

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

Student Union, Ballrooms B & C  
University of Nevada, Las Vegas  
4505 S. Maryland Parkway, Las Vegas  
Friday, April 25, 2014

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

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

Others Present: Mr. Daniel J. Klaich, Chancellor  
Dr. Constance Brooks, Vice Chancellor, Govt. and Community Affairs  
Ms. Brooke Nielsen, Vice Chancellor, Legal Affairs  
Mr. Vic Redding, Vice Chancellor, Finance and Administration  
Dr. Marcia Turner, Vice Chancellor, Health Sciences System  
Mr. Scott G. Wasserman, Chief of Staff and Special Counsel to the Board  
Mr. Frank R. Woodbeck, Executive Director, Nevada College Collaborative  
Dr. Michael D. Richards, President, CSN  
Dr. Ellie Oppenheim, Senior Vice President and Chief Operations Officer, DRI  
Dr. Mark A. Curtis, President, GBC  
Mr. Bart J. Patterson, President, NSC  
Dr. Maria C. Sheehan, President, TMCC  
Mr. Donald D. Snyder, President, UNLV

Others Present: Dr. Marc A. Johnson, President, UNR  
Mr. Chet Burton, President, WNC

Also present were faculty senate chairs Dr. Darin Dockstader, CSN; Ms. Dani Chandler, NSHE; Dr. Paul W. Werth, UNLV; and Ms. Holly O’Toole, WNC. Student government leaders present included, Mr. Umram I. Osambela, ASCSN President, CSN; Mr. Alex Porter, SGA President, GBC; Ms. Sharon Young, GPSA President, UNLV; Mr. Jake Pereira, ASUN President, UNR; Ms. R.J. Boyajian, GSA President, UNR; and Ms. Alejandra Leon, ASWN President, WNC.

Chairman Kevin J. Page called the meeting to order at 9:00 a.m. with all members present except for Regents Anderson and Blakely.

Regent Schofield led the Pledge of Allegiance.

Regent Anderson entered the meeting.

1. Information Only-Public Comment (Agenda Item #1) – Mr. Umram I. Osambela, ASCSN President, CSN, said the ASCSN and CSN Administration have worked together to develop a satisfactory allocation plan the ASCSN can support.

Ms. Sharon Young, GPSA President, UNLV, said the GPSA does not oppose the proposed tuition and fee increase and understands the value of the services to be provided far exceeds the cost.

Dr. Joe Klein, UNLV Student, requested the Board’s support in making UNLV a smoke-free campus and expressed concerns related to the expenditure of grant money for the Tobacco Free UNLV initiative.

Regent Blakely entered the meeting.

Mr. Conrad Wilson, UNLV Classified Staff Council, addressed the Board in regard to grant-in-aid for classified staff. Chairman Page said Chancellor Klaich and Vice Chancellor for Legal Affairs Brooke Nielsen have been asked to prepare a report for presentation to the Board regarding the grant-in-aid program.

2. Approved-Consent Items (Agenda Item #2) – The Board approved the Consent Items in their entirety except for Consent Item #2a (*Minutes*) which was considered separately.
  - 2b. Approved-Handbook Revision, Institutional Trade-Out Policy (Agenda Item #2b)– The Board approved a non-substantive *Handbook* revision relocating the Institutional Trade-Out Policy from Title 4, Chapter 24, Section 2 relating to intercollegiate athletics to Title 4, Chapter 10, new Section 33, the chapter on General Business Management, where the policy was previously codified (*Ref. BOR-2b on file in the Board Office*).

2. Approved-Consent Items (Agenda Item #2) – (continued)

- 2c. Approved-Acceptance of Gift from the Rogers Family Foundation, UNLV (Agenda Item #2c)– The Board approved the acceptance of a residential real property gift from the Rogers Family Foundation for the benefit of the Black Mountain Institute. The Board further approved the Chancellor be delegated the authority to finalize acceptance of the gift, subject to successful completion of all due diligence analysis currently in process (*Ref. BOR-2c on file in the Board Office*).

Vice Chairman Trachok moved approval of the Consent Items in their entirety except for Consent Item #2a (*Minutes*) which was considered separately. Regent Crear seconded. Motion carried.

*The following Consent Item was considered separately:*

2. Approved-Consent Items (Agenda Item #2) – (continued)

- 2a. Approved-Minutes (Agenda Item #2a) – The Board approved the minutes from the January 24, 2014, Board of Regents’ Special Meeting (*Ref. BOR-2a on file in the Board Office*).

Regent Knecht said he would be voting against the proposed minutes due to what he felt was an omission in his comments on page 13, final paragraph of agenda item #5 (*Employment Contract, Head Football Coach, UNLV*). Regent Knecht said his comments were made in specific response to Regent Wixom’s statements on page 12 not to do the football team harm. Regent Knecht felt there was an important but philosophical difference to have been made that doing no harm to the football program without concern for the fundamental mission and duty to the public interest, would be doing some harm to the public interest.

Regent Melcher moved approval of the minutes from the January 24, 2014, Board of Regents’ Special Meeting. Regent Doubrava seconded. Regent Knecht voted no. Motion carried.

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – Chancellor Daniel J. Klaich, System staff and the presidents discussed the process of developing the Fiscal Years 2015-17 Operating Budget request including the 2015 Capital Improvement Program. The timeline for the Board’s future consideration was also discussed (*Handouts BOR-3, BOR-3b, and BOR-3c on file in the Board Office*).

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – (continued)

Chancellor Klaich referred to his March 8, 2014, memorandum (*Handout BOR-3b on file in the Board Office*) outlining the budget building process, other activities which may complement the NSHE budget process, the 2015-2017 Biennial Budget, the funding and prioritization of capital improvement projects, and various policy matters.

Chancellor Klaich said it was important to make the point the Board of Regents is championing the state budget before the Governor and Nevada State Legislature and not just asking the students to foot the bill. Principle considerations for the budget recommendation will include restoration of furlough, including benefits; increase in the weighted student credit hour; enhancement of Millennium Scholarship funding to cover 15 credits; mitigation funding for community colleges; and enhancement for public medical education. Other processes for consideration which may also compliment the NSHE's budget include funding of Workforce Development and the Knowledge Fund as well as need-based financial aid.

Regent Knecht asked if it would be fairer to reprioritize mitigation funding for the community colleges before the request to increase the weighted student credit hour. He felt doing so would allow the community colleges to become more of an economic driver. Chancellor Klaich agreed the community colleges had been impacted by the change to the funding formula. However, he did not feel the need for mitigation funding was due to disproportionate treatment of the community colleges but rather the result of a long overdue change in the budgeting process in order to correct inequitable funding. He anticipated the tools needed to fight for mitigation funding would be identified for him by the community college presidents through the shared services collaborative over the next nine months. The possibility of additional funding had been implied during discussion at the end of the last legislative session, contingent upon significant implementation of the new funding formula. Chancellor Klaich said he and Regent Knecht held a fundamentally different point of view.

Regent Knecht felt the difference in the funding formula was more fully explained by diseconomies of scale in terms of scope, student and faculty counts and geographical reach. He did not feel there had been anything unfair about the prior allocations.

Regent Stephens requested an explanation of the budget process and how the order of the agenda becomes important in the process. She asked why the System goes through a process to tell the Legislature what its budget is before the Legislature tells the System what its allocation is. Chancellor Klaich said parts of the planning process could be done differently while other parts are statutorily required. The Board, through the Chancellor and staff, has an obligation to submit the NSHE's proposed budget to the Governor by September 1. The budget submission is required to set forth both revenues and expenditures. Those parts of the process could not be changed.

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – (continued)

In terms of what could be changed, Chancellor Klaich explained the process currently followed is essentially the process followed prior to 2009 during a time of rising revenues and budgets. However, in the difficult economic climate of the last three legislative sessions, the process has become more of a negotiation with the Legislature. Both approaches have proved successful in the context of the different circumstances.

Chancellor Klaich said the Board needs to express itself if it feels the process is fundamentally proceeding in a way not consistent with its direction. Otherwise silence will be taken as agreement.

Chairman Page said the current process should proceed. However, he suggested the Board be presented with a comparison of its original budget submission to the version returned by the Governor so changes could be monitored.

Regent Leavitt said it was important to communicate the equal importance of undergraduate and graduate medical education in Nevada. A communications plan needed to be developed so every Regent could convey the same message. Secondly, he asked if the budget process will include future biennia to assist in fully developing the future of medical education in Nevada. Chancellor Klaich responded he has required UNLV and UNR to provide him with plans for their budgets, communications and governance by May 15<sup>th</sup>. Any decision to include campus staff will occur after the plans have been submitted no later than May 15<sup>th</sup>. In addition, a 10-year planning perspective has been developed to outline critical stages of budget planning including planning, growth and collaboration, and maturity. He believed the communications plan will be important to assist in presenting a strong, persuasive and clear case on how a UNLV medical school will help the state of Nevada.

Regent Leavitt said it was important for President Snyder and President Johnson to convey consistent and honest messages. The entire process for expanding medical education in Nevada involved the enhancement of the current excellent School of Medicine while creating a new school of excellence.

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – (continued)

Regent Wixom fully supported the request to enhance the Millennium Scholarship to cover 15 credits. He hoped the larger message on the 15 to Finish campaign would be told and how an investment in the Millennium Scholarship will help save state dollars and enhance services to the students. Chancellor Klaich said the request will help bundle the many policies the Board has endorsed to create a culture of completion.

Chancellor Klaich said the Board has emphasized the need to maintain the current infrastructure before embarking on new building projects (*Handout BOR-3c on file in the Board Office*). The System receives \$15 million each biennium for repairs from the Higher Education Capital Construction (HECC) Fund and Special Higher Education Capital Construction (SHECC) Fund. Chancellor Klaich said in the last legislative session approximately \$65 million total was available for repairs statewide, of which the System received its \$15 million. That level of funding is disproportionate to the square footage of buildings in the higher education system compared to other state agencies.

Chairman Page asked how long the System's allocation of HECC/SHECC Funds has been set at \$15 million per biennium. Vice Chancellor for Finance and Administration Vic Redding responded the System has received \$15 million per biennium since the early 1980's.

Regent Crear asked if the System's total square footage was known. Vice Chancellor Redding responded the System's total square footage is 12 million while the rest of the state's combined square footage is approximately 10 million. The System's deferred maintenance backlog is currently \$1.5 billion while it is believed the state's current backlog is approximately \$300 million.

Regent Knecht asked in previous legislative sessions if consideration had been given to what CIP budgets will mean for future maintenance and repairs and how new construction will be selected given the backlog. Chancellor Klaich responded in pre-2009 years, the construction of new buildings had been more easily funded by the Legislature than maintenance and repairs on existing buildings. In recent years, the Board has taken a more prudent fiduciary view. In the last legislative session the System's request for funds for the renewal of buildings was treated as new construction.

Regent Knecht said there needed to be a better job of prioritizing maintenance needs. Chancellor Klaich responded the state of Nevada has a joint responsibility in dealing with the problem. The System cannot solve a billion dollar problem with its own assets or on the backs of the currently enrolled students. Regent Knecht said at the end of the day, the System had to solve the problem and could not hope the Legislature will do justice to the issues.

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – (continued)

Regent Geddes applauded the Board for making deferred maintenance a priority in 2009. He said the campuses have done a great job in compiling the list of current maintenance needs. He agreed the System cannot count on the Legislature to solve the problem but needed to address the issues in whatever way it could.

In regard to the current list, Regent Geddes asked for further explanation on NSC's water tower project and if UNR's Lincoln Hall Building project was to address the seismic retrofit which has been repeatedly requested.

In response to Regent Geddes question on the NSC water tower project, President Patterson responded the campus is 509 acres on a grade. A new water system is not necessary for the two recently approved building projects but some amount of pumping will be needed. However, in order for future expansion of the remaining 107 acres not currently in the master plan a water tower and system will be needed.

Regent Geddes asked why the water tower would not be the responsibility of the Southern Nevada Water Authority. President Patterson responded developments within the City of Henderson are responsible for building their own water systems or paying for water. However, he would investigate responsibility with the Southern Nevada Water Authority.

In regard to UNR's Lincoln Hall Building project, President Johnson said the amount requested does not include a seismic retrofit. Funds for a complete seismic retrofit of Lincoln Hall and Manzanita Hall had been pursued back in the early 2000's. The current request will be used to repurpose the building for faculty offices instead of continuing its use as a residence hall. Manzanita Hall is not being addressed at this time.

Chairman Page asked what the state's total available funding was for all CIP projects. Chancellor Klaich responded total CIP funding was approximately \$89 million. Vice Chancellor Redding explained HECC/SHECC Funds for deferred maintenance were unique to higher education and generated from a portion of the state's Slot Tax Fund. The remainder of the state's deferred maintenance projects are funded through its traditional Capital Improvement Program which is supported through property taxes.

Chancellor Klaich said the design of the UNLV Hotel College Academic Building was paid for in the 2011 session of the Legislature. He felt there is a strong possibility the construction for this project could be included in the Governor's Executive Budget. He suggested the project be of the highest priority given the investment and work which has already taken place.

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – (continued)

Regent Wixom said at one time a cost analysis study had been conducted on seismic retrofits, particularly on the UNR and WNC campuses due to their proximity to a fault line. He asked what the status was of the situation. Chancellor Klaich responded the issue is with the basic premise the state does not pay for parking garages or dormitories. Very strong cases had been made on the basis of safety and utilization. However, the Board's effort could never move past the policy consideration.

Regent Wixom observed those two areas would be the most devastated if an event occurred. He felt the issues needed to be addressed to avoid deep regret later.

Chairman Page referred to the 2015 Capital Improvement Program Proposals and asked if the individual projects were prioritized within each priority level (*handout on file in the Board Office*). Vice Chancellor Redding responded some of the campuses listed multiple projects in order to get to the two percent level. The projects listed within a priority level, such as 1A, are all equal.

Regent Knecht asked what UNLV's contingency plan is if General Fund revenues remain scarce and the state does not fund the Hotel College Academic Building. President Snyder said in 2013 the state allocated planning money specific to the particular building site. In 2013 the project also shifted to a 40 percent private and 60 percent public funding model. The state's commitment to the planning money has been very helpful in terms of engaging private sector conversations. A total of three \$2.5 million gifts have been announced.

Regent Knecht observed there was no practical way to downsize the project meaningfully so the issue will become scheduling and moving more of the burden onto private partners if funding is not received from the state. President Snyder responded it was not practical to downsize the building if it is to meet the growing needs of the students and the state. It will be a disappointment to the private sector partners if the state is not ready with its portion of the funding this legislative session and would force a delay in the project.

Regent Knecht requested it be placed on the record UNLV has done its due diligence and to reinforce the message to private partners the project will not be downsized.

Regent Crear asked what is meant by the term "two percent projects." Vice Chancellor Redding responded pursuant to Board policy (*Handbook, Title 4, Chapter 10, Section 25.6*), a two percent calculation is made on the insured replacement value of all System-owned buildings, excluding storage facilities and auxiliary enterprise buildings such as residence halls and athletic facilities. The current total insured value is just short of \$3 billion, of which two percent is \$55 million.

3. Information Only-2015-17 Biennial Operating Budget/ Capital Improvement Projects (Agenda Item #3) – (continued)

Regent Crear asked if any unused HECC/SHECC Funds remained from 2013. Vice Chancellor Redding responded the \$15 million allocation is good for four years. The System always spends its full \$15 million, plus other funds, on deferred maintenance. The campuses have had to find other funding sources in order to maintain buildings and infrastructures. The 2015 Capital Improvement Program Proposals (*handout on file in the Board Office*) reflect what the System proposes to request for three separate CIP categories: 1) \$15 million in HECC/SHECC Funds; 2) funding of the “two percent” projects per Board policy; and 3) potential funding for new projects. A list of proposed projects to be paid for with HECC/SHECC Funds will be presented for consideration at the June meeting.

Chancellor Klaich said projects of less than \$500,000 are typically paid for through the HECC/SHECC Funds.

4. Approved-Employment Contract, Head Basketball Coach, UNLV (Agenda Item #6)–  
The Board approved a two-year contract extension for Head Basketball Coach David W. Rice effective April 25, 2014, through June 30, 2019 (*Title 2, Chapter 5, Section 5.4.2 (Amended Ref. BOR-6 and Handout BOR-6b on file in the Board office)*).

Ms. Elda Sidhu, General Counsel, UNLV, presented an amended version of the contract with a slight modification to the liquidated damages clause. If UNLV should terminate Coach Rice before the end of the contract’s term, the institution would owe Coach Rice the base salary remaining for the term of the agreement. If Coach Rice should terminate his contract early then he would owe UNLV a graduated amount more in line with what the institution would owe him (*Amended BOR-6 on file in the Board Office*).

Regent Stephens asked if payment of the liquidated damages would be the responsibility of the new employer or of the coach personally. Vice Chancellor Nielsen responded the common practice is for the new employer to pay the liquidated damages to the previous employer or the coach pays them.

Regent Stephens felt there was a distinction between an institution’s deliberate termination of a contract verses an employee’s termination of a contract and what is considered an appropriate level of damages. She was not necessarily uncomfortable with the disparity in the level of damages between the institution and the coach and did not have an issue with the proposed contract.

Chancellor Klaich said, in the context of Division 1 Athletics in 2014, Coach Rice was exactly the kind of coach UNLV wants to represent the university. He said Coach Rice was an incredible member of the community.

4. Approved-Employment Contract, Head Basketball Coach, UNLV (Agenda Item #6)–  
*(continued)*

Regent Knecht said he had the greatest respect and affinity for Coach Rice and UNLV. However, as he has stated in the past, collegiate coaching salaries for revenue sports were too high and out of line. He was unwilling to extend the contract presented given the overall inflation of compensation for coaches, especially compared to the meager compensation given to student athletes, and the uncertainty about the future of intercollegiate athletic revenue. He emphasized his decision was not a reflection of the principals involved.

Chairman Page referred to a list of accomplishments by Coach Rice and noted for the record Coach Rice has seen eight Runnin' Rebel student-athletes graduate under his watch and has had four play their final season with their degree already earned; four Academic All-Mountain West selections and one Scholar-Athlete Award winner (*first two years*); and six Dean's Honor List selections through Fall 2013 (*requires a 3.5 GPA or higher in at least 12 academic credits*). He concurred with Chancellor Klaich that Coach Rice was exactly the coach UNLV wanted to have representing it (*Handout BOR-6b on file in the Board Office*).

Regent Leavitt felt Coach Rice showed a high level of commitment to the community by rejecting a lucrative contract elsewhere.

Regent Melcher moved approval of a two-year contract extension for Head Basketball Coach David W. Rice effective April 25, 2014, through June 30, 2019. Regent Blakely seconded.

Regent Crear said Coach Rice has done well for the program and community. However, he felt the Board would be remiss to act like everything is going right within the basketball program. He was concerned why a two year extension is being offered with three years left on the current contract. He said there needed to be more quality wins by a team with a history of winning and getting into the National Collegiate Athletics Association (NCAA) tournament.

Regent Crear asked for the current Academic Progress Rate (APR) of the basketball program. President Snyder responded the program's current APR is approximately 960.

Regent Crear felt contract incentives should include a minimum baseline APR above the NCAA's required minimum of 930. He felt it was appropriate to offer incentives to maintain a minimum APR.

4. Approved-Employment Contract, Head Basketball Coach, UNLV (Agenda Item #6)–  
(continued)

Regent Schofield said coaches make a significant impact on teaching the student athletes core values and the importance of teamwork.

Regent Trachok applauded President Snyder for having aggressively negotiated a contract on behalf of the University. He was impressed with Coach Rice both on and off the court. However, his position on this and every other athletic contract has been very clear since he became a Regent and he did not feel he needed to reiterate his position today.

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

The meeting recessed at 11:04 a.m. and reconvened at 11:18 a.m. on Friday, April 25, 2014, with all members present.

5. Approved-Appointment, Interim President, WNC (Agenda Item #5) – The Board approved the appointment of Mr. Chester “Chet” Burton as the Interim President of Western Nevada College (*Handbook, Title 2, Chapter 1, Section 1.5.4 and Procedures and Guidelines Manual Chapter 2, Section 1*) (*Refs. BOR-5a and BOR-5b and Handouts BOR-5a (Summary of Terms) and Handout BOR-5b (Employment Contract) on file in the Board Office*).

- Base salary: \$180,000.00 (*subject to a mandatory 6 days of unpaid leave for FY 2014 and FY 2015*).
- Salary Supplement: None for WNC President.
- COLA: No COLA has been funded for FY 2014 and FY 2015
- Merit: No merit was funded for FY 2014, but is funded for FY 2015.
- Car Allowance: \$8,000.00 per fiscal year.
- Housing allowance: \$12,000.00 per fiscal year.
- Host Account: \$5,000.00 per fiscal year.
- Contract Period: Contract will be through June 30, 2016.

Chancellor Klaich said President Burton is the perfect fit for WNC at this time and cited the following reasons for his recommendation: 1) the importance of President Burton’s extensive financial experience, particularly in the area of shared services and the College Collaborative effort; 2) the budget of WNC is now balanced under President Burton’s leadership but would be quickly out of balance with the costs of a search or with possibly an additional administrative salary upon conclusion of the search; and 3) there is not enough time to conduct a national search given the need to present a plan for the College Collaborative effort and the early stages of its implementation to the Nevada Legislature in 2015 (*Ref. BOR-5a on file in the Board Office*).

5. Approved-Appointment, Interim President, WNC (Agenda Item #5) – (continued)

Regent Stephens asked for an explanation of the incongruity between the UNLV and WNC presidential vacancy processes. Secondly, she asked if it was wise to forego a national search at this time given the perception the Board is more concerned about the universities than the community colleges. Chancellor Klaich said a “yes” vote would reflect the Board’s serious consideration of the unique circumstances faced by WNC. He said financial and budgetary issues will dominate the northern community colleges in the next two years. If the situation is handled well then the colleges will have a viable basis for going forward. If the situation is not handled then the colleges may not survive as independent entities. The situation is not the same at UNLV. He said the circumstances between UNLV and WNC were so dramatically different they appropriately indicate different courses of action.

Regent Crear asked if the WNC students, faculty and staff were given a strong opportunity to present their opinions about the Chancellor’s recommendation and to offer feedback. Chancellor Klaich responded the faculty and staff have clearly been made aware of the process through Board meeting agendas. His final recommendation was sent to the WNC Faculty Senate Chair and the ASWN Student Body President although he has not heard a response. He has not met with the WNC Faculty Senate in regard to this specific recommendation. However, an extensive process had been followed prior to President Burton’s temporary appointment the previous fall. Western Nevada College’s support for President Burton had been overwhelmingly positive at the time although there was a difference in the recommendation made at the time.

Regent Knecht said he supported the recommendation for President Burton. However, he remained dissatisfied with the difference in the processes followed at UNLV and WNC. He said the quick and complete responsiveness to the needs of UNLV had been entirely appropriate but stood in marked contrast to the process followed at WNC. He outlined the numerous ways he has been actively involved with all the community colleges and their communities over the past two years.

Regent Knecht said he has heard concern from the faculty, staff and students of WNC they are being treated as an orphan child. He emphasized his complete dissatisfaction with the way the process has been handled at WNC.

Regent Leavitt said every presidential vacancy should be treated differently because of changing circumstances. Strictly from a financial perspective, he felt any president would be more successful at fundraising with the permanent title. If consideration was being given to merge WNC with another institution then he would understand the proposed interim contract. If not, then he felt the appointment should be made permanent or allow President Burton to compete for the permanent position.

5. Approved-Appointment, Interim President, WNC (Agenda Item #5) – (continued)

Regent Anderson felt the Board worked hard to give the colleges what they need while considering the individuality of the institutions. She was in favor of President Burton as either the interim or permanent president.

Ms. Alejandro Leon, ASWN President, WNC, said student feedback of President Burton has been positive.

Regent Stephens asked for an explanation of the Chancellor's recommendation as it relates to the Board's policy. Chancellor Klaich responded the Board's policy provides two paths. One path is to appoint an acting president and immediately commence with a presidential search. The alternative path is to appoint an interim president for a term of one to three years with the thought the individual could be appointed as the permanent president at the end of their term. The Board's policy also provides for the solicitation of input at the end of the term.

Regent Knecht asked Chancellor Klaich to keep the Board informed of constituency feedback throughout the process.

Regent Trachok moved approval of the appointment of Mr. Chester "Chet" Burton as the Interim President of Western Nevada College. Regent Stephens seconded. Upon a roll call vote, motion carried unanimously.

President Burton thanked the Board for the opportunity to serve WNC. He thanked the WNC faculty and staff for their support during the transition and for remaining focused on the students. He was excited about the path WNC is taking and for the collaboration with the other community colleges.

Regent Leavitt thanked Regent Knecht for all the work he has done for WNC.

Regent Melcher asked President Burton if he attends the "Save Our Community College" meetings in Fallon. President Burton responded he has not specifically been invited but would attend if invited.

Regent Knecht said "Save Our Community College" meetings were held openly and he would be happy to forward the agenda to any interested parties.

6. Information Only-Procedures and Guidelines Manual Revision, Tuition and Fees Committee: Recommended Tuition and Fees, Academic Years 2015-16 through 2018-19 (Agenda Item #4) – Chancellor Daniel J. Klaich presented the recommendations of the Tuition and Fees Committee for tuition and fee adjustments for academic years 2015-16, 2016-17, 2017-18 and 2018-19. Final action on the proposed tuition and fee recommendations is scheduled to occur at the June 2014 meeting of the Board (*Procedures and Guidelines Manual Chapter 7, Section 1*) (*Handout BOR-3 and BOR-4 on file in the Board Office*).

The presidents provided a summary of each teaching institution's preliminary expenditure plan for the proposed registration fee increases for Fiscal Years 2016 through 2019 (*Handouts BOR-3 and BOR-4 on file in the Board Office*).

Regents Page and Trachok left the meeting. Regent Leavitt presided.

Regent Knecht said a better process would be to require the institutions to provide disaggregated budgets with proposed priorities. Regent Knecht said the current process was so disconnected from the budgeting process it was meaningless, irrelevant and even misleading because it provided cover to Regents who might want to vote for a fee increase without the political cost of doing so while also inviting the institutions to play at a strategy in which favorite priorities are targeted for removal if tuition and fees are not increased. He said the institutions, presidents and Chancellor have done an outstanding job of putting the information together at the Board's request. However, it was the Board's responsibility it was going through what he considered a misguided exercise.

Regent Knecht referred to a graph published in the April 18, 2014, Chronicle of Higher Education, page A23, reflecting full-time non-faculty professionals (administrative personnel) as the category having increased the most in terms of spending in American higher education since 1976. He respectfully requested the Board be presented with an accounting of administrative spending and how head counts have changed versus instructional/other functions over the last 20 years.

Regent Geddes commended the Chancellor and presidents for preparing the plans presented. He said the plans advance the Board's goals for student achievement, success and completion and had included student involvement throughout the process. He felt the presidents and Chancellor had used exactly the level of detail Regent Knecht was asking for to build the proposed budgets.

Regent Geddes said the proposed plans provide the state with more graduates among all degree levels and the proposed tuition and fees were not just backfill but part of the overall picture. He said the four-point plan developed in 2011 for shared sacrifice among the System, the state and the students remains the basis for campus planning. State appropriations have dropped from a previous high point of \$641 million to \$475 million in the current year making it difficult for the System to grow and improve.

6. Information Only-*Procedures and Guidelines Manual* Revision, Tuition and Fees Committee: Recommended Tuition and Fees, Academic Years 2015-16 through 2018-19 (Agenda Item #4) – (continued)

The System continues its commitment to reduce future spending through the recommendations of the Efficiency and Effectiveness Institute and now the ad hoc Committee on Institutional Shared Services. Regent Geddes said the state has never provided for need-based financial aid which prompted the Board to adopt a policy to address the shortage. The proposed spending plans include need-based financial aid totaling \$2.2 to \$2.8 million per year above and beyond current levels. Everything on the table will be needed going forward.

Regent Geddes wanted price predictability to allow students to plan ahead and be assured of the rate of increase in future years. Regent Geddes said the Board had to be part of the solution through the setting of tuition and fees. He felt the decades-long policy of low tuition and fees in Nevada resulted in the state still being last in the number of people with advanced degrees.

Regent Stephens said she will not support an increase in tuition and fees. She said the decades of low tuition and fees in Nevada resulted in her ability to earn a degree. She said every student may not be capable of working full-time while taking classes for various reasons. She noted much time is spent discussing the need to provide more resources for students who are in need. However, the System charges the students more to provide those services which the students will not be able to take advantage of because they are expected to work more in order to pay more. She asked the Board to be mindful the concept of a full-time job on top of a student loan may not be ideal from all perspectives.

Regent Wixom said at the beginning of the budget tailspin in 2007 he had uniformly heard from the presidents if the formula could be changed to allow them more control over tuition then they could make the changes necessary to structure the institutions to better serve the state. In 2012 he had participated on the Legislative Committee to Study the Funding of Higher Education established pursuant to Senate Bill 374 (Chapter 375, *Statutes of Nevada 2011*) to consider changes to the funding formula in order to more efficiently fund higher education and to move forward in a positive way given the reality state funding will not increase exponentially. He said the times of year-to-year increases in state funding were over. The compromise reached with the Legislature gave the System some control over tuition and fees and made fundamental changes in the way higher education is funded. His preference is not to increase tuition and fees. However, the Board had adopted and embraced a new formula including taking responsibility for tuition and fees. He felt the discussions occurring that day were appropriate, timely and put forward in the proper sequence.

6. Information Only-*Procedures and Guidelines Manual* Revision, Tuition and Fees Committee: Recommended Tuition and Fees, Academic Years 2015-16 through 2018-19 (Agenda Item #4) – (continued)

Regent Wixom said the presentations made by the presidents were a step forward in the right direction and he commended the presidents for embracing the responsibility given by the Legislature. For the record, he said he was not looking for cover for any Regent who wanted to increase tuition and fees, including himself.

Regent Leavitt said fee increases have been discussed every year he has been on the Board and he has supported them each year. He was impressed with the presidents' demonstration of how the fees from the last eight percent increase were used to increase student services. He would support the proposed increases.

Regent Blakely asked if the increase could be considered in two-year, instead of four-year, increments. If it was not acceptable to consider such an option then he asked if it would be appropriate to wait until December to move forward. Chancellor Klaich responded the proposed four-year plan is different than what has been presented to the Board in previous years. The Access and Affordability Committee recommended a longer term budget so students and families could budget accordingly. However, the decision was within the Board's discretion. In regard to waiting until December, Chancellor Klaich said the Board has the ability to propose fees as a negotiated item or to put them forward in a manner consistent with the funding formula as described by Regent Wixom.

Regent Blakely asked if it was possible for the Board to vote on a two-year plan versus a four-year plan. Chancellor Klaich responded both plans could be prepared for the Board's consideration.

Regent Knecht left the meeting.

Regent Anderson felt the proposed spending plans showed the students where the money was going and there is accountability involved. She shared the story of one student who will have to wait another full year to graduate because the one class needed for degree completion is not currently available. Regent Anderson felt the students are counting on the Regents to provide access and for that reason she was in favor of the proposed increase.

Regent Crear said at the last meeting he had specifically requested to see where the funds from the last eight percent increase had gone. The only institution to present the requested information was UNLV. Secondly, he asked where the proposed increase would place Nevada in relation with other Western Interstate Commission for Higher Education (WICHE) institutions. Chancellor Klaich responded he would see if he could provide Nevada's ranking with the increase.

6. Information Only-Procedures and Guidelines Manual Revision, Tuition and Fees Committee: Recommended Tuition and Fees, Academic Years 2015-16 through 2018-19 (Agenda Item #4) – (continued)

Regent Crear said he needed an understanding of what the spending plan was, where those funds were actually spent, if the additional funds were successful in meeting the projected need and if the additional funds were too little or too much. Chancellor Klaich responded the expenditure plans were previously provided in a side-by-side format and he would make sure it was redistributed to the full Board.

7. Information Only-New Business (Agenda Item #7) – Regent Leavitt asked for a report on the work of the Committee to Conduct an Interim Study Concerning Community Colleges (Senate Bill 391, Chapter 494, Statutes of Nevada 2013).

Regent Wixom asked for a discussion on shared purchasing at the next meeting of the Business and Finance Committee.

In regard to the future discussion of the Committee to Conduct an Interim Study Concerning Community Colleges, Regent Stephens felt it appropriate for the Board to consider an action item based on the resolutions already presented to the Committee by the faculty senates and student body representatives.

8. Information Only-Public Comment (Agenda Item #8) – None.

Regent Leavitt thanked UNLV and President Snyder for hosting the meeting.

The meeting adjourned at 1:11 p.m.

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*Approved by the Board of Regents at the September 4-5, 2014, meeting*