

SPECIAL MEETING
BOARD OF REGENTS
NEVADA SYSTEM OF HIGHER EDUCATION

System Administration, Las Vegas
4300 South Maryland Parkway, Board Room

Friday, May 4, 2018

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
Dr. Jason Geddes, Vice Chairman
Dr. Andrea Anderson
Dr. Patrick R. Carter
Mrs. Carol Del Carlo
Dr. Mark W. Doubrava
Mr. Trevor Hayes
Mr. Sam Lieberman
Mrs. Cathy McAdoo
Mr. John T. Moran
Ms. Allison Stephens
Mr. Rick Trachok
Mr. Anthony L. Williams (*via telephone*)

Others Present:

Dr. Thom Reilly, Chancellor
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs
Dr. Constance Brooks, Vice Chancellor, Government and Community Affairs
Mr. Chet O. Burton, Chief Financial Officer
Ms. Christine Casey, Director, Human Resources
Mr. Dean J. Gould, Chief of Staff and Special Counsel to the Board
Mr. Nate Mackinnon, Vice Chancellor, Community Colleges
Mr. Nicholas Vaskov, System General Counsel
Dr. Margo Martin, Acting President, CSN
Dr. Kristen Averyt, President, DRI
Ms. Joyce M. Helens, President, GBC
Mr. Bart J. Patterson, President, NSC
Dr. Karin M. Hilgersom, President, TMCC
Dr. Marc A. Johnson, President, UNR
Mr. Mark Ghan, Acting President, WNC

Faculty senate chairs in attendance were: Dr. Jill Acree, CSN; Dr. John Rice, GBC; Dr. Zachary Woydziak, NSC; Ms. Marcie Jackson, SA; and Ms. Shannon Sumpter, UNLV. Student body president in attendance was: Ms. Kanani Espinoza, GPSA President, UNLV.

Chairman Page called the meeting to order at 9:00 a.m. with all members present except Regent Carter. Regent Stephens led the Pledge of Allegiance.

1. Information Only – Public Comment – The following people spoke in favor of a sustainable in-rank salary advancement system for faculty in the state: Mr. Kent Irvin, Nevada Faculty Alliance (NFA); Mr. John Nolan, UNR NFA; Mr. Robert Manis, CSN NFA; and Dr. Jennifer Nelson, CSN.

Mr. Jeffrey Downs, WNC NFA, spoke in favor of transitioning community college faculty back to the step system. There is unanimous support at WNC and support from the Executive Committee and chapter presidents at the NFA's August 2017 state meeting.

The following engineering students spoke about the limited UNLV research space and lab spaces in the Science and Engineering Building: Ms. Maria Ramos Gonzalez; Ms. Veronica McKinney; Mr. Jameson Lee; and Ms. Shadden Abdalla.

Regent Carter entered the meeting.

The following UNLV engineering students spoke about the large Engineering class sizes and that they do not provide for a conducive learning environment: Ms. Veronica McKinney; and Ms. Shadden Abdalla.

The following individuals spoke in support of the new UNLV Engineering Academic and Research Building: Ms. Hannah Patenaude, Senior Editor of the Nevada State Undergraduate Research Journal; Lt. Corey Jewell, Airforce ROTC Commander; Dr. Sarah Harris, Associate Professor of Engineering; Mr. Mike Maier, Alumni; Mr. Anthony Firmani; Mr. Michael Plinski, Alumni; Dr. Jacimaria Batista; Mr. Victor Wei, WHP Consulting President; Mr. Tim Wong, Arcata Associates President and CEO; Dr. Jefferson Kinney, Associate Professor of Engineering; Ms. April Contreras, Student; Ms. Chelsea Tran, Student; Ms. Marisela Thompson, Student; Dr. Paul Oh, Faculty; Dr. David James, Associate Professor of Civil Engineering; Mr. Mark Newburn, Department of Computer Science; Mr. Jack Braman, former CIO Las Vegas Sands International Gaming; Mr. Ray Chavez, Konami Gaming Senior Manager; Mr. Brandon Holten, Student; Mr. Larry Price, Lockheed Martin Deputy Program Manager; and Dr. Brendan O'Toole, Chair of the Mechanical Engineering Department.

Ms. Jennifer Kennedy, UNLV College of Engineering Director of Advising, spoke about the challenges with student retention and progression due to full classes and limited classroom allocation.

1. Information Only – Public Comment – (Continued)

The following individuals spoke in favor of the CSN Health and Sciences Building: Ms. Lauren Edgar; Ms. Janice Glasper, School of Health Sciences Interim Dean; Mr. Elnino Felipe, Student; Mr. Elton Domingcil, Student; Mr. David Cherry, City of Henderson; and Ms. Amber Stidham, City of Henderson Chamber of Commerce.

The following students voiced their concerns related to the recent departure of President Len Jessup, the importance of having stable leadership and the effects that it has on the UNLV School of Medicine (UNLV SOM) and its students: Ms. Lauren Hollifield and Mr. Horacio Guerra.

The following individuals spoke in support of the NSC Education Building: Mr. David Cherry, City of Henderson; Ms. Amber Stidham, City of Henderson Chamber of Commerce; and Mr. Glenn Christianson, Velstand Investments Managing Director.

Ms. Lindy Schumacher, UNLV Foundation Trustee, spoke in support of President Len Jessup and voiced her concerns with the reported medical fraud of the UNR School of Medicine (UNR Med).

Ms. Kris Engelstad, Engelstad Foundation, stated there was no other option than to withdraw support of the System, but continue to support the students and the UNLV SOM.

Mr. Jose Solorio, CSN Institutional Advisory Council, provided his support for Dr. Vincent R. Solis as the next President of WNC. Mr. Solorio implored the legislators to address property tax issues.

Mr. Toyokuzo Endo, UNLV SOM Student, thanked those involved for helping start the UNLV SOM and urged the Regents to continue their support of the school and leadership.

Ms. Monica Arebalos, UNLV SOM Student, expressed the importance that the Regents and the future leadership of UNLV support and present a positive message in terms of both schools of medicine.

Chairman Page introduced Regent Anthony L. Williams and Ms. Rebecca Bahr, Assistant Coordinator in the Board Office.

Regent Williams stated due to his employment with MGM Resorts International he would recuse himself from any vote on Agenda Item #2 – NSHE Corporate Distance Education – College Opportunity Program with MGM Resorts to avoid any possible conflict of interest.

Chancellor Reilly welcomed Mr. David Singleton to the newly created position of NSHE Transfer and Articulation Ombudsman.

Chairman Page left the meeting.

2. No Action Taken – NSHE Corporate Distance Education – College Opportunity Program with MGM Resorts – Chancellor Thom Reilly reported on the NSHE Corporate Distance Education/MGM College Opportunity Program designed to make higher education a viable and affordable option for MGM employees and improve Nevada's degree attainment rate. The program will allow MGM employees to enroll in distance education programs, effective Fall 2019, at any of NSHE's seven teaching institutions providing access to programs across the entire state of Nevada. (*Ref. BOR-2 on file in the Board Office.*)

Chancellor Reilly stated tomorrow's economy is raising many uncomfortable questions and the answers are not encouraging. Few disagree that a post-secondary education system tuned to today's workforce is the key to developing good jobs and a thriving economy. Nevada is far from alone in facing this challenge but is also far from solving it. Nevada posts the lowest rate of citizens with post-secondary credentials and it ranks last in 25-34 year olds with an associate's degree or higher. The partnership with MGM Resorts will be the first of its kind in the nation and NSHE is very excited to partner with MGM Resorts. MGM is the largest employer in Nevada and consistently offers innovative solutions to work and strengthen the community.

Regent Stephens left the meeting.

Chancellor Reilly stated this is the first time a company has partnered with an entire system of higher education. The program will link Nevada's largest employer with all seven of Nevada's degree producing institutions. The partnership reflects a genuine commitment to improving Nevada's college attainment rate, especially among first-generation students. The partnership perfectly aligns with the Board's new strategic goals. The partnership increases access to higher education, ensures success and completion of degree programs, closes the achievement gap, strengthens workforce in the most important industries and will allow research to take place. A working group will be formed with representatives from MGM, NSHE and participating institutions to finalize the particulars of the program including the cost structure.

Chairman Page entered the meeting.

The goal is to have a final agreement completed by September 2018 subject to ratification by the Board of Regents and MGM.

Chancellor Reilly introduced Mr. John McManus, Executive Vice President, General Counsel and Secretary, MGM Resorts.

Regent Stephens entered the meeting.

Mr. McManus stated MGM Resorts is excited to have the opportunity to make higher education more accessible and affordable to its employees. It is a worthy goal and worth the effort and the money that will ultimately be placed in this program. The working group will work through the details to create a sustainable program. The program will

2. No Action Taken – NSHE Corporate Distance Education – College Opportunity Program with MGM Resorts – (Continued)

tie in the opportunity for online learning to allow flexibility in the employees' personal lives.

The meeting recessed at 10:35 a.m. and reconvened at 10:43 a.m. with all members present except Regents Del Carlo, McAdoo, Moran and Stephens.

3. Approved – Minutes – The Board approved the following meeting minutes:

- January 4, 2018, Board of Regents' Special Meeting. *(Ref. BOR-3a on file in the Board Office.)*
- January 19, 2018, Board of Regents' Special Meeting. *(Ref. BOR-3b on file in the Board Office.)*

Regent Doubrava moved approval of the January 4, 2018, and January 19, 2018, Board of Regents' Special Meeting minutes. Regent Lieberman seconded. Motion carried. Regents Del Carlo, McAdoo, Moran and Stephens were absent.

4. Approved – Appointment, President, WNC – The Board approved the appointment of Dr. Vincent R. Solis as the next President of Western Nevada College (WNC) along with the proposed salary and contract terms. *(Refs. BOR-4c, BOR-4d and supplemental material on file in the Board Office.)*

Committee Chair Trachok stated three outstanding candidates were interviewed by the WNC President Search Committee. The Committee unanimously recommended Dr. Vincent R. Solis as the next President of WNC.

Chancellor Reilly reported 100 applicants showed interest in this position. Ten (10) candidates were interviewed as semi-finalists.

Regents Del Carlo and McAdoo entered the meeting.

Chancellor Reilly stated it is an understatement to say Dr. Solis connected with the hearts of the faculty, students and community.

Regent Stephens entered the meeting.

Regent Trachok moved approval of the appointment of Dr. Vincent R. Solis as the next President of Western Nevada College (WNC). Regent Del Carlo seconded.

4. Approved – Appointment, President, WNC – (Continued)

Regent Carter stated he had the opportunity to hear Dr. Solis speak in Carson City to a packed room and was amazed at the response he received from those in attendance.

Motion carried via a unanimous roll call vote.
Regent Moran was absent.

Regent Trachok moved approval of the proposed salary and contract terms. Regent Lieberman seconded. Motion carried. Regent Moran was absent.

Dr. Solis thanked the Board of Regents and Chancellor Reilly for the opportunity. He is grateful, honored and humbled to be bestowed with this honor. He will work diligently to ensure the continued success of the institution.

Regent Hayes and Chancellor Reilly thanked Acting President Ghan for his outstanding service to WNC.

5. Information Only – Remarks from State Legislators – Chairman Kevin J. Page invited state legislators in attendance to make brief remarks regarding the NSHE budget process. *(Ref. BOR-5 on file in the Board Office.)*

Senator Joyce Woodhouse appreciated the fact that the NSHE Funding Formula is on the agenda. She stated it is good to review how the Funding Formula is working to see if improvements are needed. She encouraged the Board of Regents and the NSHE staff to keep the legislators informed about the Funding Formula, capital improvement projects, and what needs to be done for the students and staff.

Assemblywoman Maggie Carlton remembered when the Funding Formula was changed in 2011 trying to make sure that the legislators were going down the right path. She thanked those that worked hard on the Funding Formula. She stated she looks forward to working with the NSHE on this issue. Her goal is to make sure the students have every opportunity to succeed.

Regent Moran entered the meeting.

Senator Moises Denis stated he wants to work with the NSHE on the policy side as well as the technical side of formula funding. He stated they must make sure that an education is available to all Nevada children. He acknowledged the Nevada Promise Program, the Silver State Opportunity Grant, and the Millennium Scholarship Program, all which are providing opportunities for student success.

5. Information Only – Remarks from State Legislators – (Continued)

Assemblyman Keith Pickard appreciated the opportunity to learn and see more than what is seen in the context of the Legislature. The Funding Formula is a non-partisan issue and is a great opportunity to test ideas. It is critically important to understand how to raise and spend the funds.

Assemblyman John Ellison reported Great Basin College (GBC) is near and dear to his heart. Funding was secured in the last four sessions for GBC. GBC is a proven leader in the state, preparing a well-skilled workforce which adds to the quality of life.

6. Information Only – NSHE Funding Formula and Self-Supporting Budget Overview (Agenda Item 7) – Chief Financial Officer (CFO) Chet O. Burton and Senior Program Analyst Brody Leiser, Legislative Counsel Bureau, presented an overview of the Funding Formula model used to distribute funds to NSHE's teaching institutions and DRI, and an overview of the self-supporting budgets. (*Ref. BOR-7 on file in the Board Office.*)

Senior Program Analyst Leiser presented a PowerPoint titled, "Presentation on Funding and Budgeting for the Nevada System of Higher Education". The PowerPoint included: General Overview of the NSHE Budget Structure; Legislatively Reviewed and Approved State Supported Operating Budgets; Legislatively Approved 2017-2019 Biennium State Supported Operating Budget Revenue Sources; Higher Education Funding Formula Purpose and Review History; Higher Education Funding Formula Summary; and Desert Research Institute Funding Formula.

Regent Stephens left the meeting.

CFO Burton presented a PowerPoint titled, "Overview of NSHE Self-Supporting (non-state) Budgets". The PowerPoint included: Differences Between State Operating and Self-Supporting Budgets; Self-Supporting Budget Revenue Sources; Self-Supporting Budget Revenue FY 2018; Student Registration Fees; Other Student Fees; and Self-Supporting Budget Expenditures FY 2018.

In response to a question from Regent Del Carlo, CFO Burton stated indirect costs relate to the rate that supports overhead and other expenses of a program and are considered non-state money.

Chairman Page asked the Presidents if there was anything the Board could be doing differently related to indirect costs. President Johnson responded no because indirect costs come back to the University and are used to support the indirect costs of performing research at UNR. President Averyt stated indirect cost returns are fundamental to operations because DRI operates on sponsored contracts and grants.

In response to a question from Regent Hayes, CFO Burton stated the Funding Formula is a distribution model. There is a certain amount of state money available and NSHE will strongly present its case to continue to grow higher education. Ultimately an amount will be approved, and the weighted student credit hour will be used to distribute that amount among the seven teaching institutions.

6. Information Only – NSHE Funding Formula and Self-Supporting Budget Overview (Agenda Item 7) – (Continued)

Vice Chancellor for Government and Community Affairs Constance Brooks stated she works in conjunction with the Board Chairman, Chancellor and CFO to make a recommendation that is realistic based on the funds that are available, the competing demands of the other agencies, the needs of the state and the priorities of the Legislature.

The meeting recessed at 11:48 a.m. and reconvened at 12:12 p.m. with all members present except Regents Carter, Moran and Stephens.

7. Information Only – Faculty Compensation Study (Agenda Item 6) – Mr. Jim Fox, Arthur J. Gallagher & Company, presented a PowerPoint titled, “Compensation Study” which included a summary of its findings related to the salary study requested by the Chancellor. (Ref. BOR-6 and supplemental material on file in the Board Office.)

Chancellor Reilly stated the Faculty Compensation Study is extremely timely given the mandate of Assembly Bill (AB) 202 to examine the System’s compensation for faculty across the NSHE and the desire of the universities to hire elite faculty necessary to achieve Carnegie R1 classification. The NSHE academic salary schedules were last updated in 2012 using the land-grant university data collected by Oklahoma State University for benchmarking purposes at 75 percent of the universities, 83 percent for the state college and 78 percent for the community colleges.

Regent Moran entered the meeting.

Chancellor Reilly stated the methodology for updating the salary schedules was last reviewed by an external consultant in 1999. It was recommended at that time to use the 75th percentile for the universities in establishing competitive salary schedules.

Chancellor Reilly reported he met with institutional Presidents and proposed hiring an external compensation consultant to conduct a study of NSHE’s salaries. The Presidents supported the recommendation. Five compensation consulting firms were contacted as possibilities to conduct the study. Arthur J. Gallagher & Company was selected. The consultant was charged with the review of: 1) current academic, administrative and executive salary schedules used for the universities, state college and community colleges to determine if they are appropriately competitive upon hire; 2) salaries paid to currently employed academic and administrative faculty to determine if they are appropriately competitive; and 3) to recommend a methodology for adjusting NSHE salary schedules going forward.

Regent Carter entered the meeting.

7. Information Only – Faculty Compensation Study (Agenda Item 6) – (Continued)

The consultant agreed to the scope of work. Arthur J. Gallagher & Company was hired for its expertise and NSHE did not influence them in terms of how the study was conducted. Arthur J. Gallagher & Company has worked with 70 colleges and universities on similar projects and approximately half of its business is with higher education institutions. Their experience in higher education compensation is indisputable.

Chancellor Reilly stated that while the Gallagher Study reveals that NSHE has competitive salaries and on average is competitive with the market, NSHE does have a significant salary compression problem. There are many ways to measure salary compression and one such method was used and should be viewed as a measure of magnitude. The compression figures provided in the study highlight the magnitude of the problem that new faculty are being hired at higher salaries and many long-term faculty have foregone cost of living and merit over a number of years resulting in salary compression.

Mr. Jim Fox, Arthur J. Gallagher & Company presented a PowerPoint titled, “Compensation Study” including: Project Summary; Peer Institution Selection; Market Date Collection; Market Comparison; Salary Schedule Comparison & Development; and Implementation Recommendations.

Regent Lieberman left the meeting.

Chancellor Reilly noted that faculty will be afforded an opportunity to respond to the study findings. The Board should keep in mind that an item being considered for the operational budget is the performance pool per institution primarily to address compression. The Gallagher Study supports the initiative that the Board will consider.

Regents Liberman and Stephens entered the meeting.

UNLV Faculty Senate Chair Shannon Sumpter stated both universities are aspiring to Carnegie R1 status. Nevada is one of nine states in the United States without an R1 institution. The Board must ask itself and the legislators if this is where they want Nevada to remain. This will require an investment in higher education and, in particular, the people that are essential to achieving this goal. She stated the universities appreciate the Gallagher Study but both universities have faculty with recognized expertise and experience to produce a report like this and could have easily saved the NSHE money. In this study, the approach begins with peer institutions and both UNR and UNLV pushed back on the list of institutions used for comparison. Many on the list are classified as R2 and R3 institutions. Several institutions in both university groups are in rural areas with lower costs of living. Six institutions in UNLV’s peer group do not have doctoral programs and several have limited graduate programs. The initial study presented salary comparisons at the 50th percentile and only when requested provided comparisons at the 75th percentile in the revised version. If NSHE wants to compete and achieve at the level in which it aspires, salaries cannot be offered in the middle range. NSHE must attract the

7. Information Only – Faculty Compensation Study (Agenda Item 6) – (Continued)

brightest and best and then must keep them by providing livable salaries, rewards for hard work, decent health insurance, infrastructure and support that allows them to teach students, prepare a workforce and deliver groundbreaking discoveries. This does not include those that are already here teaching Nevada's children, preparing Nevada's workforce and delivering discoveries that benefit Nevada, the west and the world. The institutions are just now back to pre-recession funding levels. Over the decade faculty had stagnant salaries, lost billions in retirement plans, and have health insurance with deductibles that no one meets unless a catastrophe strikes. Layoffs, buyoffs, and hiring freezes forced many to work harder for less. NSHE faculty are appreciative of the cost of living increases. Cost of living increases are not a reward for stellar work or an incentive for excellence. There has been one legislative cycle during this recession which left academic faculty with only two opportunities for a salary increase which included a promotion to associate professor and a promotion to full professor. Administrative faculty do not have these opportunities. The Gallagher Study has brought to light that less than half of the administrative faculty have job descriptions that allow for fair comparison. Classified state workers have steps and longevity. Unionized workers bargain collectively to increase pay and benefits. Salaried professionals in the private sector get raises and bonuses. Academic and administrative faculty salary increases are buried in salary compression. Chair Sumpter stated in her 15th year of employment a new faculty member without experience or the credentials was hired in her department with a starting salary that rivaled hers. This report shows that NSHE must make it right for those that have given their time, energy, and productivity to higher education in Nevada. It is the Regents' duty to not let the legislators evade this bill come due. It is the least that the hard-working NSHE employees deserve.

NSC Faculty Senate Chair Zachary Woydziak thanked the Chancellor for inviting faculty to participate in the study. This represents a great example of shared governance and although the process may not be attractive at times the outcomes often end up being stronger as a result of the array of different viewpoints. NSC faculty agree with several conclusions of the study. In particular, the conclusion of moving away from the current method of determining salary schedules for academic faculty as a percentage of the university schedule and the conclusion that salary compression needs to be addressed are both valid. While salary compression has not dramatically affected as many NSC faculty because the institution is still young, it is a great concern to all faculty. NSC, like other NSHE institutions, does have concerns as to how the study was conducted and in particular the use of peer institutions. While it is understood that Arthur J. Gallagher & Company has many years of experience conducting faculty compensation analysis, it is felt that they may not have an understanding of NSC as an institution to effectively determine a peer group. The analysis received related to how the peer group was determined and at this time the evaluation of the data is being completed. There are concerns of the 60 listed peer institutions, of which six have been identified that have less than half the student population, 16 that are in rural communities, and 12 that are characterized as community colleges. In order for the analysis to be valid it needs to include similar institutions and if a portion of the peer institutions are not a good fit it will

7. Information Only – Faculty Compensation Study (Agenda Item 6) – (Continued)

dramatically change the outcome of the analysis. The recommendation for the creation of the state college salary schedule would be derived from a clear institution model. If peer institutions are not accurately reflected, then the salary schedule will also not be accurate. Since the salary schedule is used for initial placements of new faculty, as well as to identify compression issues, it will be imperative to accurately reflect peers. NSC is recommending that after careful examination the peer institutions that are not good comparisons to NSC be removed, even if it results in a reduction of the number of peer institutions.

GBC Faculty Senate Chair John Rice stated this report is important to the community colleges, because of their role in workforce development for current and new opportunities. He appreciated the work of Arthur J. Gallagher & Company and the grace that was shown when asked very difficult questions. The community colleges agree with many of the conclusions but especially the need to improve and standardize individual job descriptions and the salary compression issues. There is concern that the community colleges were only compared to the peer institutions at the 50th percentile, which could lead to conclusions that are not based on the same datasets as the universities and state college. Peer institutions need to be chosen more appropriately for the community colleges and more attention is needed as to whether faculty have opportunities for tenure and live in comparable economies. The Gallagher Report has placement grades and, unfortunately, placement grades are based on educational background and not on years of service.

Vice Chairman Geddes stated the Gallagher Report emphasizes the compression issue. He requested the Board review the policy related to salary schedules based on market data and peer institutions so appropriate updates can be made.

In response to a question from Regent Anderson, Mr. Fox stated the standard is to look at a broad spectrum of the market to include those institutions that are the same designation, those that are higher and even some that are lower to give a good reflection of the market.

Regent Moran believed this should be brought back on an ongoing basis since there is so much data to review.

President Johnson and Executive Vice President and Provost Diane Chase reported the universities are already hiring faculty at the R1 level.

Regent Stephens recognized that the goal of Carnegie R1 classification has been set and the Gallagher Report shows the baseline data, but the universities must go beyond the baseline data to get to that goal.

President Johnson stated both UNR and UNLV have been requested to present their progress toward Carnegie R1 classification at the June Board of Regents' meeting.

7. Information Only – Faculty Compensation Study (Agenda Item 6) – (Continued)

Regent Trachok asked that the Chancellor put together an overall budget including the salary component, so the Board has a complete picture and is able to make an informed decision.

Regent Hayes asked if the cost of living could be factored into the salary comparisons. Mr. Fox noted that slide 22 shows cost of living adjustments.

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests (Agenda Item 9) – The Board approved the capital improvement and construction planning project proposals from NSHE institutions to be submitted as prioritized lists to the State Public Works Board as follows – Capital Improvement Projects: 1) NSC Education Building; 2) CSN Health and Sciences Building; and 3) UNLV Engineering Academic and Research Building; Construction Planning Projects: 1) GBC Welding Lab Expansion; 2) UNLV Science Academic-Research Building; 3) WNC Marlette Hall Refurbishment; 4) TMCC/DRI Science Solutions Center; 5) CSN Northwest Campus; 6) UNR Life Sciences Building; and 7) NSC Water Tank. (Ref. BOR-9 and Ranking Charts on file in the Board office.)

Chancellor Reilly explained that the Board will hear a brief overview from each of the presidents regarding their institution's Capital Improvement Projects (CIP) and construction planning projects. After the presentations, the Board will provide rankings for each project which will be compiled into a list to be submitted to State Public Works. The State Public Works Division requires a prioritized list of the proposed projects from the NSHE to present to the State Public Works Board which will then lead to final recommendations to the Governor.

Acting President Martin presented CSN's CIP proposal: Health and Sciences Building (\$43 million: \$37 million from the state; \$6 million from CSN/NSC).

Executive Vice President and Provost Chase and Mr. David Frommer, Executive Director and University Architect, UNLV, presented UNLV's CIP proposal: Engineering Academic and Research Building (\$36.5 million: \$18.25 million from the state; \$18.25 million from UNLV/donor).

Regent Doubrava asked how much donor money has been currently raised for the proposed UNLV CIP. Executive Vice President and Provost Chase said UNLV intends not only to use donor funds but also University resources. She added the donations thus far have not been substantial.

Regent Stephens said she had read data which showed there are more engineers being produced than there are jobs for. She asked for clarification on who will utilize the space and if the building is needed to produce engineering graduates for the NSHE's own gratification, or to meet workforce demands.

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests
(Agenda Item 9) – (Continued)

Executive Vice President and Provost Chase said through partnerships with local engineering firms, UNLV can confirm that producing more engineering graduates is an attempt to meet current workforce demands. In terms of the building, it will be a mixed-use building as it will have lab, teaching and office space. The plan is to move certain faculty and staff out of the existing engineering building and into the new space to better associate people with their functional areas.

Regent Stephens appreciated the feedback from Executive Vice President and Provost Chase. She said that information will help the Board prioritize the projects.

Regent Hayes thanked everyone who attended the meeting to show their support for the UNLV Engineering Academic and Research Building, particularly the Wong family who has pledged to donate \$1 million to the project. Regent Hayes asked for clarification on how the University would fund the engineering building and for an update on the loans for the UNLV Hotel College building.

Chief of Staff and Special Counsel Dean J. Gould cautioned Regent Hayes from initiating an in-depth conversation regarding the loans for other UNLV projects that have not been agendized. Regent Hayes clarified that he asked about one of the more recent loans the Board approved for the UNLV Hotel College building. If that particular loan was not paid off, that would affect his decision on which capital improvement projects to prioritize.

Executive Vice President and Provost Chase said a couple of the options to fund the engineering building are bonds and the UNLV reserves.

In response to the inquiry from Regent Hayes, Ms. Jean Vock, Vice President for Finance and Business, UNLV, said the most likely option that will be utilized to contribute to the cost of the new engineering building would be bonding. As for the UNLV Hotel College building, Vice President Vock believed there is no outstanding loan and internal funds were used for that project. She will provide a follow-up with the information after the meeting.

President Patterson presented NSC's CIP proposal: NSC Education Building (\$34 million: \$28 million state; \$6 million NSC).

Regent Hayes asked if there was a demand for individuals wanting to teach that there was not enough capacity to house them, or if NSC needed more space on the campus and wanted to move the teaching program to its own building.

President Patterson claimed the project would grow capacity. NSC is currently working on a pipeline with the school district called "Teacher Academies." This is a program that early-identifies students for dual credits in education and general education to entice them to go into teaching. In addition, NSC's Speech Pathology and Early Childhood

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests
(Agenda Item 9) – (Continued)

Education programs have increased enrollment projections as there is a nationwide demand for students to pursue careers in education. President Patterson believed NSC has some of those programs in place to meet those workforce demands.

Regent Hayes thanked President Patterson for his response and commented that all three of the capital improvement projects presented by CSN, UNLV and NSC are outstanding.

Chairman Page asked if there was any instance within the System where student fees were used toward an academic building project. He said the NSC students paid an additional fee to get an academic program which was unusual. He did not believe there was any parallel for that in the state in terms of paying additional fees that students voted on to have the buildings and space.

Regent Carter referenced an email the Board received from the UNLV Foundation requesting money to be refunded from State Public Works for the UNLV SOM Medical Building as the \$25 million was not matched. He asked if that money could be allocated to the UNLV Engineering Building. Vice President Vock answered they are still working on getting a sense from the donors and community about their thoughts regarding the medical education building which means they are unable to utilize those funds for now.

Chancellor Reilly, CFO Burton and General Counsel Vaskov provided an overview of the project ranking process for the Board. The Regents ranked the Capital Improvement Projects for CSN, UNLV and NSC. *(Ranking Chart on file in the Board office.)*

Regent Hayes commented that each project is critically important and ultimately hoped all three would be funded.

Regent Lieberman shared his appreciation for the institutions that collaborated on these projects, e.g. NSC/CSN and TMCC/DRI. He expressed that each project was vitally important and shared his hope that the community healthcare partners will work with CSN and NSC in establishing the CSN Health and Sciences Building.

Vice Chairman Geddes moved approval of submitting the prioritization of the following Capital Improvement Projects to the State Public Works Board: 1) NSC Education Building; 2) CSN Health Sciences Building; and 3) UNLV Engineering Academic and Research Building. Regent Del Carlo seconded. Motion carried. Regent Trachok was absent.

CFO Burton provided information on the process of submitting the capital planning project proposals to be presented to the State Public Works Board.

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests
(Agenda Item 9) – (Continued)

Acting President Ghan presented WNC's capital planning project proposal: Marlette Hall Refurbishment (\$105,000).

President Patterson presented NSC's capital planning project proposal: Water Tank (\$8 million).

Regent Doubrava asked if the \$8 million would cover the cost for the entire NSC Water Tank project. President Patterson answered that the \$8 million is for the whole project.

Regent Doubrava asked if the \$105,000 for WNC's capital planning project was to cover the entire project. Acting President Ghan clarified that the \$105,000 is strictly for planning and the actual cost of the project is estimated at \$750,000.

Executive Vice President and Provost Chase presented UNLV's capital planning project proposal: Science Academic-Research Building (\$6 million: \$3 million from the state; \$3 million from UNLV).

President Hilgersom and President Averyt presented TMCC and DRI's capital planning project proposal: TMCC/DRI Science Solutions Center (\$5 million).

President Helens presented GBC's capital planning project proposal: Welding Lab Expansion (\$300,000: \$265,000 from the state; \$35,000 from GBC).

Regent Anderson asked for clarification on the cost for the GBC capital planning project. Ms. Sonja Sibert, Vice President for Business Affairs, GBC, answered that the planning portion will cost \$300,000 and the total cost share match that GBC will contribute is \$35,000. The entire project is estimated at \$4 million and GBC's share of the total project would be \$600,000.

President Johnson presented UNR's capital planning project proposal: Life Sciences Building (\$6 million).

Acting President Martin presented CSN's capital planning project proposal: Northwest Campus (\$3.5 million).

Regent Del Carlo asked if CSN's planning proposal was for constructing only the first building on the property where the northwest campus will be located. Acting President Martin confirmed and added that the building will be 60,000 square feet which will include classroom, lab and the necessary infrastructure needed for the first building on the new campus.

The meeting recessed at 2:32 p.m. and reconvened at 2:41 p.m. with all Regents present except for Regents Moran and Trachok.

8. Approved – 2019-21 NSHE Institution Capital Construction and Planning Requests (Agenda Item 9) – (Continued)

CFO Burton recapped the project ranking process for the Board.

Regent Moran entered the meeting.

The Regents ranked the Capital Planning Project proposals for UNLV, UNR, NSC, CSN, GBC, TMC/DRI and WNC. *(Ranking Chart on file in the Board office.)*

Regent Hayes moved approval of submitting the prioritization of the following Capital Planning Projects to the State Public Works Board: 1) GBC Welding Lab Expansion; 2) UNLV Science Academic-Research Building; 3) WNC Marlette Hall Refurbishment; 4) TMCC/DRI Science Solutions Center; 5) CSN Northwest Campus; 6) UNR Life Sciences Building; and 7) NSC Water Tank. Regent Doubrava seconded. Motion carried. Regent Trachok was absent.

CFO Burton presented information on the NSHE institutions' Two Percent Projects, the Higher Education Capital Construction/Special Higher Education Capital Construction (HECC/SHECC), and the next steps and timeline for the 2019-2021 NSHE Capital Improvement Project recommendations.

Regent Stephens stressed the importance of the Board addressing and focusing on deferred maintenance going forward.

Regent Hayes thanked Chancellor Reilly and his staff for compiling the capital improvement and planning project proposals and working on a system for ranking each project.

Regent Del Carlo shared her appreciation for the institutions that incorporated NSHE's Five Strategic Goals in their project proposals.

9. No Action Taken – 2019-21 Biennial Operating Budget (Agenda Item 8) – The Board reviewed the base operating budget calculated by the NSHE funding formula and considered institution requested enhancements to the operating budget. The Board also provided direction to the Chancellor and CFO Burton that the Board would like to see prior to making a final budget submission. *(Ref. BOR-8 on file in the Board Office.)*

Chancellor Reilly discussed the process of developing the NSHE 2019-21 biennial operating budget for incorporation into the Governor's budget request for consideration by the 2019 Nevada Legislature.

9. No Action Taken – 2019-21 Biennial Operating Budget (Agenda Item 8) – (Continued)

CFO Burton presented a PowerPoint titled “FY 2020 and FY 2021 NSHE Budget Discussion Board of Regents Recommendations” that included an overview of the current Biennial Budget and enhancements approved during the 2017 Legislative Session; a review of discussions from the January and March Board meetings; and an overview of the institution requested enhancements for FY 2020 and FY 2021.

Regent Hayes asked the Presidents if summer school was fully funded, would the institutions have an interest in adding more classes during the summer. President Johnson stated that UNR would increase classes during the summer, but it would take time to do so because of demands on facility space. President Patterson reported NSC does have a robust summer program, but it will take time to understand which courses will fill during the summer.

Acting President Martin noted that as the System moves toward creating cleaner pathways for students where students can move through as quickly as possible, in reality, the majority of CSN students go to school part-time. If CSN was able to schedule the summer classes in an organized sequenced manner, it will help the students finish in the two years.

Vice Chairman Geddes requested the total budget be brought forward in June including a breakout by institution, along with the current non-formula budgets and the enhancements. He also asked that CFO Burton work with the UNLVSOM to review the enhancements because he believes there may be variations from what was submitted last session; provide more detail on the System Computing Services (SCS) professional employee staffing restoration; and provide additional detail on the CSN “Carve Outs”.

Regent Stephens stated it would be helpful to understand how the federal matching mechanism works as it relates to the Nevada Health Services Corps.

Regent Hayes stated summer school is his second highest priority and noted that the full amount should be requested. Then the System could explain why it is not only an obligation of the state but also an obligation to the students.

Regent Anderson thought it would be good to start summer school with the STEM and workforce courses because they are the courses that fill up quickly during the year and need lab space. Once the System can show the Legislature that students are enrolling in summer courses then more funds could be requested.

Regent McAdoo requested additional information related to SCS, including the number of employees and its mission, at the June Board meeting. She added she liked the 50 percent summer school option, but it should include STEAM courses.

Chancellor Reilly suggested he and the staff work with the Chairman and Vice Chairman after consultation with the Governor’s Office as to what to bring back.

9. No Action Taken – 2019-21 Biennial Operating Budget (Agenda Item 8) – (Continued)

President Johnson believed the institutions should be provided with the flexibility to work out their respective plans according to an amount that may be funded.

Provost Chase agreed that flexibility would be good, so the campus could determine what classes are necessary for students to graduate.

Acting President Martin stated CSN will benefit to have a focus on summer school funding and will help bolster efforts to move toward a stronger pathway model for students.

President Hilgersom stated TMCC supports at least partial summer funding for high demand areas. She also felt that summer funding could begin the second year of the biennium, so the institutions would have time to plan accordingly.

President Patterson was not sure that the performance pool was a good long-term solution when there is a broader faculty compensation issue that needs to be addressed.

Acting President Ghan stated WNC would like to offer more CTE workforce-related classes in the summer.

Provost Chase stated faculty compensation is a priority, but if the performance pool is a one-time enhancement it will not do what the institutions need it to do.

CFO Burton stated they will bring back a matrix, by institution, based on the discussions to include summer school at 50 percent and a pilot program for the performance pool.

Regent Stephens understood that having different versions required more work but felt that it would provide for a better decision-making process.

10. Information Only – New Business – Regent Hayes requested a presentation on what types of documents (e.g. audits and reports, etc.) should or should not be public information and an update on the inspector general position.

Regent Stephens requested a discussion related to litigation reports. She indicated the Board used to receive a litigation report and felt it was appropriate for the Board to determine what should be included. She also requested an update on the inspector general position.

Chairman Page recommended that a list of buy-outs and confidentiality agreements be included in the periodic updates sent to the Board.

Regent Moran requested that the Board be provided ethics training from the State Ethics Commission.

Regent Carter requested the Chancellor develop a plan to schedule ethics training for the Presidents and executive officers at the institutions.

11. Information Only – Public Comment – None.

The meeting adjourned at 3:45 p.m.

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Submitted for approval by: Dean J. Gould
Chief of Staff and Special Counsel
to the Board of Regents

Approved by the Board of Regents at its July 20, 2018, meeting.