BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

Third Floor Rotunda
Frank H. Rogers Science & Technology Building
Desert Research Institute
755 E. Flamingo Road, Las Vegas

Thursday, September 8, 2011, 8:30 a.m.
Friday, September 9, 2011, 8:00 a.m.**

Video Conference Connection to:
System Administration, Reno
2601 Enterprise Road, Conference Room
and
Great Basin College, Elko
1500 College Parkway, Berg Hall Conference Room

Members Present:	Dr. Jason Geddes, Chair Mr. Kevin J. Page, Vice Chair Mr. Mark Alden Dr. Andrea Anderson Mr. Robert Blakely Mr. Cedric Crear Dr. Mark W. Doubrava Mr. Ron Knecht Mr. James Dean Leavitt Mr. Kevin C. Melcher Dr. Jack Lund Schofield Mr. Rick Trachok Mr. Michael B. Wixom
Others Present:	Chancellor Daniel J. Klaich 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. Gregory S.

Brown, 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; Mr. Alex Porter, 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; Ms. Nicole Gunn, SGA Vice President, TMCC; and Ms. Heather Dodson, ASWN President, WNC.

Chair Geddes called the meeting to order on Thursday, September 8, 2011, at 8:30 a.m. with all members present except Regents Anderson and Schofield.

The Joint Army and Air Force Color Guard and Regent Knecht led the pledge of allegiance.

State of Nevada Supreme Court Chief Judge Jennifer P. Togliatti administered the Oath of Office to Regent Rick Trachok.

1. Information - Introductions and Campus Updates *(Agenda Item #1)* - President Wells introduced DRI's Interim Administrative team: Dr. Ellie Oppenheim, Interim Senior Vice President of Finance and Administration; Dr. Chris Fritsen, Interim Vice President of Academic Affairs; and Dr. Jim Thomas, Interim Executive Director of Hydrological Sciences. President Wells also introduced Dr. Kumud Acharya, Associate Research Professor studying invasive species. Dr. Wells related that Dr. Annette Haller, key project investigator of the National Science Foundation Academic and Research Infrastructure Program, Recovery and Investment proposal, was successfully awarded a grant of over $500,000 for major renovations on air sampling, chemical and biological measurements to update the laboratory at Storm Peak which is used both nationally and internationally. DRI also recently learned that it has received a grant of $500,000 from the Redfield Foundation for a partnership dealing with postdoctoral young scientists focusing on renewable energy.

   President Diekhans introduced GBC's new SGA President, Mr. Alex Porter. President Diekhans also related that GBC received reaffirmation of its first year of NWCCU accreditation and continues to work on the next goals.

   President Johnson introduced UNR's Vice President of the Health Sciences and Dean of the University of Nevada School of Medicine *(UNSOM),* Dr. Thomas Schwenk; Director of Diversity Initiatives, Dr. Reginald Stewart; and Dr. Scott Casper, Interim Dean of the College of Liberal Arts. President Johnson announced that UNR's graduation rate within its 2005 cohort rose to 52.5% *(national average is 56%)*. UNR's enrollment is expected to increase again in 2011, with its highest proportion ever of students from underrepresented groups. The number of national merit scholars continues to increase and currently numbers 48. President Johnson related that despite challenges to the budget, research and grant contract awards continue to rise.

   President Lucey expressed her gratitude to Ms. Connie Capurro for returning to her role as Vice President of Academic and Student Affairs.

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

   President DiMare reintroduced Mr. Sebring Frehner, NSSA President and Dr. Robin Herlands, Faculty Senate Chair for NSC. President DiMare related that after seven years of evaluation, NSC is now a fully accredited NWCCU institution *(retroactive to November 2010)*. She thanked NSC faculty and staff for their efforts throughout the process.

   President Smatresk introduced UNLV's newly appointed Vice President of Diversity Inclusion and Governmental Affairs, Mr. Luis Valera, and newly appointed Senior Advisor to the President, Dr. Marta Meana. President Smatresk also introduced incoming Faculty Senate Chair, Dr. Greg Brown.

   President Sheehan introduced TMCC's SGA Vice President, Ms. Nicole Gunn, and Faculty Senate Chair, Mr. Brad Summerhill. She introduced Mr. Craig Scott who will be serving in the interim capacity as Vice President of Finance and Administrative Services, and reintroduced Vice President of Student Services and Academic Affairs, Dr. John Tuthill. President Sheehan related that TMCC and WNC have come to a cooperative agreement to share a nursing faculty member. Secondly, there is a pilot project between UNR, TMCC and WCSD to deliver early testing of high school seniors to prepare them for college by the end of the senior year.

   President Richards introduced CSN Faculty Senate Chair, Ms. Tracy Sherman, and ASCSN President, Ms. Aimee Riley. President Richards expressed his appreciation to the CSN Foundation for their support, including the quarterly insert published in the Las Vegas Review Journal that highlights CSN's accomplishments and services.

2. Information - Institutional Student and Faculty Presentations *(Agenda Item #2)* - Chair Jason Geddes requested that the President of the host institution introduce one student and one faculty member to discuss a topic to highlight current programs or activities of the institution.

   President Wells introduced Ms. Kristien (KC) King. Ms. King is a Ph.D. student at the University of Nevada, Reno, in the Atmospheric Sciences program. Under the EPSCoR Climate Change Program, she is working as a member of the team downscaling global climate model output *(as seen in the Intergovernmental Panel on Climate Change report)* to regional scale predictions in order to better understand both future and past climates. Her research goals are to gain an understanding of the uncertainty in and predictability of climate simulations. In particular, Ms. King is interested in gaining a better understanding of the effects of using regional climate models to dynamically downscale predictions from global climate models for the near future and during extreme climate change events in the past. Ms. King earned a Master's degree at UNR in Atmospheric Science working on a project that dealt with computer simulations of wind for wind energy applications. She also holds a Juris Doctor from the University of California, Davis, King Hall School of Law and a B.S. in Atmospheric Science from U.C. Davis *(full presentation on file in the Board office)*.

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

President Wells then introduced Dr. Rina Schumer. Dr. Schumer's interests involve stochastic representation of surface and subsurface environmental processes. She is specifically interested in mathematical modeling of processes requiring use of power-law or "heavy-tailed" probability distributions and has developed models for anomalous transport in porous and fractured media, recurrence of extreme events with power-law interarrivals, and estimation of deposition rates from incomplete stratigraphic records *(full presentation on file in the Board office)*.

The meeting recessed at 9:02 a.m. for committee meetings and reconvened at 1:22 p.m. on Thursday, September 8, 2011, with all members present except for Regent Alden.

3. Information - Public Comment *(Agenda Item #3)* – On behalf of the NSC Foundation Board of Trustees, Mr. Glenn Christenson, Chairman of NSC Foundation, asked the Board of Regents to appoint Dr. DiMare as permanent president of NSC. He related that Dr. DiMare has far exceeded expectations and has earned the permanent appointment. The NSC Foundation would like the opportunity to meet with the Chancellor and Board Chair to express their reasons for such a recommendation and asked that a search be waived.

Dr. Robin Herlands, NSC Faculty Senate Chair and Chair of Chairs of the Council of Faculty Senate Chairs, expressed her concern with the curricular review process, feeling that it was not well defined and leaves much to interpretation at the institution level and thus implemented differently at each. She related that discrepancies have led to real apprehension on the campuses. The Code sets forth just one set of contractual rights and due process to protect faculty, including tenured faculty. She stated that potential breech in the rights of tenured faculty is a threat to all faculty. Actions of the faculty senates have already begun to take place this year such as resolutions recently passed at WNC encouraging a boycott of participation on search committees until tenure contracts are honored and requesting that a new curricular review process be jointly developed by the senate and the administration. On behalf of the faculty senate chairs, Dr. Herlands requested continued diligence in repair of the Code, Title 2, Chapter 5, Section 4.6. She urged the Board and System leadership to give potential termination of tenured faculty without a declaration of financial exigency the full and careful scrutiny that such a grave development for higher education warrants.

Regent Alden entered the meeting.

4. Approved - Chancellor's ad hoc Committee on Hiring Coaches and Athletic Directors *(Agenda Item #10)* - President Emeritus Joe Crowley presented a report prepared by a Chancellor's ad hoc Committee charged with examining practices and policies regarding searches and appointments of athletic directors and head coaches. The Board of Regents moved acceptance of the report with direction to the Chancellor, working the two universities, to bring back policies implementing the recommendations at the December 2011 meeting. *(Report on file in the Board office).*

4. Approved - Chancellor's ad hoc Committee on Hiring Coaches and Athletic Directors *(Agenda Item #10) – (Cont'd.)*

Dr. Crowley provided to the Board a summary of the members of the Chancellor's ad hoc committee, the institutions used as the bases of the comparative study, the questions asked and where practices within the System were alike or dissimilar than those in the study group.

Dr. Crowley reported that the committee provided the following recommendations:

- In regard to Board of Regents contracts policy, should NSHE policy be changed to vest the two university presidents with the authority currently given to the Chancellor in Sections 5.4.2 (a) and (e), noting that such a change could require both consultation with the Chancellor and regular reporting of appointments by the presidents through the Chancellor to the Board. An exception to such a change would be the contracts of athletic directors and head coaches of high profile sports, cases where governing board approval is a standard national practice. As part of this review, the Board may wish to reexamine, perhaps seeking comparative information from other institutions, whether it would be appropriate to continue with or change the contract duration and salary level components of present policy.
- That the Board determines whether it wishes to develop a policy on Board involvement in the search processes for coaches and athletic directors. Such a policy could both make clear the particulars and limitations of its involvement and appropriately insulate itself and its members from the sometimes intense pressures that arise when these processes deal with high profile positions in the athletic departments.
- That with UNLV and UNR soon to share membership in the same conference, the time is right for a thorough review of their search, appointment and related practices to develop a common approach, grounded in Board and institutional policies and a strong commitment to gender equity and minority opportunity. Such an approach could cover, as examples, in-line progression, the use of search waivers, contract features, shareholder involvement, succession planning and assistant coach search and appointment practices.

Regent Crear asked if any minorities had been appointed to the ad hoc committee. Dr. Crowley replied that the head track coach at UNR is African American.

Regent Crear felt that the report did not drill down into the issues. He felt that the recommendation to give the athletic directors and presidents more authority has not been earned, adding that there were deep and inherent issues that continually appear in high-profile searches. He felt that the statement in the report that reflects that all the institutions have a search and appointment policy that governs the entire campus is not true on the System's campuses. He felt that if the institutions do not seem to want to comply with a consistent policy and have not developed a consistent policy, that it was then something that the Board needed to address. He had hoped that the report would provide more concrete information from which to address those issues, although he acknowledged that he did not know what direction had been given to the Committee.

4. Approved - Chancellor's ad hoc Committee on Hiring Coaches and Athletic Directors *(Agenda Item #10) – (Cont'd.)*

Dr. Crowley related that the Committee had been asked to look at search processes and the various kinds of involvement happening at other institutions. The Committee did not study to any significant extent what was happening at the two Nevada universities, although Dr. Crowley felt that the members of the Committee were grounded in the practices, procedures and policies governing the search processes at the universities. He could not address Regent Crear's concern, other than to say that the Committee had come to a different conclusion.

Regent Crear felt that his conclusions were based on facts, particularly at UNLV, and that the hiring practices have not been consistent and have been subject to change according to the landscape. He felt that women or minorities have not been interviewed, the search committees had not been diversified and he questioned the adequacy of the staffing of the search committees. He thought those were the issues that the Chancellor's ad hoc Committee was considering. He added that it would be difficult to make recommendations without considering what has taken place up to that day. He indicated that the report reflected that everything was good, when he felt it was otherwise.

Dr. Crowley replied that he was not in a position to respond in terms of UNLV's search or hiring practices. However, the Committee's charge was not to delve into the specifics of what was happening at the two universities except to look at practices and policies where the Chancellor, Presidents or Regents were involved. The charge of the Committee was not to conduct an in-depth study of minority hiring practices.

Regent Crear felt that such a study needed to be conducted, adding that the Committee had taken a step in that direction but more needed to be done. He stated that the recommendations did point out some issues regarding Board involvement that he felt were important.

Chancellor Klaich felt an appropriate action by the Board would be the direction of implementing policies at the two universities consistent with the overriding principles contained in the Committee's recommendation. Chancellor Klaich stated that to the extent that Regent Crear identified those principles as important, they could be put in writing and then enforced.

Regent Schofield agreed with Regent Crear and felt that further consideration of current practices would be beneficial.

Regent Leavitt stated that he had been encouraged by the report. The first question of the ad hoc Committee is whether the Board would like to develop a policy. He felt that the timing was right with UNR joining the Mountain West Conference.

Regent Leavitt moved acceptance of the report with direction to the Chancellor, working with the two universities, to bring back policies implementing the recommendations at the December 2011 meeting. Regent Crear seconded.

4. Approved - Chancellor's ad hoc Committee on Hiring Coaches and Athletic Directors *(Agenda Item #10) – (Cont'd.)*

Regent Melcher asked that the policies be clear about the Board's governance role in the hiring process.

Regent Blakely felt that the Committee's assessment was correct. However, he also felt that what Regent Crear was pointing out is that what is in place and what the Board would like to have in place is slightly different.

Motion carried.

5. Information - Chair's Report *(Agenda Item #4)* - Chair Geddes thanked the Board for the opportunity to serve them as Chair. He thanked Regents Wixom and Leavitt for moving the Board through the recent difficult times. He wanted the Board to be active and engaged and to provide input on what it wants the System to be going forward.

6. Information - Chancellor's Report *(Agenda Item #5)* – In response to a recent article in the local media, Chancellor Klaich stated that he was neither blind nor insensitive to the impact of the budget cuts to the institutions. He understood that real damage has been done and real people have been hurt. However, he felt that there was a choice to make of wallowing in discourse or seizing the opportunity to look at higher education with fresh eyes in a new and resource constrained environment. He read comments written by former Texas Governor John Connally *(on file in the Board office).*

Chancellor Klaich stated that Governor Connally's comments leave him inspired and energized. He related that everyone is challenged to respect and protect the faculty, to personally take responsibility for the students' success, to be wise and careful stewards of the funds entrusted to higher education and to serve the great State of Nevada at its time of greatest need. He looked forward to working with the Board, the campuses, the Governor and all leaders in Nevada to undertake that task.

7. Approved - Consent Items *(Agenda Item #6)* - Consent items were considered together and acted upon in one motion except for Consent Agenda Item no. 6a-5 *(May 6, 2011, Special Board of Regents' Meeting)*, 6c *(Handbook Revision, Transcript Fees)* and 6f *(TMCC NFA Contract)*, which were considered separately by the Board.

7a. Approved - Minutes *(Agenda Item #6a)* – The Board of Regents approved the following meeting minutes:

1) January 31, 2011, WNC PPEC *(Ref. C-6a(1) on file in the Board office).*
2) February 4, 2011, WNC PPEC *(Ref. C-6a(2) on file in the Board office).*
3) March 14, 2011, CSN PPEC *(Ref. C-6a(3) on file in the Board office).*
4) March 18, 2011, CSN PPEC *(Ref. C-6a(4) on file in the Board office).*
6) June 16-17, 2011, regular Board of Regents meeting *(Ref. C-6a(6) on file in the Board office).*

7. Approved - Consent Items *(Agenda Item #6) – (Cont'd.)*

7a. Approved - Minutes *(Agenda Item #6a) – (Cont'd.)*

Regent Knecht noted that on page 43 of the June 16-17, 2011, regular Board of Regents' meeting minutes, he had requested a follow-up response as to why the net reduction for WNC was so far out of line from the other institutions. Chancellor Klaich replied that response would be prepared and distributed to the full Board the following Monday.

7b. Approved - Acceptance of "Biology Is Technology" Art Collection, UNR *(Agenda Item #6b)* – The Board of Regents approved UNR's acceptance of the art collection titled, "Biology is Technology" from Mrs. Toni Lowden *(Ref. C-6b on file in the Board office).*

7d. Approved - *Handbook* Correction, Associate's Degree Credits *(Agenda Item #6d)* – The Board of Regents approved a correction to the codification of community college degree requirements *(Title 4, Chapter 16, Section 25)*. In June 2011 the Board approved a policy to limit the number of credits for a baccalaureate degree to 120 credits with certain exceptions. That policy included limiting the associate's degree to 60 credits, also with certain exceptions. There was an omission in the June 2010 proposal and not all references to the prior 60 credit "minimum" were updated to reflect the new proposed standard *(Ref. C-6d on file in the Board office).*

7e. Approved - *Procedures & Guidelines Manual* Revision, Refund Procedures, GBC *(Agenda Item #6e)* – The Board of Regents approved revisions to the refund procedures for Great Basin College *(Procedures and Guidelines Manual, Chapter 7, Section 19)* aligning the procedures with current practice based on changes resulting from the implementation of the iNtegrate student services module *(Ref. C-6e on file in the Board office).*

7g. Approved - Interim Task Force on Out-of-School Time Programs *(Agenda Item #6g)* - Assembly Bill 362 *(Chapter 353, Statutes of Nevada 2011)* creates the 12-month interim Task Force on Out-of-School Time Programs. The membership on the Task Force includes a representative of the Nevada System of Higher Education, appointed by the Board of Regents. An Out-of-School Time program is defined as one that operates for 10 or more hours per week, is offered on a continuing basis, provides supervision of children who are of school age and provides regularly scheduled, structured and supervised activities where learning opportunities take place during times when a child is not in school. Board action is requested to appoint Assistant Vice Chancellor Magdalena Martinez as the NSHE representative of the Task Force *(Ref. C-6g on file in the Board office).*

7. Approved - Consent Items *(Agenda Item #6) – (Cont'd.)*

7h. Approved - Annual Reports of Tenure Granted to Academic Faculty Upon Hire *(Agenda Item #6h)* – The Board of Regents accepted the annual report from the Presidents of each institution naming any individual to whom tenure upon hire was granted pursuant to the provisions of Title 2, Chapter 3, Section 3.3.1 (b2) *(Ref. C-6h on file in the Board office).*

Regent Wixom moved approval of the Consent Agenda except for Consent Agenda Item nos. 6a-5 *(May 6, 2011, Special Board of Regents' Meeting)*, 6c *(Handbook Revision, Transcript Fees)* and 6f *(TMCC NFA Contract)*, which were considered separately by the Board. Regent Page seconded. Motion carried.

The following consent agenda items were considered separately:

7. Approved - Consent Items *(Agenda Item #6) – (Cont'd.)*

7a. Approved - Minutes *(Agenda Item #6a) – (Cont'd.)*

5) Approved - May 6, 2011, special Board of Regents' meeting *(Ref. C-6a(5) on file in the Board office)* - Regent Knecht referred to page 8, noting that he had not received the demographic information that Mr. Ayala had referred to as requested and asked Mr. Wasserman to follow-up on that request.

Regent Knecht referred to page 31, Regent Knecht noted that he had requested that a review of the Code in reference to president searches be brought to the Board on a future agenda and asked for a report on the status of that request. Vice Chancellor Patterson indicated that he has been working on that proposal and plans to bring something to the Board at its December meeting.

Regent Knecht moved approval of the minutes from the May 6, 2011, special Board of Regents' meeting. Regent Page seconded. Motion carried.

7c. Approved - *Handbook* Revision, Transcript Fees *(Consent Agenda Item #6c)* – The Board of Regents approved revisions to the Board's policy on student fees providing that in accordance with current practice, transcript fees do not require Board approval and may only be in an amount that covers the cost of production plus postage, including postage for expedited delivery *(Title 4, Chapter 17, Section 16) (Ref. C-6c on file in the Board office).*

Regent Crear asked why transcript fees would be different than any other fee and not require Board approval. Vice Chancellor Nichols replied that historically, transcript fees have never been included as a special fee as they are only for actual cost. The dollar amount does vary among the campuses according to the actual cost. It seemed reasonable to bring forward this policy which reflects current practice.

7. Approved - Consent Items *(Agenda Item #6) – (Cont'd.)*

7c. Approved - *Handbook* Revision, Transcript Fees *(Consent Agenda Item #6c) – (Cont'd.)*

Regent Crear felt that although it may seem like a small fee, the Board approves all other fees so why not this one. Vice Chancellor Nichols replied that it is the prerogative of the Board if it wishes to start approving transcript fees. She related that because the fee is based on actual cost and may vary significantly depending on the electronic submission, the campuses had to have a justifiable cost for the transcript.

Regent Crear felt that it was interesting that there could be a significant variance in cost. Vice Chancellor Nichols replied that the variance in the cost could happen even if it were being approved by institution as it is based on actual cost.

Regent Crear expressed an overall concern for fees that do not require Board approval.

Regent Knecht moved for approval for revision of Handbook *(Title 4, Chapter 17, Section 16)*. Regent Blakely seconded. Motion carried.

7f. Approved - TMCC NFA Contract *(Agenda Item #6f)* – The Board of Regents approved a one-year extension of the TMCC-NFA contract from July 1, 2011, to June 30, 2012 *(Ref. C-6f on file in the Board office).*

Regent Crear asked if a one year contract was standard. President Sheehan replied that it is a multi-year contract that is being extended for the period of one year. At the end of that year, the contract will be renegotiated for a multi-year contract.

Regent Crear moved approval of a one-year extension of the TMCC-NFA contract from July 1, 2011, to June 30, 2012. Regent Wixom seconded. Motion carried.

8. Approved - Acceptance of Prospective Gift, UNLV Mendenhall Center, Men's Basketball Practice and Recruitment Facility *(Agenda Item #7)* – The Board of Regents approved the acceptance of the gift of the UNLV Mendenhall Center – Men's Basketball Practice and Recruitment Facility *(Ref. BOR-7 on file in the Board office).*

Regent Melcher moved approval of the acceptance of the gift of the UNLV Mendenhall Center – Men's Basketball Practice and Recruitment Facility. Regent Crear seconded. Motion carried.

9. Approved - Extension of Contract, Head Men's Soccer Coach, UNLV *(Agenda Item #8)* – The Board of Regents approved a one and one-half year extension, through December 31, 2012, to the contract for Head Men's Soccer Coach Rich Ryerson *(Ref. BOR-8 on file in the Board office).*

UNLV President Smatresk related that the request for extension did not include a change in compensation but does include the standard series of post-season bonuses as described in the briefing paper. Coach Ryerson will also receive all normal coach benefits.

Regent Alden moved approval of a one and one-half year extension, through December 31, 2012, to the contract for Head Men's Soccer Coach Rich Ryerson. Regent Blakely seconded.

Regent Crear asked why only a fourteen month contract extension was requested. UNLV President Smatresk related that the request was to extend the contract to the end of the next season. The current fiscal status of athletics had created some challenges and it was felt that two seasons was a prudent timeframe for assessing the progress of this coach. Renewal would be requested at some point in the fall of 2012 pending satisfactory performance.

Regent Crear noted that there were two head coach contracts on the agenda and yet the UNLV Athletic Director was not in attendance to defend either one. Regent Crear asked, if the impetus for extending the head football coach contract was for recruiting purposes, why that rationale would not apply to the head soccer coach.

UNLV President Smatresk related that Athletic Director Jim Livengood was working on a significant gift and was in Washington State where the UNLV football team would be playing shortly. The shorter length of this contract revolves more around viability and the future ability of athletics to fund the soccer program as well as financial gifts that have been received and the continuity of those gifts to fund soccer.

Regent Page noted that Coach Ryerson recently helped raise a significant gift to the soccer program.

Mr. Jerry Kolaski, Deputy Director of Athletics, UNLV, confirmed that the gift was approximately $800,000 to be disbursed over a three year period. Regent Page felt that with that in mind, Coach Ryerson has done an outstanding job and should be offered a longer contract. Mr. Kolaski concurred, adding that Coach Ryerson is a wonderful coach and has done a great job in community relations. However, Coach Ryerson's initial contract was negotiated for the period of one year which an extension is now being requested though the 2012 season and could be extended longer in the future.

Regent Crear asked if the one year contract was initially negotiated with Coach Ryerson or was it presented to him that way. UNLV President Smatresk related that the initial contract was presented as an opportunity for Coach Ryerson to take a chance with UNLV.

9. Approved - Extension of Contract, Head Men's Soccer Coach, UNLV *(Agenda Item #8)* – *(Cont'd.)*

UNLV President Smatresk related that the driver for this extension was that the contract was over and there was a desire to see Coach Ryerson offered continuity. He felt that the extension was to cover two seasons thereby creating a total three year contract which was similar to other coaching contracts. President Smatresk explained that Coach Ryerson's contract has expired and UNLV is anxious to retain Coach Ryerson's services. He personally had no qualms with extending the contract beyond two years. However, if the contract needs to be brought back in December for a longer period of time, there is still the issue that Coach Ryerson is currently not under contract.

Regent Alden stated that the only issue before the Board of Regents is to approve the contract or not.

Regents Wixom cautioned that the item before the Board allows the Regents to consider a fourteen month contract. He asked Vice Chancellor Patterson if the Board had any ability under the open meeting law to change the terms of the contract. Vice Chancellor Patterson related that the Board had some latitude as to the length of contract. However, from a legal standpoint, if the Board is inclined, it could have UNLV resubmit a subsequent agenda item with a longer term.

Regent Crear related that, from his college athletics experience, there is an inequity that happens across the board in athletic departments between the smaller and larger sports programs. He noted that Coach Ryerson has raised $800,000 and is only receiving a year and a half extension on a contract that was allowed to expire. However, the head football coach has two years left on his initial contract and a request is already being made to extend it.

Regent Knecht asked if there is equity among the two coaches in terms of resignation provisions. President Smatresk could only state that if the length of contract is modified, the for-cause and/or not-for-cause termination payout would also have to be modified.

Regent Knecht expressed his support of making all high-profile and non-high-profile sport coaching contracts subject to the same rules and benefits.

Regent Melcher agreed with Regent Alden's previous comment that a contract has been negotiated and has been presented to the Board for approval or not. He felt that the Board's role was governance, not administrative.

Motion carried.

Chair Geddes asked the Chancellor to take the Regents' comments regarding uniformity of coaching contracts into consideration when working with the universities to develop policy recommendations.

10. Approved - Extension of Contract, Head Football Coach, UNLV *(Agenda Item #9)* – The Board of Regents approved a two year extension, through December 21, 2014, to the contract for Head Football Coach Bobby Hauck *(Ref. BOR-9 on file in the Board office).*

Regent Alden moved approval of a two year extension, through December 21, 2014, to the contract for Head Football Coach Bobby Hauck. Regent Page seconded.

President Smatresk offered the brief perspective that given the uncertainty of the fiscal situation, the highly visible and prominent hires of the football and basketball coaches were given three year contracts instead of the traditional five year contracts. The intent of this extension is to provide Coach Hauck with two additional years thereby creating the five year normal timeframe from which to develop a team. UNLV is well satisfied with Coach Hauck's progress and feel that his ability to recruit would be negatively impacted without the additional two years. President Smatresk related that this is one of the most fiscally favorable contracts in the Mountain West Conference and that by offering the same terms, UNLV is being fiscally responsible. The extension of two years is at the same terms, except for the deferred compensation provision, which would allow the Coach two additional years of deferred compensation, to be collected at the end of the final two years of the contract.

President Smatresk noted that the contract extension erroneously includes a signing bonus in lieu of moving expenses which was a carryover from the original contract and asked the Board to approve the extension with an amendment that the clause be removed.

Regent Crear expressed concern that there were still two years left on Coach Hauck's contract. He felt that from the public's viewpoint of a season record of 2 wins and 11 losses, combined with a lack of follow through on potential fundraising opportunities, he was unsure that Coach Hauck had yet earned the right to have a two year contract extension when there were still two years of the initial contract remaining. He asked President Smatresk to elaborate on why the extension was being requested at this time.

President Smatresk related that he does see signs of hope and of discipline in the football team that he has not seen before. In his judgment and that of the Athletic Director, they want to give Coach Hauck the opportunity to build a great team in an unfettered way. The team's image and stability are aspects that can be exploited by competitors if they can.

In regard to donor issues, President Smatresk stated that there is never a time that you do not want a great donor to be engaged, adding that he has become personally involved. President Smatresk stated that he supports this coach and believes that the football team will do good things in the future.

Regent Knecht noted that the summary indicates that the request is to extend the contract through 2014 with no increase in the current base salary of $150,000. He asked President Smatresk what changes were made in the annual rate of compensation. President Smatresk replied none.

10. Approved - Extension of Contract, Head Football Coach, UNLV *(Agenda Item #9) – (Cont'd.)*

Regent Knecht then asked if the contingency features would stack up over the period of three years instead of one. President Smatresk stated that was not accurate, explaining that the deferred compensation will be received at the end of year three per the initial contract. The extension was written to reflect that there will be two subsequent years that will be deferred which can then be received at the end of the five year total term.

Regent Knecht stated that he has become more sensitive to the ways in which the System spends money. He accepted President Smatresk's representation that there was no change in the total compensation.

Regent Schofield felt that UNLV's football team could be a success if they gave someone like Coach Hauck time to discipline and teach his team.

Regent Alden again noted that this item has been brought to the Board by UNLV's Athletic Director and he did not want to micromanage. Regent Alden related that he has traveled with the UNLV football team over the years, but his recent experience was the first time that he had seen such a level of discipline. He felt that UNLV was lucky to have Coach Hauck. Regent Alden expressed his support for the contract extension.

Regent Trachok asked President Smatresk if there was some risk of losing this coach if the two year extension is not granted. President Smatresk did not believe that was the case. He felt that the extension was being requested to provide Coach Hauck with the stability to build a team from freshmen and sophomores.

Regent Trachok asked what Coach Hauck's total compensation was last year and what it was expected to be from all sources for the current year. President Smatresk replied that without considering deferred compensation yet, it is $350,000. If the deferred compensation is received, it will be $500,000.

Regent Page felt that Coach Hauck was an investment that will pay off down the road.

Regents Alden and Page accepted the amendment to their motion to include removal of the relocation bonus clause from the employment contract. Regent Crear voted no. Motion carried.

The meeting recessed at 3:11 p.m. and reconvened at 3:22 p.m. on Thursday, September 8, 2011, with all members present.

11. Approved - Community College Task Force Report *(Agenda Item #11)* - Mr. Bruce James, Chair of the Chancellor's Fresh Look at Nevada's Community Colleges Task Force, presented the group's final report to the Board. This Task Force was appointed by the Chancellor in June of 2010 to examine the extent to which NSHE community colleges are aligned with the future employment and learning needs of Nevada and to make

11. Approved - Community College Task Force Report *(Agenda Item #11)* – *(Cont'd.)*

recommendations for future actions to enhance the responsiveness and effectiveness of the four colleges. The Board moved acceptance of the report and directed the Chancellor and System staff to work with the campuses to bring recommendations back to the Board on ways to move some or all of the Task Force recommendations forward *(Ref. BOR-11 on file in the Board office).*

Mr. James related that the Task Force was comprised of various parts of the community that interact with the community colleges including representatives from K-12 and local employers. The Task Force visited each community college and the state college to hear from administration, faculty, students and community members. He felt that it had been an eye opening experience to see just how complex community colleges are. The Task Force met with employers, particularly the human resources representatives to determine where they thought students would be needed five to ten years in the future and how businesses were changing.

Mr. James related to kick the Task Force off, he and Dr. Magdalena Martinez, Associate Vice Chancellor Academic and Student Affairs, went to Washington D.C. and met with top higher education officials. Over the last year, the Task Force also met with presidents of key education organizations.

Mr. James related that the Task Force was not interested in any one person's answer, but more in the pattern of responses. He felt that the most troubling information was the low percentage of adults in Nevada that have a bachelor or an associate's degree. That low percentage puts Nevada at a real disadvantage in attracting businesses. The Task Force focused on how the community colleges could help in moving up the overall educational attainment level of Nevadans. Mr. James stated that there was quite a lag between where Nevada is now and where it needs to be. That means that many more Nevadan citizens will need to graduate from college to be prepared for the careers and jobs of tomorrow.

However, due to lack of funding, it would not have been productive to discuss increasing the number of or size of the campuses. Instead, the Task Force looked at interesting ways that other people are finding to increase the size of their pipelines or ways to use existing resources more efficiently and effectively.

Mr. James reported that the Task Force developed ten recommendations. He felt confident that every member of the Task Force would support the final recommendation.

1) Create a Strategic Plan Focused on Student Learning Outcomes:
NSHE, in cooperation with the state economic development authority and the college presidents, needs to create a ten-year, annually updated, *Strategic Plan for Student Learners* for the state's community colleges as a collective. The plan should set forth short-term and long-term measurable objectives, goals, strategies, plans and timetables, all focused on successful milestones and outcomes for learners. From this overall plan, each institution will be able to derive its plan meeting the new NWCCU standards. Establish a position within NSHE with the

11. Approved - Community College Task Force Report *(Agenda Item #11) – (Cont'd.)*

1) Create a Strategic Plan Focused on Student Learning Outcomes – *(Cont'd.)*

responsibility for overseeing the creation and updating of the Strategic Plan, and with the authority to oversee its implementation in reaching statewide goals for community colleges.

2) Focus on Future Technology Needs:
Establish an NSHE Community Colleges Technology Board, charged with creating an annual Technology Plan for the community colleges as a collective. The technology plan should focus on the best ways to use technology, especially emerging technologies, in implementing the *Strategic Plan for Learners.* The Board's annual plan should identify new technology trends and suggest ways to incorporate these into academic programs and courses. The annual technology plan should also keep faculty abreast of new and innovative ways that learners are using technology in their everyday lives and suggest what effects these technologies might have on future teaching and learning. A suggestion is to establish a 14-person board, with three-year rotating terms *(1/3 new members coming on every year)*, including NSHE's chief information officer, both public and private sector senior and junior faculty, senior technology leaders from private companies headquartered both in and out of the state, an executive from a social networking firm, a technology venture capitalist, a leader from a major foundation focused on educational change, a technology writer for a national publication, a state economic development official, and a technology-savvy union official. Bring the higher education community into further partnership with the business community by asking business leaders to organize, manage and finance the Technology Board, perhaps through a statewide alliance of Chambers of Commerce. This plan would bring guidance to the advisory committees at each college to make certain the colleges are meeting both local and statewide needs.

3) Leverage Resources to Benefit Learners:
Establish Nevada Virtual College *(NVC)* to deliver e-courses for associate degree seeking students. As a separate entity from any existing community college, courses can be priced to students on a full-cost recovery basis. Senior faculty from each college, working as a collective, can define outcomes expected for each course as part of a degree program; NSHE can select a vendor who will develop and deliver curriculum, and engage a separate entity for student outcome assessment. The vendor would be paid as students successfully complete each course, with bonuses paid for timely degree completion. A request for proposal for such virtual learning instruction can be solicited from each of Nevada's community colleges, Nevada State College, Sierra Nevada College, Western Governors University, and carefully selected for-profit institutions. Partnering between institutions, including public-private partnering, should be encouraged in the proposal process. Implementation of NVC should not require the initial outlay of any new funds from NSHE. The award winner would assume all capital, startup, and operating costs and only be paid as each student demonstrates successful course mastery to an independent third party chosen by NSHE. This

11. Approved - Community College Task Force Report *(Agenda Item #11)* – *(Cont'd.)*

3) Leverage Resources to Benefit Learners: - *(Cont'd.)*

concept, once established, can be broadened to include upper division courses leading to bachelor's degrees, expanding the higher education capacity of the state without incurring new fixed costs.

4) Create Pathways for K-16 Learners to Succeed:
NSHE needs to strengthen its partnership with K-12 in developing clearer pathways from high school, to college, to careers. This includes the articulation of high school courses with first-year college courses at all system institutions--community colleges, the state college and the universities. NSHE should develop, in partnership with K-12, supportive mentoring programs for students and their parents to demystify college planning and preparation. Most importantly, educators at every level need to inspire students to strive for education beyond high school. The new Common Core State Standards *(CCSS)* for K-12, now being embraced by states throughout the country, should be embraced by higher education to align college readiness. CCSS offers a framework for K-16 curriculum alignment that is worth investigating and further implementing. Nevada should reinvigorate the established P-16 Advisory Council with clear responsibility for overseeing the integration of high school and college curriculum within clearly defined pathways for successful and timely completion of college.

5) Remake Remedial Education:
Remedial education serves two constituencies: first, recent high school graduates who have not been adequately prepared for college courses; second, returning adult learners who do not have the preparation to succeed in college courses. A significant portion of Nevada's community colleges' teaching resources are devoted to remedial education of students planning to enter one of the community colleges, the state college or the universities. Community colleges need to be as freed as possible from this important, but burdensome, responsibility in order to open their pipelines for more prepared students seeking college degrees. Remedial education of recent high school graduates should return to the high schools. Articulation of high school courses with college courses will help solve this problem. Most remedial education of returning adult learners can be contracted by NSHE to the private sector, utilizing both place-based facilities and e-learning, as appropriate, under fixed-price schedules based on successful outcomes. Consideration should be given to allowing private sector partners in this endeavor to make use of under-utilized campus facilities, particularly the summer semester, to further reduce costs. The state should decide what, if any, subsidy it will provide for remedial education of returning learners. Part of the assets freed from remediation should be redeployed into expanded, campus-based, general programs aimed at preparing high school students and returning learners for college success. Additionally, freed funds should be used to greatly expand professional counseling for both high school students and adults seeking to further their education, ensuring that both have clear pathways to successful learning outcomes and understand the financial aid available to them.

11. Approved - Community College Task Force Report *(Agenda Item #11) – (Cont'd.)*

6) Implement Variable Tuition Pricing:
To protect the concept of open enrollment in Nevada's community colleges, given the state's limited higher education resources, community colleges should move to student tuition pricing based on the highest and best use of teaching resources, aligned with the state's needs as defined by a strategic plan. For instance, such a variable tuition pricing plan can price the same courses differently depending on whether the learner is a recent high school graduate or a returning adult learner; whether the learner is seeking a degree/certificate or taking ad hoc courses; or, whether the learner is a full- or part-time student. For full-time learners, consideration should be given to pricing by the semester, rather than by the course. Acknowledge the value to both the student and the college of timely degree completion by rebating part of the tuition to encourage timely degree completion. And, importantly, colleges should require as part of the application process, a completed FAFSA form.

7) Increase Meaningful Certificates:
Community colleges offer a variety of occupational and technical education programs to prepare students for jobs. These need to be more closely aligned with actual career opportunities within the state, with course and program content connected to explicit employer needs. In this regard, the Task Force recommends that each college partner closely with the Nevada Department of Employment, Training and Rehabilitation *(DETR)*. The successful completion of all programs should result in the award of a meaningful certificate signifying mastery of the curriculum, measured by competency examination. The existing workforce boards at each college should approve all programs leading to certificates and regularly review curriculum for relevancy. Other vocational courses and programs should be considered for elimination as obsolete. The workforce boards at each college should work more closely with their respective foundation boards to fund their programs with scholarships, capital grants, and endowed programs. Certificate programs at community colleges should be stackable and encourage students to aspire for later completion of degree programs.

8) Expand Dual High School and College Enrollment:
Expand cooperative programs that enroll prepared 11th and 12th graders simultaneously in both high school and college with a ten-year goal of having one-third of Nevada's 12th graders graduating at the age of 18 with a high school diploma, as well as an associate degree or certification in an occupational/technical specialty. Coupled with clear college and career paths beginning in the 9th grade, dual enrollment will help raise high school graduation rates in the state as well as substantially increase the number of college graduates in the state. As an incentive for students to participate, the state should consider rebating tuition and fees for the program upon successful graduation with an associate degree, guaranteeing admission to baccalaureate programs at UNR, UNLV, NSC or the community colleges, and guaranteeing a scholarship that pays

11. Approved - Community College Task Force Report *(Agenda Item #11) – (Cont'd.)*

8) Expand Dual High School and College Enrollment: - *(Cont'd.)*

all or a portion of tuition and fees to the institution of their choice.
Have the college level courses delivered to dual-enrollment students by Nevada Virtual University, which will result in a substantially reduced cost. High school teachers can become on-the-ground guides and counselors to ensure student success.

9) Change the State Funding Formula for Community Colleges:
Re-evaluate the state funding formula for community colleges. Rather than funding community colleges for enrolled students, partially fund for the successful completion of key milestones and courses, with incentives on a sliding scale for timely degree/certificate completion. A revised state funding formula should encourage community colleges to enroll committed learners prepared for college work, and find ways to counsel and help students in degree and certificate completion. The ultimate winners will be our students, our community colleges, and the state overall.

10) Move Governance to the Source:
Nevada's community colleges could be more responsive to community needs by bringing the governance of each to the communities it serves, as is the case in most other states. The Board of Regents should consider delegating part of its authority to local governing Councils to oversee the implementation of the *Strategic Plan for Learners,* to include the curriculum and technical advisory committees for all career and occupational degrees and certificates. Each Council might have five to seven members appointed by the Board of Regents to six-year staggered terms. Members could be drawn from local business, civic, government and K-12 education leaders, and each college's foundation board.

Regent Knecht moved acceptance of the report and to direct the Chancellor and System staff to work with the campuses to bring recommendations back to the Board on ways to move some or all of the Task Force recommendations forward. Regent Doubrava seconded.

Regent Wixom stated that when he came to the Board of Regents, he began looking at the remediation issue. He found that a large number of students that go through and complete the remediation process actually successfully graduate from two and four-year institutions. As a bridge solution, it can be regarded as successful although not desired.

Regent Wixom asked Mr. James if the Task Force considered the remediation process itself and should that process be approached differently. Mr. James replied that the data that is available throughout the country is questionable. The Federal government is attempting to bring all the states to a set of standards. One of the Task Force members,

11. Approved - Community College Task Force Report *(Agenda Item #11) – (Cont'd.)*

Mr. Pedro Martinez, then Deputy Superintendent of Washoe County School District, told the Task Force that some of the best and brightest students that are receiving A's in math and English are still not prepared for college level courses. He felt that the essence of more than one recommendation is that this has to change. There should be no student that graduates with an A in English that requires remediation. It would stand to reason that those students that complete the remediation process and go on to the core requirements would stay the course to graduation. However, he felt that there were many children that want to go to college but do not understand what that means, so they are not prepared. He related that it was the judgment of the Task Force that it was a waste of the learner's time, money and a waste of the taxpayer's money and that a better way needed to be found.

Regent Anderson related that although some of the recommendations were ongoing, she liked the recommendation for a statewide plan and for placing an emphasis on degree completion. She also felt that changing open access was a good idea, adding that many resources are wasted on those that will never be successful in college. She like the idea of the Nevada Virtual College and asked if that meant that rather than each institution offering on-line courses, that there be one on-line institution statewide such as the Western Governor's University. Mr. James related that it would mirror that concept. He related that while serving as commissioner on the NWCCU Board of Directors, he had been impressed with Western Governor's University and the emphasis that institution placed on measurement of success. If the Nevada Virtual College were to be implemented, there were three aspects that he found interesting: 1) course standards would be set by NSHE faculty; 2) the evaluation of student outcome would be an independent third party; and 3) the development of the curriculum would be in the hands of a vendor which could well be a community college.

Regent Blakely asked Chair Geddes if the recommendations could be considered in tiers. Chair Geddes felt that the report needed to be accepted in full that day, adding that based on the report, structure can then be added.

Regent Trachok liked that the Board will have the opportunity to consider the Task Force recommendations. He asked if it was the intent of the recommendation dealing with remediation to limit the number of remedial students that are admitted to the community colleges. Mr. James stated that the intent of that recommendation is to remove the burden of remediation from the faculty. For those that are leaving high school unprepared, the school district needs to take that responsibility. He felt that was a public policy question as to whether the taxpayers should subsidize at the same rate as a degree seeker.

Regent Trachok felt that it was troubling that taxpayer dollars are being spent on remedial education that should have been taught in K-12. However, if the solution is to limit the number of enrollees to only those that are qualified, how would that balance with the goal to increase the number of college graduates. Mr. James felt that the key is in creating pathways for children beginning in the 6th grade. The value of education is not clearly identified to the children or their parents. He felt that by taking money subsidized by the state and applying it to K-12, the state would receive a much better payoff.

11. Approved - Community College Task Force Report *(Agenda Item #11)* – *(Cont'd.)*

Regent Melcher indicated that while some aspects of the report were valid, some caused him concern. He related that community colleges took on the mission of remediation in the 1960's. Perhaps it was time to address remediation but he felt that it may be more than a K-12 responsibility. In regard to a virtual university, he was concerned that there could be a disconnection with outsourcing. Mr. James replied that in the Task Force's last meeting with the community college presidents, the presidents felt that remedial education should stay at the community college level. In regard to virtual colleges, Mr. James felt that there will always be a demand for place-based education. However, if the pipeline is going to be increased without funds to meet that expectation, the System will need to be clever about its options. Mr. James related that the Task Force placed an emphasis on the importance of quality by developing the recommendation that the standards always be set by the faculty and then conduct an assessment of the learners by a third party.

Regent Alden left the meeting.

On behalf of the community college presidents, President Richards thanked Mr. James for his openness and efforts on the Task Force. He related that there were a number of recommendations that were significant and contain policy and practicality issues. The fall semester is recently underway and the faculty and staff have not had the opportunity to digest the report. He hoped that as the Board accepts the report, and receives it for further discussion, that the campuses will also be involved in the discussion. He added that the presidents regularly meet with the Chancellor and he hoped that the Task Force's recommendation would be further discussed in that forum.

Regent Knecht related that the most important aspect of the report was that it started out with student achievement. He appreciated that the report focused on strategic management and policies and practices and moved away from the historic facility master plan process. Above all, he valued that the Task Force reached outward to partner with K-12 and the higher education institutions. He enjoyed the fresh thoughts incorporated into the report for restricting remedial education and agreed that it was important to consider decentralization and partnerships. Regent Knecht felt that if the recommendations were followed, Nevada could hope for more college graduates, more high school graduates and more holders of meaning certificates and a better workforce and society.

Regent Blakely felt that it was important for the community colleges and the Chancellor's staff to work the recommendations out before the Board took action. Mr. James replied that to the extent that the Board can find a way to work with the recommendations, they could rest assured that Nevada could emerge a leader in this area.

Regent Trachok asked for an explanation of how the Task Force envisioned the variable pricing mechanism recommended in the report. Mr. James related that the Task Force had been more concerned with the principle and real value. He related that there was no correlation between the current cost of tuition and educational outcomes. Nevada charges

11. Approved - Community College Task Force Report *(Agenda Item #11)* – *(Cont'd.)*

among the lowest tuition rates in the country and yet it has the lowest educational attainment in the country. He felt that the idea of keeping tuition low is not serving Nevada's interests as well as the Board's predecessors thought that it would. He expressed his interest in first protecting those students that are matriculating from high school and into college for that degree and then those citizens that are starting a second career. He felt that the public policy issue presented is how much taxpayers should be responsible for paying versus investing in people that will raise the educational level of the entire state.

Chancellor Klaich stated that later on the agenda, the Board will be asked to suspend its tuition and fee policy for the biennium. The reason behind that request is to provide a committee time to consider the tuition and fee policies and align them with the greater goals of the System.

President Lucey stated that when she first read the Task Force recommendations it had taken her breath away. She related that Mr. James had in the past taken her out of her comfort zone and she had suspected that would be the case. All ten of the recommendations are interesting but uncomfortable and are therefore deserving of the System's respect and careful thought.

Motion carried. Regent Alden was absent.

Regent Anderson left the meeting.

12. Approved - *Handbook* Revision, Community College Admission Criteria *(Agenda Item #12)* – The Board of Regents approved a revision to its current policy governing community college admission *(Title 4, Chapter 16, Section 18)*. Specifically, the proposed revision requires that to be admitted to a community college a student must be a high school graduate or its equivalent, effective Fall 2012. Students who have not graduated from high school may be admitted under alternate criteria that demonstrate college readiness. *(Ref. BOR-12 on file in the Board office)*

Regent Wixom moved approval of a revision to current Board policy governing community college admission *(Title 4, Chapter 16, Section 18)*. Regent Trachok seconded. Motion carried. Regents Alden and Anderson were absent.

Regent Anderson entered the meeting.

13. Approved - Update on the Regents' Efficiency and Effectiveness Initiative for the Nevada System of Higher Education *(Agenda Item #13)* - The Board approved the following nine actions pertaining to NSHE and Board policies and the structure of NSHE business operations as recommended. *(Ref. BOR-13 on file in the Board office)*

13. Approved - Update on the Regents' Efficiency and Effectiveness Initiative for the Nevada System of Higher Education *(Agenda Item #13) – (Cont'd.)*

- Payroll Recommendations:
  1. Approve chancellor adoption of policies in the Procedures and Guidelines Manual to eliminate delivery of remittance advices, encouraging or requiring direct deposit and electronic delivery of W-2's, develop electronic means to process transactions, and standardize codes and other payroll processes.
  2. Continue study to centralize payroll operations when feasible in accordance with implementation of a new finance and hr software system.

- Human Resources Recommendations:
  1. Approve a unified single classified delegation agreement.
  2. Approval to eliminate annual renewal contracts and part-time faculty contracts to improve efficiency in transactions.
  3. Further study to centralize some human resource functions.

- Purchasing Recommendations:
  1. Approval to move forward in investigating an e-procurement system.
  2. Direction to Chancellor to develop policies in the Procedures and Guidelines Manual to initiate more system-wide planning and interaction for large scale purchasing, software and equipment standardization, and adoption of other strategic purchasing initiatives.
  3. Direction to the Chancellor's Office to provide leadership in looking to alternatives to save money, such as fixed price maintenance contracts, performance based consultants to identify savings, and cost auditors to identify overcharging on contracts.
  4. Further study of plan to consolidate bid procurement.

Vice Chancellor Patterson related that the initiative has focused on three areas that already contained centralized operations including payroll, human resources and purchasing. The focus also took into consideration the need to perhaps decentralize those areas and staffing levels.

Vice Chancellor Patterson related that consideration is being given to combining the payroll centers in Reno and Las Vegas. However, at this time, the cost and effort to combine those offices would exceed any savings.

Vice Chancellor Patterson stated that the Efficiency and Effectiveness Initiative will dovetail well with the next phase of the iNtegrate project which will include a business and finance model as well as the human resources model. However, before implementation can occur, it is important to map and understand business processes to standardize and establish best business practices.

In addition to the nine recommendations listed above, Vice Chancellor Patterson related that work continues on the following general recommendations to further improve efficiency and effectiveness:

13. Approved - Update on the Regents' Efficiency and Effectiveness Initiative for the Nevada System of Higher Education *(Agenda Item #13) – (Cont'd.)*

    1. Chancellor creation of a business community advisory task force.
    2. Direction to Chancellor to develop policies for use of electronic signatures.
    3. Audit Committee review of audit emphasis and materiality/cost considerations.
    4. Next areas for review including whether Chancellor should create system-wide E & E Task Force to assist in reviewing business operations.

    Regent Wixom moved approval of the nine recommendations pertaining to payroll, human resources and purchasing. Regent Leavitt seconded. Motion carried. Regent Alden was absent.

    Regent Wixom stated that he could not emphasize enough the significance of what the recommendations will do, adding that it has been a four year process that will be the foundation for what the System wants to accomplish as it moves forward.

14. Approved - DRI Equity Adjustment for Research Faculty *(Agenda Item #19)* – The Board of Regents approved DRI President Stephen G. Wells request that DRI be allowed to establish up to a 12.6% equity adjustment for DRI's research professorial and research associates in order to remain market competitive. No state funds will be required to fund the equity adjustment *(Ref. BOR-19 on file in the Board office).*

    Regent Knecht moved approval of up to a 12.6% equity adjustment for DRI's research professorial and research associates. Regent Crear seconded.

    Regent Knecht noted that this request was not a mandatory measure but allows DRI staff the opportunity to apply for an equity adjustment. He felt it would be useful for President Wells to explain why it is optional and why some staff may not apply for the equity adjustment.

    President Wells confirmed that this is being requested as an option for DRI staff. There are a variety of issues that face DRI staff including whether or not their sponsoring agency or new contract will allow it. He felt that to provide DRI staff with the option was a significant statement from the Board that will have a positive impact on the morale of the institution and will positively affect recruitment.

    Regent Knecht felt that this request was consistent with a number of positions that the Board has taken to help faculty where it can. He felt that the more that the Board could support proposals at the institutions that will bring in outside money should be encouraged. Regent Blakely expressed his support and asked that a proposal to extend a similar option to UNLV and UNR be presented at the December Board meeting.

    Motion carried. Regent Alden was absent.

15. Approved - Temporary Suspension of Tuition and Fee Policy *(Agenda Item #17)* – The Board of Regents approved a suspension of its policy concerning the biennial recommendation for tuition and fee increases for undergraduate and graduate students only as is required in Board policy *(Title 4, Chapter 17, Section 1)* in light of the work to be done by the Chancellor's ad hoc Access and Affordability Committee *(Ref. BOR-17 on file in the Board office).*

Regent Page moved approval of a temporary suspension of the policy concerning the biennial recommendation for tuition and fee increases for undergraduate and graduate students only as is required in Board policy *(Title 4, Chapter 17, Section 1)*. Regent Anderson seconded. Motion carried. Regent Alden was absent.

16. Information Only - Farewell to Outgoing Regent *(Agenda Item #14)* - The Board members expressed their gratitude to outgoing Regent William G. Cobb for his service to the Nevada System of Higher Education.

The meeting recessed at 5:21 p.m. on Thursday, September 8, 2011 and reconvened at 10:00 a.m. on Friday, September 9, 2011, with all members present.

17. Information - Public Comment *(Agenda Item #15)* – Dr. Robin Herlands, Faculty Senate Chair, NSC; Mr. Sebring Frehner, NSSA President, NSC; Ms. Joanna Shearer, Faculty, CSN; Ms. Sherri Coffman, Faculty, CSN and Dr. Kebret Kebede, Faculty, CSN, expressed their support for the Board's consideration for appointing Dr. Lesley DiMare as the permanent President of Nevada State College.

Ms. Aimee Riley, ASCSN President and Chair of the Nevada Student Alliance, expressed concerns for some of the recommendations contained in the Fresh Look at Nevada's Community Colleges Task Force report. She looked forward to further collaboration and greater student involvement as the recommendations move forward. In addition, Ms. Riley expressed concern for the open accessibility to higher education in Nevada and requested that there be student representation in developing alternate pathways.

Ms. Tracy Sherman, Faculty Senate Chair, CSN, also expressed concern for the recommendations contained in the Fresh Look at Nevada's Community Colleges Task Force report.

Mr. Jim Gallaway asked the Board to review the suspension of the policy that allows free tuition for senior citizens prior to next spring.

17. Information - Public Comment *(Agenda Item #15)* – *(Cont'd.)*

Regent Blakely asked if it was possible to discuss the permanent President for NSC during the course of the meeting. Chair Geddes explained that it could not be discussed at this meeting but would be placed on an upcoming meeting agenda.

18. Approved - Strategic Planning for the Future of Higher Education *(Agenda Item #16)* – The Board began a discussion of an update to the Board's Master Plan with a goal of the Board producing a new Blueprint for the Future of Nevada's colleges and universities. The discussion is intended to outline a process for defining the Board's vision of where higher education in Nevada should be headed in the future and its relationship to the goals and strategic vision for the State of Nevada and the role of the institutions. The discussion included presentations from (a) Dr. Sandra Elman, President of the Northwest Commission on Colleges and Universities focusing on the five standards for accreditation and their relationship to the strategic planning process; and (b) Dr. David Longanecker, President of the Western Interstate Commission for Higher Education focusing on planning efforts in other states and how their experience can inform and expedite the planning process in Nevada.

Based on the Board's input and discussion, staff will prepare a report for future Board consideration and action.

- NSHE Strategic Planning Principles; *(Ref. BOR-16a on file in the Board office)*
- NSHE State of the System 2011; *(Ref. BOR-16b on file in the Board office)*
- UCCSN Master Plan 2005; *(Ref. BOR-16c on file in the Board office)*
- NWCCU Standards of Accreditation; *(Ref. BOR-16d on file in the Board office)*
- Arizona University System Strategic Plan 2008-2020; *(Ref. BOR-16e on file in the Board office)*
- Kentucky Council on Postsecondary Education 2005-2010; *(Ref. BOR-16f on file in the Board office)*

Chancellor Klaich related that Chair Geddes had requested that the Board begin a conversation on the future of higher education. Some of the strategies will include focusing and changing the existing budget formula, to take a hard look at partnerships with economic development authorities and in developing a genuine working relationship with K-12. Chancellor Klaich stated that some of the steps were themes in the last legislative session and are already in motion such as AB 449 which reorganized the economic development structure and made higher education a player in that new structure for the first time.

Mr. Dale Erquiaga, Deputy Chief of Staff, Governor Sandoval's office, related that much planning is going on in the state of Nevada. Mr. Erquiaga related that the Nevada Department of Education and the State Board of Education are now required by state law to develop a five year strategic plan. It is recognized that the alignment of high school graduation through college is critical for the State's future. The State's administration is also engaging in its own level of planning. For the 2013 biennium, the administration must now pair a performance and priority based budget. The Governor has directed his cabinet to begin a performance planning process around what he has articulated as his

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16)* – *(Cont'd.)*

goals for the interim period between now and into the next biennium. Although the individual goals are still being developed, three overarching initiatives will be 1) to get Nevadans working again; 2) to change the way Nevada does business; and 3) to create a new promise of opportunity for all Nevadans.

Mr. Erquiaga related that a new Board of Economic Development will be announced next week, followed by the creation of an office within the Office of the Governor with a new director to be named by the Governor. The first assignment of that director will be the creation of the economic development plan which had been started over the summer. That plan will identify sectors of industry in the state of Nevada in which there is already some strength and opportunity for job growth. That preliminary report will be released on September 14, 2011. The Governor's office felt it critical that the System address those economic sectors in its strategic plan. The same will be asked of the high schools and the state's Workforce Investment Board.

Regent Leavitt thanked Mr. Erquiaga for representing Governor Sandoval in this discussion. He felt that the Board valued a relationship with the Governor's office and hoped that the Board would be included in the Governor's discussions.

Regent Crear felt that it was important as the Board moves forward with its planning, that it try and solidify support from the Governor's office and the Legislature. He felt the mindset of reducing budgets was detrimental to the success of higher education. He felt that there was a lack of correlation between reducing the System's budget and the Governor's ideology to build and use higher education as an economic engine.

Chair Geddes related that he and Chancellor Klaich had met with the Governor and Chief of Staff Gansert. At that time, the Governor informed them of the reorganization of K-12 and of progress being made on the AB 449 initiative. As a result of that meeting, it was felt that more conversation should occur between the System and the Governor's office.

Regent Crear asked Mr. Erquiaga to convey an invitation to the Governor to present his vision to the Board of Regents. Mr. Erquiaga indicated that he would extend that invitation to Governor Sandoval. He related that the Governor would like the Board Chair and Chancellor to participate in the strategic planning process and its upcoming kick off meeting. Mr. Erquiaga related that he is often in daily communication with the Chancellor and will continue to keep that line of communication open.

Regent Schofield expressed his concern that there should have been more assistance from the Governor's office during the last legislative session.

Regent Page also extended an invitation to the Governor to visit with the staff and students at the campuses.

Regent Wixom asked when the economic report would be released. Mr. Erquiaga replied that the first draft of the report will be released publicly on Wednesday, September 14,

18. Approved - Strategic Planning for the Future of Higher Education *(Agenda Item #16)* – *(Cont'd.)*

2011. Regent Wixom indicated that he was anxious for the Board to begin working with the Governor's office in regard to those industrial sectors.

Dr. Sandra Elman, President of the Northwest Commission on Colleges and Universities *(NWCCU)*, provided a presentation focusing on the five standards for accreditation and their relationship to the strategic planning process, the new NWCCU accreditation model and the NWCCU's expectations for governing boards *(handout on file in the Board office)*.

The meeting recessed for a fire alarm at 11:10 a.m. and reconvened at 11:30 a.m. on Friday, September 9, 2011, with all members present.

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16)* – *(Cont'd.)*

Dr. David Longanecker, President of the Western Interstate Commission for Higher Education, provided a presentation on Thinking Strategically for Nevada Higher Education that included focusing on planning efforts in other states and how their experience can inform and expedite the planning process in Nevada *(presentation on file in the Board office)*.

The meeting recessed at 12:04 p.m. and reconvened at 12:33 p.m. on Friday, September 9, 2011, with all members present except for Regent Blakely and Page.

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16)* – *(Cont'd.)*

Regent Alden requested that a subcommittee be created to review the information provided.

Regent Melcher requested that a comparison be made of the information contained in Dr. Elman and Dr. Longanecker's presentations with the Fresh Look at Nevada's Community Colleges Task Force report heard earlier that day.

Regent Wixom stated that he was profoundly disturbed by the low productivity numbers of Nevada's institutions. He understood that the national average per student allocation is $6,450. Nevada's per student allocation is $7,800 but yet it is in the bottom quartile in terms of graduation rates. He asked what institutions could do to bring productivity levels up other than talk about graduation rates which is already part of every institution's mission statement.

Dr. Longanecker related that the difference in per-student appropriations reflected in his presentation were from FY 2010. In 2011, the NSHE experienced a significant cut that brought that number down to, or slightly below, the national average. Regent Wixom

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appreciated that clarification. However, he felt that there had still been a productivity issue prior to the reduction. He asked what the Board should focus on in terms of strategic planning.

Dr. Longanecker replied that the focus should be student success. As a Board, it should provide incentives to the institutions that will allow them to determine the best course for success. He cautioned the Board to be careful with respect to considering only graduation rates instead of graduation numbers and recommended that both the rate and numbers be taken into consideration. He explained that Nevada had a challenge in that so many of Nevada's students only attend college part time because 1) the industries available to Nevadans provide opportunities to work and 2) Nevada does not have a viable financial aid program that allows students to attend full-time and that will help pay for living expenses. Dr. Longanecker stated that Nevada needs a stronger approach to need-based financial aid, particularly at CSN and the other community colleges.

Dr. Elman felt that Regent Wixom had raised an excellent strategic question. She felt that the Board needed to determine on a long-term basis what its goals are with regard to productivity and what is realistic and what is based on realistic assumptions. If part of the issue is finances, it seemed to her that one would have to think beyond what the System could do to finance the institutions and to look to partnerships with business and industry and with the state of Nevada.

Regent Wixom felt that when talking about dollars following success, he felt that it could be counterintuitive because if the institutions are going to succeed they need resources. He asked Dr. Longanecker how he would address that issue. Dr. Longanecker did not feel that it was punitive at all. The education sector operates like other businesses and provides performance funding. However, it just provides it up front for enrollment instead of successful completion. He related that in New Mexico, only courses that are successfully completed are paid for. That substantially changes the incentive in the classroom to succeed. If the goal is for students to complete their education, and if the institutions exist for the purpose of student success, then it must pay for success. A transition must be found with an implementation strategy that allows those that are not achieving to expectations, to come in line. He did not feel that was punitive.

Dr. Longanecker felt that it was valuable for community colleges to think of success in various ways. He was intrigued with the Momentum Point program originally created at Washington community colleges and then adopted in Ohio. That program rewards institutions whose students complete remediation and take the first course. He was unsure why institutions should be rewarded for failing students in remediation over and over again.

Regent Wixom asked if Dr. Longanecker was saying that the Board could address the productivity issue by: 1) having a broad financial category with funding for successful completion; 2) broadening the scope of financial aid from tuition based to a broader

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16)* – *(Cont'd.)*

financial aid package and 3) in terms of business partnerships, the System needs to align the courses and programs offered with the stated needs of the community.

Dr. Elman stated that Dr. Longanecker was correct and added that his third point involved more than just partnering with businesses. It was important to align courses and to create internships for full and part-time students to engage in the economic development of the state. She felt that the Board should first ask what the state of Nevada wants for its future.

Regent Wixom asked if a fourth category should be the development of a broad policy statement from governmental leadership on what it wants as a state. Dr. Elman stated that was correct, adding that in her experience that development should begin with legislators, health care leaders, governors, and so forth.

Dr. Longanecker related that the Board of Regents has two real levers. The first lever was the finance formula and the way in which resources are distributed. That did not mean that every student will succeed or that the institutions will be punished, rather it provides the right set of incentives. The second lever is that the Board could provide incentive missions such as a pool of funding for campuses to participate in the National Center for Academic Transformation course redesign. The Board has both incentive and policy direction capacity. The Board does not want to get into administering the institutions from the Board level. The Board wants to make it clear what the Board and the state believes is in the state's best interest.

Regent Knecht asked what the reasons were for the low productivity and what the remedies were. He felt that the only reasoning heard thus far was the high number of part time students. In terms of remedies, he heard that there needs to be funding for success, the need for more student aid to turn part-time students into full time students and to pursue business and other external partnerships including K-12. He asked Dr. Longanecker if his summary was correct and to elaborate on the reasons for low productivity as well as any remedies. Dr. Longanecker replied that Regent Knecht had a good sense of the information provided, adding that he could only present what the statistics show and not necessarily the reasons behind them. Dr. Longanecker related that there is a grossly underused form of financial aid in this country known as cooperative work study. Cooperative work study programs allow a student to work for a firm that pays them. He felt there was a tremendous value in that type of program, adding that those students are more likely to stay in Nevada. Cooperative work study programs are also a benefit for emerging small businesses that need employees but do not have a great deal of resources.

Dr. Elman related that as part of the macro approach mentioned earlier, the question should be what will Nevada's needs be in the next 20 years. She related that question should be answered empirically with how many doctors or lawyers will be needed, what industries will Nevada be relying upon, will the gaming industry change, what will be outsourced and if the answer is nothing, then what skills and competency does the state want to give its young men and women.

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16) – (Cont'd.)*

Regent Knecht agreed that the focus should be on students and not on the System. In response to the suggestion that one of Nevada's challenges is low income students, he felt that was an interesting statement given the relatively high income in relation to education levels and asked if there was data available for the income profile of Nevada's students relative to other states. Dr. Longanecker indicated that could be provided. However, there is another issue that there is not an ethic of college attendance or value in Nevada. There is a different feel in this state than any other state with which he works. He felt that the question should be does this need to be changed in order to have the lifestyle that has been enjoyed in past.

Regent Knecht agreed that the ability for Nevadan's to historically make a living without the benefit of higher education is a cultural problem. With the decline of the gaming industry, Nevadans will face the problems as outlined by Dr. Longanecker. That cultural shift needs to be addressed although it may be beyond the Board's power to effect that change by itself.

Chancellor Klaich related that he and Dr. Longanecker would work together to drill down on the performance data in order to provide more granular data to the Regents.

Regent Anderson felt that in order to build a cultural change, it would be important to involve industry. She felt that Nevada's businesses and industries do not buy in to the requirement of a college graduation. She asked how that culture could begin to be changed. Dr. Elman indicated that there was a lesson that could be learned by looking at sports teams. Colleges across the country seek quality assurance because they want their staff and athletes to be well educated and have that quality of assurance. That is where the conversation begins about how to create and develop more efficient citizenry. It requires a partnership to work on those initiatives. Regent Anderson felt that it would take more buy in from business and industry to implement that requirement.

Dr. Longanecker felt that there has been a dilemma in public policy and government in general that there is a belief that public dollars should not be spent on marketing. However, if the cultural is going to be affected, there has to be a message and a messaging capacity that is generally hard to finance with public dollars. In Nevada, there are a number of individuals in the community that have often stepped up to help higher education or that have access to the media that could help to create the capacity for a messaging campaign. The College Access Challenge grant is also trying to reach out to young people to encourage them to attend college. He also felt that one way to get businesses to buy in is to reward those businesses that participate in the game. Dr. Longanecker related that in Minnesota, an annual list of companies is published that includes their pre-tax earnings that were donated to philanthropy. The names of companies that have fallen off that list are also published. There needs to be a strategy that provides benefit to those businesses.

Dr. Elman felt that it was important to keep in mind that every student may not graduate and that is not necessarily failure. Depending on an institution's mission and the

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16) – (Cont'd.)*

student's goals and objectives, when a student enrolls at an institution, there is "value added" during the course of study and he or she will gain more competencies, skills and knowledge to ultimately be a productive citizen.

Regent Wixom indicated that he had recently read some materials on the value added question where freshmen and seniors are tested to determine how much the student changed academically in that four years. He asked Dr. Elman if the NSHE should engage in that type of study. Dr. Elman felt that it was a powerful notion to be able to demonstrate to the citizens of Nevada, the governor and business partners that an 18 year old that enters college and then leaves at the age of 20 or graduates has value added.

Dr. Longanecker stated that the System should do such a study, although he did not suggest that the Board actually come up with the study. Although imperfect, Dr. Longanecker indicated that there were ways in which a study could be done that can help get a better sense of whether the System is achieving its purpose or not.

In terms of delivery, Regent Melcher felt that a serious discussion was warranted on collaboration between institutions and a reward system for that collaboration. He felt that there needed to be motivation to help institutions see the value in working together. In addition, Regent Melcher felt that there should be a review of which institution is delivering what and to whom. He felt that if those questions were not addressed, the System would not be able to pull the entire state together. Drs. Elman and Longanecker agreed.

Regent Schofield related that he has been an educator and an administrator in Nevada for 48 years. He agreed with Regent Knecht's comments, adding that gambling is not going to continue in its current form. Currently, millions is spent advertising all the positives of the Las Vegas strip. He felt that a sales pitch needed to be given to the youth of the state of Nevada that highlights how rewarding education is and that it is an investment in their lives.

Regent Crear agreed with Regent Schofield, adding that the NSHE does a deplorable job of promoting the values of higher education. There is repeated discussion on changing Nevada's culture, yet that cultures expected to miraculously change on its own. Little is done to promote higher education. It perplexed him that the Board is perplexed that the students do not finish college or leave the state to go to other colleges, yet it does nothing to promote higher education. A consistent and concerted effort is needed to get that message out. The Board has had the same conversation for five years but it is spinning its wheels until the institutions and System decide to put some money into a marketing campaign.

Dr. Longanecker noted that the Governor had indicated that he wants to partner with the NSHE. If the governor is willing to be part of, or the lead on, a campaign on the importance of education it could help the Board's efforts.

18. Information - Strategic Planning for the Future of Higher Education *(Agenda Item #16) – (Cont'd.)*

Dr. Elman stated that step could be coupled with identifying the ten leading business industry leaders in the state, including bankers, heads of corporations and the gaming industry, and have a conversation with them to explain the System's concerns and productivity issues and to ask them what they want and need ten years down the road. She felt that would be a powerful coalition between the Governor, business leaders and higher education.

Regent Schofield stated that he would support the formation of an advertising foundation through the Board of Regents to find the necessary funding to promote an advertising campaign.

Regent Trachok stated that he had been convinced that Governor Sandoval was on board and happy to move higher education forward. He suspected that some of the most popular people in the north and south were the student athletes and coaches and asked the presidents if those groups would be receptive to explaining whenever the opportunity presents itself, how valuable higher education is to them, their families and the state.

Dr. Longanecker stated that it is also important to consider those citizens that went to college but never completed, adding that is a population that could help the System change the culture.

Dr. Elman related that from an accreditation commission perspective, as the strategic planning process moves forward, it is important for the Board of Regents to be cognizant and mindful of accrediting plans.

Chair Geddes stated that the System has eight institutional plans that need to be incorporated into a System-wide plan that becomes the backbone of a marketing mission for the state. He felt that was one goal of the strategic planning process, to develop one overarching document that provides direction in the form of a master plan. Regent Geddes related that the Regents would be receiving more extensive documents as the strategic planning process moves forward.

19. Approved - Distinguished Nevadan Award *(Agenda Item #18)* – The Board of Regents approved Regent Mark Alden's nomination of Mr. Richard H. Bryan as a 2011 Distinguished Nevadan recipient *(Handbook, Title 4, Chapter 1, Section 14) (Ref. BOR-18 on file in the Board office).*

Regent Alden moved approval of Mr. Richard H. Bryan as a 2011 Distinguished Nevadan recipient. Regent Schofield seconded. Motion carried. Regents Blakely and Page were absent.

20. Approved - *Procedures & Guidelines Manual* Revision, Amendment to Unpaid Leave Requirements *(Agenda Item #20)* – The Board of Regents approved an amendment to the NSHE *Procedures & Guidelines Manual*, Chapter 3, Section 8 (Temporary Salary Reductions and Unpaid Leave) as follows: 1) to reduce the external funding requirement for the temporary salary reduction exemption from 100% to 90% in order to account for institution paid time to write grants or perform other requested services for the institution; and 2) to exempt UNSOM clinical salaries from the provisions due to impairment of contracts and to increase productivity *(Ref. BOR-20 on file in the Board office).*

Regent Alden moved approval of amendment to the NSHE *Procedures & Guidelines Manual*, Chapter 3, Section 8 as follows: 1) to reduce the external funding requirement for an exemption from 100% to 90% in order to account for institution paid time to write grants or perform other requested services for the institution; and 2) to exempt UNSOM clinical salaries from the provisions due to impairment of contracts and to increase productivity. Regent Knecht seconded.

Regent Crear requested clarification of the rationale. Chair Geddes explained that the federal government will not allow time spent writing the grant to be charged to the grant.

Regent Crear asked who paid for the 10%. Chair Geddes stated that the institutions would. Chancellor Klaich added that there is no one that is 100% grant funded on a continuing basis. A grant could be written that provides for compensation prospectively.

Regent Crear asked who funds the time that is spent writing grants. Chancellor Klaich replied that the universities provided those funds.

Although placing the bar at 100% is theoretically the best place for it, it was practically impossible and penalized the individuals that the policy was intended to help.

President Johnson related that particularly with National Science Foundation and National Institute of Health audits, their grants and individuals are not allowed to write the next grant on the current grant. However, in order to keep the grant flow going, the grant writer will take some time out to write the next grant. The institution uses indirect cost recovery or state funds assigned to the Vice President of Research to buy out the time necessary to write the next grant.

Regent Knecht indicated that in his experience, the grant writer can be logging 40 billable hours while spending evening and weekend time preparing the next grant.

President Wells agreed with President Johnson, stating that it is indirect cost recovery that is used to promote the next round of grant proposals.

20. Approved - *Procedures & Guidelines Manual* Revision, Amendment to Unpaid Leave Requirements *(Agenda Item #20) – (Cont'd.)*

President Smatresk stated that the proposed revision is a way for the institution to maintain federal compliance and still be able to allow 100% grant funded faculty.

President Johnson added that many people are working on multiple grants and do not take months off of work to write a grant. Unlike tenured faculty, this class of employees is hired with a clause in their contract that states employment is subject to availability of funds.

Regent Crear requested clarification of the second action to exempt clinical salary from unpaid leave. Vice Chancellor Patterson explained that the exemption of unpaid leave applies only to the clinical portion of the contract. However, any portion of state funded support is completely subject to furloughs and unpaid leave.

Motion carried. Regents Blakely and Page were absent.

The meeting recessed at 1:53 p.m. and reconvened at 2:03 p.m. on Friday, September 9, 2011, with all members present except Regent Blakely.

21. Information - *Handbook* Revision, Expedited Process for Tenure Decisions *(Agenda Item #21)* – At the March 2011 meeting of the Board, the Regents requested that a proposal be brought forward to establish an expedited process for tenure of faculty with an exemplary record in their field but who do not have tenure at another higher education institution and are not eligible for tenure on hire under current Board policy. The Board of Regents discussed the proposed policy that includes revision to the NSHE Code that would allow such eligible faculty to be awarded tenure in a shorter period of time. The Board requested that staff continue to work through the issues discussed and resubmit the proposed policy for final action at the December meeting *(Ref. BOR-21 on file in the Board office).*

Vice Chancellor Nichols explained that the proposal would change the circumstances under which a professor could be granted tenure. Presently, the Board's policy allows a president to award tenure on behalf of the faculty if that person has been awarded tenure at another institution and with the approval of the faculty. The proposed policy allows the institution to hire an individual and to place them on an expedited tenure process that allows tenure to be requested or recommended within one or two years. The advantages would be that the faculty has time to consider the individual before recommending tenure. The disadvantage is that it would prevent a president from recruiting and hiring anyone with tenure upon hire.

Regent Crear asked what the difference would be between an expedited process and a tenure track professor. Vice Chancellor Nichols replied that there is little difference in the sense that anyone on a tenure track could requests a shorter evaluation time.

21. Information - *Handbook* Revision, Expedited Process for Tenure Decisions *(Agenda Item #21) – (Cont'd.)*

However, the proposed policy would explicitly state that the individual is on an expedited process. This would be another vehicle to use for someone that is truly outstanding. She added that tenure track faculty are often hired as assistants or new professors, and as such are aware that they are on a three, four or five year track.

Chair Geddes related that he had requested this item. When hiring someone from the private sector and award them tenure upon hire, he felt that it takes aware from the typical tenure process. This process would allow for a longer period of time in which to be evaluated, but not require the full multiyear timeframe.

President Smatresk related that he was not opposed to the principle, but to the proposed timeframe. When recruiting an individual that has a successful practice and to entice them into academia, the carrot is often tenure upon hire. He asked that the process be expedited to the point that it could be left at "for a period under review."

Regent Crear asked if there were any comments from the faculty senate chairs. Dr. Greg Brown, Faculty Senate Chair, UNLV, related that the faculty senates have reviewed the proposal and the reaction was that it was consistent with how they understood research universities to handle these situations nationally.

Regent Anderson asked if the proposal provided the presidents with authority to offer tenure upon hire to a new faculty member without Board approval. Vice Chancellor Nichols stated that the proposal did not, and it was in fact removing that as an option.

Vice Chancellor Nichols explained that if an institution wants to offer tenure upon hire, they currently have a mechanism to bring that request to the Board for approval. However, the president still has to go through the faculty for approval through their voting process. The proposed policy would restrict the president to state that the institution has an expedited tenure process. The request for tenure upon hire is contingent on Board approval and would still be offered, but tenure will be conducted through a process that is explicit and clear.

Regent Anderson asked if creates two classifications of faculty members and asked if it will still give the current faculty the opportunity to review credentials. Vice Chancellor Nichols stated that the Board's policy is clear that no tenure upon hire requests can be brought to this Board without the approval of the faculty.

Chair Geddes asked if the individuals would be coming to the Board on a case-by-case basis or if it would be on an annual list. Vice Chancellor Nichols clarified that there are two ways that tenure upon hire is brought to the Board. One is an informational report of those individuals that were granted tenure upon hire that met the requirement of already having tenure at another institution. The second way is for a president to request tenure upon hire for an individual that has not met that requirement and requires Board approval.

21. Information - *Handbook* Revision, Expedited Process for Tenure Decisions *(Agenda Item #21) – (Cont'd.)*

Dr. John White, Dean, Boyd School of Law, UNLV, cautioned that one potential complication of the proposed policy is a timing issue in that if the individual being offered employment is coming up for tenure at their present institution, they may not be lured away for a tenure promise from a Nevada institution of more than a year out from the initial offer of employment. He was not opposed to the proposal, but requested clarity on that particular issue. Chancellor Klaich replied that was the purpose of requiring two readings before the policy can be implemented. He stated that Dean White's concerns can be addressed by the Academic and Student Affairs department and an improved proposal could be brought back to the Board in December.

Regent Alden stated that he was not in support of the proposed policy, adding that procedures were already in place and that he wanted the presidents to retain the right to offer employment with tenure upon hire.

Regent Schofield stated that he also would not support the proposed policy, feeling that faculty tenure upon hire does not protect the students.

President Smatresk agreed with Chancellor Klaich that this first reading was so that a better proposal could be presented at the second reading.

Regent Crear asked if this proposal takes away the presidents' ability to hire with tenure. Vice Chancellor Nichols explained that the proposed policy will not take away the presidents' ability to offer tenure upon hire for those individuals that currently enjoy tenure at another institution.

Regent Crear asked if, under the proposed policy, the presidents would not be able to come to the Board to request tenure upon hire, but that individuals would have to be hired under the expedited tenure route per the proposed policy or on tenure track. Vice Chancellor and President Smatresk confirmed that was correct. Regent Crear stated that unless the proposed policy was presented as a possible third option for the presidents, he could not support the proposed policy.

Regent Melcher indicated his support of the proposed policy feeling that this option would help the System to compete for high end researchers and faculty to advance the System.

Regent Crear felt that the presidents should have the ability to hire with tenure upon hire and not be restricted to only hire with expedited tenure or tenure track.

Regent Trachok asked President Smatresk if his concern was that the presidents would be forced to request tenure upon hire on an expedited track or if the presidents want the flexibility to request tenure upon hire from the Board. President Smatresk related that he was not discontented with the current system. The proposed policy stipulates a process that could take up to two years and he would argue that could impede the hiring process when trying to lure someone away from another institution. Regent Trachok indicated that he would support allowing the presidents flexibility.

21. Information - *Handbook* Revision, Expedited Process for Tenure Decisions *(Agenda Item #21) – (Cont'd.)*

Regent Wixom agreed with the intent of the proposed policy but felt that legitimate concerns have been raised. He asked that staff be provided the opportunity to work through the issues and resubmit a proposed policy in December.

22. Update on Impact of PEBP Changes and NSHE Response *(Agenda Item #22)* - Vice Chancellor Bart Patterson provided an update to the Board of Regents on the significant and negative impact that changes to the Public Employee Benefits Program *(PEBP)* are having on NSHE employees. The update included how NSHE is responding to the changes which includes, among other things, continuing the work of the Chancellor's PEBP Task Force to examine the changes and to consider options, to monitor and provide input to PEBP on modified plan designs or other PEBP proposals impacting participants, and the intended selection of an NSHE health plan consultant to provide expert advice to NSHE in addressing health plan issues, including advice on alternative plans that may better address employee needs.

In terms of status, Vice Chancellor Patterson stated that the System knows it must be proactive. A number of options are being pursued including: 1) the continuation of the PEBP Task Force; 2) the System is in the process of selecting an outside healthcare consultant to advise the System on a number of aspects related to healthcare, including possible supplemental benefits to employees particularly with dental and health care clinics; 3) looking at advocating to the PEBP that they consider a middle tier plan. The existing HMO plan has continued but the PPO plan was replaced with a high-deductable plan; and 4) consideration of possibly exiting the PEBP plan. Although dramatic, exiting the PEBP is a potential viable option.

Vice On behalf of the Council of Chairs, Dr. Gregory S. Brown, Faculty Senate Chair, UNLV, supported the efforts of the Chancellor and Vice Chancellor Patterson. He related that the Chancellor's letter to the PEBP Board in 2010 generated 300% of the traffic normally seen on his website. The questions posed by the Chancellor in that letter remain largely unanswered by the PEBP Board to this point. Dr. Brown urged the Board to support the efforts of the Task Force, to explore more cost effective and market competitive alternatives and urged the Board to consider as soon as possible a supplementary plan.

Regent Alden reminded the Regents that the Board is an autonomous entity and does not have to be tied to anyone's health benefit program. In addition to the alternatives being explored by Vice Chancellor Patterson, Regent Alden stated that self-insurance could be a possibility. Premiums could be reduced through better wellness, plateau flooring and by using our own health facilities. He wanted the employees of the System to have the best health provider program imaginable.

Regent Crear urged Vice Chancellor Patterson to move swiftly. He agreed with Regent Alden that the System needed to consider exiting the PEBP.

22. Update on Impact of PEBP Changes and NSHE Response *(Agenda Item #22)* – *(Cont'd.)*

Regent Anderson also agreed with Regent Crear. She related that her retiree group was taken off of the PEBP system and the new program is much better.

Vice Chancellor Patterson acknowledged the staff from each campus that has taken on the additional work of the Chancellors' PEBP Task Force. He particularly acknowledged Mr. Gerry Bomotti, Vice President of Finance and Administration, UNLV, who is also acting as the Chair of the Chancellor's PEBP Task Force.

On behalf of the Council of Presidents, President Sheehan expressed concern for the situation but felt that this discussion had been encouraging. They had been most distressed by the stories about employees that are foregoing health care because it is no longer affordable.

Regent Knecht left the meeting.
Regent Blakely entered the meeting.

23. Action Taken - *Handbook* Revision, Standing Committees of the Board *(Agenda Item #23)* – The Board of Regents approved a revision to the Bylaws of the Board of Regents providing for the reorganization of the standing committees of the Board *(Title 1, Article VI, Section 3)* to create the Workforce, Research, and Economic Development Committee but retain the Audit Committee and Business and Finance Committee as separate and distinct committees (*Ref. BOR-23 on file in the Board office).*

Regent Wixom asked Ms. Sandi Cardinal, Associate Vice Chancellor of Internal Audit, if the outside auditors have been asked about the proposed revision to combine Audit with the Business and Finance Committee. Ms. Cardinal indicated that discussion has taken place. The advice given was that it was legally possible but goes against the National Association of College and University Business Officers *(NACUBO)* recommendation to have a separate committee. It also goes against the trend of corporate America and other college and universities that have a separate audit committee.

Regent Wixom observed that given the crucial role that the Audit Committee plays in the System, he felt that the proposed merger of committees could send the wrong message that lessens the importance of the Audit Committee and could create some issues in terms of financing and due diligence. He asked if there was a way to structure the proposal to accommodate the intent of the proposed policy revision but that honors NACUBO requirements. Ms. Cardinal recalled that the NACUBO recommendation called for the Audit Committee to be a separate, stand alone committee.

Chair Geddes related that the intent of the proposed reorganization was in part to address the new functions of the Board to participate in the new AB 449 and the economic development initiative. In consultation with the current committee chairs and with former Audit Committee Chair, Mark Alden, it was felt that the Audit Committee and the Business and Finance Committee could be merged while still being provided due diligence. Chair Geddes related that the proposed reorganization was the best recommendation without having to create an additional meeting day.

23. Action Taken - *Handbook* Revision, Standing Committees of the Board *(Agenda Item #23)* – *(Cont'd.)*

Regent Alden related that as a forensic auditor for 40 years, he has noticed that audit committees often do not know what the other half of the story is in the form of budget and finance. He suggested that the consolidated committee be a committee of the whole or as many of the Regents as was possible.

Regent Knecht stated that as a former chair of both committees, he did not see the practicality of combining the functions of the Audit Committee with the Business and Finance Committee.

Regent Blakely suggested creating the Workforce, Research and Economic Development Committee and then have the Investment and Facilities Committee meet on a separate day since it has difficulty staying within the two hour timeframe. However, if that is not acceptable, he would support the reorganization as proposed.

Regent Melcher asked if it would be possible to convene both the Audit Committee and the Business and Finance Committee within the same two hour timeframe.

Regent Wixom stated that Regent Melcher's recommendation would resolve his concern.

Regent Leavitt suggested that the second day of the Board meeting could start an hour earlier to accommodate the additional committee. He indicated that he liked the idea of keeping the committees separate.

Chair Geddes felt that Regent Melcher had made a good recommendation in creating the Workforce, Research and Economic Development Committee but leaving the Audit Committee and the Business and Finance Committee intact but rescheduled to be held back to back within the two hour timeframe. He also had heard a suggestion of starting two of the committees at 3:00 pm on the first day of the Board meeting.

Regent Alden felt that the Board was missing his previous point. He felt that per NRS, one of the Board's most important functions were budget, finance and audit. He felt that the two committees should be streamlined to become a committee of the whole. The more the Board knows about the budget and finance process, the more the Board will be informed on the audit process.

Regent Melcher moved to approve the creation of the Workforce, Research, Workforce and Economic Development Committee but to retain the Audit Committee and Business and Finance Committee as separate and distinct committees. Regent Blakely seconded. Motion carried. Regent Knecht was absent.

24. Motion Failed - Public/Private Partnerships Leaseback Transactions *(Agenda Item #24)* – The Board of Regents heard information regarding the potential for public-private partnerships with NSHE to develop sale-leaseback transactions of NSHE facilities and/or land *(Ref. BOR-24 on file in the Board office).*

Regent Schofield expressed concern that not all Regents were present for this agenda item and asked if the presentation could be rescheduled to a later date. Chair Geddes indicated that the presenters would provide their presentation that day and an audio copy of this portion of the meeting could be sent to those members which were absent.

Mr. Sean Mandelbaum, Managing Partner of Mandelbaum Sale-Leaseback Advisors, related that his company has been in business for approximately ten years. He related that Professor Dan Asera had reached out to him to discuss sale leaseback financing for the Nevada System of Higher Education to help bridge the funding gap.

Mr. Jan Petrenko, National Standard Finance, related that, generally speaking, the proposal was not a straight public / private partnership. Rather, it monetized assets currently owned by the System to help balance its budget. He felt that it was a straightforward process that begins with the identification of assets to determine a fair price that the System would then payback. He was currently under the impression that the budget shortfall was approximately $85 million, which was a number that could be worked through.

Regent Alden summarized that the process basically involved a company taking the System's assets and then giving the System back a loan on a lease back basis. He emphasized that the Board needed to understand that it would be borrowing against assets in dire times for a leased rate. Regent Alden stated that he was not in support of such a transaction.

Regent Schofield did not understand what the down side of such a transaction would be. He asked Mr. Petrenko to address any down side of a leaseback transaction. Mr. Petrenko related that on the positive side, such an agreement would help balance the budget. However, Regent Alden was correct in that the agreement does not come for free, adding that due to the economic climate, public entities are looking outside the box and this type of transaction provides an option.

Regent Blakely asked for an opinion from Vice Chancellor Stevens. Vice Chancellor Stevens felt that the definition had been outlined fairly, adding that the transaction would be to monetize an asset and then pay it back over time. However, although the System could borrow $85 million to resolve the current budget issues, the payback amount would include associated fees and would therefore be larger. He added that it was also a one-time transaction and not a source of ongoing funds. Although such an agreement could be used, Vice Chancellor Stevens urged the Board to put much thought into it.

Regent Blakely felt that perhaps a smaller amount would be more appropriate.

Regent Wixom expressed his appreciation for Regent Schofield's efforts to think outside the box. However, Regent Wixom stated that he was familiar with leaseback transactions

24. Motion Failed - Public/Private Partnerships Leaseback Transactions *(Agenda Item #24)* – *(Cont'd.)*

and did not believe that such transactions have utility in the public sector. He felt that as Regents, the Board holds the institutions in trust for the citizens of Nevada. He expressed concern that when the state finds out that the Board has sold assets to augment its budget that it will reduce its budget by the amount that the assets were sold for. He did not believe that this type of transaction would help the System in the long term. He believed that public institutions engaged in these types of transactions will regret it.

Regent Trachok agreed with Regent Wixom, adding that it was always a mistake to borrow money and use that money for a single year's operating budget. He stated that he was much opposed to a leaseback transaction.

Regent Schofield stated that he would also be against a leaseback transaction if he thought the money would be invested and used for that purpose. However, he noted that UNLV is passionate about building a stadium and they are looking for money. He felt that could be one of the uses for the funds. He felt that a leaseback transaction could be an option to generate funds from one building for the purposes of building another.

Regent Page thanked Regent Schofield for bringing this option to the Board's attention. However, based on the presentation materials, Regent Page noted that there were no other public entities currently participating in a leaseback transaction.

Chair Geddes related that if the Board wanted to move forward it would have to submit a Request for Proposal to the general public and would not necessarily end up with the presenters there that day.

Chair Geddes stated that the only appropriate action would be to determine if an agenda item would come before the full Board or the Investment and Facilities Committee to discuss a potential Request for Proposal.

Regent Schofield felt that the Board was adversely receiving the presentation that day and asked the presenters if they had been given a fair opportunity to answer questions.

Regent Schofield indicated that he would like an agenda item to go before the Investment and Facilities Committee to allow a Request for Proposal to be discussed and a full presentation to be provided.

Vice Chancellor Patterson questioned whether this discussion was on the agenda as an action item. Mr. Wasserman clarified that the agenda item is an action item for direction to the Chancellor for future steps towards pursuing this type of transaction if the Board chooses to so proceed.

Regent Melcher felt that this option was always available for the Board if it should be interested in pursuing it but felt that no action was necessary that day.

24. Motion Failed - Public/Private Partnerships Leaseback Transactions *(Agenda Item #24)* – *(Cont'd.)*

Regent Alden stated that although he did not agree with the proposal, he felt that Regent Schofield was trying to help the System to find available options.

Mr. Petrenko felt that it would be more advantageous of everybody's time if there was an opportunity to present a realistic proposal. Chair Geddes clarified that in order for the Board to hear any proposal, a full Request for Proposal would have to be issued. The question before the Board was if Regent Schofield would like to make a motion to place an agenda item on a future main Board or Investment and Facilities Committee agenda to hear a report from staff and to discuss a potential Request for Proposal. Regent Schofield felt this idea was not being given a fair opportunity.

Regent Schofield moved to approve the placement of an agenda item on a future main Board agenda to hear a report from staff and to discuss a potential Request for Proposal to develop a sale-leaseback transaction of NSHE facilities and/or land. Regent Alden seconded.

Regent Crear stated that if a Request for Proposal is issued, it should be with the intention of conducting business at the conclusion. Chair Geddes clarified that if the motion passes, staff would be directed to prepare a report on leaseback transactions, options and how to proceed, including the potential of issuing a Request for Proposal.

Regents Melcher, Page, Trachock, Wixom, Anderson, Blakely, Doubrava, Geddes and Leavitt voted no. Regents Schofield, Alden and Crear voted yes. Motion failed. Regent Knecht was absent.

25. Approved - Audit Committee *(Agenda Item #25)* - Chair Kevin C. Melcher reported that the Audit Committee met on September 8, 2011, and heard the following:

The Committee received follow-up responses for five internal audit reports that were presented to the Audit Committee at the December 2010 and March 2011 meetings. A report of the University of Nevada School of Medicine's Practice Plan's clinical salary reductions was received.

As part of New Business, Assistant Vice Chancellor Sandi Cardinal indicated that two new Major Programs have been identified as part of the Office of Management and Budget (OMB) Circular A-133 audit by the external auditors. The fees associated with the additional testing that will need to be completed are approximately $60,000. Sandi

25. Approved - Audit Committee *(Agenda Item #25)* - *(Cont'd.)*

Cardinal and Bart Patterson will review the external audit contract to determine whether these fees fall within the terms of the contract. Any additional fees will be submitted to the Audit Committee for approval at the December meeting.

Vice Chancellor Bart Patterson discussed items from the Efficiency and Effectiveness Initiative that may impact the Audit Committee. He will be presenting a report at the December Audit Committee meeting.

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

- Minutes – The Committee recommends approval of the minutes from the June 16, 2011, meeting *(Ref. A-2a on file in the Board office).*
  Internal Audit Reports – The Committee recommends approval of the following internal audit reports *(Ref. Audit Summary on file in the Board office):*
  - Applied Technology Center, TMCC *(Ref. A-3 on file in the Board office).*
  - Distance Education, TMCC *(Ref. A-4 on file in the Board office).*
  - Controller's Office, CSN *(Ref. A-5 on file in the Board office).*
  - Theater Department, WNC *(Ref. A-6 on file in the Board office).*
  - Risk Management/Workers Compensation, GBC *(Ref. A-7 on file in the Board office).*
  - Internal Audit Department Work Plan, NSHE – The Committee recommends approval of the Internal Audit Department Work Plan for the year ending June 30, 2012 *(Ref. A-8 on file in the Board office).*
- Audit Exception Report – The Committee recommends approval of the Audit Exception Report for the six months ended June 30, 2011 *(Ref. A-9 on file in the Board office).*

Regent Melcher moved acceptance of the report and approval of committee recommendations. Regent Blakely seconded. Motion carried. Regent Knecht was absent.

26. Approved - Investment & Facilities Committee *(Agenda Item #26)* - Chair Michael B. Wixom reported that the Investment & Facilities Committee met on July 21, 2011, and September 8, 2011, and heard the following:

- David Breiner from Cambridge Associates reported on asset allocation and investment returns for the pooled endowment and pooled operating funds for the quarter ending June 30, 2011.
- Ruby Camposano reported that the account balance of the operating pool's reserve account was positive $12.8 million as of September 7, 2011. The amount is net of the $910,000 monthly distribution to the campuses for the month of July 2011.
- The Committee reviewed and discussed the various types of money market accounts that are available through Commonfund.

26. Approved - Investment & Facilities Committee *(Agenda Item #26) – (Cont'd.)*

- A presentation was given by President Marc Johnson, UNR, on the University of Nevada, Reno's housing *Master Plan*.
- President Marc Johnson gave a progress report on the Fire Science Academy.

Action items:
Board action is requested to approve the following recommendations of the Investment Committee:

- Minutes – The Committee considered for approval the minutes from the June 16, 2011, and July 21, 2011, meetings *(Ref. IF-2a(1) and Ref. IF-2a(2) on file in the Board office).*
- Grant of Airport Directional Signage Easement, UNLV – The Committee recommended approval of a directional signage easement for the Clark County Department of Aviation *(Ref. IF-2b on file in the Board office).*
- Grant of Easement to the City of Henderson, NSC – The Committee recommended approval of a grant of easement of 125 square feet to the City of Henderson for the installation of a bus pad and covered bus stop structure *(Ref. IF-2c on file in the Board office).*
- Red Mountain Building HVAC Renovation, TMCC - The Committee recommended approval for TMCC to use capital improvement fees in the amount of $960,000 for HVAC renovations to the Red Mountain Building *(Ref. IF-2d on file in the Board office).*
- The Committee recommended approval of Cambridge Associates' recommendation to diversify the Total Return Bond portfolio of the Operating Pool and make an initial Investment in the Wells Fargo Montgomery U.S. Core Fixed Income Fund, specifically in the 3(c) 7 investment vehicle in the amount of $10 million.
- The Committee recommended approval of Cambridge Associates' recommendation to redeem $3 million from the PIMCO Total Return account in the Endowment Pool to finance the distribution to the institutions for the quarter ending September 30, 2011.
- The Committee has scheduled a special meeting on September 22, 2011, to hear the presentation from the four consultant finalists which were selected through a competitive RFP process. The committee approved a recommendation to the full Board to delegate the authority to the Investment and Facilities Committee to make the final selection of the firm to provide investment consultant services to the System effective October 1, 2011.
- The Committee recommended approval of the Interlocal Agreement with the Regional Transportation Commission of Southern Nevada for Lease of Real Property for the UNLV Transit Center *(Ref. IF-9 on file in the Board office).*
- The Committee recommended approval of the University of Nevada, Reno and/or the University of Nevada School of Medicine to purchase and maintain a residence in Clark County for a maximum price of $400,000 for use by the Vice President for Health Sciences and Dean of the School of Medicine. Authority for final approval of the transaction, or other approvals relating to the purchase of the property, is recommended to be delegated to the Chancellor, subject to consultation with the Chair of the Board *(Ref. IF-10 on file in the Board office).*

26. Approved - Investment & Facilities Committee *(Agenda Item #26)* – *(Cont'd.)*

Regent Wixom moved acceptance of the report and approval of committee recommendations. Regent Doubrava seconded.

Vice Chancellor Patterson stated that part of the action item is to approve a recommendation by Cambridge Associates to invest in the Wells Fargo Montgomery Core Fixed Income Fund in the amount of $10 million. Consistent with previous advice given to the Committee, Vice Chair Page works with Wells Capital. However, Vice Chair Page does not work with this fund or derive any benefit from that fund and written assurance has been obtained reflecting that disclosure.

On behalf of Vice Chair Page, Vice Chancellor Patterson also disclosed that as part of company policy he routinely abstained from all Investment and Facilities Committee votes. However, in this case he will also abstain from that vote because of the transaction identified.

Chair Wixom related that part of the Investment and Facilities Committee recommendation to the Board was to delegate to the Committee the authority to make the final decision to name an investment consultant at the Committee's September 22, 2011, meeting.

Motion carried. Regent Page abstained. Regent Knecht was absent.

27. Approved - Business & Finance Committee *(Agenda Item #27)* - Chair Mark Alden reported that the Business & Finance Committee met on September 8, 2011, and heard the following:

- Self-Supporting Budget revenue and expenditure revisions of the NSHE for fiscal year 2010-2011.
- Transfers of State Supported Operating Budget funds between functions for the fourth quarter of fiscal year 2010-2011.
- Transfers of expenses from non-state budgets to state funds after May 1, 2011, for fiscal year 2010-2011.
- Fiscal Exceptions of NSHE self-supporting budgets for the fourth quarter of fiscal year 2010-2011.
- The Committee took no action on President Marc A. Johnson's request for approval of a resolution, on behalf of the University of Nevada School of Medicine and the University of Nevada School of Medicine Multi-Specialty Group Practice South, Inc (Practice Plan), for the Nevada System of Higher Education to issue up to $20 million in 30-year fixed rate, tax-exempt and taxable revenue bonds to purchase and renovate real property located at 3008-3016 W. Charleston Blvd., Las Vegas, NV, also known as Westbay Office Park.

27. Approved - Business & Finance Committee *(Agenda Item #27)* – *(Cont'd.)*

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

- Request is made for approval of the minutes from the June 16, 2011, Business & Finance Committee meeting *(Ref. BF-2a on file in the Board office).*
- The Committee recommends approval of the fiscal year 2011-2012 NSHE Self-Supporting Budget.
- The Committee recommends approval of the fiscal year 2011-2012 NSHE State Supported Operating Budget.
- The Committee recommends approval of the fiscal year 2011-2012 Accountability Report reconciling the NSHE legislative approved operating budget to the Board of Regents approved operating budget.
- The Committee recommends approval of a resolution, on behalf of the University of Nevada, Reno and the University of Nevada, Las Vegas, to issue up to $75 million in long-term fixed rate, tax exempt revenue refunding bonds to be issued as soon as bond market conditions permit to refinance outstanding debt. The Committee recommended approval that the Chancellor be delegated the authority to decide whether the bonds should be sold through a negotiated sale or competitive bid *(Ref. BF-7 on file in the Board office).*

Regent Alden moved acceptance of the report and approval of committee recommendations. Regent Page seconded. Motion carried. Regent Knecht was absent.

28. Approved - Academic, Research & Student Affairs Committee *(Agenda Item #28)* - Chair Andrea Anderson reported that the Academic, Research & Student Affairs Committee met held on September 8, 2011, and heard the following:

Mr. Darrin Hardman, Project Director, Nevada Department of Education, reported to the Committee on the Common Core State Standards, a state-led initiative to establish a single set of clear educational standards for English-language, arts and mathematics in K-12 that states can share and voluntarily adopt. Mr. Hardman discussed Nevada's involvement as a governing state in the Smarter Balanced Assessment Consortium that is working on the development of an assessment tool for the common core standards that will be implemented in 2014. The adoption of the assessment tool will have implications for higher education and in particular the Board's policy on the placement of recent high school graduates in remedial courses.

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

- The minutes of the June 16, 2011, meeting of the Academic, Research, and Student Affairs Committee. *(Ref. ARSA-2a)*
- Elimination of the following research centers at UNLV:*: (Ref. ARSA-2b)*
  - Center for Advanced Study of Algorithms;

28. Approved - Academic, Research & Student Affairs Committee *(Agenda Item #28) – (Cont'd.)*

- Center for Cybersecurity Research;
- Center for Disability and Applied Biomechanics;
- Center for Sports Education;
- Cognitive Interference Lab;
- Identity Theft and Financial Fraud Research Center; and
- Nevada Manufacturing Research Center.

- Elimination of the EdS and EdD in Educational Leadership at UNLV. *(Ref. ARSA-2c)*
- Elimination of the MS in Sport and Leisure Services Management at UNLV. *Ref. ARSA-2d)*
- Redesign of the existing course of study in PK-12 Leadership *(under the M.Ed. in Educational Leadership)* to a Master of Arts in Urban Leadership. *(Ref. ARSA-3)*
- Elimination of the following programs within the William F. Harrah College of Hotel Administration*(Ref. ARSA-2e.1, ARSA-2e.2, ARSA-2e.3 and ARSA-2e.4)*
  - Hotel Administration – Hospitality Management, BSHA;
  - Hotel Administration – Food Service Management, BSHA;
  - Hotel Administration – Lodging and Resort Management, BSHA;
  - Hotel Administration – Meetings and Events Management, BSHA;
  - Culinary Arts Management, BS;
  - Culinary Arts Management – Beverage Management, BS;
  - Gaming Management, BSGM; and
  - Recreation, BS.
- Deactivation of the BAS in Agricultural Management at GBC. *(Ref. ARSA-2f)*
- Deactivation of the AAS in Fire Science Management at GBC. *(Ref. ARSA-2g)*
- Elimination of the AAS in Broadcast Technology at GBC. *(Ref. ARSA-2h)*
- Elimination of the AAS in Mental Health Services at TMCC. *(Ref. ARSA-2i)*
- Elimination of the AAS in Military Occupations at TMCC. *(Ref. ARSA-2j)*
- Revision of the Board's policy on reverse transfer to clearly define a "reverse transfer" degree and provide that, on a periodic basis the System Office or four-year institution will provide to the community colleges a list of students previously enrolled who earned at least 15 credits at the respective community college and have recently transferred to a university or state college and accumulated at least 60 college-level credits who may be eligible for an associate degree in order to facilitate conversations between the institutions on reverse transfer (*Title 4, Chapter 14, Section 15*). *(Ref. ARSA-4)*
- Revision of the Board's policy on faculty workload to clarify that for faculty heavily involved in doctoral-level education or research the expected instructional workload may be reduced as required by an equivalent increase in doctoral-level instruction and/or research. In addition, newly-hired faculty may be given a reduced instructional workload for a limited period of time in order to establish a research program (*Title 4, Chapter 3, Section 5*).

Regent Anderson moved acceptance of the report and approval of committee recommendations. Regent Page seconded. Motion carried. Regent Knecht was absent.

29. Approved - Cultural Diversity Committee *(Agenda Item #29)* - Chair Cedric Crear reported that the Cultural Diversity Committee met on September 9, 2011, and heard the following:

Assistant Vice Chancellor Magdalena Martinez provided a report on the Benchmarking Equity and Student Success Workshop planned by the Western Interstate Commission on Higher Education *(WICHE)* and the University of Southern California Center for Urban Education. A planned workshop is scheduled for September 16, 2011, and will focus on helping UNLV, CSN and NSC faculty and administrators use data and CUE tools to identify benchmarks, critical intervention points and potential strategies to assist students in being successful. Through the Equity, Diversity and Inclusion Council *(EDIC)*, all NSHE institutions have been invited to have a representative present. Chair Crear requested an update and action items on the workshop at a future committee meeting.

Dr. Shannon Ellis, Chair of the Equity, Diversity and Inclusion Council, gave a presentation that summarizes current EDIC work and recommendations to the Committee based on the Council's implementation of its charge from the Board to promote issues of diversity and best practices system wide. Luis Valera, Vice President of Diversity Initiatives and Intergovernmental Affairs at UNLV introduced himself to the committee.

Dr. Harriett Barlow from UNLV reviewed NSHE promising practices. Dr. Maria Sheehan provided an example of a TMCC promising practice, its summer bridge program. Regent Crear requested an inventory of summer bridge programs at all NSHE institutions. Regent Trachok requested data that supports bridge programs make a difference in students' success.

Dr. Edith Fernandez, Nevada College Access Challenge Grant *(CACG)* Director, provided an update on the 2010/11 CACG initiatives. She discussed the P-16 educational partnerships that resulted from the grant and the alignment with NSHE's strategic plan. NSHE is awaiting notification of the 2011 CACG grant from the US Department of Education.

Assistant Vice Chancellor Magdalena Martinez provided an update on the current State of Nevada Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) initiative. The State of Nevada GEAR UP grant is led by the Nevada Department of Education, and NSHE continues to support this effort through collaborative activities such as student mentoring, guidance and student financial support.

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

- Minutes – The Committee considered for approval the minutes of the June 17, 2011, meeting. *(Ref. ARSA-2a)*
- Acceptance of the report and recommendations from EDIC as follows:
    - Reports to the Board will contain disaggregated data by race, ethnicity, and gender whenever possible.

29. Approved - Cultural Diversity Committee *(Agenda Item #29) – (Cont'd.)*

- The Early Alert Feature in PeopleSoft will be used to enhance student success.
- Summer transition and bridge programs for at risk freshmen are encouraged and should be implemented with grant and donor funding.
- An NSHE Diversity Summit will be held in 2012.
- EDIC, along with the presidents and the Chancellor, will create task forces to address issues of student success related to men of color and students from low socioeconomic backgrounds.

Regent Crear moved acceptance of the report and approval of committee recommendations. Regent Page seconded. Motion carried. Regent Knecht was absent.

30. Approved - Health Sciences System Committee *(Agenda Item #30)* - Chair James Dean Leavitt reported that the Health Sciences System Committee met on September 9, 2011, and heard the following:

- Chair Leavitt gave a brief history and overview of the Health Sciences System Committee and its intent and how it relates to healthcare throughout the state.
- Vice Chancellor Turner presented the direction and new focus of the Health Sciences System. Its major efforts will be to support the development of the NSHE/UMC Academic Health Center and to work on the creation of the Health Sciences System *(HSS)* Council.
- Dean of UNSOM/Vice President of the Division of Health Sciences, Dr. Thomas Schwenk reviewed his general observations, opportunities and implications for UNSOM.
- Dr. David Stern from FTI Consulting gave an update on their continued work on the Academic Health Center. He presented recommendations for enhanced operational structure within the UNSOM, and strategic partnership opportunities for working with UMC in the development of an Academic Health Center. The Committee also discussed ongoing communication with the County, external stakeholders and a continuation of the discussion regarding UNSOM governance in the future.
- Chair Leavitt invited Brian Brannman, CEO of UMC, to attend the Board of Regents' Health Science System Committee quarterly meetings and to present his observations and expectations to the Committee.
- Update on facilities development in the Shadow Lane Campus area.
- Creation of the HSS Council.
- Overview on UNSOM Practice Plan.
- Update on UNSOM residency programs.
- Overview on HSS organizational structure and planning.
- Update on Academic Health Center development.

30. Approved - Health Sciences System Committee *(Agenda Item #30)* –

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

- The Committee recommends approval of the minutes from the June 17, 2011, Health Sciences System Committee meeting.
- The Committee recommends acceptance of the FTI Consulting Report as presented.

Regent Leavitt moved acceptance of the report and approval of the committee recommendations. Regent Trachok seconded.

Chair James Dean Regent Crear asked for a status report on an academic health center. Chair Leavitt related that the Committee accepted FTI's report and directed the Chancellor and staff to move forward with the report. Dr. Marcia Turner and Dean Schwenk will bring recommendations back to the December meeting.

Motion carried. Regent Knecht was absent.

31. Information - New Business *(Agenda Item #31)* – Chair Geddes indicated that a special meeting of the Board of Regents would be held September 23, 2011, to consider the appointment of a permanent NSC President.

Chair Geddes indicated that the following items were preliminarily planned for consideration at the December Board of Regents meeting:

- The Board will consider uniformity of athletic contracts for high- and low-profile sports.
- The Academic, Research and Student Affairs Committee will consider policies on transcript fees in support of reverse transfer.
- The Audit Committee will consider materiality and costs of compliance of audit reviews.
- The Health Sciences System Committee will consider:
  - Update on the southern medical campus master plan in the Shadow Lane Campus area;
  - Creation of a Health Sciences System Council;
  - Overview on UNSOM Practice Plan;
  - Update on UNSOM residency programs;
  - Overview on the HSS organizational structure and planning; and
  - Update on Academic Health Center development.

32. Information - Public Comment *(Agenda Item #32)* – None.

Meeting adjourned at 3:41 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 December 1-2, 2011, meeting.