

**BOARD OF REGENTS and its  
BUSINESS, FINANCE AND FACILITIES COMMITTEE  
NEVADA SYSTEM OF HIGHER EDUCATION**

Thursday, September 10, 2020

Members Present: Mr. Trevor Hayes, Chair  
Ms. Amy J. Carvalho, Vice Chair  
Mr. Donald Sylvantee McMichael Sr.  
Mr. Kevin J. Page

Members Absent: Mr. John T. Moran

Other Regents Present: Dr. Mark W. Doubrava, Chair  
Mrs. Carol Del Carlo, Vice Chair  
Dr. Patrick R. Carter  
Dr. Jason Geddes  
Ms. Lisa C. Levine  
Mrs. Cathy McAdoo  
Ms. Laura E. Perkins

Others Present: Dr. Melody Rose, Chancellor  
Mr. Andrew Clinger, Chief Financial Officer  
Ms. Crystal Abba, Vice Chancellor, Academic and Student Affairs  
Mr. Zelalem Bogale, Deputy General Counsel, System Administration  
Ms. Keri Nikolajewski, Deputy Chief of Staff  
Mr. Michael B. Wixom, Special Counsel  
Dr. Federico Zaragoza, President, CSN  
Dr. Kumud Acharya, President, DRI  
Ms. Joyce M. Helens, President, GBC  
Mr. Bart J. Patterson, President, NSC  
Dr. Karin M. Hilgersom, President, TMCC  
Dr. Keith E. Whitfield, President, UNLV  
Dr. Marc A. Johnson, President, UNR  
Dr. Vincent R. Solis, President, WNC

Faculty senate chairs in attendance were: Dr. Maria Schellhase, CSN; Dr. Laura Naumann, NSC; Dr. Vicki Rosser, UNLV; and Dr. Amy Pason, UNR. Student body presidents in attendance were: Ms. Alyssa Fromelius, SGA President, TMCC; and Mr. Will Carrasco, GSA President, UNR. Classified council chair in attendance was: Ms. Julia Bledsoe, TMCC.

Chair Hayes called the meeting to order at 9:31 a.m. with all members present except Regents McMichael and Moran.

1. Information Only – Public Comment – None.

2. Approved – Consent Items – The Committee recommended approval of the consent items.
  - 2a. Approved – Minutes – The Committee recommended approval of the June 11, 2020, meeting minutes. *(Ref. BFF-2a on file in the Board Office.)*
  - 2b. Approved – Fiscal Year 2019-2020 Transfers of Non-State Budget Expenditures to State Budgets After May 1, 2020 – The Committee recommended approval of the report of transfers of expenses from non-state budgets to state budgets that occurred after May 1, 2020, for Fiscal Year 2019-2020. *(Refs. BFF-2b(1) and BFF-2b(2) on file in the Board Office.)*
  - 2c. Approved – Summary of Board of Regents Approved Issuance of Bonds in Fiscal Year 2019-2020 – The Committee recommended approval of the report summarizing the issuance of University Revenue Bonds and the issuance of Certificates of Participation for NSHE-wide projects. *(Ref. BFF-2c on file in the Board Office.)*

Vice Chair Carvalho moved approval of the consent items. Regent Page seconded. Motion carried. Regents McMichael and Moran were absent.

3. Information Only – Fourth Quarter Fiscal Year 2019-2020 Fiscal Exceptions – The Fourth Quarter Fiscal Year 2019-2020 Report of Fiscal Exceptions of Self-Supporting Accounts were presented. *(Ref. BFF-3 on file in the Board Office.)*

Chair Hayes appreciated UNR addressing the Fire Science Academy debt that has been a part of this report for a long time. President Marc A. Johnson reported UNR had signed a Purchase and Sale Agreement for the Nelson Building worth \$4.8 million, so the Fire Science Academy should not be on the report at the next meeting.

In response to a question from Chair Hayes related to UNR Intercollegiate Athletics (ICA) shortfall, President Johnson stated \$9.2 million is the sum of all three UNR fiscal exceptions. UNR ICA is \$2.1 million and all COVID related.

Regent McMichael entered the meeting.

Regent Page asked what the plan is going forward for the ICA COVID deficit since revenues will not be improving. President Johnson stated the Mountain West is meeting weekly and are hoping to move Fall sports to the Spring. If fans are allowed, then there will be some ticket sales revenue. There could be revenue related to media contracts if there is a season. One-third (1/3) of the media rights contract will go toward accumulated debt, and the Athletics Department will carry the remainder of the debt. There has been a \$2 million expense reduction related to game day staffing.

In response to a question from Vice Chair Carvalho related to partnerships with other institutions or an external non-profit entity, President Federico Zaragoza reported the CSN Dental Faculty Practice has addressed procedural issues, trending expenses, and will be meeting with UNLV to determine an integrated approach collaboration to stabilize the long-term sustainability of the model.

3. Information Only – Fourth Quarter Fiscal Year 2019-2020 Fiscal Exceptions –  
*(Continued)*

Vice President Dr. Sonya Pearson stated CSN has continued its communication with external partners to align the model with best-practice models across the country. Dr. Pearson reported a candidate had been identified for the Dental Faculty Practice manager. However, the Practice has maintained its collection activities even in the absence of the position.

Chair Hayes asked how UNLV was not listing any exceptions on the report for ICA. Chief Financial Officer Jean Vock stated ICA at UNLV did not have a cash deficit as of June 30, but the next fiscal year will be challenging.

In response to a question from Chair Hayes related to a long-term plan to get UNLV School of Medicine (UNLV SOM) off the report, Chief Financial Officer Vock stated UNLV's goal is to settle billing each quarter. There has been increased improvement at each meeting on billing and procedural issues. The cash deficit had improved to one-month of expenses, but the pandemic has resulted in further complications. UNLV continues all its improvement efforts.

UNLV SOM Chief Financial Officer and Senior Associate Dean of Finance and Administration Joann Strobbe stated there had been delays from insurance carriers even after invoicing. The audited financial statements have been submitted and are in the process of review. The deficit has been reduced to under \$2 million.

Regent Page asked what happened to the line of credit. Chief Financial Officer Vock stated UNLV SOM would make payments on the credit line over an extended period but it is listed as a liability for the UNLV SOM.

Regent Page stated UNLV took this operation over from UNR, and it should not be classified as a start-up.

Regent Page left the meeting.

Chair Hayes asked for clarification on the bank loan. Chief Financial Officer Vock stated there are two agreements between UNLV and the bank and the other between UNLV and the Practice Plan for repayment over a longer period of time.

Chair Hayes asked Regent Geddes to stand in on the Committee to maintain a quorum.

4. Information Only – Fourth Quarter Fiscal Year 2019-2020 Budget Transfers, State Supported or Self-Supporting Operating Budgets – NSHE institutions indicated there were no transfers between functional areas greater than \$500,000 during the Fourth Quarter Fiscal Year 2019-2020.

Regent Page entered the meeting.

5. Information Only – Public-Private Partnerships (P3) Development – NSC – Nevada State College President Bart J. Patterson presented for information a discussion on possibilities to maximize the value of campus lands at Nevada State College through Public/Private Partnerships. (*Ref. BFF-5 on file in the Board Office.*)

Senior Vice President for Finance and Business Operations Kevin Butler noted the NSC Campus Master Plan had identified 170-250 acres that could potentially be used for strategic P-3 public-private partnerships to monetize the assets while at the same time expanding and enhancing the educational services of NSC. To be effective, NSC must establish a framework to assess the opportunities. NSC likes the DRI Research Park model, which satisfies the Regent oversight of these projects and provides a timely mechanism to evaluate and implement projects. NSC has discussed with Special Counsel Michael B. Wixom critical elements that a framework for managing P-3 opportunities may contain. At his suggestion, NSC will reach out to community partners and leaders to begin conversations about which types of projects will be a better fit for the campus and best practices and attributes that a managing body for this type of project may contain.

Regent Page left the meeting.

NSC will continue collaboration with NSHE Legal and will keep the Chancellor and Board Chair fully informed as it develops any pertinent documents that the project may require.

President Patterson stated the primary objective for today was to provide awareness of the direction NSC is moving. He said he was reluctant to lock up the land parcel with one developer for an appreciable amount of time. He did not think it created the flexibility NSC needs. At the same time, coming forward with each project is a time-consuming undertaking. That is why NSC likes the structure of the DRI Research Park model. As NSC struggles with current fiscal times, there is more urgency to push forward with individual projects that are attractive.

In response to a question from Regent Geddes related to the 250 acres' restrictions, President Patterson stated they know the current limits, but there have been discussions of a federal lands bill or approach to clarify the scope of the parcel. NSC will look at projects that meet the current land use restrictions.

Vice Chair Carvalho asked if NSC was collaborating with the City of Henderson related to its residential construction project so that development is cohesive. President Patterson stated there is a college area plan that went through the zoning process. Any modifications to the plan would have to go through the process.

6. Information Only – New Business – Chair Hayes stated the next meeting would be his last and he would like to leave with a revised Fiscal Exceptions Report for the next chair of the Committee if it is available.
7. Information Only – Public Comment – None.

The meeting adjourned at 10:19 a.m.

Prepared by:

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Submitted for approval by:

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Chief of Staff and Special Counsel  
to the Board of Regents

*Approved by the Board of Regents at its December 3-4, 2020, meeting.*