*equalizing cuts between fiscal years*)

Chancellor Klaich explained that “smoothing” meant averaging over both years of the biennium to balance out the reduction and will allow for a higher base budget going forward. He felt that this was the most important aspect to come out of the budget deal as it permanently affects the base budget and made a difference in the general fund reduction of approximately 7% without any cost to taxpayers.

2. Student Fee Increases
3. NSHE Budget Reductions
4. Additional General Fund Support

- Where we ended . . . .  
Legislature Approved Budget (*in millions*)

	FY2011 Budgeted	FY2012 Leg Approved	FY 2013 Leg Approved
General Fund	\$557.9	\$472.4	\$472.4
\$ Change from FY2011	--	- \$85.5	- \$85.5
% Change from FY2011	--	-15.3%	-15.3%

- Property Tax Proposal:  
The Governor’s budget recommendation included \$120 million over the biennium in property tax funds to support UNR and UNLV. Ultimately, this recommendation was not adopted by the Legislature and the funding was provided from the state General Fund instead.

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- Equity Funding: CSN and TMCC each received additional funds for equity
  - CSN \$750,000 in both FY2012 and FY2013
  - TMCC \$336,417 in both FY2012 and FY2013

Chancellor Klaich related that due to an error in the System’s budget presentation, approximately \$2.2 million that would have had to be returned to the State was backed out of the System’s budget and then returned in the form of equity funding.

➤ Consolidation of Budget Accounts

The 25 NSHE budget accounts were consolidated into 15 accounts

Consolidation of Accounts	Accounts Remaining
Each university and related accounts were consolidated into one institutional account	2
Community College accounts unchanged	4
Desert Research Institute account unchanged	1
State College account unchanged	1
Professional School accounts unchanged and the Health Lab was consolidated with the Medical School	3
System Administration and University Press consolidated	1
Perkins Loan, Special Projects and SCS accounts unchanged	3

Chancellor Klaich related that it had been the discussion at the Board level that prompted the recommendation for the System’s current 25 budget lines to be consolidated into 9 lines (*one line for each institution and one line for System Administration*). Although the budget lines were collapsed into 15 lines, in a significant shift from previous patterns, the Legislature felt that the burden and responsibility of determining where money is placed should fall on the Board and institution presidents, and not on the Legislature.

➤ Salary Reductions and Benefit Changes:

- SB505 -
  - ✓ Reduces salaries for public employees by 2.5 percent; and
  - ✓ Requires six days of unpaid furlough each year – equivalent to a 2.3% salary reduction with retirement hold harmless.
- AB553 – eliminates the retiree health insurance subsidy for employees hired after January 1, 2012.

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➤ Board Action Requested:

Board action is requested to determine the appropriate policy for temporarily reducing salaries and implementing unpaid furlough days in FY2012 and FY2013 (please refer to Board action below).

Chancellor Klaich related that SB505 had presented some surprises. State agencies were prepared for a 4.6% reduction in salaries via the existing methodology of 12 furlough days per year. In the Governor's proposed budget, a recommendation had been made to convert those furlough days to a 5% pay decrease. The Legislature did not like that concept but nor did it have the funds available to reverse the Governor's recommendation. The end result was a 2.5% permanent pay reduction, which impacts benefits, and another 2.3% reduction in the form of a six day furlough.

➤ Recommended Surcharge:

- 13% increase in FY2012 for undergraduate students – no additional increase in FY2013.
- with a 15% set aside for financial aid.
- 5% increase in FY2012 and again in FY2013 for graduate students.

➤ Board Action Requested:

Board approval is requested for revisions to the *Procedures and Guidelines Manual*, Chapter 7, Section 1, providing for a 13% surcharge in 2011-12 for undergraduates and a 5% surcharge in both 2011-12 and 2012-13 for graduate students with a 15% set aside for student financial aid (please refer to Board action below).

Chancellor Klaich explained that the 4-Point Plan included provisions for a 13% tuition and fee increase in each year of the 2011-13 biennium. After due deliberations, the Legislature determined that was an excessive burden on the students, particularly at the graduate level, and recommended a limited fee increase of 13% over both years of the biennium for undergraduate students and 5% for graduate students. The recommendation did not include professional schools which are separately budgeted.

- Payroll Shift Authorized - The Appropriations Act (AB580) authorizes NSHE to pay the salaries of professional employees on the first day of the month immediately following the month in which the salary was earned and to pay salaries for professional and classified employee from money appropriated for the fiscal year in which the payments are made.

Chancellor Klaich explained that the one day shift in paying salaries from the 30<sup>th</sup> of the month to the 1<sup>st</sup> of the next month will free up approximately \$37 million in one-time funds System wide. This shifting of funds essentially provides the one-time bridge funding that allows the System to achieve budget reductions without a serious negative impact to the campuses. Chancellor Klaich credited System staff with finding a way to provide a funding vehicle for a very serious problem with no resulting burden on the taxpayers. Although there will not be a substantial impact on employees, the change to payroll dates will be communicated so that employees are aware and can plan accordingly.

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- One-Time Bridge Funding in FY2012 – In recognition of each institution’s inability to make all cuts immediately due to notice periods, curricular review processes or the phasing out of programs - the institutions are requesting the authority to use one-time bridge funding in FY2012 only.
- Board Action Requested:  
 Board approval is requested for a temporary suspension of the provisions of *Title 4, Chapter 10, Section 11* concerning the permissible use of capital improvement funds for the purpose of bridge funding in Fiscal Year 2012 only. For FY2012 only, capital improvement funds may be expended on maintenance items and lease costs that would otherwise be paid from the State Supported Operating Budget without prior Board approval for such individual expenditures (*please refer to Board action below*).
- Transfer of Funds - AB580 -- Appropriated funds may be transferred among the various budgets of the Nevada System of Higher Education with the approval of the Interim Finance Committee upon the recommendation of the Governor.
- Board Action Requested  
 UNR requests approval to transfer \$4,539,082 in appropriated state funds from UNR’s main budget account to the University of Nevada School of Medicine budget account in order to offset budget reductions in FY2012 (*please refer to Board action below*).
- Capital Improvements HECC/SHECC
  - SB504 \$15 million for deferred maintenance

Chancellor Klaich reported that this bill was one of the little victories as HECC/SHECC funds have historically been returned directly to the System and distributed with the input of institution staff. The Governor’s recommended budget had contained a recommendation to spend approximately half of this money on projects determined to be priorities by the State Public Works Board. After much discussion, it was determined that the decades long practice of returning these funds to the System would continue to be honored.

Regent Wixom asked if a motion should be made to adopt all of the actions recommended in the Chancellor’s presentation or if separate motions should be made for each of the requests. Chairman Leavitt indicated that the requested actions should be voted upon separately.

Regent Anderson asked, in the next biennium, if the System would continue to pursue the ability to carry over funds. Chancellor Klaich explained that the Governor had asked what autonomy measures would be best utilized by the System. The NSHE provided that list to the Governor who in turn provided it to legislative counsel, thereby creating SB434 that contained many different items. Of the items brought forward, the carrying forward

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of funds is the most controversial. He had no concern with taking it back during the next legislative session. However, he felt that it would be a mistake for this Board to bundle carry forward of funds with other critical legislation.

In regard to SB197 (*State Board of Education*), Regent Wixom asked if the person to be appointed as the ongoing member of the State Board of Education would be appointed by the Chairman of the Board of Regents and would that person also be a member of the Board of Regents. Chancellor Klaich related that a procedure will be brought to the September meeting for the Board's consideration.

Regent Wixom asked if SB451 (*authorizing NSHE to retain certain fee revenues*) was originally proposed by Governor Sandoval. Chancellor Klaich related that there had been similar legislation proposed by Governor Sandoval (*SB434*) and Senator Horsford (*SB451*), adding that neither bill passed.

Regent Wixom asked if those items would be on the wish list for the next legislative session. Chancellor Klaich related that there was an intention that it be addressed in the Interim Study, recognizing that there were differing issues.

In terms of allowing the campuses to retain fees, Regent Wixom felt that bill had not passed due to a bottle neck occurring towards the end of the session and not because there had been overwhelming opposition. Chancellor Klaich agreed and explained that a difference in definitions had prevented that bill from moving forward.

Regent Wixom referred to the payroll shift (*slide 25*), and asked for confirmation that this was truly a one time opportunity. Chancellor Klaich explained that although the System has known about this option for three years, it had been delaying its utilization until the best possible time. Although there had been pain in not taking advantage of it before, he felt that this was the right time for the System and institutions. Regent Wixom expressed his appreciation to the Chancellor and System staff.

Regent Cobb requested a point of personal privilege to disclose that his daughter is a professional employee at the University of Nevada, Reno and could ultimately be impacted by the actions taken with regard to agenda item no. 7, the budget reduction plan of the University with regard to proposals regarding certain pay reductions and imposition of furloughs, and consideration of the application of such pay reductions to self-funded programs. However, it is important to note that any resulting benefit or detriment accruing to his daughter in her capacity as a professional employee within the Nevada System of Higher Education, or as a professional employee within a self-funded program, is not greater than that accruing to any other member of the group of such professional employees in the Nevada System of Higher Education. Thus, pursuant to NRS 281A.420(4), it is statutorily presumed that the independence of judgment of a reasonable person in Regent Cobb's situation would not be materially affected by this relationship. As a consequence, pursuant to the provisions of NRS 281A.420, Regent Cobb will participate in the discussion of and vote on these matters that are before the Board (*full statement of disclosure is available in the Board office*).

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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 as a part time faculty member. Counsel has indicated that because his son is a professional employee at the university, he could ultimately be impacted by the actions taken with regard to agenda item no. 7 regarding certain pay reductions and furloughs for professional staff. However, it is important to note that any resulting benefit or detriment accruing to his son in his capacity as a professional employee within the Nevada System of Higher Education is not greater than that accruing to any other member of the group of professional employees in the Nevada System of Higher Education. Thus, pursuant to NRS 281A.420(4), it is statutorily presumed that the independence of judgment of a reasonable person in Regent Schofield's situation would not be materially affected by this relationship. As a consequence, pursuant to the provisions of NRS 281A.420, Regent Schofield will participate in the discussion of and vote on these matters that are before the Board (*full statement of disclosure is available in the Board office*).

Regent Geddes requested a point of personal privilege to make a disclosure that his father and brother work at the University of Nevada, Reno and that he will participate in consideration of agenda item no. 7 on the same basis of legal advice as indicated by Regent Schofield.

Regent Cobb asked what the Board's authority was to adopt fees without legislative approval and asked if the Board was constrained from adopting fees for 2012, 2013 and 2014. Chancellor Klaich indicated that, after consultation with Vice Chancellor Patterson, it was determined that the authority to set fees is the sole discretion of the Board of Regents. He felt that that the Legislature understood that as well. The Legislature has adopted a more active approach in arriving at what it felt was a reasonable overall budget cut for the NSHE into which certain percentage fee increases were programmed in. Chancellor Klaich related that when building the proposed budget, a strategic decision was made to build in the surcharges but not with additional fee increases. It was known going forward that may not ultimately reflect the Board's position. As discussions began, the System started with an overall general fund cut of approximately 29%. The additional infusion under the 4-Point Plan brought the reduction down to approximately 15%. The additional fees then brought that overall reduction down to approximately 11%, which the Legislature felt was appropriate. The Legislature issued a letter of intent reflecting their belief that was an appropriate level of fee increase over the biennium and encouraged the Board to respect their wishes in that regard.

Regent Cobb related that he had asked the question pertaining to the Board's authority to set fees in response to criticism that the Board has set tuition and fees below the median for the WICHE average. He felt that the Legislature's wishes restrained the Board's ability to respond to those criticisms.

Regent Cobb noted that the Governor had indicated that he wanted to return Nevada agencies to 2007 funding levels, and asked if that level was reached for the NSHE.

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Chancellor Klaich related that although he would need to have it confirmed, the Governor's initial recommendation took the System back to approximately 2003 funding levels. He suspected that the final budget brought the System closer to a point just below 2007 levels.

Chairman Leavitt asked Chancellor Klaich to elaborate on the role that the Board will play in the Committee to Study the Funding of Higher Education (SB374) and what the composition of that study group will be. Chancellor Klaich explained that the study group will consist of 12 members, three to be appointed by the Governor; three appointed by the Senate; three appointed by the Assembly; and three appointed by the Board of Regents. Of the three members to be appointed by the Senate and Assembly, two will be appointed by the majority leader and one will be appointed by the minority leader of each respective house. In addition there will be four non-voting members to include one employee of the Budget Office and three employees of the NSHE (slide 4). Vice Chancellor Stevens clarified that the Governor would be the appointing authority for those employees.

Chairman Leavitt asked how the selection of the Regent members will be handled. Chancellor Klaich felt that, as in the past, this will be handled as a committee assignment and as such resides within the authority of the Chairman of the Board. Chancellor Klaich added that the chair of the Legislative Commission will designate the Chair of the Committee.

Chancellor Klaich recommended that the recommendations as presented be considered separately.

Chancellor Klaich recommended that the 2.5% pay reduction apply to all employees in the System except for 100% fully grant-funded faculty, the clinical faculty of the UNSOM, letter of appointment instructors, temporary part-time faculty, residents and graduate assistants. In regard to furloughs, the Legislature left very little flexibility in allowing exemptions to be made to the furlough requirement by requiring exempted positions to then comply with 2.3% salary reduction (equal to a reduction posed by six days of furlough) in exchange for the exemption. As a result, Chancellor Klaich recommended that the Board implement six days of unpaid furlough across the System.

Regent Wixom requested that the recommendation be bifurcated into two motions, one addressing salaries and one addressing furloughs. Chairman Leavitt requested that Regent Wixom move forward with his motions.



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Regent Wixom moved to temporarily reduce NSHE employee salaries by 2.5% for FY 2012 and FY 2103. Normal benefits shall not be available to employees on the salary reduction portion of their salary. Faculty funded by at least 100% through external grants and contracts may be excluded from this salary reduction for that portion of their salary that is self-funded and for the period that such external support continues in FY 2012 and FY 2013. UNSOM clinical faculty for whom a portion of their salary is derived from clinical contracts and clinical revenue may forego this salary reduction for that portion of their salary paid under those clinical contracts. Letter of appointment instructors, temporary part-time faculty, residents and graduate assistants shall not be subject to this salary reduction. Salary reductions required by this section are final and are not subject to appeal, grievance or reconsideration. Regent Geddes seconded.

Regent Page expressed concern for guaranteed contracts such as for athletic personnel and asked if it was known how many guaranteed contracts were in effect throughout the System. Vice Chancellor Patterson agreed that existing guaranteed contracts would have to be honored. He did not feel that there were many but each would have to be reviewed on a contract by contract basis.

Regent Page asked if the presidents knew how many guaranteed contracts were in effect at each of the institutions.

President Johnson stated that there were two such contracts at UNR.

Regent Page felt that it was important to know how many exceptions were out there.

President Johnson corrected his previous statement, indicating that there were three such contracts at UNR. However, after that Board meeting, the guarantee would be eliminated from one of the contracts, the second contracted employee has voluntarily complied with the pay cuts and furloughs, and the third has not been approached as their contract is not currently up for renewal.

Regent Crear requested an explanation for the rationale behind including the clinical faculty at the UNSOM in the exemption. Chancellor Klaich explained that the clinical faculty has essentially the same rationale as the 100% fully grant-funded faculty. Those contracts include a third party and there is no savings to be accrued.

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Vice Chancellor Patterson elaborated that the School of Medicine clinical practice contracts are structured in such a way that contract revenues are based on how much clinical revenue is derived. To take a 2.5% reduction in that salary structure does not meet with the contractual way in which salaries are determined. Therefore those contracts have always been viewed as very unique legal arrangements that the clinical faculty have through the separate corporation practice plans.

Regent Crear stated that presented some concern for him, noting that the Audit Committee had heard a report that reflected approximately 50% of the clinical faculty were not meeting their practice plans. He expressed concern that an exemption of those contracts from the salary reduction would lead the System continuing to pay physician salaries that are not being covered by clinical work. Vice Chancellor Patterson stated that he is familiar with those discussions and related that the School of Medicine has become more efficient in modifying the clinical revenue received and incorporating the current contract provisions.

Regent Crear noted that although the contracts moving forward have those provisions, existing contracts may not. President Johnson stated that practice plan contracts have not been grandfathered in and that every physician in clinical practice is subject to the same rules. Unfortunately, the practice plan has not always been enforced as it has for the last year.

Regent Crear requested a report on which clinical faculty has received less salary due to not achieving clinical revenue thresholds. Chairman Leavitt directed that question to the next chair of the Audit Committee for follow up.

Regent Cobb related that a report had been presented to the Health Sciences System Committee that morning. Chairman Leavitt asked Regent Crear to review that report and determine if that information was satisfactory.

Regent Melcher asked if a friendly amendment could be made to the motion to include multiyear contracts.

Chancellor Klaich asked if such a friendly amendment could be clarified to include the exemption of multi-year contracts from the salary reductions if the Chancellor's Office has determined that there would be an impairment of the contract by implementing a reduction.

Regent Wixom and Regent Geddes accepted the friendly amendment as clarified.

Regent Cobb questioned the rationale to exclude soft funded positions if the justification is to save the System money. Chancellor Klaich related that although there are a number of reasons, some of the reasons will apply to both categories of personnel and may not be

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persuasive. He felt that the soft funded positions would not exist without the overall existence of the university. To move among the university and pick and choose which personnel will be affected by a salary reduction is a demoralizing activity. Eventually, the exceptions will begin to overtake the rule. If a soft funded employee's salary is reduced, those savings will still be available to the university to spend in another fashion, adding that would not be the case with grants and contracts.

Regent Cobb questioned the Chancellor's last sentence. Chancellor Klaich explained that if he is being paid \$100 by soft money and that salary is reduced by 2.5%, the savings in soft money are still kept by the university. However, if a salary is under an external grant and a 2.5% reduction occurs, the savings stays in the pocket of the grantor.

Regent Cobb did not agree with the Chancellor's rationale.

Regent Page clarified that the report heard at the Health Sciences System Committee that morning in regard to clinical practice plans only reflected positions hired since 2008. He reinforced that Regent Crear's request was for all positions with clinical practice plans.

Regent Geddes also struggled with the Chancellor's explanation to Regent Cobb's question, stating that the 100% grant funded faculty would also not be receiving the grants if not for the full support of the campuses. He felt that the way the motion was structured would reduce the amount of money that someone is paid for their salary by 2.5% but it would not reduce the actual salary earned. For example, if \$200,000 in salary is received from the System and \$200,000 is received from clinical revenue but that clinical revenue threshold is not met but still paid, he asked if the 2.5% reduction apply just to the \$200,000 salary from the System or would it apply to the salary plus any portion of the practice plan threshold that was not met and contributed by the System. Specifically, he asked if the intent is to apply the 2.5% reduction to the entire amount if that is what is provided for in the contract. Vice Chancellor Patterson replied that yes, if that was indeed state money coming in. However, he would have to review those contracts on a case by case basis. UNSOM practice plan contracts are crafted differently than other System contracts as they are third party practice plans that may be impacted differently by the way that Board Bylaws and policies are applied.

Regent Knecht stated that as a person who is not paid by general funds but is subject to the furloughs and salary reductions, he found that the "equity" argument for cutting salaries and requiring furloughs of people not funded by the state general funds is generally unpersuasive. He indicated that, whenever possible, he would support exemptions for those positions where salary is not funded by the state general fund.

Regent Melcher asked President Wells to restate his explanation on the effects of salary reductions and furloughs on grant-funded positions and how the institution does not benefit. President Wells explained that in terms of the 2.5% salary reduction, DRI derives indirect costs that are built into a very detailed business model. Not only is there a reduction to faculty salary, there is also an impact to the institution. Chancellor Klaich asked that the impact of the furloughs be discussed separately.

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Regent Anderson agreed that not only will the grant-funded faculty lose income, but the indirect costs are also lost to the institution. She also felt that the grant funded faculty is a different category of personnel from classified or professional employees as they do not have the same protections that apply to the classified staff or an annual notice process. She indicated her support of the motion and amendment.

Motion carried. Regent Cobb abstained. Regent Alden was absent.

Regent Knecht indicated that he has provided a summary of the budget reduction templates submitted by the institutions (*handout on file in the Board office*).

The meeting recessed at 11:50 a.m. and reconvened at 12:01 p.m. on Friday, June 17, 2011, with all members present except for Regent Alden.

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Regent Wixom moved approval that the Board temporarily require six days per year of unpaid leave per 1.0 FTE for NSHE employees and a corresponding 2.3% salary reduction for FY 2012 and FY 2013, with contracts of less than 1.0 FTE being pro-rated accordingly. Letter of appointment instructors, temporary part-time faculty, residents and graduate assistants would not be subject to the furlough requirement. The unpaid leave required by this session is final and not subject to appeal, grievance or reconsideration but the Board shall protect the base compensation and benefits for this salary reduction for professional employees. Regent Geddes seconded.

President Wells stated that furloughs will have a similar impact on DRI faculty as a salary reduction. He expressed his appreciation for the exemption from the salary reduction for the fully grant-funded faculty. He related that the furlough reduction will remove approximately \$.5 million in indirect costs to the institution and would present a severe cost to DRI's budget. He personally felt that Board had the authority to address this issue with the Legislature, adding that he did not feel the Legislature realized what a furlough reduction would do to the entrepreneurial spirit and activities of DRI when it passed SB505. President Wells stated that the furlough reduction has a real consequence in raising DRI's overall budget reduction from 9.9% to 13.2%. He asked the Board to consider other avenues.

Chairman Leavitt stated that although there are sometimes professional disagreements, President Wells' views were respected.

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Chancellor Klaich stated that he understood and agreed with President Wells' views but did not feel that it was within the prerogative of the Board of Regents to address those views without violating the legislative bill. He felt that the Legislature understood what it was doing in making the furlough apply to this Board and all employees in the System.

Regent Geddes asked if there was an opportunity to approve the motion that day but then submit further explanation of the impact of the furloughs on DRI to the Interim Finance Committee. Chancellor Klaich felt that could be done but that it was appropriate to move forward with the motion.

Regent Geddes clarified that he was not suggesting an amendment to the motion, just that if passed, he would ask that the Chancellor speak to the Interim Finance Committee regarding DRI.

Regent Cobb stated that he has a philosophical concern and questioned whether the Board is relinquishing its independence as a fourth branch of government and as a constitutional entity by acquiescing to the Legislature's mandate for furloughs. Chancellor Klaich stated that Regent Cobb is correct. However, although the Board is granted constitutional authority, it does so without the ability to tax which presents a practical limitation.

Regent Wixom asked if the only avenue available to the Board was to submit a request to the Interim Finance Committee for their interpretation of SB505 as it applies to DRI. Chancellor Klaich stated that the System can and will initiate discussion with the Legislative Counsel Bureau.

Regent Wixom asked Chancellor Klaich if his interpretation of SB505 was that the Board had no flexibility in granting exemptions. Chancellor Klaich replied that his interpretation of the bill is that the Board has the right to provide an exemption but then that exemption immediately institutes a pay decrease. He felt that Regent Cobb's position that the Board can exempt because it ultimately controls salary is a dangerous course of action.

Regent Wixom asked if there was an operational advantage to providing exemptions that would then be subject to the corresponding decrease in salary. Chancellor Klaich stated that there were not any advantages in his opinion.

Regent Knecht related that despite his principles, he would be voting in favor of the motion. He hoped that the Chancellor makes every possible appeal and is successful in those appeals.

Regent Wixom restated the motion as being that the Board temporarily require six days per year of unpaid leave per 1.0 FTE for NSHE employees and a corresponding 2.3% salary reduction for FY 2012 and FY 2013, with contracts of less than 1.0 FTE being pro-rated accordingly. For letter of appointment instructors, temporary part-time faculty, residents and graduate assistants would not be subject to the furlough requirement. The

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unpaid leave required by this session is final and not subject to appeal, grievance or reconsideration but the Board shall protect the base compensation and benefits for this salary reduction for professional employees. This section as approved by the Board shall constitute constructive notice to all faculty and no individual notice to any faculty member shall be required hereunder to implement the foregoing.

Motion carried. Regent Alden was absent.

Mr. Wasserman indicated that a third related motion was needed to codify the previous two motions as new Section 8 in Chapter 3 of the NSHE Procedures & Guidelines Manual (*Handout on file in the Board office*).

Regent Wixom moved to approve a new, temporary Section 8 in Chapter 3 of the NSHE Procedures & Guidelines Manual in order to implement Board action taken on the two previous motions in compliance with legislative budget reductions (*SB505*). Regent Blakely seconded.

Vice Chancellor Patterson stated that in addition to the proposed revision as specified in the reference material, Chapter 3, new Section 8 of the *Procedures & Guidelines Manual* will include language to reflect the amendment made to the salary reduction motion to include the exemption of multi-year contracts from the reductions if the Chancellor's Office has determined that there would be an impairment of the contract by implementing a reduction.

Regent Melcher asked if furloughs will be implemented by each institution. Vice Chancellor Patterson confirmed that the furloughs will be implemented on an institution by institution basis.

Motion carried. Regent Crear abstained. Regent Alden was absent.

Chancellor Klaich introduced the next recommendation for the Board's consideration regarding the temporary suspension of the provisions for permissible use of CIP funds (*slide 27*).

Regent Wixom moved to approve a temporary suspension of the provisions of Title 4, Chapter 10, Section 11 concerning the permissible use of capital improvement funds for the purpose of bridge funding in Fiscal Year 2012 only. For FY2012 only, capital improvement funds may be expended on maintenance items and lease costs that would otherwise be paid from the State Supported Operating Budget without prior Board approval for such individual expenditures. Regent Anderson seconded.

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Regent Crear asked if CIP funds would be used to bridge funding for FY 2012. Chancellor Klaich stated that was correct.

Regent Crear asked if that could be done. Chancellor Klaich replied that because it was such a significant request, it could not be done without the Board's specific approval.

Chairman Leavitt asked the Chancellor to explain why temporarily suspending the policy was justified in this circumstance. Chancellor Klaich explained that most of the operating reductions involve personnel at this point and virtually every personnel termination and/or lay off will require a notice of non-renewal. The notice requires payment of the person notified for a period of time beyond July 1<sup>st</sup>, which is when the State will stop making payment. The System is asking to utilize one time funds in order to continue those payments for the required amount of time.

Regent Crear was under the impression that it was not possible to use CIP funds to pay salaries. Chancellor Klaich stated that the Board was not limited by statute, only by its own Board policies, adding that is why a one-time waiver was being requested to temporarily suspend the Board's policy.

Regent Crear asked where the funds would come from. Chancellor Klaich stated that the funds would come from the portion of student fees designated for capital improvement.

Regent Crear asked if those were the student fees that have always gone toward the direct cost of classes and could not be used for salaries. Chancellor Klaich replied that if he understands Regent Crear's question, the answer is yes.

Regent Crear asked for confirmation that the System was requesting to use student fees to cover the costs of salaries in order to bridge the cost of issuing notices of non-renewal. Chancellor Klaich stated that was correct.

Regent Cobb asked how much was being bridged. Chancellor Klaich stated that would vary by institution, adding that for most of the institutions it will be zero.

Chairman Leavitt clarified that this request is to use only the portion of student fees that has previously been allocated for capital construction which is a small overall percentage of student fees. Chancellor Klaich added that special course fees would not be utilized, which has typically been the topic of Board discussion in the past.

Regent Crear asked what category the students pay the fee under. Vice Chancellor Nichols replied that it was a portion of the registration fee.

Regent Crear asked if this request has been explained to the students. Chairman Leavitt felt that the question was whether the students receive a breakdown of everything that is received when they register for a class, which he suspected they did not.

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Regent Crear felt that regardless of whether it was right or wrong, it was vitally important for the Board to be transparent and for the students to fully understand what would be occurring.

Chancellor Klaich stated that the only action being requested was for the Board, as a matter of policy, to make a one-time waiver available. He clarified that additional Board action will be required to approve any actual utilization.

Regent Anderson noted that the reference material indicates that for 2012 only capital improvement funds may be expended on maintenance items and lease costs that would otherwise be paid out-of-state supported operating budget. She asked the Chancellor to clarify if the CIP funds will be used for salaries or for maintenance and lease costs which would be closer to the original intent for these funds.

After further clarification from System staff, Chancellor Klaich corrected his previous statement to reflect that the recommendation does not include a plan to divert CIP funds for the payment of salaries. Regent Crear felt that was much better.

Regent Geddes asked if the request would affect any outstanding bonds. Vice Chancellor Stevens stated that the request should not create any bond issues.

Regent Geddes asked if there was a sense for what total dollar would be needed for FY 2012. Chancellor Klaich stated that the amounts vary by institution.

President Di Mare stated that for NSC that amount is \$120,000 for lease costs.

President Lucey stated that WNC's need to request these funds had been eliminated after the smoothing occurred.

President Richards stated that for CSN that amount is \$500,000.

President Johnson did not believe any CIP funds would be used at UNR.

Regent Knecht related that there is a reason the current and prospective economic circumstances have been called the "Nevada Depression," adding that the situation is unprecedentedly bad. He felt that the Board had the discretion to take action in order to address these exceptional circumstances. In order to see the System through the coming biennium, it was necessary to have bridge funds to cover some of the reductions that were being made. He indicated his support for the motion.

Regent Page asked if institutions other than NSC for \$120,000 and CSN for \$500,000 were planning to utilize CIP funds. President Sheehan stated that TMCC would be using \$142,000.

Regent Page asked the student leaders for any comments. No comments were forthcoming.



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

Motion carried. Regent Alden was absent.

Chancellor Klaich introduced the next recommendation for the Board's consideration regarding the request to revise Board policy regarding surcharges (*slide 23*):

- Board approval is requested for revisions to the *Procedures and Guidelines Manual*, Chapter 7, Section 1, providing for a 13 percent surcharge in 2011-12 for undergraduates and a 5 percent surcharge in both 2011-12 and 2012-13 for graduate students with a 15 percent set aside for student financial aid.

Chancellor Klaich clarified that UNLV has requested an increase in graduate fees per year with a portion of 25% to be set aside for financial aid. The reference materials handed out also contains a lineation of the policy with the old fee and the new fee (*handout on file in the Board office*).

Regent Wixom moved to approve revisions to the *Procedures and Guidelines Manual*, Chapter 7, Section 1, providing for a 13% surcharge in 2011-12 for undergraduates and a 5% surcharge in both 2011-12 and 2012-13 for graduate students with a 15% set aside for student financial aid. Regent Geddes seconded.

Chairman Leavitt related that this recommendation was part of the Chancellor's Four-Point Plan.

Regent Crear asked if the percentage set aside for financial aid is taken from the graduate fee. Chancellor Klaich replied that it is taken just from the graduate fees at UNLV.

Regent Melcher stated that although the Legislature only approved a 13% increase for one year, he asked if any thought had been given for any increase for the second year of the biennium. Chancellor Klaich stated that it was his recommendation that the Board watch as things develop but not take any other action that day.

Motion carried. Regent Alden was absent.

Chancellor Klaich provided an introduction to the next portion of this agenda item including campus budget reduction plans (*handout on file in the Board office*).

Chancellor Klaich acknowledged that the state is suffering through possibly the worst fiscal crisis in its history and that the System appreciated the additional appropriations added by the final budget compromise that significantly mitigated the impacts of the original budget reduction plans. However, this budget has real short- and long-term consequences. It is not okay nor is the Nevada System of Higher Education okay. He could not accept "it could have been a lot worse" as the banner under which the System will march forward.

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

Chancellor Klaich stated that during the legislative session, he had three rules: 1) no whining; 2) no moralizing/personal attacks; and 3) do not say something that the System is not prepared to do. It was the last tenet - honesty and credibility - that the System wants to focus on.

Chancellor Klaich stated that discussions have occurred since January on how this budget had the potential to change higher education in Nevada. He felt that it has done exactly that. He hoped that the Board approved the plans presented by the presidents that day, adding that the presidents need and deserve the Board's support. In addition to the budget reduction plans, there are a number of policy implications that will need the Board's attention. Limited resources imply the rethinking of policies that a year or two ago would not have been thinkable. It must be acknowledged that the access mission of Nevada's community colleges and, to some extent NSC, is now gone. Admissions standards will be brought to the Board for the first time. Guaranteed and seamless transfer among NSHE institutions are at risk. While the NSHE is committed to the ideals and goals of Complete College America, there must be a realistic evaluation of how the System will meet those goals in this resource constrained environment.

Chancellor Klaich stated that an active, engaged, substantive partnership with K-12 cannot just be a bumper sticker. It must be a way of life for Nevadans. Remediation is a national disgrace and an unacceptable fiscal sinkhole. The NSHE must own it, understand it, and work with its partners in K-12 to eliminate it.

Chancellor Klaich stated that all implies a cohesive quality and success driven system enrollment management plan that will be presented to the Board in the fall. Those plans must be driven by performance and graduation numbers, and those rates must increase. Now limited resources must be focused where they will make a difference and there needs to be an understanding that the System cannot help or serve everyone.

Chancellor Klaich stated that there will be a call for every high school junior to take a standardized test, like the ACT, to assist in diagnostics and placement. That will require working with Nevada's school districts in terms of the preparation of education.

Chancellor Klaich stated that in addition to long-term policy considerations that the Board must wrestle with, there are short-term implications. He stated that he has directed the presidents to cut off applications for enrollment earlier than in previous years, possibly by July 15<sup>th</sup>, but the presidents would know what date works best for their campuses.

Chancellor Klaich stated that beginning that day, the word had to go out that it can no longer be said "Well, I can always go to college here in Nevada." As that reality sets in, it is important to acknowledge the critical responsibility of the Nevada System of Higher Education to ensure that its core value of service to a diverse population is not sacrificed.

In terms of entrepreneurship, Chancellor Klaich stated that the System accepts the challenge and reality that it must become more self-sustaining over time. He has given

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

the presidents metrics on which they will be evaluated. However, that cannot occur overnight, nor do policies that furlough our entrepreneurial faculty or establish a Knowledge Fund without supporting resources advance the Systems' ability to move in that direction. He stated that he offered these remarks to hopefully frame the Board's consideration of the budget reduction plans that it will review that day. He asked that the Board focus on the critical policy questions that he has presented and to trust the presidents with the plans that have been presented.

Chairman Leavitt commended Chancellor Klaich for his extraordinary work during the legislative session on behalf of the Board.

President Lucey provided a summary of the budget reductions that had taken place at WNC over the last two bienniums, primarily utilizing horizontal cuts. However, when the Governor's recommended budget was released for the 2011-13 biennium, it became obvious that WNC could no longer sustain horizontal cuts. The budget reduction plan presented at the April 8<sup>th</sup> meeting of the Board contained mostly vertical reductions. The budget presented to the Board that day contained largely the same recommendations except that the increase in funding allows a re-evaluation of the budget reductions previously proposed for the smaller campuses such as Hawthorne, Yerington, Fernley, Lovelock and so forth. President Lucey stated that WNC has been working with every school district in its service area, particularly Lyon County School District and the City of Fernley. Due to WNC's partnership with those two agencies, WNC will be able to continue services in Yerington and Fernley come July.

President Lucey reported that the budget reduction plan for the second year of the biennium will include vertical cuts that include seven tenured faculty at risk of curricular review. A complete report was not available as that review process is still underway. However, the funds not recouped from the curricular review process will strongly limit WNC's ability to function. She related that WNC is maintaining a reserve because she anticipates a severe enrollment shortfall and therefore a revenue shortfall, noting that enrollment projections are down 24% this fall due to the outcome of the legislative session.

Regent Knecht moved for approval of WNC's 2011-2013 budget reduction plan. Regent Crear seconded.

Regent Knecht referred to his summary sheet (*handout on file in the Board office*). He noted the spreadsheet contains four columns each for FY 2012, FY 2013, and the biennium. WNC will experience a 16.66% net reduction after the increase in fees (*18.63% not including the increase in fees*). By way of comparison, leaving out Cooperative Extension which will be addressed later, WNC's loss is only exceeded by NSC which he noted was more due to NSC's loss of \$1.5 million in one-time funding. He asked how the process that was supposed to equalize the percentage cuts among the institutions ended up costing WNC more.

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– (Cont'd)

President Lucey related that she had also asked why WNC was experiencing a cut this deep and received an explanation that it was due to the institution's 20% enrollment growth in 2008-09. She added that the Governor's Executive Budget assumed that WNC would have continued additional enrollment and therefore its recommended reduction would be easy to sustain. However, in reality WNC is experiencing a 25% enrollment shortfall.

Vice Chancellor Stevens added that there were different percentage decreases in the different budget accounts within the System. Those percentages were based on adjustments made by the Budget division when working between the System's budget request for FY 2012-13 and the Governor's recommended budget level. If a budget had more total dollars allocated to salaries, then that budget would take a larger reduction. He was not sure if that was the case for WNC but would look into it and provide a more full explanation to the Board.

Regent Knecht would appreciate that explanation, adding that it does disturb him to see an anomaly like that without an explanation.

Regent Knecht referred to the WNC budget reduction plan and related that the proposed cuts total \$1.936 million in non-instructional costs and \$887,000 in instructional costs, or approximately two-thirds (68.6%) of the budget reductions were made in non-instructional areas versus 31.4% in instructional areas. He noted that WNC is currently in the process of curricular review. He also noted that he has heard complaints that WNC's administration has favored non-faculty over faculty positions. He asked President Lucey if she was in agreement with his calculations.

President Lucey related that budget reductions have been ongoing over the last three years. When making horizontal cuts, it is important to take advantage of opportunities such as retirements. When considering the last few years, WNC has taken approximately equal number of positions and dollars from the non-instructional and instructional sides. She pointed out that a small institution always looks heavier in administration since it needs to have the same functions as larger institutions.

Regent Knecht agreed smaller institutions typically have larger percentages of administrative staff than faculty. However, his point had been that contrary to criticism WNC has cut more non-instructional costs than instructional costs but felt that information is not being communicated. In that regard, he encouraged President Lucey to actively involve the faculty throughout the curricular review process to provide more of a comfort level.

Regent Knecht commended President Lucey for efforts to make WNC's community oriented activities including the performing arts, musical theater and the baseball team more entrepreneurial.

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

Regent Melcher expressed concern for the impact of the budget reductions in rural Nevada and for the mission of the community colleges in terms of access for each community's diverse needs. He felt that the focus of WNC was more on Carson City at the expense of rural areas. His concern was that if all institutions that serve rural areas start focusing on their main campuses, how will that affect access in the more rural areas. President Lucey explained that WNC has seven sites in addition to the Carson City campus. The Douglas campus is fourteen miles from Carson City so there is always a challenge to determine what services should be duplicated from that shorter distance. However, Fallon is much farther away and is a very difficult commute if a student has to take a large part of their curriculum in Carson City. In the past, there had been an attempt to offer a broader array of services at the Fallon campus than what will be offered in the future. Traditionally, the Fallon students prefer the Associate of Arts transfer programs. She related that the decrease of WNC's budget reduction will allow the full Associate of Arts program to be maintained at the Fallon campus. At the Douglas campus, the institution must look at other options of support including the search for economic partners that are aligned with the academic mission of the institution that can assist in keeping that campus strong. In Yerington and Fernley, WNC will be working hand in hand with Lyon County School District. Options will be tougher in Smith Valley, Hawthorne and Pershing County.

Regent Melcher noted that in addition to transfer degrees, the community college mission includes workforce development. He asked how those needs were being addressed. President Lucey related that she will soon be sending a document to all Regents regarding WNC's new workforce and economic development center. The approach to workforce education will need to be revisited in order to find funding resources other than the state general fund, particularly in outlying communities. Those efforts will include economic development resources such as partnerships with chambers, businesses and so forth. WNC also has a very important new initiative centered in Fallon of supporting sustainable agriculture that is funded through the USDA.

Motion carried. Regent Alden was absent.

The meeting recessed at 1:13 p.m. and reconvened at 1:20 p.m. on Friday, June 17, 2011, with all members present except for Regent Alden.

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

Mr. Lawrence Weekly, Clark County Board of Commissioners, addressed the Board to discuss how to build a relationship between Clark County and the School of Medicine and how to move forward with collaboration. He stated that for years there has been lots of dialogue, but he was not certain there has been any progress in reaching those milestones and accomplishing those goals. The Commissioners were very interested in hearing from the Board of Regents what steps and measures it was going to take to reach a level of comfort in terms of moving the relationship forward. He related that he was committed to ensuring that all Nevadans feel part of the School of Medicine. The accomplishments made have been tremendous and he has an opportunity to see the current residents and

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

hear their success stories. However, the Commissioners want to look at the brick and mortar and to make sure that southern Nevada is on the map and truly a part of the School of Medicine family.

Chairman Leavitt thanked Commissioner Weekly for his comments.

Mr. Steve Sisolak, Clark County Board of Commissioners, expressed his disappointment that the candidate for the Dean of the Medical School would not be in attendance at the Board of Regents meeting that day. Commissioner Sisolak related that, on behalf of his constituents, there is a disconnect between UNR, the University of Nevada School of Medicine (*UNSOM*) and the University Medical Center (*UMC*) in southern Nevada. That disconnect is not just in terms of bricks and mortars, but also in presence and time. The concern is that the dean's presence one day a week in Las Vegas does not allow that person to grasp the needs of and situations that are faced by southern Nevada. He related that it was his goal that the Clark County Board of Commissioners work with the System and the UNSOM to come up with a collaborative plan to make the School of Medicine what it should be in serving all Nevadans. He felt that there was a sense that many commitments had been made to the hospital that just have not been followed through on. He stated that UMC is in a desperate situation and has reached a crucial point to decide what it needs to do.

Chairman Leavitt expressed apologies on behalf of Dr. Thomas Schwenk, candidate for the position of Dean of the Medical School. He explained that Dr. Schwenk had not been notified of this meeting in time to change previously arranged travel plans but is watching this meeting via webcast.

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – The Board of Regents accepted the report presented by FTI Healthcare consulting group summarizing a recent study evaluating the relationship between the University Medical Center of Southern Nevada (*UMC*) and the University of Nevada School of Medicine (*UNSOM*) and the possible opportunities for creating a stronger academic relationship between UMC and UNSOM through the development of an Academic Health Center.

Dr. Maurizio Trevisan, Executive Vice Chancellor of the Health Sciences System, NSHE, introduced Dr. David Stern and Mr. Joe Nolan, representatives of FTI Healthcare, to make the following presentation (*power point presentation on file in the Board office*).

- UNSOM / NSHE and UMC – Contract for Consulting Services Under Project 1 of the Contract for Consulting Services dated August 10, 2010, FTI was engaged to:
  - ✓ Evaluate current relationship between UMC and UNSOM/NSHE.
  - ✓ Evaluate the current mission of UMC as a teaching hospital and how that mission impacts the operations and structure of the organization.
  - ✓ Comment on the current and proposed relationships between the clinical and academic elements.
  - ✓ Outline recommendations for the creation of an Academic Health Center (*AHC*).

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

## ➤ Findings:

- UMC - Must improve revenue and reduce cost immediately to be able to sustain operations for even the short-term.
  - ✓ FTI believes an improvement of approximately \$30 million is achievable within 24 months.
  - ✓ Governance structure needs to be addressed.
- UNSOM / NSHE and UMC – Goals and Objectives/Recommendations:
  - ✓ This can only be accomplished through a focused plan with established and agreed upon outcomes.
  - ✓ A strong management driven approach and commitment to a timeframe is essential.
  - ✓ Responsible parties must be identified to take full responsibility for achieving these outcomes.
  - ✓ Medical Schools have tripartite missions: education, research and clinical care.
  - ✓ Clinical mission is unique: the medical faculty practices medicine, usually on a large scale.
  - ✓ A robust medical school needs a robust clinical mission.
    - Classroom for clinical learning.
    - Laboratory for clinical research.
    - Venue for a practice characterized by: multidisciplinary care by an interactive group of specialists with “added value” skills.
  - ✓ A vigorous clinical mission must be engaged by a city with major medical needs: Las Vegas is such a city.
  - ✓ The clinical mission must be allowed to flourish in Las Vegas in order for UNSOM to be a comprehensive medical school with a real clinical faculty.
  - ✓ Medical School governance: UNSOM should have a state-wide mission with three campuses: Reno, Las Vegas and rural sites (*each differentiated according to its special characteristics*)
    - Medical School Dean should report to NSHE, in addition to reporting within UNR.

Dr. Stern stated that although the UNSOM serves three areas in Reno, Las Vegas and the rural communities, Las Vegas needed to be viewed as a separate entity with an appropriate dedication of resources.

- ✓ Las Vegas medical campus governance:
  - Executive Associate Dean who could also be or interact with the CMO of UMC (*reporting to Dean of UNSOM and CEO of UMC*); clinical Department chairs in Las Vegas report to Executive Associate Dean

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

Dr. Stern emphasized that the Medical School must be in sync (*in alignment*) with what is happening at UMC.

- Department Chairs at UNSOM must be respected members of the Las Vegas medical community; Departments need to be expanded; UNSOM Chairs should be elected as UMC Chiefs; joint reporting to academic structure (*Exec Associate Dean and Dean*) and hospital structure (*CEO of UMC*)
  - Practice plan in Las Vegas is semiautonomous (*with regard to operation in Reno*) and there is no cross-subsidization; business operations (*overhead, practice management*) must be well-regarded in Las Vegas.
- UNSOM / NSHE and UMC - *Cross-fertilization of UNSOM and UMC*
- Expansion of UNSOM clinical faculty in Las Vegas:
    - ✓ Local recruitment of community physicians who embrace the academic health center concept and can positively contribute to the clinical mission of UMC (*investment*).
    - ✓ National recruitment of super-star clinicians: individuals who possess “added value” skills; i.e., they need to bring skills not otherwise available in the region (*investment*)
  - UNSOM clinical faculty provides a core group for differentiation of UMC in the market.
    - ✓ Develop Centers-of-Excellence (*cancer, transplantation, trauma...*): clinical, research and educational components (*investment*)
    - ✓ Enhance the consistency and quality of care at UMC
    - ✓ Link in-patient and out-patient care (*development of care pathways and disease management programs*)
  - Joint Funding: UNSOM and UMC
- UNSOM / NSHE and UMC - *The proposed closer partnership/affiliation of UNSOM and UMC will allow both institutions to better carry out their missions, and to reach a higher level*
- UNSOM is now a community medical school with a basic science faculty in Reno, and clinical activity largely limited to primary care in Reno and primary and some specialty care in Las Vegas. A full partnership with UMC will allow UNSOM to become a comprehensive medical school with a well-developed clinical mission.
  - Although formation of an academic health center is not a short-term answer to UMC financial concerns, in the long-term, an expanded UNSOM faculty aligned with UMC is the key to changing the payer mix, thereby providing a foundation for ongoing fiscal sustainability and differentiation in the market place.  
*The Memorandum-of-Understanding that FTI will prepare will provide a road-map of joint responsibilities for UNSOM and UMC to develop this partnership.*



18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

Dr. Stern stated that a closer partnership between the UNSOM and the UMC in the form of an Academic Health Center would change the way medicine is practiced at UMC and will change the UNSOM into a comprehensive medical school rather than a community medical school. He felt that this is a good opportunity and that if missed, would not come back for a while. He related that he has committed to Chancellor Klaich that he will work with the dean and all those involved. There is the opportunity to work carefully and take advantage of the opportunities.

Chancellor Klaich related that subsequent to the Clark County Commissioners meeting in May, the Commissioners' input was taken very seriously and an advisory group was established to work with the School of Medicine and the UMC. He felt that was the group that needed to work with Dr. Stern in developing a Memorandum of Understanding.

Chancellor Klaich stated that he was ready to move forward on this project and to get the dean working with the UMC CEO. He felt that UMC was committed to an expanded and exciting presence of the UNSOM and the UNSOM understood that it needed to make commitments with timelines involved. He was looking forward to this exciting opportunity that, as Dr. Stern pointed out, should not be missed as it will unlikely come again.

Regent Wixom moved acceptance of the report.

Regent Page seconded.

Regent Wixom stated that he and Regent Doubrava have worked closely over the last six months and he felt that it was important for the Board to publicly affirm that this Board had approved the purchase of a building on behalf of the UNSOM. The contract was approved with bonding capacity of approximately \$30 million and subject only to due diligence. Unfortunately, through that due diligence process, the building did not meet the requirements and therefore an alternative building is being sought. However, Regent Wixom wanted to emphasize the Board has already approved purchase of a building and a location. He was excited about that opportunity and would bring more information back to the Board as it becomes available.

Regent Anderson noted that a strong recommendation from FTI Healthcare that was also echoed by the Clark County Commissioners was to place someone with authority in Las Vegas and asked if there was an intention to do that. Chancellor Klaich believed that was the intention. Dr. Stern added that Dr. Schwenk indicated to him that he would function as an executive dean with an associate dean in Reno and one in Las Vegas.

Regent Page indicated his agreement with the concerns expressed by the Clark County Commissioners. He felt that it was fortunate that the purchase of property in Las Vegas fell through since the real estate market fluctuated so drastically shortly thereafter.

Regent Page noted that FTI Healthcare's report indicates that the medical school dean will report to UMC with additional reporting within UNR. He asked if the dean is aware of that. Dr. Stern related that a medical school is a very important vehicle for NIH and other funding which affects the ranking of a university. He indicated that although UNR plays a role in certain processes such as promotion and tenure, he felt that it was important for the UNSOM to be a statewide entity.

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

Regent Cobb noted that in the initial report (*page 59*), the first bullet point states that the dean should report to the provost of UNR. However, in FTI Healthcare's presentation that day, they suggest that the dean report to NSHE. Dr. Stern replied that what Regent Cobb was reading was the politics of the NSHE. However, he stated that he has always recommended that the dean report centrally but with a joint reporting structure which was not what the late president of UNR had wanted.

Regent Cobb again noted that the initial report established a single practice plan over the entire school. However, the report presented that day now suggests that Las Vegas be semiautonomous. Dr. Stern felt that was not a contradiction. He felt that the UNSOM be a single 501(c)(3) organization but with various subsections within it including primary care and specialty care units or partitioned by site.

Regent Doubrava also noted that page 59 of the report indicates that the Board consider not making the dean the vice president of the health sciences at UNR, feeling that the later ties the dean position too closely to responsibilities in Reno. Dr. Stern explained that the statewide nature of the UNSOM should be emphasized and the dean should spend his energy coordinating activities in Reno, Las Vegas and the rural campuses.

Regent Crear expressed concern for Dr. Stern's comment that the former President of UNR did not want certain information in the report. He felt that the Board of Regents was paying a consultant to come up with information on what the best practices are. He asked if the consultant was manipulated by what an individual president wants. Dr. Stern did not feel that he had been manipulated by anything. He felt that one of the strengths of the situation was that Chancellor Klaich was very involved. What came out in the edited public report, he was not part of the edited final version.

Regent Crear asked Dr. Stern if a report was submitted to NSHE that the System then edited. Chancellor Klaich explained that there were multiple versions of this report with each version having been forwarded to the Board of Regents. He stated that each version was filtered down further to the next version. However, he stated that nothing was censored. The only thing that he spoke with the consultants about was what the next steps would be.

Chairman Leavitt was not sure that was the explanation that Regent Crear was looking for. Chancellor Klaich emphasized that everything that had been received from FTI Healthcare had been shared with the Board, unedited.

Regent Crear stated that he believed the Chancellor. However, he felt that there was some contradiction in the report and questioned those contradictions. If something is written one way and then is changed, he felt that begged the question of what else was changed.

Regent Crear stated that a previous and larger report presented to the Clark County Commission recommended dual reporting to UMC and to UNR. However, the report presented to the Board of Regents that day indicates that there should be dual reporting to UNR and NSHE. He felt that made him want to ask how that is possible if it is the same report and what other contradictions may exist.

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

Mr. Nolan explained that every part of the report was reviewed by different departments. Discussions occurred with the UNR president regarding FTI Healthcare's opinion of what should occur. However, if it is discovered during the consulting process that the organizational structure will not allow for a certain recommendation and the impact of FTI Healthcare's efforts would not be that great, then FTI Healthcare would then put in the recommendation as they saw it. Mr. Nolan stated that the intent was for the dean in Las Vegas to work collaboratively with the CEO of UMC. He explained that is the way the structure would work to get the two organizations to work together to accomplish the goals.

Chairman Leavitt felt that the multiple versions have created some concern. In essence, he felt that Regent Crear's concern was that the collaborations trumped FTI Healthcare's recommendations. Although the Board respects the former president of UNR, he also felt that the Board wanted to be able to make its own independent evaluation of FTI Healthcare's professional opinions, aside from whether it was perceived to be workable or not.

Regent Crear stated that Chairman Leavitt's assessment was exactly right. He added that there had also been a history with consultants that have not provided full information to the Board. He indicated that he did not want to accuse anyone of tampering but he wanted the full report.

Mr. Nolan stated that the final 123 page report attached to the agenda was the final report to the NSHE organization regarding FTI Healthcare's findings. There is also a complete Project 1 and Project 2 report that is 300 pages in length. The report that the Board should focus on is the one attached to the agenda. That report is very detailed and contains every finding from those interviews

Chairman Leavitt asked if that was the unfiltered report. Mr. Nolan stated that is the final report that contains all of their findings and is very detailed. Regent Crear stated that he has seen and read that report.

Chairman Leavitt asked if that report contained FTI Healthcare's recommendations that were not influenced or trumped by the stakeholders. Mr. Nolan stated that if in fact it was discovered that certain aspects could not be done, then those aspects were not included in the report.

Chairman Leavitt stated that the Board was thrilled that there is a report. However, he felt that there was some confusion in the consultancy practice and perhaps there could be a summary of the process followed to create the reports.

President Johnson felt that there may be some misunderstanding of FTI Healthcare's charge. He explained that the UNSOM is a statewide school of medicine with arms reaching all over the state. FTI Healthcare was contracted to look at possible alternative financial structures to save the UMC and secondly how to structure an academic medical center as a partnership between UMC and the UNSOM. When the consultants speak of a

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

tight relationship with dual reporting between the dean of the UNSOM and the director of UMC, what they are describing is a very tight relationship between the UNSOM as an academic medical center within UMC. However, the entire statewide mission of the medical school is much larger than the UMC connection. He felt that Dr. Tom Schwenk, the candidate for the position of Dean of the UNSOM, embraces the framework contained in the FTI Healthcare's study in the development of an academic medical center in Las Vegas and a very strong administrative structure. He felt that Dr. Schwenk is very committed to working toward implementation along the framework of the FTI Healthcare's study.

Regent Page expressed his concern that agenda item #29, Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine, was then contrary to the structure that FTI Healthcare recommended in its report that the dean and vice president position not be the same individual. President Johnson stated that if one follows the framework of the FTI report and the development of a relationship with an academic medical center with UMC, then that framework is adopted. The nature of the position with the Vice President for Health Sciences and Dean of the School of Medicine is within the lines of integrating health care professional education so that we can integrate the nature of medical, nursing and other health sciences training as an objective of the university. Where there are connections that could be a complimentary relationship. However, it does not mean that when spending time on the integration of medical education with other health sciences education that the dean has to become only having a loyalty to one university. He will have a responsibility to statewide education.

Regent Page disagreed, adding that it is difficult to report to one institution but then focus on another. President Johnson replied that this was not a competition. The UNSOM is the only publicly-funded medical school in Nevada with a strong commitment to all 17 counties.

Regent Page stated that the people in southern Nevada have felt for a long time that although that has been said, actions have shown that is not the case. He stated that it is very important that southern Nevada, with the largest population base in the state, receives the attention that it deserves.

President Johnson agreed with Regent Page's comments, adding that as Regent Wixom had stated, proposals have already been created for the purchase of a building near UMC. He felt that was indicative of action being taken and not just words.

Regent Wixom stated that the employment contract has the title that it has because that is the position being filled and not a reflection of the reporting lines. Although he felt that Regent Page's points were valid, Regent Wixom wanted to be careful because the

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

implication is that the Board was somehow being critical of the reporting lines, which have yet to be fully evaluated and have not been included in the agenda language for the Board's discussion.

Regent Page stated that Regent Wixom's cautionary remarks were well noted but he wanted to make sure that those reporting lines could be changed in the future.

Regent Wixom replied that in terms of history, the current reporting line had been established during his term on the Board, adding that it had originally been two separate offices that were merged to facilitate the System. Dividing those reporting lines is something that has yet to be considered. He felt that acceptance of the dean's contract does not bind the Board to those reporting lines as they have changed in the past.

Chancellor Klaich wanted to be clear about the report that is before Board. A number of months ago, the Clark County Commissioners and the Board of Regents decided that the relationship between the UNSOM and UMC was not working for either party and asked FTI Healthcare to provide opinions about how to improve. Consultants were hired to point out strengths and detriments and to make suggestions. That is what the report has done. The next step is for the Board and the Commissioners to work together with the professionals of the UNSOM and UMC to determine how to take the recommendations in the report and the current practices that are not acceptable and bring forward recommendations for mutual benefit.

Regent Melcher related that he has read the material and is excited about the future of medical care in Nevada. He understood that there has been conflict and mistrust but felt that all parties needed to agree to trust each other. He felt it was important to approve the report and use it as a guide to developing a new system and to bring healthcare in Nevada to a new level that the entire nation could talk about.

Regent Doubrava noted that item 7, page 21 (*Ref. BOR-28*) indicates that assuming costs are reduced and enhanced processes are put into place and a favorable governance model is adopted for UMC, any future state must have significant philanthropic support from the Las Vegas community. He felt that the UNSOM was an excellent partner to try and invite that philanthropy. However, item 6 indicates that the Clark County Commissioners will soon entertain changing UMC's governance structure. He felt that the UNSOM governance structure should also be considered to see if they could be more closely integrated.

Mr. Nolen clarified that the 123 page report that was included with the agenda was FTI Healthcare's findings and recommendations based upon interviews of over 100 individuals from the stakeholder organizations. The next step that FTI Healthcare recommends is that each stakeholder be presented with the findings in the report and then make sure that the goals and objectives are met through a steering committee.

Motion carried. Regent Alden was absent.

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

Regent Crear read the following statement into the record.

*We have a state wide healthcare problem:*

- *We rank 48/49 in number of physicians as well as nurses per population*
- *We have a belief that the needs of southern Nevada health care are not being met and have never been met.*
- *We have per se turf wars with the institutions that hinder us from responding to the needs of our communities.*
- *We have the Clark County Commission that believes they are not at the table and believe the Dean of the School of Medicine should live in Las Vegas to better attend to the needs of southern Nevada.*
- *The Medical School has not grown fast enough to take care of the needs of the state.*
- *We have a dental school that needs to expand its services, especially its indigent services throughout the entire state.*
- *We currently have a Health Sciences System that has been marginalized because it has no direct authority and support from the presidents.*
- *Yet we have someone that is in place that is considered a highly esteemed person in the medical profession in Executive Vice Chancellor and Chief Executive Officer, Health Sciences System, Maurizio Trevisan.*

*We need to establish a 9<sup>th</sup> entity of NSHE by creating the NSHE Health Sciences University (HSU) where the Medical School, Dental School, Nursing, Allied Health and all upper level health related study and research takes place. Similar to the University of Oregon Health & Science University.*

*Benefits:*

- *Centralized arena of health care for the entire state that breaks down barriers between north and south.*
- *This has to come from the Regents as it allows NSHE and the Board to better respond to the needs of the state.*
- *Deans will report to the CEO and HSU – FTI report also states this should be implemented with the Medical School.*
- *HSU will be able to expand services throughout the state, if we need to build a building in southern Nevada we can do that, if we need to expand the indigent patients serviced by the dental school, we can do that much easier than we can now with HSU.*
- *Centralized fundraising and research efforts for all of the health care needs.*
- *Branding for buildings and the school will be NSHE Health Science University brands which identifies to the public that we are a STATE wide entity and are servicing the entire state versus the perception of just the north or just the south.*
- *Satisfy the request by the Clark County Commission and major stakeholders in southern Nevada where the top CEO of the Health Science System/University would reside in southern Nevada.*

18. Approved - Presentation from FTI Healthcare (Agenda Item #28) – (Cont'd.)

*In summary, I believe the best way to tackle the health care disparity on a statewide basis is to have the Board of Regents execute a plan that will allow the university system to truly make a difference. We have to do something big and something that is going to make a big difference. Not small incremental changes but extremely big changes that are going to greatly enhance the quality of healthcare in the state of Nevada. There is no doubt there are a lot of details to be researched but we should start immediately to answer these questions.*

*We need a TRUE Nevada System of Higher Education Health Science System and the Health Science University.*

Vice Chancellor Patterson cautioned that a motion related to Regent Crear's comments would be outside of what was being discussed that day and recommended that a specific item be placed on a future agenda.

Chancellor Klaich felt that a discussion related to Regent Crear's recommendations could be placed on a future agenda. However, he expressed concern that Regent Crear's recommendations were significant and may result in unintended consequences and asked the Board to move very deliberately.

Regent Crear agreed with the Chancellor's concern but felt that significant changes did not come without push, struggle or possible acceptance. However, at the end of the day, he felt that the Board had a responsibility to explore and implement change. Something needed to be done that would make a difference and he encouraged the Board to think big on something like this.

Regent Doubrava asked if it would be responsible for the Board to further engage FTI Healthcare or other consultants to find out more information on governance structure change as far as LCME, accrediting bodies or a potential health science university.

Chancellor Klaich felt that he and Regent Crear were violently agreeing as long as the recommendations were "thoughtfully" pursued. He added that he does not presume any outcome is better or worse without investigation.

Chairman Leavitt stated that he was impressed with the comments made that day by all parties. He stated for the record that there were historical perceptions involved in this discussion and that emotions run deep while at the same time he did not want to minimize the Chancellor's concern for caution. He felt that all parties wanted to act thoughtfully.

Regent Wixom expressed his appreciation for the unique opportunities currently before the Board. He felt that the Chancellor was right in that the Board has at times acted too precipitously. However, he felt that the current situation included a process of gaining information and taking advantage of opportunities to move forward.

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – The Board of Regents approved the contract of Dr. Thomas L. Schwenk as the Vice President Health Sciences / Dean, University of Nevada School of Medicine at a salary of \$500,000 with tenure upon hire, including a \$300,000 academic shadow salary (*Ref. BOR-29 and Handouts on file in the Board office*).

President Johnson related that the search committee had worked for over a year with a search firm. The search committee membership was representative of the state and included the Administrator of UMC, Ms. Kathy Silver, Dr. John Ruckdeschel from the Nevada Cancer Institute, health care representation from the Reno area as well as faculty from all over the state.

President Johnson stated that Dr. Schwenk has earned credibility on a national level. He is a member of the Institute of Medicine of the National Academies and would be the only member of the UNSOM faculty that will have risen to that height. Dr. Schwenk is also a Fellow of the American College of Sports Medicine. President Johnson related that it was very important to the UNSOM to have a person with a research, teaching and clinical background that is also capable of building team work in the medical practice.

President Johnson related that the offered salary is slightly below the median salary for AAMC data on medical deans. However, the shadow salary is slightly above the maximum of the salary schedule. President Johnson explained that the shadow salary will only become effective if Dr. Schwenk steps out of the role of Vice President Health Sciences / Dean, University of Nevada School of Medicine and into the Department of Family Practice as a member of the tenured faculty. If that occurs, Dr. Schwenk will earn 80 percent of the shadow salary through other generated income such as through research and/or clinical practice.

Regent Cobb moved to approve the contract of Dr. Thomas L. Schwenk as the Vice President Health Sciences / Dean, University of Nevada School of Medicine at a salary of \$500,000 with tenure upon hire, including a \$300,000 academic shadow salary. Regent Wixom seconded.

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

Commissioner Weekly asked for further explanation on what a shadow salary is. President Johnson explained that Dr. Schwenk will receive a single salary for being in the administrative position of Vice President Health Sciences / Dean, University of Nevada School of Medicine. If Dr. Schwenk steps out of that administrative position and transfers to a tenured faculty position, the shadow salary will replace the administrative level salary. In addition, Dr. Schwenk will be responsible for generating 80% of that shadow salary. The two different salaries will not be stacked.

In regard to the different reports that were referred to during the FTI Healthcare presentation, Commissioner Sisolak asked if the Clark County Commissioners could receive copies of those various reports. The Commissioners did not have the opportunity



4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

to review those reports or to reject any of the consultants' input. Chairman Leavitt stated that copies of all versions of the report will be sent to all members of the Board of County Commissioners.

Commissioner Sisolak commended the Regents for their tough questioning during the FTI Healthcare presentation. In reading the letter from Dr. Schwenk, he felt it was obvious that Dr. Schwenk had been in Nevada early that week. President Johnson explained that Dr. Schwenk had been in Nevada from Sunday through Tuesday of that week for a long planned LCME accrediting body visit.

Commissioner Sisolak felt that the question of how much time Dr. Schwenk will be spending in southern Nevada was not being addressed. He expressed his desire to obtain a commitment on how much time Dr. Schwenk will actually spend in southern Nevada whether that is 50 percent of the time or full-time. Chairman Leavitt did not believe that the employment contract contained that specific information, adding that it would be highly extraordinary to quantify that time.

President Johnson stated that he could not commit to a number of hours. However, the charge to Dr. Schwenk is to be where he needs to be to develop fundraising contacts and a relationship with UMC. He related that Dr. Schwenk has expressed his excitement for the opportunity to work with the development of an academic medical center with UMC as the primary partner in Las Vegas and will spend the time necessary to make that work.

Commissioner Sisolak stated that he appreciated and fully understood that the timeframes were not included in the contract. However, unless expectations or guidelines are outlined at this point, the concerns will never be addressed. He stated that there is a health care crisis in southern Nevada and the Clark County Commissioners are doing everything possible to resolve it. He requested some type of quantified answer on how much time Dr. Schwenk will spend in southern Nevada.

Chairman Leavitt stated that was difficult to quantify. He stated that Dr. Schwenk will be able to make a determination relatively quickly after he begins. Depending on how Dr. Schwenk develops his staff or utilizes the outgoing interim dean would factor into Commissioner Sisolak's question. Chairman Leavitt realized that was not a complete answer to Commissioner Sisolak's question but felt candidly that it would not be fair to answer differently at this time.

Commissioner Weekly related that he and President Johnson had met the previous week to discuss various concerns and he felt that they had reached an agreement that the two of them would work together to bridge the gap. However, he was concerned that President Johnson had not shared with him that Dr. Schwenk was in town. He felt that it appeared that none of the concerns raised by the Clark County Commissioners have been brought to Dr. Schwenk's attention.

President Johnson felt that Dr. Schwenk needs the opportunity to be in Nevada and survey the scene and to understand the list of concerns and develop a pathway to answering those

4. Information Only - Public Comment (Agenda Item #6) – (Cont'd.)

concerns. He emphasized that the UNSOM is very interested in getting that list of concerns and in addressing them.

Commissioner Weekly stated that he and Commissioner Sisolak had agreed with the presentation by FTI Healthcare until they heard that there may have been some information taken out of the report that they had not seen. He emphasized that he is committed to making this work and that his first priority is to determine how this relationship can be made to work with UNR and the UNSOM. He felt that the statement prepared by Regent Crear may have had some merit to it. He asked the Chancellor to elaborate on his concern that Regent Crear's recommendations may be too much too soon, adding that it was that level of commitment that the Clark County Commissioners were looking for.

Chancellor Klaich felt that he could not have been clearer. The Chancellor emphasized that he has not ruled anything as out of the question. However, he wanted to be clear about what the goal is. He personally felt that the goal is to improve the quality of healthcare in southern Nevada by utilizing all the assets of the NSHE, the Schools of Medicine, Dental Medicine, Public Health and of Nursing to reach that goal.

Commissioner Weekly stated that he had never met Chancellor Klaich before he stood before the Clark County Board of Commissioners but he felt that Chancellor Klaich had been sincere in his presentation and testimony and he hoped that sincerity would be honored. He related that when he had been initially appointed to the Clark County Board of Commissioners, he had committed to then Governor Gibbons that he stood for one Nevada. Commissioner Weekly indicated that concept was important to him and he will forever respect then Governor Gibbons for providing him the opportunity to serve as a public official. Commissioner Weekly stated that when he leaves Clark County he wants to know that there was a joint effort to move this initiative forward to make UMC one of the best academic medical centers in the country. He added that the Board of Clark County Commissioners was not comfortable with the situation at this point. Chancellor Klaich replied that he would do everything within his power to keep that confidence and trust.

Regent Schofield left the meeting.

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – (Cont'd.)

Regent Blakely asked President Johnson if although Dr. Schwenk was planning to live in Reno, if some type of housing consideration was still being considered for Las Vegas so that equal time could be spent in both locations. President Johnson stated that was correct, adding that the UNSOM will arrange for housing for Dr. Schwenk and his family in Las Vegas, so that when there are long periods of time spent in Las Vegas, Dr. Schwenk may entertain and raise funds and work on the framework of the FTI Healthcare report.

Regent Blakely asked if a more significant effort was being made to be in both locations. President Johnson stated that was correct and that the commitment included placing a fundraising officer in Las Vegas, placement of a stronger administrative relationship in southern Nevada, and the continued effort to work on a building proposition.

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – (Cont'd.)

Regent Wixom repeated a conversation that he has had with Dr. Schwenk in that the UNSOM will not succeed unless it succeeds in Las Vegas. Regent Wixom stated that he was a citizen of Clark County and represented constituents in Clark County. The UMC is critical to Clark County as it provides an extraordinary service to the citizens of Clark County. He believed that the proposed partnership with UMC could be immensely successful. Regent Wixom felt that Dr. Schwenk's background will provide important perspective and that Dr. Schwenk committed to the success of the partnership. As a resident of Clark County and a resident of Las Vegas, he is absolutely committed to making sure that the UNSOM and UMC succeeds and he is strongly in support of the proposed contract.

Regent Doubrava stated that as a resident of Clark County and as a physician he was not able to support the proposed contract. He asked if the motion is to approve the contract as presented or if the members of the Board were allowed to recommend changes. Chairman Leavitt clarified that a motion had been made. However, a friendly amendment could be presented for acceptance to the maker and second of the motion. If the friendly amendment was not accepted, the original motion would have to fail before a second motion could be made.

Regent Doubrava stated that his comments were not directed at Dr. Schwenk but rather to the search process for the position and the political history that exists between northern and southern Nevada. He stated that shortly after his term began as Regent, he met Dr. Schwenk and he had told Dr. Schwenk that he did not believe he did not believe that Dr. Schwenk could run the UNSOM and give attention to Las Vegas with all the projects to take place with the academic medical center from the McCarran Airport. His point had been that the travel alone would be quite taxing and takes away from the attention needed to create a successful academic medical center.

Regent Doubrava asked if the search committee, or partners invited to interview or speak with Dr. Schwenk were aware of the LCME report from 2009. Dean Hug English did not know if that report was discussed at any part of the search process. Regent Doubrava stated that as a graduate of the UNSOM it was hard to criticize his alma mater. However, he was going to. He related that he had requested a copy of the LCME's 2009 report and had been told he could receive it but was asked to keep it in-house as it was confidential. He had turned it down at that point as he didn't want his comments to be restricted. However, as he was searching on-line for information, he found the UNSOM's response to that LCME 2009 study, written by Dr. Ole Thienhaus and dated April 2010. The response states that the UNSOM faculty members are aware of the UNSOM's status as "warning of probation" and appreciate that as a school, it has multiple deficiencies. The letter goes on to address those deficiencies and speaks of the need for future critical expansion in Las Vegas in terms of the practice plan and need for revenue.

Chairman Leavitt asked Vice Chancellor Patterson for his input on if this line of questioning is within the agenda item. Vice Chancellor Patterson stated that he was not sure how the line of questioning relates to the Dean's contract. Regent Doubrava stated

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – (Cont'd.)

that it relates because the Dean's contract includes the position of Vice President of Health Sciences. Regent Doubrava felt that with indulgence his comments would make a point.

Regent Doubrava continued that the response states that educational space has long been deficient on the Las Vegas UNSOM campus. They have depended upon affiliated hospital partners for sub-optimal rooms. Communication across campuses is an ongoing challenge and often faculty in Las Vegas feels disenfranchised. There is also a chronic invisibility of the UNSOM in the Las Vegas community, its healthcare community and local professional organizations.

Regent Doubrava stated that the way this line of questioning ties into the contract is that currently the UNSOM is under the status of "warning of probation" and he felt that the new dean's main focus would be the UNSOM and how it is going to expand in Las Vegas. He did not see how being Vice President of Health Sciences at UNR would be possible.

Dean Hug-English related that in 2009 there was an LCME report where major concerns were raised. The major concerns revolved around curriculum. However, as she has stated to the Board at previous meetings, the concerns are not only with the UNSOM but across the country, there is an evolution of medical school curriculum and the desire by the LCME to have more integration of clinical case based learning into the first two years which have traditionally been science. That was the focus of why the LCME returned for their site visit earlier this week. She stated that in the closing meeting with LCME at which Dr. Schwenk and Dr. Johnson had also attended, the LCME indicated that the UNSOM has met the LCME's concerns and in fact were favorable. She related that the final report will not be received for several weeks. Dean Hug-English stated that the LCME was like any accrediting body where when issues are raised the institution is asked to respond, and the UNSOM has done so.

Dean Hug-English requested the Chairman's indulgence to address the several concerns raised regarding the UNSOM. She stated that she agreed with many of those concerns including that the UNSOM needs to have a physical presence in Las Vegas. However, she felt that she needed to respond to the impression that the UNSOM has not done anything right. She related that for more than three decades the UNSOM has worked in partnership with UMC to train hundreds of medical students and residents. She related that eight of eleven residency programs are in Las Vegas with 134 residents at UMC. Eight of 14 fellowship programs are in Las Vegas and four of five newly proposed fellowships are in Las Vegas. The UNSOM provides \$5.6 million in state support currently for clinical programs in Las Vegas, which is twice the amount spent in Reno. The UNSOM just committed \$500,000 to grow the OB/GYN program in Las Vegas with the hiring of a new Chair and faculty in Las Vegas. The UNSOM just applied for 60 new resident positions in Las Vegas and is awaiting approval from the federal government. The UNSOM provides over \$8 million in indigent care each year at UMC. Since 2004, the UNSOM has added 22 faculty positions in Las Vegas which is many more than the 14

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – (Cont'd.)

hired in Reno over the same timeframe. New positions that the UNSOM budgeted for this year include gastroenterologists, neuro-intensivists, rheumatologists, critical care specialists, neurologists and internal fetal medicine specialists. She shared that information with the Board because it was important for the Board to understand that the UNSOM is committed although it understands it needs and wants to do more, adding that the UNSOM has had the desire and the presence in Las Vegas. In terms of research, Dean Hug-English related that the UNSOM provided over \$6 million in support of new investigators through the NIBRE grant. The UNSOM is very much trying to build partnerships and collaborations and wants to be a state wide school.

Regent Doubrava expressed his apologies that Dean Hug-English has to hear that criticism as he knows how much her heart and soul is in the UNSOM. However, he felt that for the school to be 40 years old and to be in this condition is unacceptable and the fault of all those involved including the state of Nevada and the Legislature.

Regent Doubrava offered a friendly amendment to change the title to only Dean of the Medical School and to remove the Vice President of the Health Sciences at UNR.

He stated that if the friendly amendment is not accepted, he would not be able to support the contract.

Regent Cobb stated that it was his understanding that with the existing structure of the UNSOM, the Dean is assigned the dual title. He was also cognizant of Chancellor Klaich's recommendation that the Board proceed with caution in moving that day for widespread change. He stated that the reporting mechanism proposed by Regent Crear sounds attractive at first, one of the problems is that the NSHE is not the degree granting entity and would not be able to be accredited as a medical school. That may be addressed over time but there is a need to proceed with deliberate attention to those types of details.

Vice Chancellor Patterson noted that the friendly amendment did not raise an open meeting law issue, it was a contractual issue. The contract offered to Dr. Schwenk contained a certain title with job duties connected with that title. On this particular issue in terms of the offer and acceptance made, he would not recommend that the Board accept a motion to change that title at this time. However, that change could be made in the future if the UNSOM and Dr. Schwenk decide that it is appropriate.

Regent Cobb rejected the friendly amendment.

Regent Crear asked if the previous Dean of the Medical School, Dr. John McDonald had, been hired with the dual titles and then when he stepped down it was changed to the single position of Vice President of Health Sciences. Dean Hug-English confirmed that Dr. McDonald had been hired with the dual titles of Dean and Vice President. However, when Dr. McDonald left the Dean position, he remained Vice President of Health Sciences at UNR and then Dr. Ole Thienhaus became Interim Dean of the UNSOM.

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – (Cont'd.)

Regent Crear asked if there was a way to approve the contract but have the Dean address the Board in six months regarding the accomplishments that have been made. Chairman Leavitt anticipated that with the involvement and new direction of the UNSOM, he would expect the Dean to be present at the Board meetings as has been the typical practice.

Chancellor Klaich expressed his agreement. He felt that the Dean would be at every Health Sciences System Committee meeting as the previous Dean's have been and that it would be appropriate to receive updates.

Regent Crear felt that there should be a specific update on the Dean's activities and his accomplishments. He felt that it was important to be updated on that expedited timeline than to wait a year or two and find out the goals are not being met.

Regent Cobb noted that the contract was for one year. In one year the contract could be re-evaluated, including the terms or the position. Vice Chancellor Patterson stated that this contract is the standard form contract for a one year term with the appropriate notice for nonrenewal.

Regent Doubrava asked if the contract would come before the Board of Regents after one year. Vice Chancellor Patterson stated that it would not, adding that the only reason that the contract was coming before the Board at this time was because the requested shadow salary is above the salary range.

Regent Doubrava asked if Regent Cobb would accept a friendly amendment to state that the contract would be for one year and to come back before the Board of Regents for extension.

Vice Chancellor Patterson stated that it was typically the president's prerogative as to determine whether a dean would continue from year to year and not the Board's provence. He advised that he would not recommend varying contract terms on what is essentially a standard form contract. However, the Board could consider additional contract terms that would allow them to participate in terms of updates throughout the length of contract. He emphasized that it would be highly unusual for the Board to insert itself into the employment processes of a person that reports to the president.

Chairman Leavitt expressed concern for the valuable right and responsibility that President Johnson would lose as Dr. Schwenk's direct report.

Regent Cobb rejected the second friendly amendment.

Regent Page asked who was currently serving as the Vice President of Health Sciences for UNR. Dean Hug-English indicated that she is currently serving as the Interim Dean of the UNSOM and that Dr. Denise Montcalm is currently serving as the Interim Director of Health Sciences. President Johnson confirmed that UNR does not currently have a Vice President of Health Sciences.

19. Approved - Employment Contract, Vice President of Health Sciences and Dean of the University of Nevada School of Medicine (Agenda Item #29) – (Cont'd.)

Regent Page asked if this contract is approved, what position would Dr. Montcalm return to. President Johnson stated that Dr. Montcalm would return to serving as the Dean of the School of Social Work.

Regent Page felt that the position of Dean of the UNSOM was more than a full time job and asked if it the Board could approve the contract as currently titled but then have Dr. Schwenk concentrate on being just the Dean at this point. President Johnson stated that the proposed contract was offered the way presented. He added that necessary changes to the administrative structure can be reassessed in the future.

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

Commissioner Sisolak asked if the LCME 2009 report was a public document. Vice Chancellor Patterson stated that he would need to look into the status of that report. Chairman Leavitt stated that Vice Chancellor Patterson would respond to Commissioner Sisolak within one week.

Commissioner Sisolak requested that the LCME 2009 report be provided as a courtesy in terms of the MOU, and if not, he asked that he be notified so that he could file a formal request as part of the Freedom of Information Act.

The meeting recessed at 3:28 p.m. and reconvened a 3:37 p.m. on Friday, June 17, 2011, with all members present except for Regent Alden.

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

Regent Crear moved to approve the budget reduction plans of the remaining seven institutions TMCC, GBC, CSN, NSC, DRI, UNLV and UNR. Regent Page seconded.

Regent Melcher asked President Richards to speak to the effects of the budget cuts on programs in rural Nevada. President Richards indicated that with the restoration of a part of CSN's budget, there were plans to restore programs in Mesquite and Moapa. However, the Boulder City and Lincoln County sites would be closed.

Regent Melcher asked if there were plans to re-establish those sites. President Richards replied that there were not at this time.

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

Regent Blakely asked President Richards if the equity problem at CSN was still an issue. President Richards replied that the equity problem at CSN is a historical issue. However, the Legislature granted CSN equity funding of \$1.5 million over the course of the next biennium. President Richards stated that CSN will return the issue to the Legislature during the next biennium.

In regard to Cooperative Extension, Regent Wixom asked President Johnson to explain how the bridge funding would work and what it will accomplish. President Johnson explained that notices of non-renewal will need to be issued prior to June 30, 2011. Those notices represent the budget reduction. With the one-time bridge of \$2 million in FY 2013, only \$2.5 million needs to be cut for the first year, with the remaining reduction to take place in the second year. That will allow time to restructure and seek other forms of support.

Regent Wixom asked how the 4-H program came to be associated with the university. President Johnson related that 4-H programs are typically associated with universities although most people do not realize it, adding that it is a marketing issue.

Regent Wixom asked if it was part of the land grant designation. President Johnson replied that it was part of the land grant opportunity. He explained that 4-H is a program with a trademark held by the U.S. Department of Agriculture. The USDA licenses the trademark only to the individual 4-H Director in each state. Most of the 4-H programs are organized at the county level and are managed by the County Extension Educator, county funded 4-H assistants and many volunteers. The importance of keeping the educator position in each county is so that they can manage the resources contributed by the county and the volunteers.

Regent Anderson noted that there had been many comments on the Living with Fire program and asked if any funding was going to be put back into that program. President Johnson related that most of the individuals that testified under public comment in support of the Living with Fire program had indicated that they use the program, are a member of 4-H and benefit from community organization and response. He was proud that the university was serving the needs of the community. Those programs were the most popular, and he did not believe that the most popular programs would be cut. The media reports have implied that Cooperative Extension was being eliminated altogether. He stated that it is not, adding that the Cooperative Extension program will be keeping all of the county extension educators as the liaison between the university and the counties. Those educators conduct educational needs assessments in their counties and their responsibilities include bringing in knowledge resources to fulfill those needs and to organize those resources, as well as organization of volunteers to keep the high volume programs running. That includes the 4-H program. With the original budget proposal, including the bridge, there will be at least one dozen knowledge specialists left to work with the county extension educator. With one dozen specialists working with the educator, the resources will be there for Cooperative Extension to then decide which programs will be maintained. He felt that the chance of losing the Living with Fire program is minimal and the chance of losing the 4-H program was zero.



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

Regent Anderson asked if funds would be available for the Living with Fire brochures that seem to be so important to the program. President Johnson stated that funding would need to be looked into to see what was available from the fire agencies. He added that there were a number of very important programs and he could not imagine losing those that were best supported with federal and local grants that have been identified as addressing the highest educational need.

Regent Geddes applauded President Johnson for bringing forward the bridge funding for the Cooperative Extension program. He asked President Johnson to address some of the issues that were presented during public comment on the previous day. President Johnson replied that most of the programs mentioned during public comment will be sustained because they were either programs of the county extension educators or were a major program such as 4-H. By way of background, President Johnson related that for 14 years he was the State Director of Extension in the states of Kansas and Colorado. For 30 years he had partial appointments in Cooperative Extension in North Carolina, Kansas and Colorado. He stated that he was not an ivory tower professor and has always worked in institutions with statewide responsibilities. Cooperative Extension would not close but would be downsized. The program would keep the fundamental structure intact so that it could continue to be part of the land grant system, align with the USDA and serve the counties of the state of Nevada.

Regent Geddes expressed concern for the different missions and that the curricular review process focuses on the campus. Specifically, his concern was for the ability of the public to get involved. He felt that other than through the Board of Regents, that interaction is lacking. He would like to see the process restructured to seek input from outside councils and so forth.

Regent Melcher related that during a previous conversation, President Johnson had made some suggestions on what Cooperative Extension could do to rebuild itself. He asked President Johnson to elaborate on those suggestions. President Johnson explained that it is becoming increasingly difficult to maintain a full cadre of specialists throughout the year. He felt that it was possible due to the electronic information that was shared over the internet to hire specialists to be part of a program for one or two days per year. It would require Cooperative Extension to think more digitally and regionally to focus on educational needs assessments. He also felt that assistance from foundations and other funding mechanism at the local level would be available.

Chancellor Klaich asked Regents Crear and Page to amend their motion for approval to include UNR's revised budget reduction plan with respect to the funding of Cooperative Extension, UNR's request to transfer \$4,539,082 in appropriated state funds from UNR's main budget account to the University of Nevada School of Medicine budget account in order to offset budget reductions in FY2012, as well as granting authority to President Johnson and the Chancellor to seek the approval of the Interim Finance Committee for that transfer (*slide 29*).

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

Regents Crear and Page accepted the friendly amendment to include UNR's revised budget reduction plan with respect to the funding of Cooperative Extension, UNR's request to transfer \$4,539,082 in appropriated state funds from UNR's main budget account to the University of Nevada School of Medicine budget account in order to offset budget reductions in FY2012, as well as granting authority to President Johnson and the Chancellor to seek the approval of the Interim Finance Committee for that transfer.

Regent Knecht noted that the revised Cooperative Extension proposal showed that the two year cut net is 16.85% instead of the originally proposed 72% reduction. That actually translates into approximately 33.7% in the second year and zero in the first year. He asked President Johnson if that was also his understanding. President Johnson indicated that was probably correct. In the long term, with the two year bridge, there is still approximately a 60% cut in 2013 if no further money is received by the Legislature and if no self-funding opportunities are created in the program.

Regent Knecht felt that with the bridge funding, Cooperative Extension realizes a total 16.85% reduction which is in the general range of the goal requested. He related that he had a long conversation with former Assemblyman John Carpenter to try and help spread understanding of what was being proposed. He explained that no one will be downsized in the first year because full funding will be received, adding that the difficulty with leveling the reduction over two years is the NSHE has to provide notices of non-renewal to faculty and professional staff and there is not time in the first year to do that.

Regent Knecht felt that it would be a benefit to maintain full funding in the first year and charge Cooperative Extension with engaging its communities to generate more funding. That would create the benefit of starting out with full employment in the first year to help establish new funding sources in the second year. President Johnson related that notices will go out, but for a lesser number. There will be a reprieve for at least one year to get organized.

Regent Knecht stated that the reason for that lesser number is the revised budget that President Johnson brought forth at the request of himself, Regents Melcher, Geddes and Chancellor Klaich. He thanked President Johnson for those efforts.

Regent Knecht asked President Sheehan to confirm that TMCC experienced a 69% reduction in non-instructional costs versus a 31% reduction in instructional costs. President Sheehan confirmed that was correct.

Regent Knecht asked President Diekhans to confirm that GBC experienced 63.5% reduction in non-instruction costs and a 36.5% reduction in instructional costs. President Diekhans indicated that was correct.

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

Regent Knecht asked President Richards to confirm that CSN experienced a 56% reduction in non-instructional costs versus 44% in instructional costs. President Richards indicated that was correct.

Regent Knecht asked President Di Mare to confirm that NSC took 100% out of non-instructional costs and actually increased instructional costs by approximately 9%. President Di Mare stated that was correct.

Regent Knecht asked President Smatresk to confirm that UNLV reduced non-instructional costs by 71.6% and instructional costs by 28.4%. President Smatresk replied that was not quite correct. In the past UNLV has doubled the cuts on the non-academic side. That meant that the academic side had been spared. However with this reduction, the actual percentage of the total budget reduction is 60% from the academic side and 40% from the non-academic side. President Knecht asked if academic meant instructional. President Smatresk replied not necessarily. Noting the difference, Regent Knecht stated that he found the reductions to instructional costs to be 28.4% and the reduction in non-instructional costs to be 71.6%. President Smatresk indicated that was a fair calculation.

Regent Knecht asked President Johnson to confirm that UNR reduced instructional costs by 16% and non-instructional costs by 84%, adding that for the two universities these percentages would apply to their general budgets. President Johnson indicated that was correct.

Regent Knecht stated that when looking at the FTE reductions, it appears that the reductions are vacant positions and not all of them are actually active employees. He asked if there were any institutions that were reporting the reduction of active employees. President Johnson stated that UNR's FTE reduction includes active employees.

Regent Knecht closed by saying that President Johnson had done a great job with revising the Cooperative Extension reduction. He felt that all of the presidents had done a great job in focusing on protecting the instructional mission. He felt that the System's research mission was to some extent protected by its grants and contracts basis. He indicated his support for the proposed budget reductions.

Motion carried. Regents Alden and Schofield were absent.

20. Approved - Procedures & Guidelines Manual Revision, Tuition and Fees For Non-Resident and WICHE Students, University of Nevada School of Medicine (Agenda Item #8) - The Board of Regents approved the Health Sciences System Committee recommendations to eliminate "averaging" of tuition for new non-resident UNSOM students effective Fall 2011 and the complete elimination of averaging for UNSOM students effective June 2014 and to eliminate the requirement that UNSOM WICHE students establish residency during their first year and instead require WICHE students to pay any difference between the UNSOM non-resident tuition and the WICHE approved Professional Student Exchange Program Fees for Medicine (*P&GM Chapter 7, Section 2*) (*Ref. BOR-8 on file in the Board office*).

20. Approved - Procedures & Guidelines Manual Revision, Tuition and Fees For Non-Resident and WICHE Students, University of Nevada School of Medicine (Agenda Item #8) – (Cont'd.)

Dean Hug-English related that the UNSOM was asking that the Board to approve elimination of “averaging” that would mean that out-of-state students would remain out-of-state student and pay the full out-of-state tuition for four years. That will mean that for 2011/12, non-resident tuition will be \$45,100 and 2012/13, non-resident tuition will be \$51,000.

Regent Wixom asked if that would generate over \$800,000 in revenue over the biennium. Dean Hug-English stated that was correct.

Regent Anderson asked Vice Chancellor Patterson to address residency requirements. Vice Chancellor Patterson stated that although there are state law requirements, the Board also has requirements. The question becomes how those residency requirements are enforced which is something that the System needs to consider.

Dean Hug-English related that the UNSOM is the only school in the western region that continues to average.

Vice Chancellor Nichols added that the Board’s policy on residency for tuition purposes requires that the student be able to demonstrate that they are a Nevada resident and intend to remain a Nevada resident. There must be clear and compelling evidence that they are not in Nevada only to attend school. She related that there has been some difference in interpretation of that requirement, particularly in the professional schools.

Regent Page related that during the Health Sciences System Committee earlier that day, it was apparent that not one single nonresident medical student was intending to stay in Nevada.

Regent Wixom moved approval to eliminate “averaging” of tuition for new non-resident UNSOM students effective Fall 2011 and the complete elimination of averaging for UNSOM students effective June 2014 and to eliminate the requirement that UNSOM WICHE students establish residency during their first year and instead require WICHE students to pay any difference between the UNSOM non-resident tuition and the WICHE approved Professional Student Exchange Program Fees for Medicine (*P&GM Chapter 7, Section 2*). Regent Anderson seconded. Motion carried. Regents Alden and Schofield were absent

21. Approved - Procedures & Guidelines Manual Revision, 2011-13 Tuition and Fees Increase, University of Nevada School of Medicine (Agenda Item #9) - The Board of Regents approved the Health Sciences System Committee recommendations to revise the tuition and fee structure for the 2011-13 biennium for UNSOM as included in the NSHE Budget reduction detail of the April 8, 2011, Special Board of Regents’ meeting. This request reflects an additional 5% increase in each year of the 2011-13 biennium for both resident and non-resident tuition and fees (*P&GM Chapter 7, Sections 2 and 16*) (Ref. BOR-9 on file in the Board office).

21. Approved - Procedures & Guidelines Manual Revision, 2011-13 Tuition and Fees Increase, University of Nevada School of Medicine (Agenda Item #9) – (Cont'd.)

Dean Hug-English related that this request is for a 20% increase in each year of the biennium that would result in resident tuition being \$17,999 in FY 2011/12 and \$20,700 in FY 2012/13.

Regent Wixom added that would bring in an additional approximate \$1.2 million in revenue.

Regent Wixom moved to approve an additional 5% increase in each year of the 2011-13 biennium for both resident and non-resident tuition and fees (*P&GM Chapter 7, Sections 2 and 16*). Regent Cobb seconded.

Regent Crear asked if there was a portion set aside for scholarships. Dean Hug-English replied that 15% of the increase would be set aside for financial assistance.

Regent Crear noted that between the elimination of averaging, the increase in resident tuition and the Chancellor's request to transfer CIP funds from UNR's budget, approximately \$6 million in additional funds would be generated to subsidize the UNSOM's budget reduction.

President Johnson clarified that the CIP funds that are being transferred from UNR to the UNSOM were to alleviate the UNSOM's budget reduction and is not new money.

Dean Hug-English stated that the increase in tuition would be considered new money.- The revenues achieved through the elimination of the averaging policy would not be considered new money and will be used to alleviate the cuts already imposed.

Regent Crear asked if the impetus for the tuition increase is to reduce the impact of the budget cut. Dean Hug-English indicated that in addition to that purpose, the increase is needed to grow the school and provide more support for instruction. It was also recognized that the UNSOM's tuition is below where it needs to be compared to peer institutions.

Regent Crear asked if the tuition increases will go towards students and not salaries.

Dean Hug-English replied that the funds will be used towards instructional costs. Regent Crear asked if that meant the funds would not be used toward salaries. Dean Hug-English stated that was correct.

Motion carried. Regents Alden and Schofield were absent.

22. Approved - Handbook and Procedures & Guidelines Manual Revisions, Elimination of Good Neighbor Tuition Discount (Agenda Item #14) – The Board of Regents approved the elimination of the tuition discount known as the Good Neighbor classification. Under current policy a student who is not a Nevada resident and graduates from a designated high school or community college in a state bordering Nevada may be classified as a “good neighbor” and pay the discounted Good Neighbor tuition in lieu of non-resident tuition (Handbook Title 4, Chapter 17, Sections 1, 9 and 12; Title 4, Chapter 15, Section 8; and P&GM Chapter 7, Section 1). (Ref. BOR-14 on file in the Board office)

22. Approved - Handbook and Procedures & Guidelines Manual Revisions, Elimination of Good Neighbor Tuition Discount (Agenda Item #14) – (Cont'd.)

Regent Geddes moved to approve the elimination of the tuition discount known as the Good Neighbor classification. Regent Melcher seconded.

Regent Anderson felt that residents of three California counties that are in close proximity to Washoe County (*Lassen, Placer and Nevada counties*), were closely tied to the Reno area for shopping, medical care, entertainment and so forth. The close proximity allows those students to participate in the university campus life. She asked if it would behoove the System to exempt those very few counties from the elimination of the discount. She guessed that Mojave County in Arizona would be in an equal situation in southern Nevada.

Chancellor Klaich related that could be done. However, he suggested that the Western Undergraduate Exchange (*WUE*) policy would still be in place and would provide some relief to those counties should the Board adopt the recommendation as moved.

Regent Anderson asked for clarification of the difference between the WUE policy and the Good Neighbor classification. Associate Vice Chancellor Abba explained that the WUE policy applies only to undergraduate students. The Good Neighbor classification applies to undergraduate and graduate. The WUE policy allows a student to pay the registration fee plus 50%. The Good Neighbor classification allows a university student to pay the registration fee plus a 110% premium in lieu of non-resident tuition and at the community colleges it is the registration fee plus a 60% premium in lieu of non-resident tuition.

Regent Anderson asked if WUE was in place for those counties. Vice Chancellor Nichols stated that the WUE policy is in place for all California counties. However, NSHE institutions have been encouraged to limit their WUE students through various requirements, and of course the graduate students are not included.

Chancellor Klaich stated that the WUE allows the institutions to establish policies to attract the students that it thinks could diversify and add to its student body.

Regent Anderson stated that she wanted to encourage those students to keep coming to Nevada and felt that WUE policy would allow that.

Motion carried. Regents Alden and Schofield were absent.

23. Tabled - Update on the Regents' Efficiency and Effectiveness Initiative for the Nevada System of Higher Education (Agenda Item #15) – The Board of Regents tabled this agenda item until the next meeting of the Board.

24. Approved - Remedial Mathematics Assessment and Placement (Agenda Item #16) – The Board of Regents approved a revision to current policy that NSHE institutions be allowed, for a period of one academic year (2011-12), to set alternative scores for placing students into college-level mathematics if an alternative score is supported by institutional research and is used uniformly by institutions partnering with the same school district. (Ref. BOR-16 on file in the Board office)

Regent Geddes moved to approve that NSHE institutions be allowed, for a period of one academic year (2011-12), to set alternative scores for placing students into college-level mathematics if an alternative score is supported by institutional research and is used uniformly by institutions partnering with the same school district. Regent Blakely seconded.

Regent Geddes asked that a progress report be provided at a future meeting.

Motion carried. Regents Alden and Schofield were absent.

25. Approved - Handbook Revision, 120 Credit Hour Baccalaureate Degree (Agenda Item #17) – The Board of Regents approved a revision to Board policy limiting the number of credits required for a bachelor's degree to 120 credit hours and 60 credit hours for an associate degree with defined exceptions, effective Fall 2012 (*Title 4, Chapter 16, Sections 16 and 24, and new Sections 39 and 40*). In undertaking the initiative to improve effectiveness and efficiency across the NSHE, the Chancellor reviewed both academic and administrative areas in an effort to improve and establish best practices. The NSHE *Plan for Nevada's Colleges and Universities* included among its strategies a limit in credit hours for degree programs with defined exceptions (Ref. BOR-17 on file in the Board office).

Regent Geddes moved to approve a revision to Board policy limiting the number of credits required for a bachelor's degree to 120 credit hours and 60 credit hours for an associate degree with defined exceptions, effective Fall 2011. Regent Page seconded.

Chancellor Klaich felt that this policy revision is consistent with the national trend to prevent additional credits from creeping into a degree program. He related that he has been working with the faculty senate chairs for over one year and there is already considerable change occurring on the campuses. The effective date of this policy is requested for next fall which provides over one year for the faculty to further vet the policy's implementation process. Chancellor Klaich related that the policy allows for exceptions for accreditation and licensure to be brought to the Chancellor that would demonstrate a necessary need for additional credits.

25. Approved - Handbook Revision, 120 Credit Hour Baccalaureate Degree (Agenda Item #17) – (Cont'd.)

Regent Wixom expressed concern that the lower credits may be more efficient, but not necessarily more effective. He asked if this policy would be watering down the significance of a degree and asked about the substantive effects of this proposed policy.

Vice Chancellor Nichols related that there were many trends for shortening degrees across the country, such as for three year degrees, which are not working. The 120 degree has been in place in many states across the country. Flexibility has been written into the proposed policy to allow for a degree to take longer if for valid reasons. Vice Chancellor Nichols stated that it is as hard to do away with a course as it is to do away with a center or institution. It forces the faculty to think very seriously about learning outcomes and involves a very difficult process. The faculty has agreed to take this project on and she believed they could be successful. She related that this policy's success will be evident based upon measurable outcomes such as licensing exams, GRE scores and several other indicators. She felt this policy could work and was the right thing to do for students and families.

Regent Wixom related that much of what he has read that had concerned him related to three year degrees. He asked if there had been any value added studies on the 120 hour degrees. Vice Chancellor Nichols replied that she was not aware of any specific studies on a 120 credit versus 128 credit program.

Regent Wixom expressed his support but respectfully requested that the Board be updated at some point in time.

Regent Melcher requested clarification of the implementation date.

Vice Chancellor Nichols stated that the faculty senate chairs have interpreted the implementation of this policy as going into effect in the fall of 2012. The faculty would have through that academic year to complete the implementation of the 120 credit hours policy. The incoming students in 2012 may not see that 120 credit hour degree. However, by the time they finish their first year, the students would have the option of the 120 credit hour degree. That timeline actually gives the faculty two academic years to implement the policy.

Regent Knecht asked, when referring to valid reasons to extend the 120 hour credit rule, is engineering one of the exceptions. Chancellor Klaich replied that this policy would not be imposed on any program that had specific degree accreditation requirements.

Motion carried. Regents Alden and Schofield were absent.

26. Approved - Procedures & Guidelines Manual Revision, Student Health Service/Health Insurance Rates (Agenda Item #18) – The Board of Regents approved the 2011-2012 School Year Student Health Service/Student Health Insurance rate changes (P&GM Chapter 7, Section 8.F) (Ref. BOR-18 on file in the Board office).



26. Approved - Procedures & Guidelines Manual Revision, Student Health Service/Health Insurance Rates (Agenda Item #18) – (Cont'd.)

Regent Geddes moved to approve the 2011-2012 School Year Student Health Service/Student Health Insurance rate changes. Regent Doubrava seconded.

Vice Chancellor Stevens noted a correction to the reference material for the student health insurance rates, specifically that the second item on page four under “student only” for UNR which was currently listed as \$1433.00 should be changed to \$960.00.

Regent Page noted that the annual maximum for UNLV is \$100,000, but for UNR it is \$200,000. However, the student fee for UNLV it is \$16.54, but for UNR it is \$14.33. UNR’s annual maximum is \$100,000 more than UNLV, but the students are paying less. He asked if the institutions bid individually. Vice Chancellor Stevens indicated that was correct.

Regent Page asked if any thought has been given to bidding all of the institutions individually but together as one bid. Dean Hug-English, Interim Dean of the UNSOM, related that progress has been made in that regard and that there is now one broker for UNR and UNLV. That coordination is currently being planned but was not able to be implemented for the upcoming year.

Regent Crear asked what the difficulty was in making that happen, feeling that coordination of the bid would benefit everyone involved. Dean Hug-English explained that insurance is a very complicated business. There is a desire from both UNR and UNLV to coordinate. However, the rates are quite different based on the risk profiles that the insurance companies do of the communities served. It was felt that getting one broker to look at both service areas was progress.

Regent Crear asked if the bid is conducted through the business centers or through the medical school. Dean Hug-English related that she oversees the process as Director of the Student Health Center. She explained that insurance bids are reviewed by an insurance committee that meets annually and consists of graduate and undergraduate students, international students, athletics and administration to review the options brought forward by the brokers to make the best decisions possible. Over the years, fewer and fewer options are available and she was hopeful that with healthcare reform some of those options may change.

Motion carried. Regent Page abstained. Regents Alden and Schofield were absent.

27. Tabled - Handbook Revision, Tenure Decisions (Agenda Item #19) – This agenda item was tabled until a future Board meeting (Ref. BOR-19 on file in the Board office).

28. Approved - Procedures & Guidelines Manual Revision, NSHE Salary Schedule, Step Increases and Salary Study (Agenda Item #20) – The Board of Regents approved three salary schedule related items:
1. The Board approved a modification to the salary schedules in the NSHE *Procedure and Guidelines Manual*, Chapter 3, Section 1, to add a note to the schedules that salary schedules will be adjusted, contingent upon legislative action and Board approval, for the 2012-2013 biennium.
  2. In addition, as the legislature has not appropriated funds for merit increases for any faculty, the Board approved a temporary suspension of step increases for community college for the 2012-13 biennium, which necessitates a suspension of Board Policy, Title 4, Chapter 3, Section 30 and the NSHE *Procedures and Guidelines Manual*, Chapter 3, Section 2.3.
  3. In a related request, current Board policy (*Title 2, Chapter 5, Section 5.5.1*) requires a review of salary schedules every four years by joint efforts of the faculty, presidents and Chancellor. Given the state budget situation, the salary reductions imposed by the State and the lack of any funds for an adjustment in salaries, the Board approved a two year extension of the study. (*Ref. BOR-20 on file in the Board office*)

Regent Geddes moved to approve 1) a modification to the salary schedules in the NSHE *Procedure and Guidelines Manual*, Chapter 3, Section 1, to add a note to the schedules that salary schedules will be adjusted, contingent upon legislative action and Board approval, for the 2012-2013 biennium; 2) a temporary suspension of step increases for community college for the 2012-13 biennium, which necessitates a suspension of Board Policy, Title 4, Chapter 3, Section 30 and the NSHE *Procedures and Guidelines Manual*, Chapter 3, Section 2.3; and 3) a two year extension of Board Policy, Title 2, Sections 5.5.1 requiring a review of the salary schedule every four years. Regent Wixom seconded.

Regent Page expressed concern that administrative titles and salaries were not consistent among the institutions. Vice Chancellor Patterson indicated that those can be reviewed during the salary study.

Regent Page felt that salaries were decreasing. Vice Chancellor Patterson stated that data from CUPA reflects a 2% increase in compensation in 2010 for private institutions while public institutions remained flat on the median. He stated that reflects that there is still competition among higher education institutions.

Motion carried. Regents Alden and Schofield were absent.

29. Withdrawn - Faculty Hire above Salary Range, Assistant Professor, Neurology, Internal Medicine, Las Vegas, UNSOM (Agenda Item #21) – This agenda item was withdrawn (*Ref. BOR-21 on file in the Board office*).
30. Approved - Amendment to Employment Contract, Head Football Coach, UNR (Agenda Item #22) – The Board of Regents approved an amendment to UNR Head Football Coach Chris Ault's employment contract, extending the contract to June 30, 2014. (*Ref. BOR-22 on file in the Board office*)

President Johnson related that Coach Ault has offered to amend the contract further to participate in the salary reductions as required by the other faculty including the giving up of his annual \$25,000 increase for 2011-12 (*to be reinstated in 2012-13*) and the implementation of the 4.8% salary reduction for 2011-12 and in future years if applied.

Regent Anderson moved to approve the two year extension of Coach Ault's contract as well as the amendments to the contract related to salary including the giving up of his annual \$25,000 increase for 2011-12 (*to be reinstated in 2012-13*) and the implementation of the 4.8% salary reduction for 2011-12 and in future years if applied. Regent Knecht seconded.

Regent Cobb felt that much of UNR's athletics compound was due in large measure to Coach Ault. He wholeheartedly supports the extension of Coach Ault's contract.

Regent Page expressed his support of the contract extension. However, he questioned why Coach Ault did not have liquidated damages included in his contract as Coach Albright has in hers. Ms. Cary Groth, Athletic Director, UNR, related that Coach Albright is very much marketed on a national level and UNR very much wanted her to stay in Nevada, whereas Coach Ault has made it clear that he is not leaving Nevada.

Motion carried. Regent Geddes voted no. Regents Alden and Schofield were absent.

Item #31 and #32 were considered together.

31. Approved - Personnel Session – TMCC President Maria C. Sheehan (Agenda Item #34) – The Board of Regents approved acceptance of the periodic presidential evaluation report of Dr. Maria Sheehan, President of Truckee Meadows Community College (*Reference material on file in the Board office*).
32. Approved - Presidential Contract, TMCC (Agenda Item #35) – The Board of Regents approved a new contract for TMCC President Maria C. Sheehan (*Reference material on file in the Board office*).

31. Approved - Personnel Session – TMCC President Maria C. Sheehan (Agenda Item #34) – (Cont'd.)
32. Approved - Presidential Contract, TMCC (Agenda Item #35) – (Cont'd.)

Regent Knecht moved to approve acceptance of the report and a new contract for President Sheehan for the period of three years. Regent Geddes seconded.

Chancellor Klaich introduced external consultant Dr. George Boggs, former president of ACCT, who conducted President Sheehan's evaluation.

Dr. Boggs stated that it had been a pleasure to work with Chancellor Klaich and the Committee that was chaired by Regent Knecht. He indicated that his final report had been provided to the members of the Board. Dr. Boggs related that each of the eight performance criteria had been addressed in his report (*full report on file in the Board office*).

Dr. Boggs reported that his general findings included that the NSHE is fortunate to have someone with President Sheehan's experience and skills leading Truckee Meadows Community College (TMCC) at this challenging time. Every person with whom he spoke expressed strong support for President Sheehan's leadership with many saying that she is doing a tremendous job or that she is the best president the college has had. Interviewees consistently commented on the confidence they have in President Sheehan's leadership; her approachability; her effective communication style; her clear vision for the college's future; her focus on improvement; and her positive relationships and partnerships in the community, with the local school district, and with other institutions of higher education.

In terms of Budgetary Matters and Fiscal Management, Dr. Boggs reported that President Sheehan has led the institution through a challenging financial period and so far has been able to protect the core mission of the college while shouldering significant additional responsibilities. His recommendations in this area include: 1) Review current administrative staff levels to be sure that important college functions can be carried out; 2) Monitor stress levels on administrators and support staff to be sure they can function in a healthy and effective environment; 3) Continue to ensure that system messages get to appropriate administrators in a timely manner; 4) Look at the option of vertical cuts of programs as opposed to continued across-the-board cuts; and 5) Be sure the vice presidents are communicating a consistent message to faculty and staff about the budget. Dr. Boggs also recommended that Chancellor Klaich monitor stress levels of institutional presidents during these challenging times with the objective of maintaining their health and effectiveness.

Dr. Boggs reported that in terms of Academic Administration and Academic Planning, President Sheehan has energized the college and clearly focused faculty and staff on the goal of improving student success. Her work is positively impacting the practices at the other Nevada community colleges. Chancellor Klaich commented at the Evaluation Committee meeting on March 21, 2011, that President Sheehan is leading the way on improvement. Dr. Boggs recommended that President Sheehan look at the possibility of broadening the success measures beyond increasing graduation rates, course completion rates, and capture rates. For guidance, he suggested that she look at the measures used by "Achieving the Dream: Community Colleges Count" and the Voluntary Framework of Accountability work being done at the national level. For example, transfer rates, success

31. Approved - Personnel Session – TMCC President Maria C. Sheehan (Agenda Item #34) – (Cont'd.)
32. Approved - Presidential Contract, TMCC (Agenda Item #35) – (Cont'd.)

of transfer students, and job placement rates by gender and race might be potential measures, depending upon the availability of data. He noted that this may be very difficult to achieve if state-level data are not easily available.

In the area of Student Affairs, Dr. Boggs stated that President Sheehan is clearly focused on improving student success rates and closing achievement gaps. Her work is already having a positive effect. He recommended that President Sheehan: 1) review the effects of staff reductions in student services to be sure that students have access to appropriate levels of support; 2) strengthen training programs for student employees; and 3) communicate expectations to part-time faculty regarding accessibility to students.

Dr. Boggs reported that in terms of Personnel Management, the brief webcasts that President Sheehan has begun to offer are an effective way to get critical information out quickly and effectively to those who are interested. His recommendations in this area include: 1) provide significant support to the new Vice President for Academic and Student Affairs and guide him in reaching out to faculty and staff; 2) consider restructuring the President's Cabinet to include a more significant instructional representation, perhaps by including one or more of the instructional deans; 3) clearly state expectations to administrators that they should communicate regularly to the people whom they supervise; 4) consider inexpensive ways to assess the effectiveness of communications and campus climate; 5) consider initiating an annual President's Leadership Institute for selected faculty and staff with whom President Sheehan could interact and mentor. Those types of "grow your own leader" efforts have proved to be very effective when initiated at the college level; 6) consider the option of attending portions of department meetings where interaction with faculty can occur on a more personal level; and 7) schedule some time to walk around campus to see faculty and staff in their offices just to say hello and to thank them for their work. Dr. Boggs also recommended that Chancellor Klaich consider initiating an annual Chancellor's Leadership Institute for selected system faculty and staff with whom he could interact and mentor.

In terms of Decision Making and Problem Solving, Dr. Boggs stated that presidents cannot be both popular and effective. President Sheehan has had to make some decisions that some of the interviewees did not agree with. In spite of this, they expressed support for her leadership and valued her clear vision for the college's future. Dr. Boggs did not offer any recommendations in this area.

Dr. Boggs reported that in the area of External Relationships and Fund Raising, President Sheehan has made significant progress in building positive community relationships and represents the college well. She has energized the TMCC Foundation and focused it on raising significant funding for the college. Dr. Boggs did not offer any recommendations in this area.

In regard to Relationship to the Board, Dr. Boggs related that during the March 21, 2011, Evaluation Committee meeting, President Sheehan mentioned her individual meetings with

31. Approved - Personnel Session – TMCC President Maria C. Sheehan (Agenda Item #34) – (Cont'd.)
32. Approved - Presidential Contract, TMCC (Agenda Item #35) – (Cont'd.)

Board members. The Board members on the Committee indicated their appreciation for those meetings. President Sheehan's colleague community college presidents had told him that they were very pleased with the way President Sheehan represents community colleges during Board meetings. Dr. Boggs did not offer any recommendations in this area.

Dr. Boggs related that in terms of Progress toward Master Plan and Other Performance Goals, President Sheehan is effectively moving TMCC toward goals specified in the Master Plan. Moreover, Dr. Boggs stated that President Sheehan is seen as a leader in moving other colleges forward. He recommended that President Sheehan should consider ways in which she could provide even greater leadership to the Council of Presidents.

Motion carried. Regents Alden and Schofield were absent.

Chancellor Klaich stated that he recommended a new contract for the period of three years for TMCC President Maria C. Sheehan. He stated that he needed to work to find ways to implement some of Dr. Boggs recommendations in a relatively non-monetary sense to express the value of the presidents and the strain that they are under. He intends to return to the Board with a series of recommendations that he feels will improve their value and services to the System.

Regent Knecht expressed his thanks to Dr. Boggs for his work.

Regent Page asked if Dr. Boggs had any recommendations to improve the evaluation process. Dr. Boggs stated that the NSHE's evaluation process is the most thorough process that he has ever seen for a community college president. He could not think of any recommendations.

Chancellor Klaich thanked Mr. Rod Sanford, Chair of the TMCC Foundation Board of Trustees, for his participation on the TMCC Presidential Periodic Evaluation Committee. On behalf of Mr. Sanford, Chancellor Klaich expressed the TMCC Foundation Board of Trustees faith and confidence in President Sheehan.

33. Approved - Amendment to Employment Contract, Head Coach, Women's Basketball, UNR (Agenda Item #27) – The Board of Regents approved an amendment to UNR Women's Basketball Head Coach Jane Albright's employment contract, extending the contract to June 30, 2016 (Ref. BOR-27 on file in the Board office).

Regent Wixom moved to approve an amendment to UNR Women's Basketball Head Coach Jane Albright's employment contract, extending the contract to June 30, 2016. Regent Knecht seconded.

33. Approved - Amendment to Employment Contract, Head Coach, Women's Basketball, UNR (Agenda Item #27) – (Cont'd.)

Regent Cobb commended Coach Albright that all of her players that were eligible for graduation have done so.

Regent Page added that he has heard that Coach Albright is out in the community and presents a good face to the university.

Motion carried. Regents Alden and Schofield were absent.

34. Tabled - Board of Regents Redistricting Plan (Agenda Item #31) – This agenda item was tabled.

35. Approved - Extension of Contract, NSC President Lesley Di Mare (Agenda Item #32) – The Board of Regents approved an extension of Dr. Lesley Di Mare's contract for the period of one year (*Reference material on file in the Board office*).

Chancellor Klaich related that President Di Mare would still be serving as an Interim President. If a search should be conducted over the course of the next year, and that search results in a new president, Chancellor Klaich indicated that President Di Mare would return to her previous position as Provost. He stated that he was pleased to be able to continue to work with President Di Mare.

Regent Geddes moved to approve an extension of NSC President Lesley Di Mare's contract for the period of one year. Regent Blakely seconded. Motion carried. Regents Alden and Schofield were absent.

36. Approved - Presidential Contract, WNC (Agenda Item #33) - The Board of Regents approved a new contract for WNC President Carol A. Lucey, for the period of three years. (*Reference material on file in the Board office*)

Regent Cobb moved to approve a new contract for WNC President Carol A. Lucey. Regent Knecht seconded. Motion carried. Regents Alden and Schofield were absent.

Agenda items 37 and 38 were considered together.

37. Approved - Personnel Session – CSN President Michael D. Richards (Agenda Item #36) – The Board of Regents approved acceptance of the periodic presidential evaluation report of Dr. Michael D. Richards, President of the College of Southern Nevada (*Reference material on file in the Board office*).
38. Approved - Presidential Contract, CSN (Agenda Item #37) – The Board of Regents approved a new contract for CSN President Michael D. Richards, for a period of three years (*Reference material on file in the Board office*).

Chancellor Klaich introduced external consultant, Dr. Shirley Reed, President of South Texas College, who conducted President Richards' evaluation.

Dr. Reed presented a summary report of her evaluation of President Richards to the Board of Regents (*full report on file in the Board office*).

Dr. Reed's general observations include that President Richards is providing CSN with the stability needed for the future development of the institution, he has open communications and many mechanisms in place to achieve those goals, he has a solid steady-handed approach to addressing the funding and fiscal realities of CSN, and he is respected by students, faculty and staff and they have confidence in his leadership. However, at the same time, Dr. Reed reported that there are certain institutional stresses that are apparent at CSN for which she applauded the way in which President Richards handled those stresses. First would be the tension that is apparent from previous administrations. She felt that there were misperceptions of what shared governance means and how to successfully engage in that process. There are lingering personnel management issues from previous administrations which were only exasperated by difficult financial times. Dr. Reed related that President Richards executive and leadership personnel are not firmly in place and have not coalesced into an effective leadership team.

Dr. Reed felt that President Richards is doing a commendable job handling the difficult budgetary and fiscal issues before him.

In regard to Student Affairs, Dr. Reed stated that students share in the stress of the pending budget reductions, tuition increases and personnel reductions. She commended President Richards for recognizing the national movement towards a completion agenda as opposed to solely an access agenda. She encouraged President Richards to improve collaboration between his academic and student affairs teams and continue to sustain efforts to reduce silos between those two important divisions.

Dr. Reed commended President Richards for the respect that he has garnered within the community, adding that he is held in high regard and is respected for his values towards diversity, particularly in employment opportunities. She stated that there were concerns for the area of personnel management as outlined in detail within her report. First, there is widespread lack of understanding, intentional or otherwise, regarding policy and procedures. She felt that there was also a deep resentment for administrative discretion.



37. Approved - Personnel Session – CSN President Michael D. Richards (Agenda Item #36) – (Cont'd.)
38. Approved - Presidential Contract, CSN (Agenda Item #37) – (Cont'd.)

She shared with the Board that this is a perception and does not mean that it is a reality. However, that perception is certainly a challenge for President Richards. She stated that CSN's faculty is deeply invested in shared governance at CSN and there is discord between faculty and administration. She reported that the faculty had told her that they run the institution and that the administration comes and goes. Dr. Reed felt that President Richards understands that this will take considerable attention on his part to overcome.

Dr. Reed stated that team building is within the purview of the president. However, many eyes are focused on the selection process at CSN. Although she heard nothing but accolades for the personnel that have been hired by President Richards, she heard continual concerns for the process being used. She recommended that President Richards give some serious attention to the morale of classified personnel, adding that because they are state employees there is considerable misunderstanding and stresses among this particular group of personnel (*approximately 400 employees*) as to why they are treated differently.

In terms of Decision Making and Problem Solving Process, Dr. Reed stated that it was difficult for her to determine if a lack of understanding is merely a guise for not agreeing with decisions that President Richards was making. Either way, she related that there were strained relationships which presented an opportunity for President Richards and his team to address.

Dr. Reed applauded President Richards for his work with external relationships. The CSN Foundation had nothing but praise and confidence in President Richards. Dr. Reed stated that she spoke with many of President Richards' colleagues and determined he was held in very high regard. She also heard positive remarks regarding his relationships with the Board of Regents.

Dr. Reed stated that the long standing institutional culture at CSN needs to be addressed in a very forthright manner that requires strategic and deliberate responses. She had been asked by the Evaluation Committee why there were so many personnel issues at CSN. Her response had been that it is clear that CSN has fractured groups with differing agendas and perceptions on the realities of what has taken place. Addressing the long standing divisiveness presents the greatest challenge to President Richards, perhaps even greater than the challenges of the fiscal realities. However, she felt that addressing the divisiveness is an opportunity to transform the culture of CSN to one of civility and mutual respect.

Dr. Reed stated that her report outlines 12 areas of recommendation for President Richard and the Board of Regents to give due consideration. In conclusion, she stated that President Richards provides strong and effective presidential leadership, is providing the stability that is critical to the institution, is competent and well respected internally and externally and is handling an extremely difficult job well and is providing strong and sound fiscal management.

37. Approved - Personnel Session – CSN President Michael D. Richards (Agenda Item #36) – (Cont'd.)
38. Approved - Presidential Contract, CSN (Agenda Item #37) – (Cont'd.)

Regent Wixom moved approval of the evaluation report and a new contract for CSN President Michael D. Richards for a period of three years. Regent Melcher seconded.

Regent Wixom asked Dr. Reed if she was comfortable with the evaluation process and if she felt it was thorough and fair. Dr. Reed agreed with Dr. Boggs in stating that it was one of the most thorough and comprehensive processes that she has seen and encouraged the Board to maintain it.

Regent Knecht felt that Dr. Reed's report was fair and thorough and a good example of an evaluation that identifies problems, challenges and issues while also balancing that with the progress being made at CSN.

Regent Anderson left the meeting.

Regent Melcher noted that President Richard's tenure as president has already surpassed the CSN president average tenure rate. He felt that it was part of the Board's responsibility to keep President Richards as that would improve the health of CSN's overall administration, adding that the institution has experienced so much turnover and consistency would help the faculty to not feel as though they were running the institute.

Chairman Leavitt stated that Dr. Reed's evaluation was one of the most thorough reports that the Board has seen and included meaningful recommendations.

Regent Crear agreed with the report but also felt it was necessary to recognize the glaring issues in the report and hoped that President Richards would take those issues to heart and make efforts to improve upon those issues.

Regent Page concurred with Regent Crear's comments.

Motion carried. Regents Alden, Anderson and Schofield were absent.

39. Action Taken - Election of Officers (Agenda Item #38) - In accordance with Regents' Bylaws (Article IV, Section 2), an election of officers for FY 2011-12 was held for new officers to serve from July 1, 2011, through June 30, 2012.

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.

39. Action Taken - Election of Officers (Agenda Item #38) – (Cont'd.)

## A. Chairman - Regent Page nominated Regent Knecht.

Regent Knecht declined the nomination.

Regent Wixom nominated Regent Geddes. Regent Cobb seconded.

Upon a roll call vote, Regents Leavitt, Melcher, Page, Wixom, Blakely, Cobb, Crear, Doubrava, Geddes and Knecht voted for Regent Geddes as Chair. Regent Geddes nomination as Chair was approved. Regents Alden, Anderson and Schofield were absent.

## B. Vice Chair – Regent Cobb nominated Regent Page. Regent Knecht seconded.

Regent Page's nomination as Vice Chair was approved. Regents Alden, Anderson and Schofield were absent.

40. Approved – Audit Committee (Agenda Item #39) - Chair Mark Alden reported that the Audit Committee met on June 16, 2011, and received follow-up responses for eight internal audit reports that were presented to the Audit Committee at the December meeting. Updates were provided for the Grant Thornton Management Letter of the UNSOM Practice Plans and for the CSN Automotive program.

Ms. Sandi Cardinal, Assistant Vice Chancellor for Internal Audit and Risk Management, reported that all institution bank reconciliations other than two UNR reconciliations were up-to-date. The Committee requested a follow-up report at the September meeting.

The Committee requested a follow-up response at the September meeting for the UNR Public Health Laboratory audit report. The Committee also requested a follow-up response at the December meeting on the WNC Workforce Development and Continuing Education audit report.

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 10, 2011, meeting.
- Contract Extension, External Audit – The Committee recommended approval to extend contract services with Grant Thornton LLP for the three years ending June 30, 2012, 2013 and 2014.

40. Approved – Audit Committee (Agenda Item #39) – (Cont'd.)

- Engagement Letters, External Audit – The Committee recommended approval of the annual engagement letters related to the external audit for the year ending June 30, 2012.
  - ✓ NSHE financial statements and OMB Circular A-133.
  - ✓ UNSOM Practice Plan.
  - ✓ UNR and UNLV NCAA agreed upon procedures.
- Internal Audit Reports – The Committee recommended approval of the following internal audit reports:
  - ✓ ASUN Bookstore, UNR
  - ✓ Campus Recreation and Wellness, UNR
  - ✓ Alumni Relations, UNLV
  - ✓ Cashier's Office, NSC
  - ✓ Intercollegiate Athletics, CSN
  - ✓ Workforce Development and Continuing Education, WNC
  - ✓ Risk Management/Worker's Compensation, WNC

Regent Page thanked Grant Thornton for working with the System on restructuring their fees.

Regent Page moved acceptance of the report and approval of committee recommendations. Regent Crear seconded. Motion carried. Regents Alden, Anderson and Schofield were absent.

41. Approved – Investment & Facilities Committee (Agenda Item #40) - Chair Michael B. Wixom reported that the Investment & Facilities Committee met on June 16, 2011, and heard the following reports:

- Mr. David Breiner from Cambridge Associates reported on asset allocation and investment returns for the pooled endowment and pooled operating funds for the quarter ending March 31, 2011.
- Commonfund presented information on the organizational structure and performance of the Commonfund International Equity and the Commonfund Real Return portfolios within the Operating Pool. Additional review of this item will be done at the Committee's meeting in September 2011.
- Ms. Ruby Camposano reported that the account balance of the operating pool's reserve account was \$24.7 million as of June 15, 2011.

Action items:

Board action was requested to approve the following recommendations of the Investment Committee:

- The Committee recommended approval of the minutes from the March 10, 2011, meeting.

41. Approved – Investment & Facilities Committee (Agenda Item #40) – (Cont'd.)

- The Committee recommended approval of the termination of the TCW and Wellington Portfolio Managers and approved the funds liquidated from these two Mid Cap accounts within the Endowment Pool to be invested in a Vanguard Mid Cap Index fund as recommended by Cambridge and Associates.
- The Committee recommended approval to reinstate the monthly investment income distribution to the institutions from the Operating Pool, effective July 1, 2011, at a rate of 2%.
- The Committee recommended approval of the development of a request for proposal to solicit bids to provide consultant services effective October 1, 2011.
- The Committee recommended approval of the construction of Phase I of a UNLV Multimodal Transit Center Project.
- The Committee recommended approval of TMCC's request to erect two wind turbines on TMCC land.
- The Committee recommended approval of UNR's lease agreement with Verizon Wireless for the leasing of rooftop space for antennas and associated equipment.
- The Committee recommended approval for renewal of UNR's lease agreement with Cricket Communications for the rooftop use of cellular antennas and associated equipment on a portion of Nye Hall.

Regent Wixom moved acceptance of the report and approval of committee recommendations. Regent Crear seconded. Motion carried. Regent Page abstained. Regents Alden, Anderson and Schofield were absent.

42. Approved – Business & Finance Committee (Agenda Item #41) - Chair Ron Knecht reported that the Business & Finance Committee met on June 16, 2011, and heard the following reports:

- All Funds revenues and expenses of the NSHE for the third quarter of fiscal year 2010-2011.
- NSHE Fiscal Exceptions of self-supporting budgets and the status of state appropriations for the third quarter of fiscal year 2010-2011.
- NSHE crime statistics report for calendar year 2010 prepared in compliance with the Jeanne Clery Disclosure of campus security policy and campus crime statistics as part of the Higher Education Act of 1965.
- Budget transfers of state appropriated funds between functions for the third quarter of fiscal year 2010-2011.

42. Approved – Business & Finance Committee (Agenda Item #41) – (Cont'd.)

Action items:

Board action was requested to approve the following recommendations of the Budget and Finance Committee:

- The Committee recommended approval of the minutes from the March 10, 2011, Business & 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 2011.

Regent Knecht moved acceptance of the report and approval of committee recommendations. Regent Page seconded. Motion carried. Regents Alden, Anderson and Schofield were absent.

43. Approved - Academic, Research & Student Affairs Committee (Agenda Item #42) - Chair William G. Cobb reported that the Academic, Research & Student Affairs Committee met on June 16, 2011, and heard the following reports:

Dr. Dean Burkin, Associate Professor, Department of Pharmacology, UNR, presented highlights on the muscular dystrophy research occurring at UNR and the resulting patent licensing agreement to develop a therapy for muscular dystrophy with Prothelia, a Boston-based biotech company. In addition, the Committee heard a report from Veterans School Certifying Officials and Veterans Services personnel from each NSHE institution regarding the unique challenges facing students who are veterans, including how veterans' enrollment and educational benefits are certified by the U.S. Department of Veterans Affairs, and the various services in place to assist veterans in achieving their educational goals.

Due to insufficient time, the report on compensated outside services and the financial aid report were not presented for discussion.

Action Items:

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

- The Committee recommended approval of the minutes of the March 10, 2011, meeting of the Academic, Research, and Student Affairs Committee.
- The Committee recommended approval of the elimination of the Educational Leadership, Ed.S at UNR. The Ed.S in Educational Leadership was inadvertently omitted from the Board agenda as a degree that was to have been eliminated at the June 2010 meeting – recommended for elimination as result of UNR's 2010 curricular review.

43. Approved - Academic, Research & Student Affairs Committee (Agenda Item #42) – (Cont'd.)

- The Committee recommended for approval the consolidation of four existing degrees at UNR: 1) BSEd in Integrated Special Education/Elementary Education; 2) BSEd in Elementary Education; 3) BS in Early Childhood Education; and 4) BSEd in Special Education into one degree, the BSEd in Integrated Elementary Teaching.
- The Committee recommended for approval the consolidation at UNR of Animal Biotechnology with the Department of Nutrition, creating the Department of Agriculture, Nutrition and Veterinary Sciences. In addition, the consolidation includes the creation of two new degrees:
  - ✓ Rangeland Ecology and Management, BS; and
  - ✓ Agricultural Science, BS.
- The Committee recommended for approval the creation of the new degree: Metallurgical Engineering, MS, at UNR.
- The Committee recommended for approval the reorganization of the UNLV College of Education, including the elimination of the following departments:
  - ✓ Department of Counselor Education;
  - ✓ Department of Curriculum and Instruction;
  - ✓ Department of Educational Leadership;
  - ✓ Department of Educational Psychology;
  - ✓ Department of Special and Early Childhood Education; and
  - ✓ Department of Sports Education Leadership.

In addition, the reorganization of the UNLV College of Education includes the creation of the following new departments:

- ✓ Department of Educational and Clinical Studies;
  - ✓ Department of Educational Research, Cognition and Development;
  - ✓ Department of Teaching and Learning (*includes Elementary, Secondary, Postsecondary and Career Technical Education*).
- The Committee recommended for approval the reorganization of the UNLV William F. Harrah College of Hotel Administration, including the elimination of the following departments:
    - ✓ Department of Hotel Management;
    - ✓ Department of Food and Beverage Management; and
    - ✓ Department of Tourism and Convention Administration.

The reorganization of the UNLV William F. Harrah College of Hotel Administration will include changes to several degree programs that will come to the Board for consideration at the September 2011 meeting.

43. Approved - Academic, Research & Student Affairs Committee (Agenda Item #42) – (Cont'd.)

- The Committee recommended approval of a revision of Board policy concerning scholarships removing contradictory language concerning GPA requirements for general and college/departamental scholarships, providing that institutions comply with federal regulations governing financial aid, providing exceptions for students with documented disabilities, and authorizing institutions to establish an appeals process (*Title 4, Chapter 18, Sections 3 and 4*).

Regent Cobb moved acceptance of the report and approval of committee recommendations. Regent Crear seconded. Motion carried. Regents Alden, Anderson and Schofield were absent.

44. Approved - Cultural Diversity Committee (Agenda Item #43) - Chair Cedric Crear reported that the Cultural Diversity Committee met on June 17, 2011, and heard the following reports:

Vice Chancellor Bart Patterson presented an overview of Board policies related to the requirement of competitive searches, and conditions for internal promotions and hiring, including requirements for diverse applicant pools and search waivers. The report included a discussion of the need to review current protocols to ensure that there is a diverse pool of candidates in any search process, including diversity among existing employees as it relates to internal promotions. The President from each institution reported on the use of climate surveys, affirmative action goals, the use of search waivers, the need to hire and retain faculty and staff from diverse backgrounds, and the current challenges faced in hiring new employees.

Mary Ann Christensen, Assistant Director of the UNR Disability Resource Center, and other Directors of NSHE Disability Centers, presented an overview of services to students with disabilities. The report included information on the Americans with Disabilities Act and its implications for NSHE institutions in providing reasonable accommodations, as well as the unique challenges facing students with disabilities. At the request of Chair Cedric Crear, this report will become an annual update on the Committee schedule.

Assistant Vice Chancellor Magdalena Martinez presented the 2009-10 NSHE *Diversity Report* that included data on the ethnic/racial distribution of students, faculty and staff, and other diversity related performance indicators. In addition, Dr. Edith Fernandez, Director of the Nevada College Access Challenge Grant (*CACG*), provided an update on the program. Access Program Manager from TMCC, Patty Avila Porter highlighted how the CACG sub-grant is creating opportunities for low-income and underrepresented student populations in northern and rural Nevada.

Finally, Assistant Vice Chancellor Martinez reported on the recent activities of the Equity, Diversity and Inclusion Council, including its work with the BESST model and projects related to targeted interventions to ensure the success of minority students.



44. Approved - Cultural Diversity Committee (Agenda Item #43) – (Cont'd.)Action Items:

Board action was requested to approve the minutes of the March 11, 2011, meeting of the Cultural Diversity Committee.

Regent Crear moved acceptance of the report and approval of committee recommendation. Regent Page seconded. Motion carried. Regents Alden, Anderson and Schofield were absent.

45. Approved - Health Sciences System Committee (Agenda Item #44) - Chair Michael B.

Wixom reported that the Health Sciences System Committee met on June 17, 2011, and heard the following reports:

Dean Cheryl Hug-English provided a report on the efforts related to the UNSOM analysis of its Clinical Practice Plan. She explained that when new physicians are hired, they are often funded with a mix of state, clinical and other revenue sources, with the idea that when they establish their clinical practice their reliance on state funding will be reduced. The Committee asked for periodic progress reports related to the faculty funding mix. The Committee also discussed the importance of consolidation of the Practice Plan efforts to seek economies of scale and to enhance performance reporting methods. The Committee requested that the UNSOM provide information at the next meeting on: 1. the potential to consolidate the billing functions into one location; and 2. the way in which the reports on the revenue and loss for each department are provided.

Dean Hug-English provided a report on the recommendation to eliminate “averaging” of tuition for new non-resident UNSOM students beginning in the fall of 2011, and eliminating the averaging for all UNSOM students beginning June 2014. She also requested that the Committee approve the elimination of the requirement that UNSOM WICHE students establish in-state residency during their first year and begin requiring WICHE students to pay the difference between UNSOM non-resident tuition and the WICHE approved Professional Student Exchange Program Fees for Medicine. The Committee discussed the impact this decision may have on student recruitment and retention of students after graduation. They also asked about any potential legal challenges related to changes of residency policy. The Committee requested that the attorneys from UNR and UNLV and the System get together to address this question.

Dean Hug-English provided background information on the UNSOM’s request that the tuition and fee structure for the 2011-13 biennium be revised per the budget reduction details of the April 8, 2011, Special Board of Regents meeting. She explained that this increase would bring their tuition/fees to approximately \$18,000 next year and \$21,000 the following year, which would put them about \$3,000 behind their peer institutions which are currently at approximately \$24,000. She did not believe that this would negatively impact student recruitment. The Committee asked if the UNSOM would be increasing their tuition in the next biennium and to evaluate if it would make sense to bring the UNSOM tuition on par with the UNLV School of Dental Medicine tuition. The Committee

45. Approved - Health Sciences System Committee (Agenda Item #44) – (Cont'd.)

requested a future agenda item to discuss what efforts the Board could make to support the growth of residency and fellowship programs, and to support the development of the UNSOM partnership with the VA Hospital in Las Vegas, including communication with the Nevada Congressional delegation.

Executive Vice Chancellor Trevisan provided an update on recent Health Sciences System activities. He provided an overview of the recent activities related to working with University Medical Center and the Clark County Commission to discuss the current and potential future relationship between the UNSOM and UMC. He noted that there has been much progress on these discussions and that there has been some positive interaction, including a vote by the UMC Advisory Board to support the development of an Academic Health Center at UMC. He also discussed efforts between NSHE and Clark County to identify next steps for developing this partnership. He asked Vice Chancellor Turner to provide an overview of AB 29 which was recently signed into law. This bill provides UMC with the ability to require physicians to become affiliated with UNSOM or the UNLV SODM. This bill will help support the development of an Academic Health Center at UMC. Executive Vice Chancellor Trevisan also provided an overview on the work of the Governor's Workforce Development Sector effort and his role in chairing the Health Care Sector Committee. The Committee asked that he provide an overview of this effort, including the recent survey completed, at the next Committee meeting. He then provided an update on the IBRF inter-institutional seed grant funding program.

Chair's Report: Chair Wixom explained that he has attended many of the recent Clark County Commission and UMC Hospital Advisory Board meetings, which he felt have been very informative. He expressed his appreciation to the Board of County Commissioners, Chancellor Klaich and representatives from UNSOM/UNR for all of their help in addressing these important issues. He stated that it was a positive experience. Regent Leavitt thanked Regent Wixom for his work as Chair of the Health Sciences System Committee and Regent Doubrava's leadership on the UMC issue. Regent Page thanked Dean Hug-English for her efforts as interim Dean.

Action items:

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

- The Committee recommended approval of the minutes from the March 11, 2011, Health Sciences System Committee meeting.
- The Committee recommended approval of the elimination of averaging tuition for new non-resident UNSOM students effective fall 2011 and all UNSOM students effective June 2014; and the elimination of current WICHE student residency policy and instead require WICHE students to pay any difference between UNSOM non-resident tuition and the WICHE approved Professional Student Exchange Program Fees for Medicine;

45. Approved - Health Sciences System Committee (Agenda Item #44) – (Cont'd.)

- The Committee recommended approval of the revision of tuition and fee structure for the 2011-13 biennium for UNSOM as included in the NSHE budget reduction detail of the April 8, 2011, Special Board of Regents' meeting, which reflects an additional 5% increase in each of the years of the 2011-2013 biennium for both resident and non-resident tuition and fees.

Regent Wixom moved acceptance of the report and approval of committee recommendations. Regent Cobb seconded. Motion carried. Regents Alden, Anderson and Schofield were absent.

46. Information Only - New Business (Agenda Item #45) – Regent Melcher asked if there will be a meeting on July 29, 2011. Mr. Wasserman stated that the Chair-elect has indicated that there will not be a July 29, 2011, meeting.

Meeting adjourned at 5:38 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.*