

**BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION**

UNLV Student Union Ballrooms B & C
University of Nevada, Las Vegas
4505 S. Maryland Parkway, Las Vegas
Thursday, December 1, 2011, 8:30 a.m.
Friday, December 2, 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, Finance, Mark Stevens
Vice Chancellor, Health Sciences System, Marcia Turner
Vice Chancellor, Information Technology, Steven Zink
Chief of Staff to the Board, Scott Wasserman
Director of Government Relations, Renee Yakira
President Michael D. Richards, CSN
Executive Vice President Ellie Oppenheim, DRI
President Lynn Mahlberg, GBC
President Bart Patterson, 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; Dr. David Freistroffer (*Vice Chairman*), 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; Ms. Makayla Morgan, NSSA President, NSC; Ms. Sarah Saenz, CSUN President, UNLV; Mr. Michael J. Gordon, GPSA President, UNLV; Mr. Casey Stiteler, ASUN President, UNR; Ms. Stephanie Vega, GSA President, UNR; Mr. Scott Gaddis, SGA President, TMCC; and Ms. Heather Dodson, ASWN President, WNC.

Chair Geddes called the meeting to order on Thursday, December 1, 2011, at 8:31 a.m. with all members present except for Regents Blakely, Crear, Knecht and Trachok.

Regent Schofield led the pledge of allegiance.

1. Information Only - Introductions and Campus Updates (*Agenda Item #1*) – NSC President Patterson introduced Ms. Makayla Morgan, incoming NSSA President.

UNLV President Smatresk related that current General Counsel, Mr. Richard Linstrom, will be transferring to a position at UNLV's Singapore campus. Ms. Elda Sidhu will be replacing Mr. Linstrom as UNLV's General Counsel. In terms of campus updates, President Smatresk related that the UNLV Foundation has endowed a scholarship in posthumous memory of UNR President Milton D. Glick. The first recipient of the Milton Glick Memorial Scholarship Fund, Ms. Deana Deatherage, hails from Reno. President Smatresk related that UNLV received a significant naming gift in the amount of \$15 million for the UNLV Lee Business School. In addition, President Smatresk reported that US World News and Report ranked UNLV as one of the top ten most diverse universities in the country.

TMCC President Sheehan introduced Dr. Michael Hartman, Vice President of Academic Affairs and Student Services; Dr. Rachel Solemsaas, Vice President of Finance and Administration. President Sheehan announced that TMCC is partnering with UNR to utilize space on the Redfield campus to create a new laboratory for the geo-thermal program. TMCC and WNC also plan to collaborate on a program to assist students in two-plus-two situations.

Regents Blakely and Knecht entered the meeting.

CSN President Richards introduced Ms. Rebecca Metty Burns, Executive Director of Workforce and Economic Development and Ms. Constance Brooks, Director of Government Affairs and Diversity Initiatives. President Richards related that town hall meetings were held earlier that week at CSN's Cheyenne campus had been well attended.

Dr. Ellie Oppenheim, Interim Senior Vice President for Finance and Administration and Chief of Operations, DRI, introduced Dr. Marc Pitchford, Executive Director of Division of Atmospheric Sciences. Dr. Oppenheim related that DRI recently received preliminary notification that it will receive a \$2.85 million EPA grant for Dandini Research Park infrastructure development that will benefit DRI and TMCC with transportation and access improvements.

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

GBC President Mahlberg introduced Dr. David Freistroffer, Vice Chair of the GBC Faculty Senate. President Mahlberg related that GBC was recently visited by its ongoing nursing program accreditation agency and received a recommendation for continued accreditations for the next eight years.

UNR President Johnson related that Business Week recently ranked UNR's part-time MBA program as fourth in the country. UNR's Master of Public Health program has been accredited by its accrediting agency. Mr. Max Alderman, student and member of the UNR Debate Team, has been awarded a Marshal Scholarship. President Johnson related that in honor of Veterans Day, UNR's Office of Veterans Affairs staged a roll call of all 6,313 lives lost in the Iraq and Afghanistan conflicts. He stated that it had been a very moving experience for him personally. President Johnson related that UNR students also responded to the need created by a recent fire in Reno by collecting blankets, clothing and food to be delivered to the refugee sites.

Chair Geddes re-introduced Ms. Brooke Nielsen, Interim Chief Counsel for the NSHE.

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

UNLV President Smatresk related that the *Nevada Test Site Oral History Project* at UNLV is a comprehensive research program dedicated to documenting, preserving and disseminating the remembered past of persons affiliated with and affected by the Nevada Test Site during the era of Cold War nuclear testing. From September 2003 through January 2008 a wide range of oral history narrators participated in the project including: national laboratory scientists & engineers; labor trades and support personnel; cabinet-level officials, military personnel & corporate executives; Native American tribal & spiritual leaders; peace activists and protesters; and Nevada ranchers, families & communities downwind of the test site.

President Smatresk introduced Professor Andy Kirk. Dr. Kirk has taught at UNLV since 1999. In that time, he has founded and directed *Preserve Nevada* a statewide historic and cultural preservation organization with a diverse statewide board of directors headed by former U.S. Senator Richard Bryan. He worked with graduate students to research, record and nominate Nevada sites to the National Register of Historic Places, and he has helped establish a series of federal agency cooperative agreements for the UNLV public history program to undertake cultural resource research and cultural resource management in the West. He was the Co-Principal Investigator on the Nevada Test Site Oral History Project, which was funded with \$830,000 in grants from the Department of Energy and Department of Education. That project has also won the National Council on Public History Best Public History Project Prize for 2010. Dr. Kirk's publications include a book on the history of the *Whole Earth Catalog* which was reviewed in the *New York Times Book Review* and a forthcoming book on *The United States in Global Perspective*.

President Smatresk then introduced Ms. Margaret Huettl. Ms. Huettl is currently attending UNLV to earn a Ph.D. in History, studying twentieth-century Native American

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

history and Public History, which is training in how to present history to the public through such skills as archive management, museum exhibits, film and new media, and historic preservation. Recently, Ms. Huettl published an article on the historical background of the novels of Ojibwe author Louise Erdrich. Ms. Huettl was one of the lead graduate student researchers on the national award-winning Nevada Test Site Oral History Project. In her class work and dissertation research, Ms. Huettl exemplifies how UNLV History Department graduate programs engage with wide audiences across the region.

The meeting recessed at 9:00 a.m. for committee meetings and reconvened at 11:02 a.m. on Thursday, December 1, 2011, with all members present except for Regents Schofield and Trachok.

3. Information Only - Public Comment (Agenda Item #3) – Mr. Jason Thoreson, student, UNLV, Mr. Thomas McAllister; student, UNLV; Mr. Anthony Alegrete, student, UNLV; Mr. Mitchell Cane, student, UNLV; Mr. Mark Ciavola, student, UNLV; Ms. Natalie Relf, student, UNLV; and Mr. Keanu Gerero, student, UNLV, appeared before the Board of Regents to express their concern regarding the impact that the proposed registration and fee increase will have on UNLV's students and the institution.

4. Approved - UNLVNow Project (Agenda Item #4) - The Board of Regents approved an extension of 180 days (*through the May 31-June 1, 2012, Board meeting*) to the Preliminary Assessment Agreement (PAA) with Majestic Reality Company to develop a proposal for a mixed use development on the southwest quadrant of the UNLV Maryland Parkway Campus, including stadium/event center with related services and amenities (*Ref. BOR-4 on file in the Board office*)

In Regent Trachok's absence, Mr. Scott G. Wasserman, Chief of Staff and Special Counsel to the Board of Regents disclosed for the record that Regent Trachok is a shareholder in Jones Vargas law firm. Prior to Regent Trachok's appointment to the Board of Regents, a principal member of Jones Vargas had entered into an agreement to provide transactional work on the UNLVNow project.

UNLV President Smatresk related that a team had been assembled to guide UNLV through the perplexities of a project of this magnitude. President Smatresk related that after reaching out to community developers on the UNLV Foundation Board of Trustees, he determined that specific assistance would be needed for the development of a stadium. A team was assembled including Mr. Gerry Bomotti, Vice President of Finance and Administration, UNLV; Dr. Mark Rosentraub, Endowed Professor of Sport Management, University of Michigan, and Ms. Sidhu.

4. Approved - UNLVNow Project (Agenda Item #4) – (Cont'd.)

President Smatresk related that Dr. Rosentraub is an expert in how public land deals can benefit and impact a community. President Smatresk requested a 180 day extension of the PAA to allow time for the newly assembled team to negotiate with the partners to bring to the Board a more polished proposal.

Dr. Rosentraub related that the team will engage in an aggressive planning process (*eight separate steps and phases*) that will include development of a conception plan, case statement, short summary statement to understand clearly what is being done and how it is being executed and an assessment of the Student Village both short- and long-term. He stated that a stadium could not be built without changing the feel of the campus, adding that the Student Village is a critical component. Once the planning process has been created, market-based and self-sustaining financial models will then be developed. Architectural drawings will then be created and meetings will be held with stakeholders throughout the entire community. At that point, conversations will begin with key partners to make the project a success. The goal is to complete the planning process by the first quarter of 2012 in order to present concepts to the Board in June 2012.

President Smatresk introduced Mr. Edward Roski, Jr. and Mr. Craig Cavileer of Majestic Realty.

Regent Wixom asked what the timeframe was for bringing information back to the Board. President Smatresk reiterated that the goal was to complete the eight step plan within the first quarter. That plan will then have substantive agreement over the plan's basic principles. He added that the more significant parts of the plan will not be brought forward until the June 2012 meeting.

Regent Wixom asked if the Board could receive an update on the UNLVNow project sooner than its June 2012 meeting. President Smatresk stated that was possible.

Regent Blakely asked for the report to include input from Clark County and the Federal aviation agencies, feeling that input from those agencies would greatly impact the project. President Smatresk replied that those conversations have already occurred but that more information will be brought to the Board.

Regent Leavitt felt that Mr. Cavileer's and Mr. Roski's presence reflected strong support of the project despite legislative failures. He asked if it remains necessary to seek legislative support of this project. President Smatresk felt that enough support and funding had been found for the first phase of the project but that legislative support may be needed for subsequent phases.

Dr. Rosentraub stated that the goal of every project is that it not be dependent on subsidies, though he added that sometimes subsidies become involved. He stated that if he did not feel that the UNLVNow project could be done, he would not continue his involvement with it.

4. Approved - UNLVNow Project (Agenda Item #4) – (Cont'd.)

Mr. Cavileer related that projects of this complexity are processes and the current situation was a natural stage in that process. He applauded UNLV and the Board of Regents for bringing Dr. Rosentraub onto the team. He stated that Majestic Realty's enthusiasm for the project is as strong as ever. Although gaining legislative support had been unsuccessful in the last session, the project's vision and goal has not changed. The Las Vegas community, its business community and the UNLV Alumni Association continues to express its support. Legislatively, he indicated that it was important to keep all options open.

Regent Leavitt asked if he was correct in understanding that the legislative piece may potentially affect the project's scope, but not its viability. Mr. Cavileer replied that the scope would not necessarily be impacted, but rather the applicability of benefits that are currently enjoyed. Regent Leavitt stated that he was impressed with the efforts of Majestic Reality and of UNLV.

Regent Alden asked Mr. Bomotti how much hard money and soft money had been spent to-date, and what the source of those funds where. Mr. Bomotti related that UNLV received \$75,000 from Majestic Reality as part of the PAA approval, of which there remained a balance of approximately \$12,000. He stated that UNLV had given its commitment that no state funds would be used and that commitment stands.

Regent Alden asked if any hard or soft money had been used from academic funding. Mr. Bomotti stated that it had not.

Regent Alden asked if the clause of exclusivity was still in effect. Mr. Bomotti replied that the exclusivity clause remained in effect during the time that the PAA is in effect. As the project moves forward a more sophisticated contract would be brought to the Board.

Regent Alden stated that he could not support an exclusive contract for a project on public lands.

Regent Page asked if conversations regarding housing were still occurring with the Midtown UNLV development. President Smatresk stated that all pieces of the original project were still on the table. However, the focus of the first part of the project was for a stadium / events facility.

In response to Regent Alden's concerns related to exclusivity, Regent Wixom stated that the Board had conducted an analysis in February 2011 from which it was determined that it was entirely appropriate to approach the project in that manner. Although public property is involved, given the nature of the project, it was felt that without an exclusive agreement the System could not expect partners to work with the University.

Regent Page moved approval of an extension of 180 days (*through the May 31-June 1, 2012, Board meeting*) to the Preliminary Assessment Agreement with Majestic Reality Company. Regent Wixom seconded. Motion carried. Regent Alden voted no. Regents Schofield and Trachok were absent.

5. Information Only - Chair of the Nevada Student Alliance Report (Agenda Item #5) – Ms. Aimee Riley, Chair of the Nevada Student Alliance (NSA), reported to the Board on NSHE related issues and events that are of importance to the NSA, including the establishment of permanent early voting sites at every campus statewide, actively following the Funding Formula Committee’s progress, and development of a legislative index for students which will outline the voting records of legislators in regard to education, as well as their legislative history and district information. Ms. Riley related that the NSA plans to move forward with work on student access issues, articulation agreements and student involvement in the strategic planning process among other initiatives (*statement on file in the Board office*).

6. Information Only - Chair of the Council of Faculty Senate Chairs Report (Agenda Item #6) – Dr. Robin Herlands, Chair of the Council of Faculty Senate Chairs, presented to the Board a report on NSHE related issues of importance to the Faculty Senate.
 - UNR’s Faculty Senate has developed a “Commission on the Future of the UNR” to begin a conversation about how the institution will navigate the new challenging landscape of higher education in Nevada.
 - The Faculty Senate of CSN has worked tirelessly on the creation of a new general education core curriculum that offers students the most comprehensive and high quality education possible.
 - At UNLV, its Faculty Senate has worked hard to reform its undergraduate general education curriculum and will implement their new plan under the 2012 catalog.
 - GBC’s Faculty Senate has recently formed its own committee to address general education outcomes and is also involved in the search for its next president.
 - NSC’s Faculty Senate has been using a business model (*instead of a profit model*) to develop a strategic plan for its senate that includes significant data collection and the initiation of new procedures and committees.
 - At TMCC, in addition to its ongoing comprehensive alignment of programs and degrees to meet new NSHE System requirements, the TMCC Faculty Senate has been busy consulting with President Sheehan on proposals for administrative restructuring and will soon hold a special meeting on college reorganization.
 - The Faculty Senate at WNC has been advocating for faculty rights and is currently forming a Curricular Review process in their institutional bylaws as well as developing a significant statement on Academic Freedom and Faculty Free Speech.
 - DRI’s Faculty Senate is currently assessing the effectiveness, as well as the short- and long-term financial implications of bridge funding.

Regent Schofield entered the meeting.

Dr. Herlands reported that those projects are progressing while all of the faculty senates across the state are continuously working to uphold academic rigor by updating curriculums and bringing quality assurance and accountability to all programs, in addition to finding solutions to the call from faculty and staff to improve health care (*statement on file in the Board office*).

Regent Anderson asked if the faculty senates were coordinating core curriculum efforts between the institutions. Dr. Herlands replied that although UNLV’s effort has inspired

6. Information Only - Chair of the Council of Faculty Senate Chairs Report (Agenda Item #6) – (Cont'd.)

the other institutions to begin their own processes, she did not believe that collaboration had yet begun. Regent Anderson felt that collaboration was vitally important.

Dr. Greg Brown, Faculty Senate Chair, UNLV, clarified that the changes made at UNLV were far and above the minimum core requirements set by the NSHE in terms of the number of credits and where they fit into core and distributional requirements. He added that significant coordination had occurred for several years at the level of the Academic Affairs Officers.

Regent Anderson encouraged the institutions to work with each other so that common course numbering and transfer policies are not impacted. Dr. Brown emphasized that the changes were consistent with the Board's mandate on course articulation.

President Richards related that CSN has a representative on UNLV's general education committee.

Regent Knecht shared Regent Anderson's concerns regarding transferability and consistency throughout the System. He indicated his surprise at hearing that UNLV had made a significant change to its core curriculum and asked, given the shared governance structure, what the role of the Board was and when would the Board be included in those conversations. Dr. Brown indicated that the Chancellor had attended one of the faculty senate discussions on this subject, adding that he felt it would be unlikely that there were missed opportunities to inform NSHE leadership.

Chair Geddes indicated that a report on core curriculum would be placed on the March or June meeting agenda.

Ms. Tracy Sherman, Faculty Senate Chair, CSN, related that CSN has placed a high priority on student transferability to UNLV and other NSHE institutions.

Regent Knecht welcomed the faculty to contact him at any time regarding this subject.

Chair Geddes expressed his appreciation to the faculty senates for what they have accomplished over the last several years.

7. Information Only - Board Chair's Report (Agenda Item #8) - Chair Geddes discussed current NSHE events and his current activities as Board Chair.

Regent Geddes indicated his pride in the faculty senates and student body governments and in what the Board of Regents has achieved over the last several years in dealing with a variety of issues. He applauded the Board for embracing necessary changes.

Looking forward, Chair Geddes related that in addition to its regular work, the Board will be working on the Formula Funding Study, three separate president searches and one periodic president evaluation.

8. Approved - Consent Items (Consent Agenda Item #9) – The Board of Regents approved the Consent items.
- 8a. Approved - Minutes (Consent Agenda Item #9a) – The Board of Regents approved the following meeting minutes:
- 1) March 21, 2011, TMCC Periodic President Evaluation Committee (Ref. BOR-9a(1) on file in the Board office).
 - 2) March 25, 2011, TMCC Periodic President Evaluation Committee (Ref. BOR-9a(2) on file in the Board office).
 - 3) September 8-9, 2011, regular Board of Regents’ meeting (Ref. BOR-9a(3) on file in the Board office).
- 8b. Approved - Handbook Revision, Community College Admissions (Consent Agenda Item #9b) – The Board of Regents approved a revision to its current policy governing community college admissions (Title 4, Chapter 16, Section 18). At the September 2011 meeting, the Board approved the proposal requiring that to be admitted to a community college a student must be a high school graduate or its equivalent, effective Fall 2012. At this time, the community college presidents requested that the provision approved in September be clarified as being applicable to “degree or certificate seeking students” (Ref. BOR-9b on file in the Board office).
- 8c. Approved - Naming of “The Nevada Living Learning Community” Residence Hall, UNR (Consent Agenda Item #9c) – The Board of Regents approved naming of UNR’s new residence hall “The Nevada Living Learning Community” (Ref. BOR-9c on file in the board office).

Regent Alden moved approval of the Consent agenda. Regent Wixom seconded. Motion carried. Regent Trachok was absent.

The meeting recessed at 11:55 a.m. and reconvened at 12:22 p.m. on Thursday, December 1, 2011, with all members present except for Regent Trachok.

9. Approved - Handbook & Procedures & Guidelines Manual Revision, Student Fees (Agenda Item #11) – The Board of Regents approved revisions to Student Fees, Special Course Fees, Food Service Rates and other related changes as presented by Mr. Mark Stevens, Vice Chancellor of Finance (P&GM Chapter 7, multiple sections as required by Board Policy, Title 4, Chapter 17, Sections 16-19) (Ref. BOR-11a and Ref. BOR-11b on file in the Board office).

Regent Knecht referred to Ref. BOR-11a and requested clarification of the “Credential Evaluation Fee” (page 4) and the fees associated with “Late Payment Fee” (page 5).

9. Approved - Handbook & Procedures & Guidelines Manual Revision, Student Fees (Agenda Item #11) – (Cont'd.)

President Smatresk addressed the question regarding Late Payment fees on page 5 of Ref. BOR-11a by explaining that an alignment issue had occurred in the reference material. Vice Chancellor Stevens clarified that the dollar columns should be moved down one row to correspond with the appropriate item description.

In regard to the Credential Evaluation Fee on page 4 of Ref. BOR-11a, President Johnson explained that the evaluation of an international transcript requires significant human labor. Regent Knecht indicated his uneasiness with making those fees substantial as he would like to attract more international students.

President Smatresk related that UNLV attracts students from 84 countries, adding that not only are out of state transcripts difficult to assess, there are stringent maintenance costs and federal reporting requirements. President Smatresk felt that the bigger issue was that every time in-state student registration fees are increased, there is a corresponding increase to out-of-state student registration fees. He expressed concern for what the market would bear. He added that out-of-state registration fees go to provide specific services or to meet reporting requirements.

President Johnson related that for UNR, an international fee had been approved by the Board in December 2010, with a significant increase. International students paid no more than they had the year before as a special distinction was made between international and domestic students for health insurance rates. The utilization of health services by international students was considerably less than by domestic students which allowed the insurance costs to the international students to drop. At that same time, fees for services were increased and the office that handles international students was made entirely self sufficient.

Regent Knecht pointed out that the University of Southern California has approximately 9,000 international students, and that Illinois has almost 8,000. He would like the NSHE to proportionally attain those levels. President Smatresk stated that he would then need to recommend that tuition be separated and non-residential tuition that is recovered be restored so that Nevada students could be subsidized from the fees and registration fees of out-of-state students. Regent Knecht indicated that there may be support for that idea.

Regent Knecht asked President Johnson to explain the usage of the Distance Education, Online & Independent Learning, and Weekend & Late Start Fee (*Ref. BOR-11a, page 16*) and the Interactive Video Courses (Discretionary Fee) (*BOR-11a, page 17*), and if those fees were in addition to or in lieu of the per credit fee and other charges. President Johnson replied that those fees were in addition to the registration fee for credit bearing courses. On-line and summer courses are managed by the Office of Extended Studies which had its own separate staff and mediation costs. The \$34.00 charge is identical to that of UNLV for similar types of courses.

9. Approved - Handbook & Procedures & Guidelines Manual Revision, Student Fees (Agenda Item #11) – (Cont'd.)

Regent Knecht asked that WNC address the proposed Interactive Video Courses (Discretionary Fee) and Interactive Video Courses (Fast Track) (*Ref. BOR-11a, page 21*). Mr. Daniel Neverett, Vice President of Finance and Administrative Services, WNC, replied that those fees were also in addition to regular course fees and were to cover staff and course mediation costs such as proctors, testing and monitors at remote sites.

Regent Knecht expressed concern that these types of fees are integrated with strategic planning and management. He felt that for-profit institutions were already competing by offering new methods of delivery and that the NSHE needed to offer a full range of options that were priced on that basis. His concern was that the NSHE did not currently offer a full range of options and tended to look at on-line and electronic delivery as an additional component to the class offerings instead of a bypass or replacement of it. Moving forward, he felt that the NSHE needed to design a range of levels of service and offerings. He did not yet see enough progress or new initiatives that were market responsive.

Regent Page moved approval of revisions to Student Fees, Special Course Fees, Food Service Rates and other related changes as presented (*P&GM Chapter 7, multiple sections as required by Board Policy, Title 4, Chapter 17, Sections 16-19*). Regent Blakely seconded.

Regent Geddes agreed with many of Regent Knecht's comments, adding that the discussion regarding strategic directions needed to continue.

Regent Page was pleased to learn that UNR had considered and matched a fee to that of UNLV. He had noted where fees differed at each institution and asked that more fees be matched throughout the System.

Mr. Michael Gordon, GPSA President, UNLV, stated that he liked the proposed housing rates, adding that there was a high correlation between living on campus and academic success. However, he expressed concern for the proposed food service rates, indicating that the proposed increase occurs during the months of April, May and June when the student population decreases. He questioned how more dairy products were being consumed during the summer months than during the academic year and how the increase had been calculated.

Ms. Anne Kingsley, Executive Financial Officer, UNLV, related that Aramark's projections were based on a representative sample of 170 items that are randomly purchased and tracked over a period of 12 months and compared to the Bureau of Labor Statistics CPI for food (4.6%). In addition to that calculation, the proposed increase also reflects increases in the cost of labor and utilities at the institution.

9. Approved - Handbook & Procedures & Guidelines Manual Revision, Student Fees (Agenda Item #11) – (Cont'd.)

Chair Geddes asked if the number of students on campus in the fall versus summer is taken into consideration. Ms. Kingsley indicated that the increase is based on the overall cost index of food and not related to a particular number of students at any given time although the cost would be less expensive if there were more students.

Regent Page asked for the basis of the percentage increases for the months of April, May and June. Ms. Kingsley stated that she would need to consult with Aramark. However, she noted that the overall total increase for the twelve month period was 4%.

Regent Page asked if the cost of food were to go down, would the reduction be passed to the students. Ms. Kingsley indicated that if a reduction should occur, then the students should receive a reduction.

Regent Page asked if food rates had ever gone down. Ms. Kingsley indicated that there have been years when the rates did not increase, but there has never been a reduction in rates.

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

10. Approved - ACT Statewide Test Administration (Agenda Item #10) – The Board of Regents adopted a resolution urging the State of Nevada and district superintendents of public K-12 instruction to adopt the statewide administration of the ACT test for all high school students in their junior year. In addition, the Board indicated its support that when the test is adopted statewide, that policy revisions be considered by the Board requiring the ACT test for admissions at all NSHE institutions and requiring Nevada High School graduates who have taken the ACT be placed into a college level course based on the ACT cut score (Ref. BOR-10 on file in the Board office). ACT representatives, Mr. Jim Morris, Director of Client Outreach and State Partners, and Ms. Stacey Ellmore, Director of Client Outreach, were present to respond to questions.

Chancellor Klaich related that the ACT test is a nationally recognized test that can be used for placement or diagnostics. If offered to juniors in high school, the test will ring an alarm that remedial courses may be necessary before graduation from 12th grade. In states that have already adopted this policy, some indication of a general rise in standards and performance has been evident. Chancellor Klaich related that this recommendation has been presented to, and felt to be supported by, the Governor's office although implementation funding would still need to be sought.

11. Approved - ACT Statewide Test Administration (Agenda Item #10) – (Cont'd.)

Regent Knecht asked why the NSHE appeared to have a clear preference for the ACT over the SAT test. Chancellor Klaich related that Nevada is more of an ACT state and that the NSHE is part of a consortium that has adopted common core standards for which the ACT is a placement test.

Regent Wixom expressed his strong support of the resolution. However, he questioned the security of administering the test and a national discussion to potentially move away from regional testing. Mr. Morris related that technical security is taken seriously as ACT transforms from a Saturday administration to a weekday administration of the test. The transportability of the scores is important and the only way to obtain buy-in from postsecondary institutions was to provide assurances that the standardization of weekday delivery would be the same as for weekend delivery. Mr. Morris related that every local high school is setup as a testing center which allows for local awareness of who the students are. Much more time and training is being provided at each high school. A statistical security analysis shows that state delivery of the test on a weekday has the same high ability to keep testing secure as national sites for test delivery on a Saturday. The NCAA has also determined that weekday delivery in a state-driven model is as strong as a weekend administration, adding that the NCAA accepts weekday testing for eligibility.

Regent Melcher felt that the ACT could be beneficial but questioned the use of the ACT versus state proficiency exams. His concern is that the degree of testing takes time away from classroom instruction. He felt that more emphasis needed to be placed on the quality of testing rather than the quantity. Chancellor Klaich replied that the K-12 school superintendents also expressed the same concern and that the NSHE agrees, adding that the Resolution was crafted with that in mind. It was hoped that the ACT could replace the proficiency exam which he questioned the effectiveness of.

Regent Anderson expressed her full support of the Resolution and felt that it would help with identifying students that need remedial education early enough. She asked if students would be able to retake the test in their senior year and who would be paying for test administration. Chancellor Klaich stated that the K-12 schools would be paying for the exam. He added that some of the school districts have already indicated that they will be implementing the ACT.

Regent Anderson asked what the difference was between the ACT and the Acuplacer Test. President Sheehan replied that the community colleges routinely use Acuplacer but the ACT is more nationally accepted. She felt that ACT will allow the state of Nevada to gain a handle on its significant remediation needs. President Sheehan related that the Acuplacer tests students all the way down to basic arithmetic. However, there is no correlation between the high school proficiency exam and a students' ability to function in a college level course. She felt that the ACT would be as valid at the community colleges as it is at the universities.

Regent Crear asked if K-12 will pay for all students to take the ACT. Chancellor Klaich confirmed that all students would be paid for by the state.

11. Approved - ACT Statewide Test Administration (Agenda Item #10) – (Cont'd.)

Regent Crear asked if the state was currently paying for administration of the ACT. Chancellor Klaich replied that the state currently pays for all students to receive the high school proficiency exam but that students and their families pay for the ACT or SAT.

Regent Crear questioned if Nevada was more of an ACT state because ACT has solicited its product more than SAT has. He expressed concern that this was more of a business proposition and was not sure of the benefits of either test to the students.

Regent Crear asked if all NSHE presidents were all in support of this Resolution. Chancellor Klaich stated that the presidents were in unanimous support of the Resolution, as were all seventeen K-12 school superintendents. Although he would not argue with Regent Crear's comments, Chancellor Klaich emphasized that the ACT is a placement and diagnostic test that coordinates with the common core standards that Nevada has adopted and that it tests to a norm on a national basis.

Regent Crear asked if the ACT was a requirement for admission to Nevada's two year institutions or the state college. Chancellor Klaich stated that it was not.

Regent Anderson asked if more institutions nation-wide accept ACT scores rather than SAT scores. Mr. Morris related that most schools accept either the ACT or the SAT score, adding that there were not any schools in the United States that would not accept the ACT scores.

Regent Melcher pointed out that if the high school proficiency exam is replaced by the ACT, students that had previously not been able to take the ACT due to affordability will now be able to do so. He related that the proficiency exams are also administered by testing companies so there would just be a trade off from one company to another.

Regent Wixom related that many seniors that attend high schools that do not stress the importance of taking the ACT or SAT do not even know that those tests need to be taken in a timely manner. He felt that adoption of this Resolution will result in the unintended beneficial consequence of having an entire group of students take the test that would not have otherwise.

Regent Wixom moved approval of a Resolution urging the State of Nevada and district superintendents of public K-12 instruction to adopt the statewide administration of the ACT test for all high school students in their junior year. In addition, the Board indicated its support that when the test is adopted statewide, policy revisions will be considered by the Board requiring the ACT test for admissions at all NSHE institutions and requiring Nevada High School graduates who have taken the ACT be placed into a college level course based on the ACT cut score. Regent Melcher seconded. Motion carried. Regent Trachok was absent.

11. Approved - Procedures & Guidelines Manual Revision, Differential Program Fee Proposals (Agenda Item #12) – The Board of Regents approved differential program fees for Social Work (UNLV), Urban Leadership (UNLV) and the accelerated nursing track (NSC). In accordance with Board policy, differential program fees may be established for high cost and/or high demand programs pending review and approval of the Board of Regents (P&GM, Chapter 7, Sections 7 and 9) (Ref. BOR-12 on file in the Board office).

Regent Geddes felt that the intent of differential fees was to eliminate the need for special fees. In approving the differential fee for the UNLV's Social Work program, there would still remain a \$15.00 special course fee which he noted was not being charged at UNR. He asked what that special course fee would cover. Dr. Lee Burnick, Interim Dean, Greenspun College of Urban Affairs, UNLV, explained that the \$15.00 special course fee covers the cost of administering internships and practicum programs at the various off-campus locations.

Regent Geddes asked if UNR does not send faculty or staff out to the various sites for its Social Work program or if those costs are included in their regular tuition and fees. President Johnson replied that such a fee has not been requested by the department.

Regent Geddes asked why the \$15.00 special course fee was not included in the requested differential fee. President Smatresk related that the fee is not applied to every class, just to those in which travel is involved for graduate programs, internship and practicum courses.

Regent Geddes asked if the graduate student stipend is then increased to offset the special course fee. Dean Burnick indicated that the differential fee does include a request that funds be set aside to provide financial aid.

Regent Page moved approval of differential program fees for Social Work (UNLV), Urban Leadership (UNLV) and the accelerated nursing track (NSC). Regent Wixom seconded.

Mr. Gordon related that he was against the proposed differential fee for both the Social Work (UNLV) and Urban Leadership (UNLV) programs because they refer to graduate students. He did not feel that that such a fee was the right strategy for social work. He related that since the Urban Leadership program was new, the demand could not have yet been accurately determined.

Motion carried. Regents Crear, Page and Schofield voted no. Regent Trachok was absent.

12. Information Only - Code Revision, Appointment of President, Acting President or Acting Chancellor (Agenda Item #13) – The Board considered a proposal to amend the Board of Regents' Code, Title 2, Chapter 1, Sections 1.5.4 and 1.5.5 and new Section 1.5.6, addressing the appointment of a president, an acting president or an acting chancellor. (Ref. BOR-13 on file in the Board office).

12. Information Only - Code Revision, Appointment of President, Acting President or Acting Chancellor (Agenda Item #13) – (Cont'd.)

Ms. Brooke Nielsen, Interim Chief Council, related that this proposed policy is to primarily address how the Board decides to select an acting president and how that acting president may become a permanent president. Currently, there is not a process for that to occur, which places the Board in the position of having to waive the search requirement in the Code to make an acting president a permanent president.

Ms. Nielsen explained that the proposal contains two options. In the first option, the Board would ask the search committee and institutional advisory committee to consider a recommendation to appoint the acting president as permanent president. Factors for that determination would include consideration for performance, economic standards, impact on institution and commitment to diversity. The second option simply allows that if an acting president has served in that capacity for longer than one year, the Board may consider their appointment to the permanent position. Both options would require the input of faculty, student and community leaders before a final decision could be made.

Ms. Nielsen related that the proposal also requests an additional change to the Code in regard to a vacancy in the office of the chancellor that allows for the Board Chair, in consultation with presidents, faculty, student and community leaders, to make a recommendation to the full Board for who should be appointed to the position of acting chancellor. Similarly, when there is a vacancy in the office of president, the Chancellor would perform that consultation and make a recommendation to the full Board.

Ms. Nielsen related that she has received one comment and an alternative suggestion from the UNR Faculty Senate Executive Board that essentially endorses the first option with the addition of a full formal evaluation of the acting president before consideration of appointment to the permanent position (*handout on file in the Board office*). Ms. Nielsen indicated that the Board could further consider that suggestion prior to taking any final action at the March meeting.

Regent Melcher noted that the proposed revision states that certain considerations must be made before an acting president can be considered for a permanent position including the performance of the acting president, financial issues associated with the cost of a search, current economic and political issues in the state that may impact applications, impact on the institution if a search is or is not performed, and the acting president's demonstrated commitment to diversity. Although he supports diversity, he questioned why that was highlighted and why other factors such as commitment to shared governance, workforce development and dedication to students were not also included. President Patterson replied if a search is not conducted, then it was felt that the language needed to demonstrate that the individual themselves is invested in equal opportunity.

Regent Melcher felt that the current list was too narrow.

Regent Knecht agreed with Regent Melcher that the list should be supplemented.

Chair Geddes expressed concern that financial implications of conducting a search was listed as a consideration, adding that the cost of conducting a search is an investment. He

12. Information Only - Code Revision, Appointment of President, Acting President or Acting Chancellor (Agenda Item #13) – (Cont'd.)

asked if the eight factors considered in a presidential evaluation should also be considered when potentially appointing an acting president to the permanent position.

Regent Knecht felt that there was a certain unavoidable cost paid to conduct a search. However, he felt that empirical data was not available to determine if conducting a search is any better than not conducting one. He was not convinced by the argument to de-emphasize the dollar and time cost of conducting a search.

Regent Wixom felt that it was important to maintain flexibility. He did not feel that the Board could articulate in one policy the needs of all the institutions. He also felt that it was critical to not forget that the Board is morally and legally obligated to address diversity issues.

Regent Crear questioned why this proposal was on the agenda. He indicated that searches had been waived for positions such as the Chancellor, the President of UNLV; Vice Chancellor of Finance; Vice Chancellor of Information Technology; previous President of GBC; and Vice Chancellor of Health Sciences. He noted that when he looked at the individuals in those positions, they were all white males.

Chancellor Klaich clarified that the Vice Chancellor of Information Technology and the former Executive Vice Chancellor of the Health Sciences System had been selected after a search had been conducted. The Vice Chancellor of Health Sciences has not changed. Chancellor Klaich felt that he had a gender diverse cabinet that also contained some color diversity. He did not take exception to the fact that there have been a number of waivers, but he wanted to make sure that the record reflected the right ones.

Regent Crear felt that it would be a travesty to continue to waive, and to codify the ability to waive the permanent policy of the Code. He stated that doing away with the Code was potentially racist and discriminatory as well as regressive. Additionally, Regent Crear felt that it was hypocritical to say that a search does not have to be conducted, but then require that the institutional presidents conduct a search at the dean level. He felt that the proposed policy creates less governance. However, he noted that the next agenda item, #14 - *Handbook* Revision, NSHE Intercollegiate Athletics, includes a request for more governance. He asked why the Board would be more interested in a coach than in an institutional president.

Dr. David Ryfe, Faculty Senate Chair, UNR, related that the UNR Faculty Senate Bylaws and Code Committee reviewed the proposed policy revision. In general, it was felt that the Senate was in favor of a full search rather than no search. Between the two options presented, the UNR Faculty Senate was in favor of a version of Option 1 that would include financial circumstances in the context of the evaluation of the interim. Dr. Ryfe encouraged the Board to conduct an evaluation of the president that, in addition to diversity, includes demonstrated leadership, vision for the institution and established rapport with the students, faculty, staff and community. He emphasized that diversity and issues related to money should be balanced with an evaluation of the person that is currently in the position and if that person fits the institution.

12. Information Only - Code Revision, Appointment of President, Acting President or Acting Chancellor (Agenda Item #13) – (Cont'd.)

Regent Melcher felt that this discussion related well with succession planning. He felt that the concept of an NSHE leadership academy would provide opportunities to diverse groups and individuals within the System.

Regent Crear agreed with Regent Melcher's comments on succession planning. He felt that it was important to have lines of advancement. However, the System has not done an adequate job diversifying its "bench" or the "starters" and that has left the System in the position that it currently finds itself.

Regent Alden related that the difficulty with searches is that sometimes a search had positive as well as negative results. The open meeting law creates some issue in the success of a search. He also agreed that succession planning needed to be seriously considered.

Regent Leavitt noted that the briefing paper indicates that "in order to appoint a president without conducting a search, the Board must waive or suspend its rules." He stated that the Board always has the ability to waive or suspend its rules. However, he expressed concern for listing specific factors that may provide a mechanism or excuse for not conducting a search. He acknowledged that although waiving the Code had been done frequently of late, there are currently three president searches being conducted simultaneously. Regent Leavitt felt that the proposed policy needed to be further vetted before it would be acceptable.

Regent Schofield supported and agreed with Regent Crear's comments.

13. No Action Taken - Handbook Revision, NSHE Intercollegiate Athletics (Agenda Item #14) -

During the September 2011 meeting, the Board had received a report on policies and practices regarding searches and appointments of athletic directors and head coaches. In response to the request of the Board, various policy changes were presented regarding intercollegiate athletics. Dr. Jane Nichols, Vice Chancellor of Academic and Student Affairs, specified the proposed revisions included requiring Board approval of initial and subsequent contracts for athletic directors and head coaches of football and men's and women's basketball; clarifying the Board's role in athletic searches; requiring Board approval of changes in an institution's athletic conference membership; requiring certain annual reports to the Board; authorizing the Presidents to approve certain coach contracts, and revising other related policies (*Ref. BOR-14 on file in the Board office*).

Vice Chancellor Nichols requested that the last sentence of Title 4, Chapter 10, Section 23, new subsection 1.e. be stricken and replaced with "*In the event of rapid changes in conference configuration, the Chancellor, after consultation with the Board of Regents Chair, may approve a change in athletic conference affiliation.*"

Regent Melcher referred to proposed revision of Title 4, Chapter 10, Section 23, new subsection 1.c. that states "*The Board of Regents and individual Regents shall not be involved in the search process for directors of athletics or coaches. Board members may nominate candidates, but shall not serve formally or informally on search committees or attempt to influence the search process in any manner.*" He indicated his preference for that subsection to state that Board members could not nominate candidates.

14. No Action Taken - Handbook Revision, NSHE Intercollegiate Athletics (Agenda Item #14) - (Cont'd.)

Regent Crear disagreed with Regent Melcher's comment. He felt that each Regent had resources and information that could be shared with a search committee. Although he could understand Regent Melcher's opinion, he felt that it may be too limiting. He indicated that he was generally in support of that proposed revision.

Regent Blakely agreed with Regent Crear.

Regent Melcher asked for clarification in regard to ethical conduct of Regents in terms of nominating individuals for employment or scholarships. Mr. Wasserman replied that although referral or recommendation is not prohibited, an elected officer is prohibited from the use of undue influence in attempting to secure employment for another person. To avoid any issue of impropriety, he usually advises that Regents not make such recommendations for positions within the Nevada System of Higher Education, recommendations outside of the System is not an issue.

Vice Chancellor Nichols clarified that the AGB's (*Association of Governing Boards*) recommendation does not include the ability for Board members to nominate candidates. The AGB was also clear that just because a person is nominated does not mean that person is disproportionately considered over any other candidate. Mr. Wasserman added that in this situation, with the involvement of search committees, there would be many layers that would add protection against any undue influence with regard to the nominations.

Regent Wixom felt that forwarding an inquiry is different from making a formal nomination or endorsement, adding that a formal nomination or endorsement would imply that a Regent has become part of the process, which would create a conflict of interest.

Vice Chancellor Nichols recommended that the Board may want to consider substituting language with that of the AGB's recommendation which states "Boards and board members should not be directly involved in the process of hiring and firing coaches, athletic directors or other athletic department personnel."

Regent Anderson was not sure how a Regent could nominate someone and not see that as influencing a decision.

15. Information Only - University of Nevada, Reno, Intercollegiate Athletics Compliance Overview (Agenda Item #15) - UNR President Marc Johnson, Ms. Cary Groth, Athletic Director and Dr. Jean Perry, Special Assistant to the President for Athletics, Academics and Compliance, provided an overview of the University of Nevada, Reno Intercollegiate Athletics practices and policies for compliance with the National Collegiate Athletic Association (NCAA) rules including compliance organization and structure, compliance oversight, internal compliance review, education, enforcement, rules interpretation database, investigation procedures and Title IX (Ref. BOR-15a and Ref. BOR-15b on file in the Board office).

Chancellor Klaich asked if the rules interpretation database had been a collaborative effort between UNR and UNLV. Dr. Perry indicated that the database had just been instituted at UNR but felt that it was a good recommendation that it be shared with UNLV.

15. Information Only - University of Nevada, Reno, Intercollegiate Athletics Compliance Overview (Agenda Item #15) - (Cont'd.)

Regent Page referred to information in UNR's report and asked if the NCAA places individual sport programs on probation or the entire athletic program. Dr. Perry confirmed that the NCAA places an entire athletic program on probation for infractions, not just isolated sports.

Regent Page asked how long the probation period applied. Dr. Perry replied that the probationary period was for three years, of which UNR is in its second year.

In light of recent situations that have occurred nationally, Regent Crear asked if there were sexual harassment or other abuse policies in place at both UNR and UNLV. Chancellor Klaich related that although the presidents will answer that question directly, in general, he felt that the Board and the presidents need to have complete confidence in the athletic directors and to empower them.

President Johnson replied that sexual harassment applies to athletics as it does to all people on the UNR campus. All new employees are provided with personalized sexual harassment training by the Sexual Harassment Officer. The sexual harassment policy is distributed every two years and must be read and signed by all employees. In addition, he stated that the policy encourages any one that believes they have been harassed sexually to report that action and that all cases will be investigated.

President Smatresk stated that UNLV has similar policies to that of UNR.

Regent Page asked if there were any programs with an APR ranking below 925. Ms. Groth replied that UNR does not have any programs below the 925 score on the four year average.

Regent Page noted that UNLV had provided their latest conference audit report findings and asked if UNR had a similar report that their program could provide. Ms. Groth related that although a WAC (*Western Athletic Conference*) audit is conducted every spring, UNR will undergo an audit in the spring of 2012 when it moves to the Mountain West Conference.

Regent Page asked to see the last audit report. He expressed his surprise at having to learn from UNR's report that its athletic program was on NCAA probation and that he had not previously heard about it. Ms. Groth related that the action had been taken four years ago and had been very public at the time.

Regent Page felt that the Board should receive updates on the probation and again indicated his desire to see the last WAC audit report. Dr. Perry stated that UNR would make that report available, adding that there were no areas of concern indicated in that report. She also related that a self study for NCAA certification that is conducted every 10 years had also recently been completed. Dr. Perry stated that those reports would be provided to the full Board through the Chancellor's office.

16. Information Only - University of Nevada, Las Vegas, Intercollegiate Athletics Compliance Overview (Agenda Item #16) - UNLV President Neal J. Smatresk, Mr. Jim Livengood, Athletic Director and Mr. Eric Toliver, Senior Associate Athletic Director, presented for information the University of Nevada, Las Vegas Intercollegiate Athletics practices and policies for compliance with the National Collegiate Athletic Association (NCAA) rules including compliance mission statement, history of UNLV compliance, compliance organizational hierarchy, day-to-day compliance operations, UNLV NCAA compliance goals, rules education, latest audit report and findings, and ongoing action plans (*Ref. BOR-16a and Ref. BOR-16b on file in the Board office*).

Regent Page asked why the reporting line at UNLV differs from UNR's in that it has the Compliance Officer reporting to the Athletic Director and not to the President. President Smatresk replied that there is not a gap in reporting although there is one in the reporting line.

Mr. Livengood agreed with President Smatresk. He stated that UNLV has a great deal of transparency. He added that most of the incidents in college athletics in the last three to five years have been from a lack of transparency and that was what UNLV was trying to stay away from.

Regent Crear felt that the work being done at UNLV and UNR was important. He related that he sees Mr. Toliver at many events and felt that the student athletes respected Mr. Toliver.

Regent Alden asked how many staff worked in UNLV's Compliance Office. Mr. Toliver related that he has one full-time staff and two internship positions. Regent Alden commended the Athletic department at UNLV for operating on such a small budget.

Regent Crear agreed that the Board wanted to be proactive on issues, as opposed to reactionary.

Regent Leavitt thanked President Smatresk and commended Mr. Livengood and Mr. Toliver for their good work with dwindling resources.

Regent Schofield felt that academics and athletics were equally important and thanked Mr. Livengood and Mr. Toliver for their work.

Regent Page commended both Ms. Groth and Mr. Livengood for their working together and creating collaboration between the two universities.

17. Approved - Personnel Session – Periodic Chancellor Evaluation (Agenda Item #18) – The Board of Regents approved acceptance of the final report on the Periodic Chancellor Evaluation. Regent Crear, Chairman of the Periodic Chancellor Evaluation Committee, introduced Dr. Cecilia Foxley, External Consultant (*handout on file in the Board office*).

Regent Leavitt asked that his evaluation of the Chancellor as Board Chair in 2010 be included as part of the permanent record. Regent Crear agreed that document would be included as part of the record. Mr. Wasserman clarified that document had been provided to the Committee on two separate occasions but that it would also be included as part of the permanent record of the Board meeting as well (*on file in the Board office*).

17. Approved - Personnel Session – Periodic Chancellor Evaluation (Agenda Item #18) – (Cont'd.)

Dr. Foxley provided a summary of the final evaluation report including major strengths and areas needing improvement in the nine different performance criteria as defined by Board policy including relations with the Board of Regents, NSHE institutions, the executive branch and legislative branch of government; administrative and management system-wide responsibilities; administration of the Chancellor's office and related activities; decision making; problem solving abilities and relations with external communities (*state, regional and national*); and implementation of NSHE Master Plan, Vision and goals.

Regent Alden stated that he had not been contacted for an interview. However, if he had been interviewed, he would have stated that although he did not agree with every decision made by the Chancellor, he felt that Chancellor Klaich worked very hard. He urged Chancellor Klaich to delegate more often.

Dr. Foxley clarified that the evaluation committee represented the ideas of the full Board and that the Committee meetings were open meetings. Mr. Wasserman emphasized that now was the opportunity for the members of the full Board that were not assigned to the Committee to provide their comments.

Regent Leavitt stated that he has discussed for two years the need to provide additional help and resources to the Chancellor and felt that factor was improving. He urged the Board to read his annual evaluation of the Chancellor. He felt that more discussion needed to be held on succession planning. The relationship of the System with the Governor's office has also been a factor.

Dr. Foxley reinforced that, from the institutional perspective, there is a desire for more academic experience at the administrative level. She suggested that as the Chancellor needs to replace or add staff, that he be cognizant of hiring from the campuses.

Regent Page felt that Dr. Foxley had done an excellent job of working through the evaluation process. He commended Chancellor Klaich for his good work, particularly with the challenge of being from northern Nevada but reaching out to southern Nevada. He again expressed the importance of succession planning.

Regent Geddes expressed his appreciation to Dr. Foxley and Chair Crear for their efforts and work throughout the evaluation process.

Regent Page moved acceptance of the report.
Regent Geddes seconded.

Regent Knecht expressed his dissatisfaction with the evaluation process. He did not feel that it was appropriate for the Committee to fully represent all members of the Board. He felt that even if the relationships among Board members were friendly, it was possible to have opposing viewpoints. Regent Knecht felt that the System had a very parochial habit of not engaging other communities and constituencies and emphasized the need for the System to reach out to other constituencies.

17. Approved - Personnel Session – Periodic Chancellor Evaluation (Agenda Item #18) – (Cont'd.)

Regent Wixom expressed his strong support for the Chancellor. As a representative that lives in southern Nevada, Regent Wixom could see the extraordinary efforts that Chancellor Klaich made to reach out to constituents in the south. However, he cautioned that the Chancellor was not a super hero and needed to be supported in continuing that process. He felt that it was important for the Board to be careful about its own policies, procedures and what it demands from the Chancellor and the System. He agreed with Regent Knecht that there were constituencies with whom the System needs to develop relationships. However, he felt that it was also the Board's responsibility, as much as it was the Chancellor's, to reach out to those constituencies.

Regent Melcher also expressed his support of Chancellor Klaich. He noted that although he was not on the Committee, he had attended both meetings. He felt that it was the Regents' responsibility to take advantage of opportunities to participate in various processes or not.

Regent Crear felt that improvement had been made in the evaluation process but more may be needed.

Regent Schofield noted that the Chancellor's had been a former Regent and was a life-long Nevadan. He was impressed with the Chancellor's ability to handle himself well and to be sensitive in responding to various situations.

Motion carried. Regent Trachok was absent.

Chancellor Klaich thanked the Regents and Dr. Foxley for the constructive criticism.

18. Approved - NSHE Chancellor Contract (Agenda Item #19) – The Board of Regents approved a new contract to NSHE Chancellor Daniel J. Klaich, pursuant to NRS 241.033 (employment terms and conditions on file in the Board office).

- Base salary: \$303,000 (*subject to mandatory salary reductions or unpaid leave as imposed by the Nevada State Legislature and the Board of Regents.*)
- Salary Supplement: None
- COLA: No COLA has been funded for FY 2012 and FY 2013
- Merit: No merit has been funded for FY 2012 and FY 2013
- Car Allowance: \$8,000.00 per fiscal year
- Housing allowance: \$24,000.00 per fiscal year
- Host Account: \$10,000.00 per fiscal year
- Contract Period: Contract will be through November 30, 2016

Regent Leavitt moved approval of a new contract for NSHE Chancellor Daniel J Klaich. Regent Crear seconded.

18. Approved - NSHE Chancellor Contract (Agenda Item #19) – (Cont'd.)

Regent Alden noted that page 5, section 5, of the contract indicates “Effect of Termination on Compensation of President” and requested that be revised to reflect “Chancellor.” Chair Geddes stated that the correction would be made.

Regent Crear noted that there has not been a merit or cost of living increase for employees for several years and stated that the Board will need to begin to consider how the System is to provide annual compensation.

Upon a roll call vote, motion carried unanimously.
Regent Trachok was absent.

Chancellor Klaich thanked the Board for the opportunity to continue serving NSHE and the state of Nevada. He appreciated Regent Crear’s comments, adding that it was important to address the compensation of employees that are in the trenches every day.

The meeting recessed at 3:45 p.m. on Thursday, December 1, 2011, for committee meetings and reconvened at 10:20 a.m. on Friday, December 2, 2011, with all members present except for Regent Page.

19. Approved - Request for Audit Exemption, WNC Foundation (Agenda Item #17) – The Board of Regents approved an exemption to the WNC Foundation audit requirement for the fiscal year ending on June 30, 2011, as required by Board of Regents’ policy, Title 4, Chapter 10, Section 9(B)(1) (*Ref. BOR-17 on file in the Board office*).

Regent Melcher moved approval of an exemption to the WNC Foundation audit requirement for the fiscal year ending on June 30, 2011. Regent Knecht seconded.

Regent Alden asked if a bill for services had been received. President Lucey stated that a bill had been received for a review.

Regent Alden expressed concern for the lack of timeliness of the audit.

Motion carried. Regents Leavitt and Page were absent.

The Board of Regents’ regular meeting recessed at 10:23 a.m. on Friday, December 2, 2011, and reconvened at 10:23 a.m. on Friday, December 2, 2011, sitting as Members of the Corporation for the respective institution foundations with all members present (*separate minutes for meetings of the Members of the Corporation of the respective institution foundations maintained by the Board office*).

20. Approved - Foundation Reports (Agenda Item #20) - Sitting as members of the respective institution foundations the Board reviewed presentations from the institution foundations (*see individual Foundation minutes filed separately in the Board office*).

The Board of Regents meeting reconvened at 11:28 a.m. on Friday, December 2, 2011, with all members present except for Regent Alden.

21. Information Only - Public Comment (Agenda Item #21) – Mr. Wasserman read the public comment policy into the record. Public comment will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. Comments will be limited to three minutes per person. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. The Board Chair may elect to allow additional public comment on a specific agenda item when that agenda item is being considered.

Mr. Robert Metz, CEO and Founder of American Sports Academy, addressed the Board in regard to his organization's attempts to purchase land from the University of Nevada, Reno, for the purposes of building an Olympic sports training center.

Ms. Rachel Stevens related that although she was a CSUN Health Science Senator, she wanted to address the Board as a UNLV student to express her concern regarding further potential student fee increases. She asked why the inflation rate of tuition and fees is double that of the U.S. dollar between 2000 and 2011. She asked the Board to consider cutting more wasteful spending instead of further increasing student fees.

22. Information Only - Complete To Compete Policy Academy (Agenda Item #23) - Attendees to the recent National Governors Association Complete to Compete policy academy workshop that was held on November 17-18, 2011, in Atlanta, Georgia, provided a report on the meeting. The purpose of the workshop was to develop a work plan that will result in the development of a more accurate and effective statewide data accountability system (*handout on file in the Board office*).

Ms. Crystal Abba, Assistant Vice Chancellor of Academic and Student Affairs, related that the NSHE and the Governor's office partnered and applied for a \$30,000 NGA grant designed to strengthen postsecondary accountability systems to cover travel and meeting costs for a team to attend various workshops throughout the year. The entire process will take approximately one year. Representatives defined in the grant included Chancellor Klaich; UNLV President Smatresk; Mr. Dale Erquiaga, Senior Advisor to the Governor; Ms. Julia Teska, State Budget Analyst; Assemblyman Marcus Conklin (*District #37*); and Ms. Denise Miller, MGM Resorts. Academy participants will meet again in February and then April 2012.

Ms. Abba distributed a working draft of Nevada's State Goals and Accountability Metrics. Six states are participating in the workshop (*Connecticut, Colorado, Kentucky, Utah, Missouri and Nevada*). A matrix was provided to each state from which to conduct a self-assessment of existing accountability metrics. In general, Nevada fell about in the middle. All states shared in common consistent data reporting but the information is not being used in the most effective way possible.

22. Information Only - Complete To Compete Policy Academy (Agenda Item #23) – (Cont'd.)

Ms. Abba reported that the good news is that every state's data capacity continues to improve and the demand for that data also continues to grow. New measures are developed daily and many of those measures are gaining acceptance. The workshop participants reviewed new metrics developed by the National Center for Higher Education Management Systems (NCHEMS) to determine if they were intuitive and easy to understand. The bad news is that more and more metrics are not necessarily a good thing when considering state goals. She explained the levels of state, Board, System and institution goals in terms of a pyramid with state goals being at the top (*meaning less*), and institutions being at the bottom (*meaning more*). Based on the recommendation of NCHEMS, the team agreed to limit itself to five metrics and ended up with four. There is very little evidence that accountability metrics currently in place in Nevada and other states are being used in anyway beyond reporting. Characteristics of strong accountability systems is a reflection of the state's public agenda, intuitive and easy to understand, less is more, and have a focus on the key conditions of the state and its citizens.

Based on what was already known of policy initiatives in the state, Ms. Abba related that Nevada's team agreed to two basic state goals. The first goal concerns increasing the number of students graduating with a high quality degree or credential in accordance with the goals of Complete College America (CCA). The team was focused on the fact that it did not want to sacrifice quality at the expense of more graduates. This goal was developed from CCA's translation of President Obama's national goal and of the Lumina Foundation that by 2020 or 2025, at least 60% of the national population will have a degree or a credential of value. For Nevada, that translates into 1,064. That number was then distributed across the System for its public institutions and then private institutions. The second goal is to align degree productivity with the state's economic development goals to meet the needs of Nevada's workforce and establish Nevada's new economy. Much of that goal was discussed during the Workforce, Research and Economic Development Committee meeting held the previous day under agenda item #3 – Overview of New State Structure for Economic Development.

From those two goals, the workgroup agreed to four metrics. Ms. Abba emphasized that the four metrics are a work in progress and may change based on available data.

- Metric #1 – CCA Degrees Produced: Number of certificates, associate and bachelor's degrees awarded each year.
- Metric #2 – Productivity – Certificate and Degree Completion per 100 Students Enrolled: Ratio of undergraduate and graduate degrees and certificates (*of at least one year in length*) awarded per 100 full-time equivalent undergraduate and graduate students, including transfer students with at least 24 credits earned prior to transfer to the 4-year institution.

22. Information Only - Complete To Compete Policy Academy (Agenda Item #23) – (Cont'd.)

- Metric #3 – Return on Investment – Certificate and Degree Completions per \$100,000 of State Appropriations and Net Tuition Revenues: Ratio of undergraduate and graduate degrees and certificates (*of at least one year in length*), including transfers for students with at least 24 credits earned, awarded per \$100,000 of state and local appropriations and tuition and fee revenue, weighted according to median earnings of graduates by degree level (*e.g. certificate, associate's and bachelor's*) and field (*e.g. science, technology, engineering, math (STEM), health and other*). This metric will be calculated based on state appropriations only, and a separate calculation for state appropriations and net tuition revenue.
- Metric #4 – Quality:
 - Licensure Exams: determine whether students graduating from particular fields pass required licensure exams.
 - Acceptance Rates for Graduate Education: Determine whether students graduating from particular fields are accepted in graduate programs.
 - Placement Rates for Recent Graduates: In accordance with the provisions of Senate Bill 449 (*Chapter 397, Statutes of Nevada 2011*), determine whether students graduating from particular fields are employed in the state and in their field following graduation.

Regent Crear felt that an important goal was missing to fully fund higher education in the state of Nevada. He felt it was interesting that the Governor's office points to education as being what will get Nevada out of its economic hole but does not fund education.

President Smatresk related that there was not an express discussion of changes in funding. However, there is an assumption that funding follows some metrics. As the goals are incorporated into the funding formula discussion, the System will begin to set up a better performance-based funding mechanism. In terms of efficiency measures, he stated that it was important to understand that output has remained more or less the same although funding has been reduced. The result is that the System has become more efficient in order to maintain the same output. If the institutions are incentivized using this type of structure, President Smatresk hoped that there would be the expectation of reward for graduating more students.

Regent Crear felt that if funding was not going to be discussed that the trip was without point. Ms. Abba stated that the Academy's purpose was not related to funding. The purpose of the Academy was to establish goals and find ways to measure those goals.

Regent Crear felt that everything had to do with funding. Ms. Abba felt that point was not lost on the Governor's office, which is why pieces of the metrics will come out in the formula funding factors. She felt that Regent Crear was really asking why there was not a goal to fund higher education at 100% of the formula funding but that may not be realistic. She related that the NGA and NCHEMS focus on the status of the state in terms of what it takes to get to better funding.

22. Information Only - Complete To Compete Policy Academy (Agenda Item #23) – (Cont'd.)

Regent Crear felt that to say that it is unrealistic to fund higher education at 100% was selling the System short. Chancellor Klaich replied that there are a number of parallel tracks going on, including an effort through the Governor's office to comply with the legislative mandate to establish priorities in government. All state agencies and higher education are participating in that process of priority setting. The System will deliver to the Governor a first priority for education that indicates the need for funding of schools and higher education in an excellent fashion. He felt that what Ms. Abba was indicating was that the System does not have the first shot at that while the Governor is preparing the first version of the next budget.

President Smatresk explained that although this was not expressly a formula or budget discussion, he agreed with Regent Crear that Nevada must get to a place to have a cogent discussion on what it takes to graduate a student and make Nevada better by producing more graduates. The dialogue that occurred at the first Academy meeting established a common vernacular and set of metrics that creates an accountability system that is comfortable to funders. If that was not done, he felt that the System would experience the same results and be in the position as in past sessions. He emphasized that this is not the end of negotiations.

Ms. Abba related that the Governor's office will be creating an informal task force in the next six weeks that will include the Governor's staff, Regents and campus staff to further refine the goals and metrics.

Regent Crear expressed his frustration with the level of funding that Nevada provides to higher education.

Regent Anderson asked how to get past the hurdle of placement rates of recent graduates. Ms. Abba replied that data will now come directly from Nevada Department of Employment, Training and Rehabilitation (*DETR*). Regent Anderson thought that information only came in an aggregate form. Ms. Abba clarified that state law now requires detailed information.

Regent Trachok asked how degree fields are weighted in Metric #3. Ms. Abba replied that NCHEMS weight system would be used but she was not yet familiar with it. However, as an example, degrees will be rated in a way that assigns the weight of 1 to a certificate, an associate's degree may be a 1.5, a bachelor's degree may be a 2, and so forth. In addition, earnings in a field will also be assigned weights such as an engineering degree may be a 1.5, nursing may be a 1.1 and some other degree may be a 1.

President Smatresk emphasized that weights had not yet been established and will need to be further discussed. However, by weighting output, the state can incentivize the production of degrees in specific need areas or account for high cost disciplines. He added that NCHEMS weights do not have to be blindly accepted and that Nevada could have its own dialogue on the subject.

22. Information Only - Complete To Compete Policy Academy (Agenda Item #23) – (Cont'd.)

Ms. Abba added that weights will be discussed by the Governor's task force as well. Regent Trachok asked if the Regents would be provided with the results of that discussion. Ms. Abba stated that the Board would receive those results.

Regent Blakely felt that development of the goals and metrics was a starting point from which a more accurate and effective statewide accounting system would be developed. He also felt that it was a positive step in terms of developing a better relationship with the Governor.

Ms. Tracy Sherman, Faculty Senate Chairs, CSN, asked if the any of the states included faculty in their contingent or will Nevada plan on including faculty in the resulting decisions. Ms. Abba replied that to her recollection faculty representative were not included on state contingents, adding that the team's membership was defined by the grant. That was not to say that faculty could not be included but that decision rested with the Governor's office. She pointed out that there were ways of getting faculty senate feedback through the Board and other conduits.

Mr. Brad Summerhill, Faculty Senate Chair, TMCC, expressed concern for Metric #3 that median earnings of graduates would be weighted. He felt that in many fields, graduates start out at very low wage paying jobs. President Smatresk clarified that Metric #3 is simply a raw efficiency measure of completions divided by state- plus net-revenue appropriations. He added that the conversation about what a degree might be worth may or may not include a weighted measure on earnings but there had been no express discussion on that as yet.

Ms. Abba explained that Metric #3 does suggest weightings based on median earnings but that is what NGA recommended. However, she concurred with President Smatresk that those conversations were only just beginning.

Dr. Morien Roberts, Faculty Senate Chair, DRI, asked if the Chancellor was planning to recommend to the Governor that faculty be included on Nevada's Policy Academy team. Chancellor Klaich stated that he will have that discussion with the Governor but he would not predispose a result of that conversation.

President Smatresk emphasized that it was important not to embrace any specific numbers and that the project was a work in progress. Ms. Abba added that this was just the beginning of a process that will take one year.

President Smatresk stated that Nevada needs graduates from the full range of degree categories. There are many sub-metrics that lead to graduation but the only one that mattered was completion. He felt that every institutional president was going to have to consider graduation numbers.

Regent Wixom noted that another way to phrase quality is "value added." He asked if there was a national effort underway to address value added or quality issues. President Smatresk replied that there is an Association of Public and Land-grant Universities (APLU) adopted program called VSA (*Voluntary System of Accountability*) that is currently

22. Information Only - Complete To Compete Policy Academy (Agenda Item #23) – (Cont'd.)

employed by UNR and UNLV. The program evaluates students' performance from freshman to exit and normalizes around ACT scores. As the data is received, the institutions will be able to tell the Board what gains students made and how those gains were made relative to ACT levels. He indicated that preliminary data indicates that Nevada is approximately average but data collection will improve with time. Regent Wixom requested that informational updates be provided to the Board.

Regent Knecht expressed his overall appreciation to Ms. Abba, President Smatresk and the other team members, adding that he looked forward to the process and outcome.

Regent Geddes asked that the presidents and staff work with the faculty senate leadership and report back to the Board at the March 2012 meeting.

The meeting recessed at 12:16 p.m. and reconvened at 12:50 p.m. on Friday, December 2, 2011, with all members present except for Regent Alden.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) –

The Board of Regents approved a permanent registration fee increase of 8 percent for academic year 2012-13 for undergraduate students only, and directed the presidents and System staff to seek student and faculty input in preparing the plans for the expenditure of the increase in preparation for the January 20, 2012, meeting. The fee increase amounts will be calculated from the total registration fee plus the surcharge amount effective for FY12 and FY13. The fee increase will be allocated in accordance with the 2010 Letter of Intent issued by the Nevada State Legislature whereby a portion of the funds generated will be allocated to the state supported operating budget and a portion would be retained by each institution and accounted for in self-supporting budgets. A total of 15 percent of the total funds generated from the approved fee increase will be set aside for student financial aid (*Ref. BOR-22 on file in the Board office*).

Chair Geddes explained that in the spring, the Board adopted the Chancellor's 4-point plan that included a 13 percent increase in each year of the biennium. However, the legislature's final budget was approved without an increase in the second year even though the Board had acted on the 4-point plan that included an increase in both years. The presidents were asked to present proposed spending plans of 5, 8 and 13 percent for further discussion by the Board. Chair Geddes related that the direction of the Board would be to discuss the proposals, find a percentage that the Board is comfortable with and to direct the presidents to return to the Board with a formal spending plan for adoption at the March 2012 meeting and to work with the students and faculty on what those plans will be.

Chancellor Klaich explained that the 4-point plan defined the minimum acceptable level of operation that was approved by the Board and presented to the legislature based on shared sacrifice by the state, system and students. In the final days of the 2011

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

legislative session, the recommended increase in the second year was not approved and the Board was limited to a 13 percent tuition increase in the first year with the understanding that would be reviewed in the future.

Chancellor Klaich understood that there are real concerns on the part of the student leaders regarding how quickly this request has come to the Board and if there has been enough time to provide proper notification to the students.

Chancellor Klaich indicated that day's discussion revolves around enhancing student services and restoring critical services that impact the students experience and ability to graduate on time. Chancellor Klaich related that his instruction to the presidents was to demonstrate beyond the level retained for need-based financial aid an engaged plan that directly enhances and benefits the student experience. A common format was created to reflect the allocation of a proposed range of increases between the state supported operating budget and the campus retained budget in a manner consistent with the current Letter of Intent. Chancellor Klaich explained that, if approved, any increase will be considered access revenue and will have to go before the Interim Finance Committee (*IFC*) to seek approval to add to the budgets and are not part of a formula based calculation. Should the Board approve an increase, and after the presidents have developed formal spending plans, Chancellor Klaich felt that it would be prudent to provide the students with an opportunity to review those plans.

Chancellor Klaich recommended that a student fee increase of a single digit number was reasonable and warranted at this time. He felt that the presidents have come forward with reasonable plans for the expenditure of those fees. He asked the Board to discuss whether an increase is appropriate at this time, the utilization of those fees and that any action taken be with the request that spending plans be brought to a future meeting.

President Johnson related that comments received from students and the public were typically in regard to access. He felt that there were two important decisions to be considered. The first is to determine the pricing model to support a quality education system. The second is to consider that whichever pricing model is selected to support that quality education, there is a second and separate responsibility to create access through student financial aid. If education is priced to meet only the access objective then much revenue potential is lost. He suggested mixing the two separate objectives to create a quality system that is accessible. The NSHE university fees rank 12th to 14th in the WICHE and are still relatively low. President Johnson related that whatever the percentage of increase chosen by the Board, the presidents have made a commitment to access.

President Richards related that the ambitious goals for the state discussed in the previous agenda item will require more discussion but will also require resources. He was concerned for CSN's tremendous needs in serving and supporting its students. He related that CSN has looked at its tuition and fees in comparison with other western states and there is room to meet the average. A single digit percentage adjustment would help to meet the basic services and to help the institution with fundamental abilities to meet the needs of its students.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

President Sheehan related that a great deal of time is being spent on fundraising. However, the need exceeds the dollars raised. She related that most states try to provide some sort of funding for students with severe remedial needs. In Nevada, that population of such students is growing to the point of crisis and the cost is extraordinary. A fee increase will allow TMCC to provide support services for those students that need the deepest levels of remediation.

Regent Knecht asked Chancellor Klaich to clarify if he stated that despite the status of the Letter of Intent, and assuming permission is granted by the Interim Finance Committee, every dollar of the increase would be spent on the respective campuses. Chancellor Klaich confirmed that was true.

Regent Knecht related that Vice Chancellor Stevens had indicated that action would be timely enough if taken by the March meeting. However, if delayed beyond the March meeting, action would no longer be timely. After speaking with students, faculty and other constituents, he felt that it was premature for the Board to determine a percentage increase that day. He felt that a process was needed that would allow the presidents to work with the student and faculty leadership so that they can in turn have a much more extensive conversation with the student bodies and full faculty membership. Regent Knecht stated that at a more appropriate time in the Board's discussion that day, he would offer a motion to defer any action that day but set out a process for consultation and feedback with a stated intent by the Board to act no later than its March meeting.

Regent Wixom felt that it would be more productive to drill down on a specific number that day. He had no desire to raise tuition and fees but he felt that the System was in a position that forces the Board to take some action. His preference would be to determine an increase of less than 13 percent that day, so that the next few months were productive. Regent Wixom cautioned that it was easy for those involved to say that the concerns regarding the appearance of wasteful spending were due to lack of understanding. However, the Board has an obligation to listen to the concerns raised. He felt that the campuses need to make sure they are structurally positioned so the concerns can be aired, understood and responded to. Although he was in support of a proposed increase, he had no intention of dismissing the concerns raised.

Regent Blakely echoed the comments of Chancellor Klaich and Regent Wixom. Specifically, he stated that he favored a 5 percent increase, could live with the 8 percent proposal, but did not want to consider a 13 percent increase. He also did not feel that the System could live with a zero percent increase.

Regent Crear requested clarification on what the legislature approved. Chancellor Klaich clarified that the legislature did not approve the 4-point plan as adopted by the Regents but rather it approved the System's budgets on the basis of a single 13 percent increase for the entire biennium to be implemented in the first year.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

Regent Crear asked if the System was taking it upon itself to increase tuition and fees another 13 percent in the second year. Chancellor Klaich stated that the Board would be exercising its constitutional authority to do that. Regent Crear expressed concern in doing that.

Mr. Casey Stiteler, ASUN President, UNR, and Vice Chair of the NSA, sincerely thanked the Chancellor and Board of Regents for their steadfast commitment to higher education. He related that many of the student leaders have expressed reservation in the Board taking action that day due to the short timeframe allowed for a full review. While the students have generally understood the need for some of the tuition and fee increases, they could not willfully accept an increase at this time. He felt that the circumstances of the proposed increase conflict with the Board's policy of tuition and fee predictability. Citing the confusion that resulted from the previous legislative session and lack of appropriate forums on the campuses, Mr. Stiteler stated that the student leaders strongly urge the Board to postpone a decision on a percentage increase until January 2012. That would provide the student government leaders with the opportunity to educate students on the implications of such an increase. Then, at the March meeting, the Board could consider the implementation of the proposed fees after the students and presidents have had several opportunities to accurately assess the needs of the students and how the funds would be allocated.

Chair Geddes asked Mr. Stiteler if the concern was regarding the process to determine if a fee increase is necessary, or the need to obtain student input. Mr. Stiteler replied that the most significant concern was that there had not been enough time to really make students aware of the proposals. He felt that the students' response over the last few years to the need for increases reflects their understanding of the need for increases and the situation that the state and system are in. However, from the students' perspective, as a result of the confusion from the Chancellor's 4-point plan, it was felt that a decision on the proposals is being rushed. He felt that it was important for the student body presidents to have the opportunity to vet a potential 5, 8 or 13 percent increase with the student body. Secondly, there is a concern related to what the fees will be used for and if potential future legislative cuts will result in those reinstated services being cut again.

Chair Geddes asked Mr. Stiteler to clarify what the student leaders wanted to happen in January versus March. Mr. Stiteler replied that the student body leaders wanted the Board to wait until the January meeting to make a determination on the percentage increase. The time between the January and March meetings could be used to determine how the increase will be utilized on the campuses and to develop a spending plan, which could then be presented to the Board for approval at the March meeting.

Regent Anderson related that the concerns that she has received from parents and students relate to the lack of services rather than the cost. Specifically, the concerns expressed are in relation to the lack of response to services revolving around student services. She has responded to those concerns by explaining that budget reductions have occurred across the board. Although she was not sure that 13 percent was the right answer, she felt that the 4-point plan to spread the pain evenly could not be ignored.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

Chancellor Klaich related that the Governor's original budget recommendation for the NSHE had tiered appropriations between year one and year two. The problem with that plan was that it gave a very low moving forward base budget in year two. The first point of the 4-point plan was to ask the Governor and the legislature to average the appropriations out to allow for a larger base budget going forward. Instead of having a \$160 million reduction in year two, the averaging allowed for a \$127 million reduction. That is where the concept of shared sacrifice entered the discussion and the reduction was divided into three parts (*System, state and students*). The second point of the plan was to ask the students to pick up 13 + 13 percent increases in each year of the biennium, which generated approximately \$43 million over the biennium. For every dollar of student fees generated, there had to be an equal reduction in permanent spending, which occurred in point three as a reduction in permanent spending of \$43.3 million. That left an approximate shortfall of \$40 million that the state was then asked to provide.

Chair Geddes asked the Chancellor to confirm that the final budget approved by the legislature was reduced from two layered fee increases of 13 percent each to one 13 percent increase over the biennium. Chancellor Klaich confirmed that was correct.

Regent Crear asked if the Board had to take action that day. From an institutional perspective, President Patterson related that if the proposed spending plans include hiring of faculty, it is already far beyond recruitment season and further delay may impact what plans could actually be implemented for the next year.

Vice Chancellor Stevens added that without consideration for the factors described by President Patterson, it was possible to build a budget in time if the decision was made at the March Board meeting.

Regent Crear asked if analysis was available of the effects for every percentage point that tuition is raised. President Smatresk replied that although a precise measurement is not available, the students are feeling the pinch and the resulting evidence is in fewer hours per FTE than the previous year. In addition, there are a record number of students who are on the financial withdrawal list and can no longer pay for classes. President Smatresk added that UNLV also has a \$5 surcharge that will sunset next year. As a result, its effect will be that any approved increase will offset the loss of that surcharge.

In further response to Regent Crear's question, Regent Knecht explained that at first there may be a muted response by the students to a price increase that will then become greater over time.

Regent Melcher acknowledged that raising tuition is a very difficult discussion. He felt that it was best to make a decision and spend the available time discussing the process to benefit everyone in the future. He emphasized that a decision needed to be made that day.

Regent Blakely moved approval of a 5 percent increase. Regent Leavitt seconded.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

For clarification, Regent Trachok asked if the way in which the legislature allocated the funds was to smooth them out over the course of the biennium. Chancellor Klaich confirmed that was correct.

Regent Trachok agreed with Regent Melcher that the System would not be well served by delaying a decision. He asked the presidents to explain how the quality of education will be improved by a fee increase.

President Lucey related that an equally, or more important factor than elasticity is the availability of course sections, particularly in rural areas. At some point in 2011, WNC crossed from elasticity being the major issue to the lack of availability of sections which is reflected in a 25 percent drop in enrollment. She felt that the quality of the institution has been undermined by not having sections offered at convenient locations and times in order for students to complete their degrees in a timely manner. President Lucey stated that a 5 percent increase would not be enough to allow WNC to increase the number of sections taught by Letter of Appointment faculty.

President Johnson related that at a 5 percent increase, UNR would hire graduate teaching assistants to assist with class sizes, reinstate the Career Development Center to help students seek jobs and internships and return staffing levels in the Financial Aid office and in Admissions and Records. At the 8 and 13 percent level, UNR will be able to add faculty positions back in those areas where the student/faculty ratio has zoomed up. He added that quality will be gained by reducing the student/faculty ratio in high demand classes.

President Smatresk felt that the answers would be similar among all the institutions. He related that student satisfaction correlates with student services, particularly in advising levels which were currently below average at all the institutions. In addition, financial aid services have also fallen below average. He stated that basically, if a student can't enroll for a class, they cannot be educated.

President Sheehan related that it was not possible to gain a quality education if retention services, counseling, advising or developmental laboratories were not available. Those services could be provided even at the 5 percent level. At the 8 percent level, internship and placement programs could be provided. Intensive remediation programs would begin to become available at the 8 percent level, with even more offered at the 13 percent level.

Ms. Riley echoed Mr. Stiteler's comments and acknowledged the need for improved student services, particularly with financial aid. However, at CSN enrollment is down for a number of reasons, including students being priced out of an education. She stated that more long-term revenue enhancement was needed. Students at CSN can no longer afford to share the sacrifice, adding that a significant number of CSN's students are non-traditional with a median age of 28 and who have returned to school to retool and gain new skills in order to find jobs. Ms. Riley also related that it was important for students to participate in the election process, adding that more political influence could be achieved through active student voting.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

Regent Crear felt that it was unfortunate that student input was not incorporated with this round of proposed increases. He felt that the Board had made a commitment to the students to have a voice. He felt it would be better to hold a special meeting in January. He well understood that more is lost by indecision than the wrong decision, but he would rather allow the students an opportunity to provide input.

Regent Wixom felt that a decision made that day could be subject to student involvement. He expressed concern for effective implementation of the increase if a decision is delayed. In general, he felt that a 5 percent increase would restore some of the missing student services. However, a significant number of instructors and course sections could not be added back until the 8 percent level. He did not want to consider 13 percent. If that generalization was accurate, he was more in support of 8 percent subject to more student involvement and analysis to provide more student services and course offerings. He felt that it was important to note that one reason that students do not have access to higher education is because of financial issues. However, one of the reasons the students do not have access to financial aid is because the System has not been able to fund financial aid due to the budget reductions. In summary, he was in support of an 8 percent increase subject to student involvement in the process.

Ms. Sarah Saenz, CSUN President, UNLV, asked the Board for the chance to allow student leadership to inform its student bodies on how an increase will be used to focus on and improve student services. She felt that the public comment that had been heard that day was reflective of the students' lack of understanding.

Regent Wixom expressed concern that in delaying a decision, the System loses the chance to use the funds effectively. He asked Ms. Saenz if it would be an acceptable resolution to the student leaders if the Board made a decision on a number that day, subject to student feedback. Ms. Saenz related that student leaders were more in support of zero, 5, and 8 percent. However, she felt that a decision by the Board that day would tie the hands of the student leaders.

Regent Wixom asked Ms. Saenz to clarify if the student leaders wanted the Board to consider 0, 5, and 8 percent and to be able to provide feedback on those options prior to Board approval of the spending plans. Ms. Saenz clarified that she did not want the Board to make a decision on any number that day, to allow the student leaders to inform the students and then return in January so that the Board could determine numbers.

Mr. Gordon indicated that if the Board votes on a number that day, the students would like the Board to preserve those services that were reinstated from the next round of potential budget reductions. Regent Geddes felt that was a fair point.

Regent Melcher agreed with much of what Regent Wixom stated. He felt that the Board should consider an increase of 8 percent that day, allow the students to provide input on the proposed spending plans and to finalize those spending plans in January. He also felt

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

that the faculty should be involved in the decision as well. He indicated his preference for the 8 percent increase option.

Regent Leavitt related that there had been extensive input from students and faculty during the process of developing the Chancellor's 4-point plan where all parties ended up agreeing. He felt that although reluctant, the Board would support some level of increase.

Regent Leavitt asked if Regent Blakely would consider a friendly amendment to revise his motion to approve a 5 percent increase that day with an additional 3 percent (*maximum 8 percent*) to be considered at a future special meeting of the Board.

Chair Geddes stated that he would like to vote on the original motion first.

Regent Knecht felt the proposals presented that day did not yet contain enough information by which to make a decision, particularly in light of the students' concerns. He expressed his disappointment that a motion was made for a 5 percent increase before he could exercise the option that he had requested at the beginning of the discussion to defer any action that day and set out a process for consultation and feedback with a stated intent by the Board to act no later than its March meeting. He felt that the Board's discussion thus far was not enough to make him embrace an increase of any size. Since there was not support for a 13 percent increase, that left the range of 0, 5 and 8 percent for further discussion. He preferred a motion that would allow the presidents and students to further discuss a range between 0, 5 and 8 percent and to return to the Board in January or March for conclusion.

Having looked at the numbers, Regent Knecht concluded that it was true that Nevada is still a low price leader and one of the better bargains. In light of that, many have said that fee increases could be entertained. However, the other side of that coin is that tuition and fees have increased over the long term faster than the growth of family incomes, and precipitously so in the last year. He felt that provided some insight into the problem of comparing Nevada to other states. He felt that it would be premature to make a decision that day.

Regent Schofield felt that his voting record as a member of the Board of Regents has reflected his determination to do the right thing. He felt that the students have asked the Board not to take any action before they have the opportunity to vet it further with their student bodies. He felt that the students had the right to request that opportunity and that he would not support the current motion.

Chair Geddes clarified that the proposed fee increase would only affect undergraduate fees.

Chair Geddes restated that the motion was to approve an increase of fees by 5 percent, that the campuses bring spending plans back to the Board at its March meeting, and to provide direction to the Chancellor to seek approval of the Interim Finance Committee.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

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

Regent Knecht moved that the Board direct the Chancellor, System administration, presidents and institutional administrative staff to work with and communicate extensively with the students and faculty leadership, to express the Board's hope and belief that the student government leaders will communicate extensively with their constituencies, and that proposals for increases of 0, 5 and 8 percent be considered at the March 2012 Board meeting after further information and input had been provided. Regent Schofield seconded.

Regent Geddes clarified that Regent Knecht's motion was for this discussion to return to the Board in March instead of January.

Regent Knecht felt that a meeting in January was unnecessary but was open to a friendly amendment.

Regent Geddes asked Regent Knecht if his motion postpones action on the proposals presented that day to the March meeting, eliminate the 13 percent option, and to bring back spending plans.

Regent Knecht stated that was correct, adding that he was also setting out a set of expectations of what discussions will occur within the System, institutions, and student and faculty leaderships with regard to the spending plans involved with a 0, 5, and 8 percent increase.

Regent Crear asked why 13 percent was being eliminated as an option before more extensive discussions could occur. He felt that once the students have had an opportunity to provide more input, they may want 13 percent to still be a potential option. He added that there should also be an option of allowing proposals to be brought before the Board at the January 2012 meeting if the appropriate conversations have occurred and the proposals can be prepared in time.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

Chair Geddes reminded the Board that a tentative special meeting is already on the schedule for January 20, 2012.

Regent Knecht amended his motion to add 13 percent back in as a potential consideration and that the Board will act by March 2012 or by the January 20, 2012, special meeting if the Chancellor and presidents have gone through the process as stated in the original motion. As the second, Regent Schofield accepted the friendly amendment.

Regent Page felt that responses could be developed in time for the January 20, 2012, adding that there was no value in delaying a decision until March.

Regent Anderson also felt that March was too late. However, she noted that the students were getting ready to leave for winter break and asked when they would be back and if there was time for those students to participate in those discussions before the January 20, 2012, meeting.

Dr. Brown felt that it was important to point out that current course teaching levels are being driven by voluntary overloads to cover missing Letter of Appointment faculty. The current faculty will not be able to continue to offer the same number of sections next year as are being offered this year. He felt that it was important to keep in mind that the scheduling for the next academic year takes place in January.

Ms. Riley related that although winter break will begin shortly, the students can be reached using various avenues such as email, blog entries and social media, which are forums typically used by students whether or not they are in class. She added that finals were also coming up and that meant that more students would be on campus where they could be handed information.

Ms. Riley stated that the students had asked to have until the January 20, 2012, meeting to talk with the students and make them aware of the increase and proposals. She related that many students are also concerned about the level of services provided but want the opportunity to be heard. She understood the concern regarding staffing levels but felt that it was important to take the information back to the people that would be effected by, and benefit from, any increases the most.

Mr. Stiteler added that any delay would allow for more discussion on guaranteeing the continuation of services that may be restored and that those services not be the first on the chopping block when discussing budget reductions in the future.

Regent Melcher felt that the System loses students by cost and by lack of access. He expressed his surprise in hearing that these proposals were not known before the agenda was posted. He was not sure how effective delaying a decision would be. He understood

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

the need to have conversation on the campuses. He did not want to raise tuition but recognized that the System needed to. As an elected board, the Board of Regents had to make difficult decisions.

Mr. Wasserman restated the motion to be for the Chancellor, System administration, presidents, and institutional administrative staff to work with student and faculty leadership extensively and to express the hope and expectation of the Board that the student and faculty leadership communicate with their constituencies and to present to the Board at its January or March meeting a 0, 5, 8, or 13 percent increase in fees for undergraduate students only.

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

Regent Melcher moved to approve an 8 percent increase in tuition and fees. Regent Blakely seconded.

Regent Wixom offered a friendly amendment to direct presidents and staff to drill down on a specific level of detail for what would be done with the additional funds, to seek student input, and that the final implementation take place no later than January 20, 2012. Regent Melcher asked that it also include conversations with the faculty. Regents Melcher and Blakely accepted the friendly amendment.

Mr. Wasserman restated the motion is to approve a permanent fee increase of 8 percent for academic year 2012-13 for undergraduate students only, and to direct presidents and staff to seek student and faculty input on the expenditure plans, and the President are to explain in detail the expenditure of the increase at the January 20, 2012, Board meeting.

Chair Geddes asked the student leaders if they would be able to develop a plan by the January or March meeting.

Regent Wixom explained that his focus on the January meeting was related to timing because if delayed, any decision will not have been effectively made.

Regent Leavitt requested clarification that the current motion was to approve an 8 percent increase that day and for spending plans to be brought before the Board at the January meeting, and that there will not be further consideration of a percentage increase at that future meeting. Regent Melcher stated that the motion was for an 8 percent increase that day and a report on implementation will occur by institution.

23. Approved - 2012-2013 Registration and Corresponding Fee Increases (Agenda Item #22) – (Cont'd.)

Regent Page felt that the students had an important concern that the services to be reinstated as a result of this increase will be the first cut as soon as budget reductions have to be considered.

Regent Knecht pointed out that if an 8 percent increase was approved that today, it was without faculty or student input. For that reason, he would be opposing the motion.

Regent Crear asked if the spending plans presented that day by the presidents were not sufficient and that the motion was to approve an 8 percent increase with the caveat that the presidents go back to the students to negotiate a spending plan and then have to return to the Board to have those revised spending plans approved. He felt that was doing twice as much work. The spending plans presented that day already include a spending plan for a proposed 8 percent increase. He felt that approving the motion as stated is essentially the same as waiting until the January meeting to approve the 8 percent increase because the presidents could not act upon a spending plan until it is returned and approved by the Board.

Regent Schofield felt that the Board should consider the students' request for a delay of six weeks. He felt that taking action that day was not reflective of the democratic process and indicated that he would not support the motion.

Regent Melcher felt that it was the Board's responsibility to listen to the Chancellor and presidents and to respect those individuals in their jobs of running the institutions. He stated that the proposed plans were presented in general terms and that is what he wanted addressed in the motion. He wanted the spending plans to reflect how the students could be best served so that they benefited from what they were investing in their education. He also was not happy to have to raise tuition and fees but wanted the institutions to work with their faculty and students in order to provide more resources for better access.

Mr. Gordon felt that the student leaders' concern is more for how the revenue from the increase is spent and not necessarily the amount of the increase. He asked that the category of "student services" be defined and that plans be developed for exactly how the funds will be spent.

Mr. Wasserman restated the motion is to approve a permanent fee increase of 8 percent for academic year 2012-13 for undergraduate students only, and to direct presidents and staff to seek student and faculty input on the expenditure plans, and the President are to explain in detail the expenditure of the increase at the January 20, 2012, Board meeting.

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

24. Action Taken - University of Nevada, Reno Fire Science Academy (Agenda Item #29) – The Board of Regents approved closure of the Carlin Fire Science Academy (FSA) facility and the Carlin Fire Science Academy program, to vacate the previously approved leaseback portion of the resolution involving the sale of the Carlin site to the Nevada National Guard, and to approve maintenance of the Fire Science Academy trademark at UNR to continue fire safety training at other sites on a completely self-sustaining basis (*Ref. BOR-29 on file in the Board office*).

President Johnson related that the status of the FSA has been discussed by the Board of Regents for years. The Board had been very patient with UNR as it tried many options to sustain the FSA. Throughout that time, the management and the staff of the FSA have continued to provide a top quality, first responder training unit focused on flammable liquid fuel fire suppression.

Elko County, Elko City, Carlin City officials and industrial customers had invested in a financial sustainability plan over the last three years to avoid accumulating additional debt while UNR sought options for sustainability. Efforts to seek endorsement for inclusion in the National Domestic Preparedness Consortium were unsuccessful. Efforts to work with the FSA's industrial customers to increase the cost of training were also unsuccessful.

President Johnson stated that the university proposes to close the FSA facility and program in Carlin. However, UNR wants to retain the FSA trademark in the event that it may want to provide fire training elsewhere. The approved sale of the Carlin facility to the Nevada National Guard is proceeding. Necessary language has been embedded within the current defense operations bill to move federal investment in the National Guard from Elko to Carlin. Once that bill becomes law, the facility will go to the Nevada National Guard for the indicated purpose of developing a regional training center.

President Johnson reported that \$10 million in proceeds to be received after the close of the sale, \$4 million from other previously approved property sales, and an additional \$1 million of unanticipated university revenues (*pending IFC approval on December 15, 2011*), would retire \$15 million of the FSA's remaining \$24.5 million capital debt. That will allow the university to reroute \$4 of the \$6.50 per credit hour fee that students have been paying to other projects that benefit students on the Reno campus. The remaining \$2.50 will be used to pay off the remaining capital debt. The remaining \$11.8 million operating debt will be paid off over time after other university assets are monetized.

The university has already announced to the FSA employees and the Elko and Carlin communities that this proposal for closure was being brought to the Board. He thanked Regent Melcher for attending all of the announcement meetings on November 14, 2011. He also thanked former Regent Gallagher for her attendance at those meetings. Ms. Denise Baclowski, Director, Fire Science Academy and Mr. Ron Zurek, Vice President for Administration and Finance, UNR, have worked tirelessly to try and sustain the operation. UNR will be working with the National Guard on a transition plan. The National Guard has agreed to keep five employees to maintain the facility. There will be closure and remediation costs which will be dependent on which facilities the

24. Action Taken - University of Nevada, Reno Fire Science Academy (Agenda Item #29) – (Cont'd.)

National Guard chooses to keep. A detailed financial plan will be brought to the Board, post-closure, to the March 2012 Board meeting. It is anticipated that after all the pay offs are complete, there will remain a \$20-25 million debt to be paid off in the future.

Regent Crear moved approval of closure of the Carlin Fire Science Academy facility and the Carlin Fire Science Academy program, to vacate the previously approved leaseback portion of the resolution involving the sale of the Carlin site to the Nevada National Guard, and to approve maintenance of the Fire Science Academy trademark at UNR to continue fire safety training at other sites on a completely self-sustaining basis. Regent Wixom seconded.

Regent Knecht asked what the current student fee was to support the FSA. President Johnson replied that a \$6.50 per credit hour fee was approved in early 2000, for the purpose of paying off bonded construction debt.

Regent Knecht asked how long that fee would continue, at what level and what the anticipated ending date would be. President Johnson replied that of the \$6.50, \$2.50 will continue to be used to pay off the bonded debt. There is 20 years left on the bonded debt.

Regent Knecht asked if a proposal was being brought forward to reduce the \$6.50 per credit hour fee to \$2.50. President Johnson related that when the original \$6.50 per credit hour fee was passed, similar fees were approved at all of the campuses. However, UNR used there's for the purpose of paying down the bonded construction debt.

Chair Geddes clarified that \$4.00 of the \$6.50 fee will become available for the campus's CIP budget.

Regent Knecht asked if the students would see a net decrease in fees. Chair Geddes and President Johnson indicated that the fee would not decrease.

Regent Knecht felt that although it would be better not to have the fee, at least it would go toward something that was not debt service on the FSA.

Regent Wixom expressed his appreciation to Ms. Baclowski, Mr. Zurek and President Johnson for their efforts to resolve the situation. He felt that there were no other options than to close the facility.

Regent Melcher related that he had obtained minutes from Board discussion related to the FSA dating back to 1974 and felt that it reflected the involvement of the university and Board, the love that Ms. Baclowski had for the facility, as well as a few lessons that could be learned. Closure of the facility will also impact the local community. He hoped that

24. Action Taken - University of Nevada, Reno Fire Science Academy (Agenda Item #29) – (Cont'd.)

some of the lost revenue to the community would be replaced when the National Guard opened its training center. He thanked Ms. Baclowski, Mr. Zurek and President Johnson for their efforts. He felt that closure of the facility was the only possible decision at this time.

Regent Schofield related that although good in concept, the FSA just could not be made successful. He also felt the only option was closure of the facility.

Regent Leavitt thanked his predecessors, Regents Sisolak and Gallagher, as well as Regent Wixom for taking a significant role in this issue. He thanked Ms. Baclowski for her hard work.

Regent Knecht also thanked Ms. Baclowski and the UNR staff for their efforts.

Upon a roll call vote, motion passed unanimously.
Regent Alden was absent.

The meeting recessed at 2:52 p.m. and reconvened at 3:04 p.m. on Friday, December 2, 2011, with all members present except for Regent Alden.

25. Action Taken - Strategic Planning for the Future of Higher Education (Agenda Item #25) -
The Board of Regents approved the proposed NSHE Complete College America institutional goals as shown in Ref. BOR-25a.

- a. Dr. Stan Jones, President, Complete College America (CCA), former Indiana Commissioner of Higher Education, founded Complete College America in order to build a network of states committed to substantially increasing the number of Americans with a postsecondary credential. Dr. Jones detailed the strategies and goals of CCA, with particular emphasis on Nevada. The Board of Regents approved the NSHE CCA institutional goals (*Ref. BOR-25a on file in the Board office*).

Dr. Jones related that CCA is a relatively new organization with a single purpose of getting more students to complete college. CCA works with states and local government in developing state policy to move that agenda forward. Initially, not enough data had been available from which to make good policy decisions. The most often used federal government databases have substantial gaps such as lack of information on part-time students (*half of all students in Nevada*). The federal government also does not collect graduation rates for Pell Grant recipients or for transfer students.

CCA launched its first project to address that missing data by working with approximately 30 states on their data collection efforts. Recently, a report was released that includes a much more inclusive representation of what is occurring in graduation rates across the country. The report paints a dismal picture in that

25a. Action Taken - Strategic Planning for the Future of Higher Education (Agenda Item #25) – (Cont'd.)

only half of students graduate from 4-year institutions but it takes six years; only one-third of community college students graduate; only 15 percent of part-time students graduate and only 15-20 percent of students over the age of 25 graduate. The report also reflects that low-income and minority students graduate at much lower rates than their peers.

Dr. Jones stated that CCA has found that although Nevada has motivated leadership, faculty, and students, it also has a higher education system that is broken in that it was designed hundreds of years ago for students that came from good college prep backgrounds. In today's terms, that equals less than 25 percent of the student population. The remaining 75 percent are non-traditional students. Dr. Jones felt that emphasis ought to be shifted on funding for progressing students to graduation rather than enrollment.

Dr. Jones related that the first challenge for students is remediation. Any given state suffers from 60 percent of all community college students having to start college in remedial classes. For universities, that number is 20-30 percent. He stated that the evidence indicates that remediation is ineffective. Students needing remedial math are more successful when they enroll in a regular math class with co-mediation rather than in the traditional remedial math sequence. For students that are in the lowest levels of the remedial math sequence, a degree or certificate is often never attained. A college education is costing those students time and money without any real hope of graduating. There is a need to advocate skill programs that could be better for those students to get out into the workforce which will in turn improve their reading and math skills. Dr. Jones stated that in the United States, much money and time is spent with very little result. CCA is advocating a dramatic overhaul of the approach to remediation.

Regent Schofield asked if there were better textbooks or programs to improve remediation in math. Dr. Jones felt that more than textbooks or programs, it was important to structure math in a way that places students in credit bearing math classes and to provide those students with additional support if necessary.

Dr. Jones indicated that structure is often a difficult concept for many to grasp. He related that in Tennessee, higher education developed differently than 45 other states by having technology centers with one year programs and community colleges with two year programs. He noted that most other states, including Nevada, have community colleges with one and two year programs. The community colleges in Tennessee had a graduation rate of 14 percent, compared to 75 percent at its technology centers. Given that the students were similar in age, income level and minority population, he had questioned why the technology centers were doing better than the colleges and discovered that it was all about the structure. At the technology centers, remediation is done alongside and embedded within the regular courses. A cohort of students go to the same classes

25a. Action Taken - Strategic Planning for the Future of Higher Education (Agenda Item #25) – (Cont'd.)

every day and that allows those students to build a relationship with each other and the faculty. He emphasized that structure allows students of low-income and minority groups to succeed. Dr. Jones pointed out that nationally there are no more than 50 community colleges that have more than a 50 percent graduation rate.

In closing, Dr. Jones stated that in order to see significant changes in graduation rates, significant commitment and change is required. He felt that Nevada's population would succeed with that kind of structure. If a new strategy is tried, it was possible that people would fail. However, using the same current strategy guarantees failure.

Regent Wixom moved approval of the requested NSHE Complete College America institutional goals as shown in the Ref. BOR-25a. Regent Page seconded.

Regent Wixom respectfully requested access to the background materials used in to develop the reference material provided. Dr. Jones indicated that material was available.

Regent Trachok asked what measures were being adopted by other states based on CCA's work. Dr. Jones stated that the NSHE has adopted the CCA metrics and that the information generated was important and valuable and could be used to change discussions. He also indicated that it would be helpful to supplement the numbers with value-added funding where data is weighted. For instance, Dr. Jones related that a freshman may be a value of 1, a sophomore 1.1, and so forth. That type of formula would account for enrollment as well as progression through the system and is easy to understand. Each school would have an index and as the index improves, each school could then be rewarded.

Regent Page asked if that formula would also require community college and university presidents to work more closely together. Dr. Jones indicated that would be true.

Vice Chancellor Nichols related that the Academic and Student Affairs staff has a quantity of materials that can be sent to the Board. She added that the academic officers have been working to bring to the Board proposals and exciting reports on implementing these strategies. She emphasized that the System was not starting from scratch and that it has already started down many of the pathways indicated.

Regent Crear felt that academia did not always accept change well and asked Dr. Jones for suggestions on how the necessary level of change could be attained. Dr. Jones replied that first it was important to collect and share the metrics and data that will begin to inform and change the conversations. Secondly, the System and

25a. Action Taken - Strategic Planning for the Future of Higher Education (Agenda Item #25) – (Cont'd.)

Chancellor need to continue to develop a plan that addresses many of the issues. Third, Dr. Jones stated that it was important to educate and embrace faculty and campuses and have them share in the vision of what the future could look like.

Motion carried. Regent Alden was absent.

Chancellor Klaich thanked Ms. Dominique Raymond, Director, Alliance for State Relations, for her effort and assistance.

Dr. Jones felt that it was possible for Nevada to make the dramatic changes necessary, particularly because of its structure of one governing board overseeing all public institutions of higher education. He felt that Nevada could be held up as a national model. Regent Crear agreed.

Chair Geddes indicated that the documents referenced that day as well as the SI Brookings Report will be distributed at the next day's meeting.

- 25b. Chancellor Daniel J. Klaich discussed the status of the Board's current planning efforts, including the various projects underway that support the Board's primary goal of student success. The Chancellor set forth the various initiatives defined under strategic direction of the Board of Regents, including increasing student achievement, retention and success (Initiative #1); increasing transparency, accountability and performance (Initiative #2); continuous review and revision of programs to support innovation and responsiveness (Initiative #3); and assuring access and affordability of public higher education (Initiative #4) (Ref. BOR-25b on file in the Board office).

Statements for the record were received by Dr. Brown and Dr. Ryfe (Statements on file in the Board office).

Regent Trachok asked if it would be possible to continue the strategic planning discussion at the January 20, 2012, meeting. Regent Geddes indicated that the strategic planning discussion would continue at that meeting.

Regent Knecht thanked Chancellor Klaich for the work done on developing the proposed initiatives. He noted that although there was significant follow-up work to be done, the initiatives included many good points.

Regent Melcher felt that it was important for the strategic plan to address the Board's responsibility to determine how the structure of higher education is delivered and how the entire state is served. Chair Geddes agreed, adding that it was important to consider which institutions are providing what programs and for the institutions to work collaboratively.

Chancellor Klaich related that he and the four community college presidents had that conversation earlier that week. The guiding point of that discussion

25b. Action Taken - Strategic Planning for the Future of Higher Education (Agenda Item #25b) – (Cont'd.)

was how the four community colleges best serve students throughout the state, regardless of service areas. That conversation has been started and he intended for it to be part of the Board's discussion.

Regent Wixom felt that the Board needed to create a strategic plan in the near future as planning begins for the 2013 legislative session. He asked if it was too soon or aggressive to approve a strategic plan at the January 20, 2012, meeting. Chair Geddes felt that the discussion could continue at the January meeting but more input would be needed from various constituents. He indicated that March may be a more realistic date to finalize a strategic plan.

Chancellor Klaich indicated that a number of community college faculty senates and presidents have expressed concern for the implementation of the recommendations made by the Community College Task Force. Chancellor Klaich explained that the Board has only accepted the Task Force report but has yet to consider which recommendations to implement and how.

26. Approved - Handbook Revision, Low Yield Program Reviews (Agenda Item 26) – The Board of Regents approved a new policy concerning the review of academic programs (*Title 4, Chapter 14, new Section 5*), effective Fall 2012, that will require a regular review of academic programs with respect to the number of graduates produced in the prior three years. Academic programs designated by the institution as low yield would be subject to regular review and reported to the Chancellor (*Ref. BOR-26 on file in the Board office*).

Regent Trachok moved approval of new policy (*Title 4, Chapter 14, new Section 5*). Regent Page seconded. Motion carried. Regent Alden was absent.

27. Approved - Handbook Revision, Expedited Tenure Decision (Agenda Item #27) – The Board of Regents approved a revision to the Handbook, *Title 2, Chapter 3, Sections 3.3.1 and 3.4.1 (universities); Title 2, Chapter 4, Sections 4.3.1 and 4.4.1 (community colleges); and Title 4, Chapter 7, Sections 7.3.1 and 7.4.1 (state college)*, to authorize tenure on hire for faculty with extraordinary records of achievement but who have not been granted tenure at another institution after consultation with faculty. At the June and September 2011 meetings of the Board, the Regents reviewed a proposal that would 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 currently eligible for tenure on hire under Board policy. That proposal was further revised to reflect concerns raised by the Regents at the September meeting about not wanting to limit institutions in their ability to recruit superstars but still honor the important role of faculty in the award of tenure (*Ref. BOR-27 and handout on file in the Board office*).

27. Approved - Approved - Handbook Revision, Expedited Tenure Decision (Agenda Item #27) – (Cont'd.)

Regent Trachok moved to approve a revision to *Title 2, Chapter 3, Sections 3.3.1 and 3.4.1 (universities); Title 2, Chapter 4, Sections 4.3.1 and 4.4.1 (community colleges); and Title 4, Chapter 7, Sections 7.3.1 and 7.4.1 (state college)*, to authorize tenure on hire for faculty with extraordinary records of achievement but who have not been granted tenure at another institution after consultation with faculty. Regent Crear seconded. Motion carried. Regent Alden was absent.

28. Information Only - PEBP Task Force (Agenda Item 28) - PEBP Task Force Chair Gerry Bomotti provided an update to the Board of Regents on the activities of the Task Force and specific initiatives that are being pursued, including working with PEBP on operational issues and concerns, consideration of a middle tier plan, and work with an outside consultant regarding the future direction of NSHE health benefits.

Mr. Bomotti related that Ms. Renee Yakira, Director of Government Relations, NSHE, has begun working with the Task Force.

Mr. Bomotti reported that on the UNLV campus, and possibly at all institutions in the NSHE, the health care changes that became effective in July 2011 has been one of the most significant discussions held by faculty and staff. The tales are heartbreaking, particularly among the lower paid employees.

Mr. Bomotti related that the Task Force is working on short-term issues including working with PEBP to address serious customer service issues. System staff met with PEBP on November 30, 2011, and although not everything has been addressed, dialogue is occurring and some changes have been made including PEBP allowing a selected number of System employees access to the PEBP electronic system to assist in answering the majority of employee questions. Discussion is also occurring with PEBP on developing a middle tier, preferred provider, option that still has a higher deductible but more reasonable coverage for prescription drugs. That is the area where employees are being hit the hardest. It was hoped that at its December 15, 2011, meeting the PEBP Board will review and take positive action on that issue. After some discussion, consideration is also being given to adding a retiree representative to the Task Force.

Mr. Bomotti reported that the System is preparing to finalize a contract with a healthcare consultant to help consider healthcare issues in a more detailed way including the strongest recommendation of the Task Force to find a way for the NSHE to gain independence from the PEBP. It is believed that healthcare is a critical component to the retention and recruitment of employees.

28. Information Only - PEBP Task Force (Agenda Item 28) – (Cont'd.)

Mr. Bomotti related that the Task Force is also working on a survey of all NSHE employees relative to some of these issues. The UNLV Faculty Senate has already conducted a survey of the UNLV faculty and staff which Mr. Bomotti felt would be representative of all NSHE institutions. He introduced Mr. Shaun Franklin-Sewell, UNLV Faculty Senate Administrative Faculty Committee Chair, to provide the result of that survey to the Board.

Mr. Sewell reported that in order to gauge employee concerns about healthcare and the PEBP customer service and plan options, a survey of all employees was conducted. Nearly one-third responded, providing an accurate measure of issues that the employees are facing (*survey on file in the Board office*).

Mr. Sewell related that he would be addressing the Board in regard to the conclusions drawn from the survey. First, Mr. Sewell reported that although the authors of the survey understand that the PEBP is responsible for the changes in the healthcare plans offered, many UNLV employees erroneously believe their leaders at the System and institution level are responsible for the changes despite UNLV's best efforts to educate them that is not the case. Secondly, additional comments received also suggest a concern for the inability to recruit and retain top quality faculty and staff is greater now than prior to the close of the last fiscal year, in part due to the changes in health benefits. Third, employees are suffering as a result of the changes including delaying of medical care and not filling prescriptions. The employees are making very difficult choices to forego healthcare until a medical related crisis arises. Fourth, these changes have dramatically impacted employee morale. Fifth, the NSHE Board of Regents should direct the PEBP Task Force to proceed with all due haste in obtaining other healthcare coverage for its employees. Sixth, as Task Force research has already shown, the level of access to healthcare that employees are receiving is inferior both to what was previously received and to what employees of other private and public organizations in Nevada receive. Seventh, the NSHE Board of Regents should implement a supplemental insurance policy and/or supplement the money provided in the health savings account. Finally, Mr. Sewell stated that added benefits were not being sought, but rather a return to an acceptable level of access to healthcare.

Mr. Bomotti related that those were the main areas being pursued and recommendations would be forwarded to the Chancellor as they are finalized.

Regent Crear stated that this is a significant issue and one that he felt the Board could not delay further in regard to separating the NSHE from the PEBP. He asked if action was being sought that day to provide direction in that regard. Mr. Bomotti stated that action was not being sought that day but it was his hope that the Task Force's recommendations would be reviewed when developing strategies for the 2013 legislative session. He related that there would have to be discussion and action at the legislative level to allow the NSHE to separate from the PEBP.

28. Information Only - PEBP Task Force (Agenda Item 28) – (Cont'd.)

President Patterson emphasized that healthcare is a crucial issue. Although short-term and long-term strategies have been developed, the System cannot pursue those strategies without expert help. He related that the System has the possibility of approaching PEBP, before the legislative session, to ask PEBP to grant the NSHE's separation. He added that separation from the PEBP is complicated due to the different levels of staff involved such as the classified staff. The System has to move aggressively now in order to do this in a year or two.

Regent Anderson expressed concern that nothing could be done until 2013, adding that it was unacceptable that employees were not taking their medications. She related that retirees receive \$10 per month subsidy to buy supplemental insurance for each year of service up to \$200. She asked if there was a way to provide a stop gap measure along those lines to current employees. Mr. Bomotti clarified that, in his opinion, the earliest that a change could become effective is 2015. He explained that in 2013, the legislature is addressing changes for 2014 and then the open enrollment period is in process. He felt that through a healthcare consultant, some options will be identified and recommended to the Chancellor for the interim period. Mr. Bomotti reinforced that in terms of retention and recruitment, there is clearly no more important issues. He felt it was the opinion of the Task Force to seek immediate options.

Regent Doubrava asked if a short-term solution for exploring supplemental wrap-around coverage, self-insuring or creating a program through the School of Medicine will be addressed with the healthcare consultant. He also encouraged the Task Force to conduct a statewide NSHE survey as there is a disparity between northern and southern Nevada healthcare options. Mr. Bomotti related that the Task Force is moving forward on a statewide NSHE survey. He added consideration is also being given to meet with the School of Medicine and School of Dental Medicine to determine if clinic or other options are available to provide supplemental healthcare.

Regent Leavitt asked if the PEBP was a public or private entity. Mr. Bomotti replied that PEBP Board members are appointed by the Governor so technically it is a structure within the executive system that acts as a recommendation body on policies to the Governor and Legislature.

Regent Leavitt asked for confirmation that it was not privately owned. Mr. Bomotti confirmed it was not privately owned.

Regent Leavitt related that when thinking about the difficulties facing the faculty and staff with inadequate pay and appreciation, he felt that inadequate healthcare coverage was heartbreaking, cruel and unjust. If there was any good news, he felt that it was that the NSHE had such a large mass of employees that it could find something better for less. In the short term, he asked if the System had the ability to address the PEBP to ask them if there was anything contractually to stop the System from going out to bid to determine what other large healthcare organizations could provide, even for short-term leveraging. He could not think of anything more morale defeating than inadequate medical care and coverage.

28. Information Only - PEBP Task Force (Agenda Item 28) – (Cont'd.)

Mr. Bomotti related that the healthcare consultant will assist in looking at all the issues but until authority is granted to separate, the NSHE is a participant in the PEBP system. However, he indicated that it is not the assumption on the Task Force's part that better coverage can be found. He related that in 1999, the Clark County School District separated from the PEBP through a legislative process. The three employee groups (*including teachers*) went separate directions, each with fully insured programs. They have far superior health care programs for less money. There is the evidence that suggests that it can be done.

Regent Leavitt stated that of all the legislative and capital priorities that the Board would like to see, he felt that there was no other higher priority. Chair Geddes felt that Regent Leavitt spoke for the full Board.

President Patterson stated that statutorily, the System must seek PEBP or legislative approval for separation. A concern for the PEBP would be the impact to the program's remaining participants of which the System represents approximately one-third. What the System does impacts other participants and may increase their costs. It is not an easy discussion and the System must be prepared going into those discussions.

President Smatresk felt that he spoke for all the institutional presidents in stating that healthcare was the single most urgent issue on the campuses and that it was important to move past talk on an interim strategy. He felt that this was a worthy point for attention in budgetary considerations for the next legislative session. He would be delighted if the Board did whatever they could because he personally could not support inaction. He felt there would be no more worthy expenditure.

Regent Anderson related that retirees were removed from the PEBP system completely and had to find their own insurance coverage. The coverage that the retirees now receive was much better.

Regent Page asked why the PEBP could not just be eliminated if agency groups are withdrawing and finding better coverage. Mr. Bomotti related that, although he could not speak for the PEBP system, since it is self-funded it would have to carry tail coverage. In his own opinion, he felt that the System's idea of a path out of the PEBP would serve well for the entire state.

29. Approved - Revision to Institutional Mission Statement, GBC (Agenda Item #30) – The Board of Regents approved the revised GBC Mission Statement (Ref. BOR-30 on file in the Board office).

Regent Crear moved approval of the revised GBC Mission Statement. Regent Doubrava seconded. Motion carried. Regent Alden was absent.

30. Tabled - Report on the Committee to Study the Funding of Higher Education (Agenda Item #24) – The Board of Regents tabled Assistant Vice Chancellor Vic Redding’s report on the progress of the Legislative Committee to Study the Funding of Higher Education to a future meeting (*Ref. BOR-24 on file in the Board office*).
31. Approved - Academic & Student Affairs Committee (Agenda Item #31) - Chair Andrea Anderson reported that the Academic & Student Affairs Committee met on December 1, 2011, and heard the following:

Dr. Erika Beck, Provost and other NSC representatives reviewed the results of NSC’s recent accreditation visit conducted by the Northwest Commission on Colleges and Universities. NSC received full accreditation. Dr. Beck gave a brief overview of NSC’s history and role within the NSHE before reviewing the recommendations and commendations of the Commission and answered questions related to the 2011 evaluation.

College of Education Deans Dr. Chris Cheney, UNR, and Dr. William Speer, UNLV, provided a summary of the current status of teacher education programs across the NSHE. The reports included information related to the impact of the reorganization of the two university teacher education colleges; quality of teacher preparation programs, including pass rates on teacher licensure examinations; and the anticipated Common Core State Standards.

As mandated by Board policy, Associate Vice Chancellor Crystal Abba presented the third and fifth year new academic program reviews as well as the institutional review of existing academic programs that are at least ten years old.

Under public comment, UNLV President Neal J. Smatresk briefly discussed a 3-year relationship the institution has developed with the Brookings Institution for scholarly research and applied public policy efforts. He introduced Bill Antholis from Brookings who spoke briefly about how the partnership with UNLV introduces students to global public policy. They are currently collaborating to create a UNLV Brookings Public Policy undergraduate minor. This work has been paid for by private funds from the Lincy Foundation.

Action Items:

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

- The Committee recommended approval of the minutes of the September 8, 2011, meeting of the Academic and Student Affairs Committee (*Ref. ASA-2a on file in the Board office*).
- The Committee recommended approval of the elimination of the A.A.S. in Industrial Energy Efficiency at GBC (*Ref. ASA-2b on file in the Board office*).
- The Committee recommended approval of the elimination of the B.S., M.S. and Ph.D. in Informatics at UNLV (*Ref. ASA-2c on file in the Board office*).

31. Approved - Academic & Student Affairs Committee (Agenda Item #31) – (Cont'd.)

- The Committee recommended approval of the elimination of the B.A.Ed. in Workforce Education at UNLV (*Ref. ASA-2d on file in the Board office*).
- The Committee recommended approval of the elimination of the following organizational units at UNLV:
 - Institute for Security Studies (*Ref. ASA-2e on file in the Board office*).
 - Department of Women's Studies (*Ref. ASA-2f on file in the Board office*).
- The Committee recommended approval of the elimination of the B.S. in Occupational Science at NSC (*Ref. ASA-2g on file in the Board office*).
- The Committee recommended approval of the deactivation of the B.F.A. in Theatre at UNR (*Ref. ASA-2h on file in the Board office*).
- The Committee recommended approval of a revision of the Board's grading policy to establish an F grade resulting from non-attendance to be denoted with a grade of FN for the purpose of tracking students for financial aid purposes (*Title 4, Chapter 16, Section 37*) (*Ref. ASA-7 on file in the Board office*).
- The Committee recommended approval of a revision of the Board's reduced fees policy to authorize reduced fee authorizations for high school students. Specifically, this eliminates the provision authorizing institutions to offer remedial and 100-level courses on a high school campus at a reduced fee and revises the provision concerning reduced fees for distance education courses to expand to all distance learning courses (*not college-level only*) and increases the fee from \$25 to \$50 per course, effective Fall 2012 (*Title 4, Chapter 17, Section 11*) (*Ref. ASA-8 on file in the Board office*).

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

32. Approved - Audit Committee (Agenda Item #32) - Vice Chair Kevin Melcher reported that the Audit Committee met on December 1, 2011, and heard the following:

The Committee requested a follow-up report on the OMB Circular A-133 audit findings at its March 2012 meeting.

Ms. Sandi Cardinal, Assistant Vice Chancellor for Internal Audit, reported that all institution bank reconciliations were up-to-date.

Action items

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

- The Committee recommended approval of the minutes from the September 8, 2011, meeting (*Ref. A-2a on file in the Board office*).

32. Approved - Audit Committee (Agenda Item #32) – (Cont'd.)

- The Committee recommended approval of a request from Grant Thornton LLP, for additional costs of \$54,000, plus out of pocket expenses of \$2,000, for a change in scope of the external audit for the year ended June 30, 2011 *(Ref. A-3 on file in the Board office)*.
- The Committee recommended approval of the OMB Circular A-133 Audit Report for the year ended June 30, 2011 *(Ref. A-4 on file in the Board office)*.
- The Committee recommended approval of the NSHE Financial Statements for the year ended June 30, 2011 *(Ref. A-5 on file in the Board office)*.
- The Committee recommended approval of a report on the Communications with those Charged with Governance for the year ended June 30, 2011 *(Ref. A-6 on file in the Board office)*.
- The Committee recommended approval of the UNSOM Combined Financial Statements and Report of Certified Public Accountants for the year ended June 30, 2011 *(Ref. A-7 on file in the Board office)*.
- The Committee recommended approval of the UNSOM Report on Internal Control Matters for the year ended June 30, 2011 *(Ref. A-8 on file in the Board office)*.
- The Committee recommended approval of the following internal audit reports: *(Ref. Audit Summary on file in the Board office)*
 - Wolf Pack Meats, UNR. *(Ref. A-9 on file in the Board office)*
 - Lawlor Events Center, UNR. *(Ref. A-10 on file in the Board office)*
 - Intercollegiate Athletics, UNLV. *(Ref. A-11 on file in the Board office)*
 - Network Security Audit, UNLV. *(Ref. A-12 on file in the Board office)*
 - Network Security Audit, DRI. *(Ref. A-13 on file in the Board office)*
 - Library, TMCC. *(Ref. A-14 on file in the Board office)*
 - Risk Management/Workers Compensation, CSN. *(Ref. A-15 on file in the Board office)*

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

33. Approved - Business & Finance Committee (Agenda Item #33) – Vice Chair Kevin Melcher reported that the Business & Finance Committee met on December 1, 2011, and heard the following:

- NSHE State Supported Operating Budget to Actual Comparison for fiscal year 2010-2011.
- State Accountability report for fiscal year 2010-2011 reconciling the Board of Regents' approved budget to actual revenues and expenditures per Legislative Letter of Intent.

33. Approved - Business & Finance Committee (Agenda Item #33) – (Cont'd.)

- Self-Supporting Budget to Actual Comparison for fiscal year 2010-2011.
- Student association reports of revenues, expenditures and ending account balances for fiscal year 2010-2011.
- All Funds revenues and expenses of NSHE for the first quarter of fiscal year 2011-2012.
- NSHE Fiscal Exceptions of self-supporting budgets and the status of state appropriated budgets for the first quarter of fiscal year 2011-2012.
- Budget transfers of state appropriated funds between functions for the first quarter of fiscal year 2011-2012.
- University of Nevada, Reno Athletic program financial projections and analysis 2012-2016.
- Update on the sale of NSHE revenue bonds on October 12-13, 2011, totaling \$50.47 million used to refinance outstanding debt at UNR and UNLV.

Action items:

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

- The Committee recommended approval of the minutes from the September 8, 2011, Committee meeting (*Ref. BF-2a on file in the Board office*).
- The Committee recommended approval of the fiscal year 2010-2011 Accountability Report reconciling the Board of Regents approved budget to the fiscal year-end actual revenues and expenditures (*Ref. BF-2c(1) & Ref. BF-2c(2) on file in the Board office*).
- The Committee recommended approval for the Nevada System of Higher Education to expend excess student registration fee revenues for the purpose of funding additional adjunct faculty and to seek Interim Finance Committee authorization to expend any additional student fee revenues not utilized for adjunct faculty costs, within the state operating budgets for fiscal year 2011-2012 (*Ref. BF-4 on file in the Board office*).

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

34. Approved - Investment & Facilities Committee (Agenda Item #34) - Chair Michael B. Wixom reported that the Investment & Facilities Committee met on September 22, 2011, and took the following action:

The Board approved at its September 2011 meeting, to delegate the authority to the Investment & Facilities Committee to make the final selection of the firm to provide investment consultant services to the System effective October 1, 2011.

34. Approved - Investment & Facilities Committee (Agenda Item #34) – (Cont'd.)

The Investment & Facilities Committee met on September 22, 2011 to hear the presentations of the four consultant finalists which were selected through a competitive RFP process. The Committee approved the selection of Cambridge Associates to provide investment consultant services for both the Operating and Endowment Pools for five years effective October 1, 2011.

Chair Michael B. Wixom then reported that the Investment & Facilities Committee met on December 1, 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 and reviewed the options recommended by Cambridge to reinvest funds if the Committee terminated the Commonfund Emerging Markets, International Equity and/or Real Return portfolios.
- David Breiner from Cambridge Associates recommended that the Committee conduct a thorough Investment Policy Review of the Endowment Pool at a special meeting in February. The Committee directed staff to work with Cambridge on developing potential dates for the Investment Policy Review in February 2012 and to ensure all Board members were invited to attend.
- David Breiner from Cambridge Associates reviewed the increased risk of the operating pool reserve account going from a positive to a negative balance due to increased volatility which resulted from the reallocation of assets within the Operating Pool approximately one year ago.
- Vice Chancellor Mark Stevens reported that the balance of the operating pool reserve account was a positive \$15.5 million as of November 30, 2011.
- The Committee considered a proposal brought forth by Chair Geddes, that distributions from the operating pool, which were reinstated in July 2011, be utilized to provide a source of funds for institutions to match grant and contract activities. Additional information was requested to be developed and this issue will be reviewed again at the Committee meeting in March 2012.
- The Committee considered a request from Regent Blakely that \$7.0 million in funds within the operating pool reserve be utilized to finance one-time activities in three areas: deferred campus maintenance, matching funds for research to promote external funds, and matching funds for construction and/or remodeling of facilities to promote external funding. Additional information was requested to be developed and this issue will be reviewed at the Committee meeting in March 2012.
- The Committee was updated on the merchant services contract (*credit card processing*) with Wells Fargo Bank.

34. Approved - Investment & Facilities Committee (Agenda Item #34) – (Cont'd.)

Action Items:

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

- The Committee recommended approval of the minutes from the September 8, 2011, and the September 22, 2011, meetings (*Ref. IF-2a and Ref. IF-2b on file in the Board office*).
- The Committee recommended approval of the reallocation of the Operating Pool's cash assets based on recommendations from Cambridge Associates. After staff has reviewed the System's cash requirements, one-third of the existing overweight in cash assets in Operating Pool is recommended to be reinvested to non-US equities.
- The Committee recommended approval of the termination of the Commonfund Emerging Markets portfolio within the Endowment Pool and approved reinvestment of these funds based on recommendations provided by Cambridge Associates to reinvest two-thirds of the proceeds to the Capital International Emerging Markets Growth Fund and one-third of the proceeds to the Dimensional Fund Advisors Emerging Markets Value Fund.
- The Committee recommended approval of the termination of the Commonfund International Equity portfolio within the Operating and Endowment Pools and approved reinvestment of these funds based on recommendations provided by Cambridge Associates. The Committee approved to reinvest one-half of the proceeds from both the Operating and Endowment pools resulting from the liquidation of the Commonfund International Equity portfolio to MFS International Equity Strategy and one-half of the proceeds to the Manning & Napier Advisors Core Non-US Equity portfolio (*Ref. IF-7 on file in the Board office*).
- An update and recommendations on facilities and programmatic planning in the Shadow Lane area was made by Vice Chancellor Turner and Dean of UNSOM/Vice President of the Division of Health Sciences, Dr. Thomas Schwenk. Brian Brannman, CEO of UMC, also participated in this briefing. The Committee voted to direct UNSOM to initiate work with UMC on the potential to develop a building for UNSOM at University Medical Center of Southern Nevada (UMC). The Committee also directed the Health Sciences System (HSS) staff to initiate a programmatic planning effort to identify how other NSHE health sciences programs can partner with UMC in the development of Academic Health Center (AHC) planning, which will help inform facilities planning in the future. The Committee voted to support efforts to develop a UNSOM building at UMC and efforts to conduct a programmatic plan to identify how NSHE health sciences programs may participate in development of the Academic Health Center with UMC, and directed staff to provide a progress report on both efforts at its next meeting (*Ref. IF-8a and IF-8b on file in the Board office*).
- The Committee recommended approval of a power purchase agreement with Red Mountain Wind, and underground easements, to provide wind generated electricity to Desert Research Institute and Truckee Meadows Community College (*Ref. IF-9 on file in the Board office*).

34. Approved - Investment & Facilities Committee (Agenda Item #34) – (Cont'd.)

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

Regent Crear seconded. Regent Page abstained.

Motion carried. Regent Alden was absent.

35. Approved - Workforce, Research And Economic Development Committee (Agenda Item #35) - Chair Kevin C. Melcher reported that the Workforce, Research and Economic Development Committee met on December 1, 2011, and heard the following:

Board Chairman Jason Geddes opened the meeting by discussing the reestablishment and the responsibilities of the Workforce, Research and Economic Development Committee and its role in aligning the goals of the Nevada System of Higher Education with the economic development goals of the state.

Mr. Steve Hill, Executive Director of the Office of Economic Development and member of the Governor's Cabinet, provided information on the implementation of Assembly Bill 449. In his role, he will lead the development of a State Plan for Economic Development, the development of criteria for the designation of regional development authorities, and the coordination of statewide economic development activities with higher education. The initial state plan for economic development will be released in February 2012. Mr. Hill encouraged Committee members and all stakeholders to provide input for the state plan.

Vice Chancellor Jane Nichols summarized the current infrastructure in place at each NSHE institution to support faculty in the submission and administration of research and workforce grants and contracts. The sponsored programs offices are complex operations administering external funds critical to research across the NSHE.

An update on the National NSF EPSCoR Meeting that was held in Idaho this past October will be presented at the next board meeting. Dr. Gayle Dana, NSF EPSCoR Project Director reported on the three NSF awards currently funded. Those are the NSF Track I – Nevada Infrastructure for Climate Change Science, Education and Outreach, Track II, Collaborative Research for Cyberinfrastructure Development for the Western Consortium of Idaho, Nevada, and New Mexico and Cyber Connectivity. There will be a new proposal going forward to NSF this next year focusing on the Energy Water Environment Nexus and this selection process is already underway. Lori Brazfield, Director, System Administration Sponsored Project Office, gave a statement regarding the NSF and NASA EPSCoR programs that are currently funded. There is over \$18 million in research funding for Nevada's NSF programs and \$3 million for the NASA EPSCoR and Space Grant programs.

Regent Melcher moved acceptance of the report.

Regent Blakely seconded. Motion carried. Regent Alden was absent.

36. Approved - Cultural Diversity Committee (Agenda Item #36) - Chair Cedric Crear reported that the Cultural Diversity Committee met on December 2, 2011, and heard the following:

Assistant Vice Chancellor Magdalena Martinez reported on the progress of the Equity, Diversity and Inclusiveness Council (*EDIC*). The recent recommendations of EDIC were reviewed including the plans for a diversity summit on March 23, 2012.

NSHE institution representatives provided an update on their diversity in faculty promotion and tenure plans to increase diversity. Representatives from NSHE institutions provided an overview of their faculty diversity plan and status update. All identified the recent budget cuts as a limitation of their diversity efforts with regard to recruiting and retaining faculty.

Assistant Vice Chancellor Magdalena Martinez reported an overview of college and university bridge programs. Bridge programs vary by institution as do outcomes. NSHE bridge programs were also identified and discussed in terms of scope, purpose, and student outcomes.

NSHE institution representatives provided an update on institutional practices after the USC/WICHE workshop which was held on September 16, 2011. Institutional teams from UNLV, NSC and CSN attended and examined their data for key interventions and milestones.

Mr. Bart Patterson, President of NSC, presented an update on the progress of the implementation of the NSHE supply chain inclusion program. He reported a procurement system will likely be purchased with new PeopleSoft program. Tom Akers with Clark County Business Center – Small Business Development reported that NSHE is strengthening relationships between NSHE buyers and local small businesses. Chair Crear asked that NSHE also examine where Tiers 2 & 3 dollars are spent.

Action Items:

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

- The Committee recommended approval of the minutes of the September 9, 2011, meeting of the Cultural Diversity Committee (*Ref. CD-2 on file in the Board office*).

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

37. Approved - Health Sciences System Committee (Agenda Item #37) - Chair James Dean Leavitt reported that the Health Sciences System Committee met on December 2, 2011, and heard the following:
- Chair Leavitt gave an update on planning and development efforts since the last Health Sciences System Committee meeting.
 - Vice Chancellor Turner presented an update on the Health Sciences System Council. The first meeting was held on November 9, 2011. The members discussed its general goals and objectives. Members agreed to identify and collect a minimum data set among its health sciences programs for the purpose to provide a better understanding of what is offered across the state and to use the data as a decision tool and measurement toward NSHE's progress on meeting Nevada's need for health care professionals in the short- and long-term. The Committee took action to support the general direction of the Council and to request that staff provide an update on the data collection activities of the Council at the next HSS Committee meeting.
 - Vice Chancellor Turner and Dean of UNSOM/Vice President of the Division of Health Sciences, Dr. Thomas Schwenk, provided an update and recommendations on facilities and programmatic planning in the Shadow Lane area. Mr. Brian Brannman, CEO of the University Medical Center of Southern Nevada (UMC), also participated in this briefing. The Committee voted to direct UNSOM to initiate work with UMC on the potential to develop a building for UNSOM at UMC. The Committee also directed HSS staff to initiate a programmatic planning effort to identify how other NSHE health sciences programs can partner with UMC in the development of Academic Health Center planning, which will help inform facilities planning in the future. The Committee also asked for regular updates on these efforts.
 - Dean Schwenk presented a status report on the recommendations provided by FTI Consulting regarding UNSOM operations and its pursuit of developing the AHC with UMC.
 - Dean Schwenk presented a history and brief overview of clinical practice plans at medical schools around the country and the current performance of UNSOM's practice plans. He also addressed future issues that will affect the plans, investment in key areas and recommendations for improvement. The Committee requested that the Dean present financial projections with timelines for clinical practice plan operations at a future meeting.
 - Dean Schwenk presented the history and overview of UNSOM Graduate Medical Education (GME) Programs. He discussed future expansion plans, including the development of a Pediatric residency training program in Reno and the additional residency positions recently approved by Medicare. The Committee requested an annual update on GME issues.
 - The Committee had a discussion regarding UNSOM governance and organizational structure and the possibility of engaging a consultant to analyze current structure and compare to best practices. The Committee gave direction for the Chancellor to work with Vice Chancellor Turner and Dean Schwenk to explore the cost and scope of such an analysis and to report back to the Committee at a future meeting.

37. Approved - Health Sciences System Committee (Agenda Item #37) – (Cont'd.)

Action Items:

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

- The Committee recommended approval of the minutes from the September 9, 2011, Health Sciences System Committee meeting *Ref. HSS-2 on file in the Board office.*
- The Committee voted to support the general efforts of the HSS Council, and requested an update on its data collection efforts at its next meeting.
- The Committee voted in support of efforts to develop a UNSOM building in the Shadow Lane area at UMC and efforts to conduct a programmatic plan to identify how NSHE health sciences programs may participate in the development of the AHC with UMC, and directed staff to provide a progress report on both efforts at its next meeting (*Ref. HSS-5a and Ref. HSS-5b on file in the Board office.*).

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

38. Information Only - New Business (Agenda Item #38) - Chair Geddes indicated that the following items were preliminarily planned for consideration at the March Board of Regents meeting:

- Core curriculum work;
- Changing the criteria for president and chancellor reviews;
- Fee policies going forward on predictability and planning.

39. Information Only - Public Comment (Agenda Item #39) – None.

Meeting adjourned at 4:31 p.m.

Prepared by: Jessica C. McMullen
Special Assistant and Coordinator to the Board of Regents

Submitted by: Scott G. Wasserman
Chief of Staff to the Board of Regents

Approved by the Board of Regents at the March 1-2, 2012, meeting.