

**SPECIAL MEETING
VIDEOCONFERENCE**

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

System Administration, Reno
2601 Enterprise Road, Conference Room
Reno, NV 89512

Thursday, March 14, 2013, 3:30 p.m.

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

Members Present: Dr. Jason Geddes, Chair
Mr. Kevin J. Page, Vice Chair
Dr. Andrea Anderson
Mr. Robert Blakely
Mr. Cedric Crear *{via telephone}*
Dr. Mark W. Doubrava *{via telephone}*
Mr. Ron Knecht
Mr. James Dean Leavitt *{via telephone}*
Mr. Kevin C. Melcher
Dr. Jack Lund Schofield
Ms. Allison Stephens
Mr. Rick Trachok
Mr. Michael B. Wixom

Others Present: Mr. Daniel J. Klaich, Chancellor
Ms. Crystal Abba, Vice Chancellor, Academic & Student Affairs
Ms. Brooke Nielsen, Vice Chancellor, Legal Affairs
Mr. Scott Wasserman, Chief of Staff and Special Counsel to the Board
Dr. Marc A. Johnson, President, UNR

Chair Geddes called the meeting to order on Thursday, March 14, 2013, at 3:30 p.m. with all members present except for Regents Anderson, Knecht and Stephens.

Regent Schofield led the Pledge of Allegiance.

1. Information Only – Public Comment (Agenda Item #1) – None.

2. Approved - Employment Contract, Athletic Director, UNR (Agenda Item #2) – The Board of Regents approved a three-year employment contract commencing April 20, 2013, through June 30, 2016, with a base salary of \$285,000 with a maximum annual incentive payout of \$70,000 for UNR Athletic Director Doug Knuth. The terms and conditions of the agreement were presented and discussed at the meeting (*Terms, conditions and curriculum vitae on file in the Board Office*).

Regents Anderson, Knecht and Stephens entered the meeting.

President Johnson provided a summary of the search process and terms of the employment agreement.

Regent Trachok moved approval of a three-year employment contract commencing April 20, 2013, through June 30, 2016, with a base salary of \$285,000 with a maximum annual incentive payout of \$70,000 for UNR Athletic Director Doug Knuth. Regent Melcher seconded.

Regent Trachok commended President Johnson for an exemplary search process and for the inclusion of incentives for academic milestones in the contract.

In light of recent allegations at the University of Utah, Regent Wixom asked if Mr. Knuth's current position there involved supervisory authority of any individuals involved in the allegations or if he participated in any of the subject allegations. President Johnson said he has looked into the allegations. However, within the structure of the University of Utah's athletic department Mr. Knuth's position did not involve supervisory responsibility or contact with the subject allegations.

Regent Page asked why the additional title of Special Assistant to the President was included. President Johnson said the additional title was recommended by Mr. Knuth since an expectation of the position is to be an officer of the University and not just the athletic program director.

Regent Page asked why the title had not been included in the job posting. President Johnson said the recommendation was suggested by the finalist candidate.

Regent Page noted the Summary of Terms states "*Employee will be entitled to a reasonable amount of compensated personal leave upon written approval of the Athletic Director.*" President Johnson said the actual Employment Agreement correctly states the individual will be given the opportunity for vacation leave approved by the President. The Employment Agreement overrides the Summary of Terms.

2. Approved - Employment Contract, Athletic Director, UNR (Agenda Item #2) – (Cont'd.)

Regent Page referred to Page 15 of Ref. BOR-2b (*handout on file in the Board Office*) and asked for clarification to be made that the number of season tickets involved in the ticket sales bonus must be sold as opposed to trading the tickets out.

Regent Page noted the contract did not include a liquidated damages clause. President Johnson said the template contract for the athletic director position does not include a liquidated damages clause.

Regent Knecht noted the academic success bonus indicates no more than one (1) month's base salary if APR (*Academic Progress Rate*) rises to 950 and/or GSR (*Graduation Success Rate*) rises to 83 percent. He asked if the "and/or" language meant one month's base salary of \$23,750 could be earned for each of the individual conditions. President Johnson said Mr. Knuth is eligible to receive one month's salary for each of those conditions in addition to the athletic success and ticket sales bonuses. However, the maximum bonus payout in any given year is \$70,000.

Regent Knecht asked if the only real difference between the proposed contract for Mr. Knuth and the current Athletic Director's contract is the inclusion of up to \$70,000 in performance incentives. President Johnson said that was correct.

Regent Knecht appreciated the focus on academic performance and graduation within the compensation package. He understood an APR of 950 and a GSR of 83 percent to be considered a high threshold. President Johnson agreed, adding the baseball, men's basketball, football and women's track programs are all well below 950. However, the NCAA is considering an increase of its current minimum APR requirement from 925 to 930. President Johnson said the substantially higher numbers would be a challenge but were achievable.

Regent Knecht asked what the current thresholds were for the number of football and men's basketball season tickets sales. President Johnson said the current number of football season tickets sold is approximately 10,000 with an incentive to sell 15,000. The number of season tickets currently sold for men's basketball season tickets is approximately 5,000 with an incentive to sell 7,500.

Regent Blakely said he was comfortable with the additional title of Special Assistant to the President with the understanding this person is a member of the President's Cabinet. President Johnson confirmed the position serves on the President's Cabinet and will be working through budget and policy issues.

Regent Schofield had faith and confidence in UNR's leadership to hire the right person for the position. He noted Mr. Knuth's resume indicates he led his team in increasing ticket office sales and revenue 200 percent in four years. He said the marketing of athletic programs is very important to the universities.

2. Approved - Employment Contract, Athletic Director, UNR (Agenda Item #2) – (Cont'd.)

Regent Crear said it appears the search and hiring process was done properly. However, he questioned if a three-year contract was appropriate for this candidate's level of experience. Additionally, the contract includes incentives to increase the APR. By comparison, the contract for the UNR head football coach was for five years with an incentive provided even if the APR decreased. He asked for the rationale behind a three-year contract versus a five-year contract. President Johnson felt five-year contracts allow enough time for a program to be evaluated. He had been tempered by the Board's discussion regarding the head football coach in deciding upon a three-year contract for the athletic director.

Chair Geddes said the subject of contract length will be discussed at the April 19, 2013, special meeting.

Regent Crear noted Mr. Knuth has a proven record as an athletic director but not as a special assistant to the president. He was concerned the additional title set a precedent and suggested more responsibility than really exists.

Regent Stephens felt the particular candidate was qualified and the particular search process had been well done. However, she held ongoing concerns regarding the particular search firm, overall diversity of candidates and the possible exclusion of potential candidates from UNLV and UNR.

Regent Anderson agreed it made more sense to sign coaches to five-year contracts because coaches work directly with the students and have a significant effect on the students' academic and athletic careers. A three-year contract was appropriate for the position of athletic director.

Regent Melcher said he had observed the search progress from afar but felt it had been done well. He said Mr. Knuth was an excellent candidate and there were no issues with the contract as written.

Regent Knecht asked if an expected compensation level or range had been advertised to candidates. President Johnson said the search firm quoted the current athletic director's salary in terms of a range.

Regent Knecht said a recent news article had published the UNLV athletic director's annual base salary as \$350,000 with a maximum incentive payout of \$262,500. He asked how UNR determined Mr. Knuth's base salary of \$285,000 with a maximum incentive payout of \$70,000. President Johnson said the amount was appropriate to Mr. Knuth's experience, adding the publicized salary for the UNLV athletic director was not an initial salary but the amount offered after a recent contract extension.

Regent Page said the incentive payout quoted in the media for the UNLV position was incorrect and significantly more than the contracted amount. The annual base pay was quoted correctly.

2. Approved - Employment Contract, Athletic Director, UNR (Agenda Item #2) – (Cont'd.)

President Johnson said the salary negotiated with Mr. Knuth was competitive. He said Mr. Knuth is very pleased to join UNR, has expressed a geographic preference for the Reno area and considers this position a good step for his career. UNR was also pleased to be able to negotiate an appropriate salary.

Regent Knecht said he was supportive of the contract, feeling the salary offered was competitive, appropriate to the candidate's history and background and reasonable.

Although he felt Mr. Knuth was a good candidate, Regent Page was concerned there were only 40 applicants for a Division I Athletic Director position. He was surprised Mr. Knuth was not present at the meeting. Chair Geddes said he had asked Mr. Knuth not to be present at the meeting in light of what he felt to be the Board's general consensus not to have candidate for athletic-related positions present at Board meetings.

Regent Page respected the Chair's position but felt the candidate should be present when a special meeting is scheduled specifically to consider the candidate's employment contract.

Regent Leavitt concurred with Regent Page. He said his preference would be to have the candidates present at Board meetings. He asked Chair Geddes to consider a discussion on the matter at an upcoming meeting. He understood the concerns expressed at recent Board meetings were in terms of not subjecting the individuals to certain questions. However, he felt civil and tough questions are always appropriate. Chair Geddes said such a discussion would be appropriate during the Board's April 19, 2013, special meeting.

Regent Page said although he was not opposed to the contract he still held reservations on the additional title of Special Assistant to the President.

Motion carried.

Regent Doubrava left the meeting.

President Johnson said a press conference will be held on March 21, 2013, to introduce Mr. Knuth to the community. Chair Geddes asked UNR to distribute the details of the press conference to the full Board.

3. Information Only – Public Comment (Agenda Item #4) – None.

4. Information Only – New Business (Agenda Item #3) – Regent Knecht asked if the topic of core curriculum was going to be on a Board agenda in the near future. Vice Chancellor Abba said the Academic and Student Affairs Committee heard two

4. Information Only – New Business (Agenda Item #3) – (Cont'd.)

presentations the previous summer. The first presentation was from the southern institutions and included information on how UNLV, NSC and CSN coordinated curriculum revisions. A second but similar presentation was made by the northern institutions at the June 2012 meeting. Regent Knecht asked for a presentation regarding core curriculum be made to the full Board this spring or summer.

The meeting adjourned at 4: 27 p.m.

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

Submitted by: R. Scott Young
Deputy Chief of Staff to the Board of Regents

and

Scott G. Wasserman
Chief of Staff and Special Counsel to the Board of Regents

Approved by the Board of Regents at the June 6-7, 2013, meeting.