

**BOARD OF REGENTS and its
BUSINESS, FINANCE AND FACILITIES COMMITTEE**

University of Nevada, Las Vegas
Student Union, Ballroom
4505 S. Maryland Parkway, Las Vegas

Thursday, December 1, 2022

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:

Ms. Amy J. Carvalho, Chair
Mr. John T. Moran, Vice Chair
Mr. Patrick J. Boylan
Mr. Byron Brooks
Dr. Mark W. Doubrava
Dr. Lois Tarkanian

Other Regents Present:

Mrs. Cathy McAdoo, Board Chair
Mr. Joseph C. Arrascada
Mrs. Carol Del Carlo
Dr. Patrick R. Carter
Dr. Jason Geddes
Mr. Donald Sylvantee McMichael Sr.
Ms. Laura E. Perkins

Others Present:

Mr. Dale A.R. Erquiaga, Acting Chancellor
Mr. Andrew Clinger, Chief Financial Officer
Ms. Renee Davis, Interim Vice Chancellor, Academic and Student Affairs
Mr. James J. Martines, Chief General Counsel
Ms. Keri Nikolajewski, Interim Chief of Staff to the Board
Mr. Alejandro Rodriguez, Director of Government Relations
Mr. Joe Sunbury, Chief Internal Auditor
Mr. Michael B. Wixom, Special Counsel
Dr. Federico Zaragoza, President, CSN
Dr. Kumud Acharya, President, DRI
Ms. Joyce M. Helens, President, GBC
Dr. DeRionne Pollard, President, NSC
Dr. Karin M. Hilgersom, President, TMCC
Dr. Keith E. Whitfield, President, UNLV
Mr. Brian Sandoval, President, UNR
Dr. J. Kyle Dalpe, Interim President, WNC

Faculty senate chairs in attendance were Ms. Tracy Sherman, CSN (*Chair, Council of Faculty Senate Chairs*); Dr. Brittany Kruger, DRI; Mr. Kevin Seipp, GBC; Dr. Christine Beaudry, NSC; Mr. Ed Boog, SA; Dr. Rhonda Montgomery, UNLV; Dr. Eric Marchand, UNR; and Mr. Jim Strange, WNC. Student body presidents in attendance were Ms. Yvette Machado, ASCSN President, CSN; Mr. John Fenton, SGA President, TMCC; Mr. Kevin Leon-Martinez, CSUN President, UNLV; Ms. Nicole Thomas, GPSA President, UNLV; Ms. Dionne Stanfill, ASUN President, UNR (*Chair, Nevada Student Alliance*); Mr. Matthew Hawn, GSA President, UNR; and Ms. Suzanna Stankute, ASWN President, WNC.

Deputy Attorney General Rosalie Bordelove was also in attendance.

Regents-elect in attendance were Heather Brown, District 6, and Jeffrey Downs, District 11.

Chair Carvalho called the meeting to order at 10:07 a.m. with all Regents present.

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 September 8, 2022, meeting minutes. (*Ref. BFF-2a on file in the Board Office.*)
 - 2b. Approved – Student Association Financial Reports – The Committee recommended approval of the report of the NSHE Student Association financial reports for Fiscal Year 2021-2022. The Board of Regents *Handbook* (Title 4, Chapter 20, B, Section 2(4)) requires each student association to annually report to the Board by December the association revenues, expenditures, and ending account balances for the preceding fiscal year. (*Refs. BFF-2b(1) and BFF-2b(2) on file in the Board Office.*)
 - 2c. Approved – Biannual Report on Registration Fees and Non-Resident Tuition Fees – The Committee recommended approval of the report required by Senate Bill (SB) 459, Section 8 (2021 Session). The Bill requires the NSHE to report registration fees and non-resident tuition fees received by NSHE institutions beyond the amounts authorized in Section 1.2 of SB 459, as well as the intended expenditures for any additional student fee revenue. The Bill requires this report to be submitted to the Interim Finance Committee biannually. (*Ref. BFF-2c on file in the Board Office.*)

Regent Boylan moved approval of the consent items.
Vice Chair Moran seconded. Motion carried.

3. Approved – Fiscal Year 2021-2022 NSHE State Operating Budget to Actual Comparison – The Committee recommended approval of the report of Fiscal Year 2021-2022 NSHE State Operating Budget to Actual Comparison. (*Refs. BFF-3a and BFF-3b on file in the Board Office.*)

Chief Financial Officer Clinger highlighted:

- NSHE state appropriations and revenues totaled \$1.07 billion, compared to actual revenues received and expended of \$1.04 billion for a difference of \$34.7 million.

3. Approved – Fiscal Year 2021-2022 NSHE State Operating Budget to Actual Comparison
– (Continued)

Vice Chair Moran moved approval of the report of Fiscal Year 2021-2022 NSHE State Operating Budget to Actual Comparison. Regent Tarkanian seconded. Motion carried.

4. Approved – Fiscal Year 2022-2023 NSHE State Supported Operating Budget – The Committee recommended approval of the Fiscal Year 2022-2023 NSHE State Supported Operating Budget. (Refs. BFF-4a and BFF-4b on file in the Board Office.)

Chief Financial Officer Clinger highlighted:

- NSHE state appropriations and revenues totaled \$1.08 billion for a slight increase due to a 1 percent cost of living that went into effect.

Vice Chair Moran moved approval of the Fiscal Year 2022-2023 NSHE State Supported Operating Budget. Regent Tarkanian seconded. Motion carried.

5. Approved – Fiscal Year 2021-2022 NSHE Self-Supporting Budget to Actual Comparison
– The Committee recommended approval of the Fiscal Year 2021-2022 NSHE Self-Supporting Budget to Actual Comparison. (Refs. BFF-5a and BFF-5b on file in the Board Office.)

Chief Financial Officer Clinger highlighted the changes made to the report since it was last presented.

Chair Carvalho thanked Chief Financial Officer Clinger for an improved report.

Regent Brooks appreciated how concise the report is; however, it might be too concise. He would like to see a clear understanding of the line items. During his review, he noticed significant reserves at various institutions. He asked if there was a policy on an acceptable amount of reserves to be held by an institution.

Chief Financial Officer Clinger stated this report structure is trial and error. The last report was too much information, and with this report, they tried to roll it all into a summary. So the next level of this report would be to look at it based on the fund, which would give the Committee more information.

Chief Financial Officer Clinger stated there are no current System policies that address reserve levels.

Regent Brooks wanted to see a breakdown of reserves so the Board better understands where the reserves exist and what an acceptable percentage rate of reserves, based on expenditures, may be.

5. Approved – Fiscal Year 2021-2022 NSHE Self-Supporting Budget to Actual Comparison
– (Continued)

Chair Carvalho agreed that there could be a little more transparency. The policy states that each account over \$250,000 is to be reported. Chief Financial Officer Clinger noted that is correct, but now that accounts are reported at a higher level, there may be an opportunity to roll in all accounts regardless of threshold.

Regent Boylan moved approval of the Fiscal Year 2021-2022 NSHE Self-Supporting Budget to Actual Comparison. Vice Chair Moran seconded. Motion carried.

Vice Chair Moran left the meeting.

6. Approved – Fiscal Year 2022-2023 NSHE Self-Supporting Budget – The Committee recommended approval of the Fiscal Year 2022-2023 NSHE Self-Supporting Budget. (Refs. BFF-6a and BFF-6b on file in the Board Office.)

Chief Financial Officer Clinger stated he would take the feedback from the prior item and apply it to this report.

Regent Brooks moved approval of the Fiscal Year 2022-2023 NSHE Self-Supporting Budget. Regent Boylan seconded. Motion carried. Vice Chair Moran was absent.

Vice Chair Moran entered the meeting.

7. Information Only – First Quarter Fiscal Year 2022-2023 Fiscal Exceptions – The First Quarter Fiscal Year 2022-2023 Report of Fiscal Exceptions of Self-Supporting Accounts was presented. (Refs. BFF-7a and BFF-7b on file in the Board Office.)

Chief Financial Officer Clinger highlighted:

- UNR ASUN Wolfshop reported a deficit of \$825,816.
- CSN Dental Faculty Practice reported a negative cash balance totaling \$805,102.
- NSC Early Childhood Center reported a deficit of \$222,493.
- DRI reported a negative cash balance of \$20,749.
- UNLV SOM reported a continued negative cash balance totaling \$3.5 million.

8. Information Only – First Quarter Fiscal Year 2022-2023 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 First Quarter of Fiscal Year 2022-2023.

9. Information Only – Charge of the Business, Finance and Facilities Committee – Chief Financial Officer Andrew Clinger reviewed the Committee's Charge as outlined in the Bylaws of the Board of Regents (Title 1, Article VI, Section 3b). Staff were directed to update the Charge and bring it forward for discussion and approval. (Ref. BFF-9 on file in the Board Office.)

9. Information Only – Charge of the Business, Finance and Facilities Committee – (Continued)

Chief Financial Officer Clinger provided the following suggestions on the Charge.

The Business, Finance and Facilities Committee shall:

1. Review and recommend to the Board the operating budget requests and work programs for the NSHE, with the primary objective of affirming the connections between the NSHE Master Plan and System-wide priorities, budget requests, and funding allocations.
 - Recommend removing the highlighted area because the Committee does not do or modify the reports to do it.
2. Review and recommend to the Board the self-supporting budgets and work programs for the NSHE.
 - Remain
3. Make recommendations to the Board for the financing of the activities of the NSHE and the expenditure or use of NSHE financial resources.
 - Redundant based on the first two.
4. Review institutional and System proposals that create added fiscal requirements and/or alter established planning directions.
 - It has not been done since he arrived.
5. Oversee System direction of, or participation in, studies of funding mechanisms and approaches for public higher education in Nevada.
 - It has not been done since he arrived.
6. Review and make recommendations on NSHE risk management and insurance programs.
 - Have not brought forward any risk management or insurance items before the Committee.
7. Monitor the technology needs and systems of the NSHE to ensure optimal use of resources for integrated system-wide information systems and other proper strategic uses of technology within the NSHE.
 - It has not been done since he arrived.
8. Review institutional requests to purchase or dispose of NSHE property.
 - It is done regularly.
9. Review all institutional requests to enter into property lease agreements in accordance with Board policy and applicable law.
 - It is done regularly.
10. Review any requests to lease NSHE property to an outside agency or private entity.
 - It is done regularly.

9. Information Only – Charge of the Business, Finance and Facilities Committee – (Continued)

11. Review the land acquisitions and disposal portions of all institutional master plans.
 - It is done regularly.
12. Review all institutional requests for easements on NSHE property.
 - It is done regularly.
13. Review annual update of all NSHE property holdings and long-term leases.
 - It is done regularly.
14. Review and recommend to the Board the NSHE capital improvement priority lists, with the primary objective of affirming the connections between the requests and the institutional facilities master plans.
 - Presented to the main Board, but not this Committee.
15. Review and recommend to the Board institutional facilities master plans.
 - Presented to the main Board, but not this Committee.
16. Review and recommend to the Board a System space utilization model and periodically review institutional and System-wide space utilization data;
 - Presented to the main Board, but not this Committee.
17. Review and make recommendations to the Board regarding the Board's Efficiency and Effectiveness Initiative.
 - Presented to the main Board, but not this Committee.

Regent Geddes noted that several years ago, the UNLV Chief Financial Officer led an effort to review risk management and insurance programs (Item 6).

Chair Carvalho believed there was a presentation to the Audit, Compliance and Title IX Committee in the past year related to risk management.

Chair Carvalho believed more security around technology, digital presence and cybersecurity was needed.

Regent Brooks liked the breakdown and asked that the item come back for action.

Chair Carvalho directed staff to create an updated Charge and bring it forward for discussion and approval.

10. Approved – Business, Finance and Facilities Committee Workplan – The Committee recommended approval of the proposed Business, Finance and Facilities Committee Workplan for the calendar year ending December 31, 2023. (Ref. BFF-10 on file in the Board Office.)

Chief Financial Officer Clinger presented the proposed Business, Finance and Facilities Committee Workplan for the calendar year ending December 31, 2023.

10. Approved – Business, Finance and Facilities Committee Workplan – (Continued)

Regent Del Carlo stated it takes time for Regents to learn the cycle of things and suggested that all committee workplans be placed in BoardPaq.

Chair Carvalho encouraged Chief Financial Officer Clinger to work with the Business Officers to refine the Workplan.

Regent Brooks moved approval of the proposed Business, Finance and Facilities Committee Workplan for the calendar year ending December 31, 2023. Regent Boylan seconded. Motion carried.

11. Information Only – Report on System Administration Positions and Cost-Saving Efforts – Chief Financial Officer Andrew Clinger provided an overview of the NSHE System Administration budget, including the number of filled and vacant positions and implemented cost-saving measures. (Ref. BFF-11 on file in the Board Office)

In response to Regent Arrascada's question about the vacant position locations, Chief Financial Officer Clinger responded they are in both the north and south.

Regent Boylan asked if the vacant positions were needed and whether the salary savings could be used to help students. Chief Financial Officer Clinger stated a few of the positions are critical, and NSHE is looking at alternatives, such as looking for outside help. Chief Financial Officer Clinger said everything done at System Administration supports the institution, which supports the students.

Regent Del Carlo asked where the money came from for a negotiated buyout. Chief Financial Officer Clinger stated it comes from a Special Projects Account funded with investment income distributions.

In response to Regent Del Carlo's question asking how many people are receiving stipends, Chief Financial Officer Clinger stated he did not have the information but would return with the answer.

Vice Chair Moran left the meeting.

12. Approved – Procedures and Guidelines Manual Revision, Preparation and Approval of Contracts (Formerly CM 02-04) – The Committee recommended approval of revisions to the *Procedures and Guidelines Manual* Chapter 5, Section 3 that add a provision mandating that all contracts that require consideration in excess of \$5,000,000 be approved by the Board of Regents and revisions that also raise the dollar threshold from \$1,000,000 to \$3,000,000 for certain contracts that require the Chancellor's signature. (Ref. BFF-12 on file in the Board Office.)

NSHE Chief General Counsel James Martines presented revisions to the *Procedures and Guidelines Manual* Chapter 5, Section 3, raising the threshold for contracts that must go to the Chancellor. It also sets a threshold for contracts that require Board approval. The proposed changes do not affect contracts that, otherwise, must always be sent to the Chancellor for signature.

12. Approved – Procedures and Guidelines Manual Revision, Preparation and Approval of Contracts (Formerly CM 02-04) – (Continued)

Regent Geddes asked how they came up with the numbers because he wanted to ensure the Board was not handing over more responsibility to the Chancellor. Chief General Counsel Martines stated that in conjunction with the Business Officers, after reviewing the data, they thought \$3 million was an appropriate threshold. The \$5 million to go to the Board was to find a set number that limited the number of large contracts coming to the Board for contract efficiency purposes. Inefficient contract procedures cost the System more money.

Regent Geddes stated a reporting process would be helpful because the Board has been surprised by some long-term contracts entered into.

DRI President Kumud Acharya provided an example of needed contract efficiency when dealing with federal agencies. Federal agencies wait until the end of the fiscal year for multi-million dollar contracts that have to be turned around in a couple of days. If the contract had to come to the Board, DRI might lose the contract.

Regent Del Carlo asked if the new thresholds were reasonable. DRI President Acharya stated the \$3 million threshold for Presidents would speed up the process.

Regent Carter stated anything they could do to simplify the process he was in favor of.

Regent Brooks stated he was also a proponent of the reporting process with a set time, such as within 30 days.

Regent Brooks suggested the Committee approve the policy as is, then review the data in one year to see if it worked as intended.

Regent Brooks moved approval of revisions to the *Procedures and Guidelines Manual* Chapter 5, Section 3 that add a provision mandating that all contracts that require consideration in excess of \$5,000,000 be approved by the Board of Regents and revisions that also raise the dollar threshold from \$1,000,000 to \$3,000,000 for certain contracts that require the Chancellor's signature. Regent Boylan seconded. Motion carried. Vice Chair Moran was absent.

13. Approved – Approval to Establish a 501(c)(2) Non-Profit Corporation to Facilitate Public-Private Opportunities – NSC – The Committee recommended approval to: 1) form the Entity as a Nevada non-profit corporation by filing the articles of incorporation with the Secretary of State of the State of Nevada, 2) approve and ratify the Entity's initial bylaws, 3) approve, appoint and ratify the initial list of officers and board members of the Entity, 4) file IRS Form 1024 online with the IRS using the Filing Information and 5) negotiate and execute any ancillary documents required in connection therewith. (Ref. BFF-13 on file in the Board Office.)

13. Approved – Approval to Establish a 501(c)(2) Non-Profit Corporation to Facilitate Public-Private Opportunities – NSC – (Continued)

NSC Vice President of Finance and Business Operations Kevin Butler stated the item relates back to the March 2022 meeting where this Committee approved the College obtaining legal services to form a non-profit entity to help manage public-private opportunities.

Regent Boylan moved approval to: 1) form the Entity as a Nevada non-profit corporation by filing the articles of incorporation with the Secretary of State of the State of Nevada, 2) approve and ratify the Entity's initial bylaws, 3) approve, appoint and ratify the initial list of officers and board members of the Entity, 4) file IRS Form 1024 online with the IRS using the Filing Information and 5) negotiate and execute any ancillary documents required in connection therewith. Regent Brooks seconded.

Regent Brooks stated he looked at this several times to understand how this would work. He understands the complexity and that it is being done purely for efficiency. He asked what the reporting process to the Board would be like. Vice President Butler initially thought it would be treated similarly to the DRI Research Park and reported annually to the Board.

Special Counsel Michael B. Wixom believed receiving a report periodically about what was happening was appropriate and imperative.

Motion carried. Vice Chair Moran was absent.

14. Approved – Sale of Real Property Located at 851 East Tropicana Avenue – UNLV Paradise Campus – UNLV – The Committee recommended approval: 1) to sell the Property located at 851 Tropicana Avenue, bearing Clark County Assessor Parcel Number 162-27-501-002; 2) that the Chancellor be authorized to finalize, approve, and execute a Purchase and Sale Agreement, and any other ancillary agreements required to sell the Property, including but not limited to conveyances, easements, right of ways, and demolition of the buildings located on the Property; and 3) that all aforementioned agreements shall be reviewed and approved by the NSHE Chief General Counsel (or at the Chief General Counsel's request, NSHE Special Real Estate Counsel) in order to implement the terms and conditions required to finalize sale of the Property. (Ref. BFF-14 on file in the Board Office.)

University of Nevada, Las Vegas President Keith E. Whitfield requested to sell the Property at 851 Tropicana Avenue.

Regent Boylan moved approval: 1) to sell the Property located at 851 Tropicana Avenue, bearing Clark County Assessor Parcel Number 162-27-501-002; 2) that the Chancellor be authorized to finalize, approve, and execute a Purchase and Sale Agreement, and any other ancillary agreements

14. Approved – Sale of Real Property Located at 851 East Tropicana Avenue – UNLV Paradise Campus – UNLV – (Continued)

required to sell the Property, including but not limited to conveyances, easements, right of ways, and demolition of the buildings located on the Property; and 3) that all aforementioned agreements shall be reviewed and approved by the NSHE Chief General Counsel (or at the Chief General Counsel's request, NSHE Special Real Estate Counsel) in order to implement the terms and conditions required to finalize sale of the Property. Regent Brooks seconded. Motion carried. Vice Chair Moran was absent.

15. Approved – Space Use Agreement Extension for National Judicial College Suite 109 Located on the University of Nevada, Reno Main Campus – UNR – The Committee recommended approval for the Space Use Agreement Extension between UNR and the National Judicial College for Suite 109 in the National Judicial College building on the UNR campus for the four-year term February 2023 to February 2027. (Ref. BFF-15)

University of Nevada, Reno President Brian Sandoval presented a Space Use Agreement Extension between UNR and the National Judicial College.

Regent Arrascada stated this is a win for UNR, the Judicial College, and the System.

Vice Chair Moran entered the meeting.

Regent Doubrava moved approval of the Space Use Agreement Extension between UNR and the National Judicial College for Suite 109 in the National Judicial College building on the UNR campus for the four-year term February 2023 to February 2027. Regent Brooks seconded. Motion carried.

16. Approved – Lease Amendment for 111 Sheckley Road, Fallon, Nevada – UNR – The Committee recommended approval of a lease amendment between UNR and USDA for space in the Cooperative Extension building located at 111 Sheckler Road in Fallon, Nevada, through May 2025. (Ref. BFF-16 on file in the Board Office.)

UNR President Sandoval presented the lease amendment.

Vice Chair Moran moved approval of a lease amendment between UNR and USDA for space in the Cooperative Extension building located at 111 Sheckler Road in Fallon, Nevada, through May 2025. Regent Boylan seconded. Motion carried.

17. Approved – Sale of Approximately 3.14 Acres of Vacant Land on Wedekind Road, Sparks, Nevada – Resolution – UNR – The Committee recommended approval of a Resolution approving the sale of the Real Property located on Wedekind Road in Sparks, Nevada APN 026-341-57, and authorizing the Chancellor or designee to approve and sign the escrow and title documents associated with the sale of the Real Property, after consultation with the Business, Finance and Facilities Committee Chair and review by the NSHE Chief General Counsel (or at the request of the Chief General Counsel, NSHE Special Real Estate Counsel). *(Ref. BFF-17 on file in the Board Office.)*

UNR President Sandoval presented the sale of Real Property on Wedekind Road in Sparks, Nevada.

Vice Chair Moran moved approval of a Resolution approving the sale of the Real Property located on Wedekind Road in Sparks, Nevada APN 026-341-57, and authorizing the Chancellor or designee to approve and sign the escrow and title documents associated with the sale of the Real Property, after consultation with the Business, Finance and Facilities Committee Chair and review by the NSHE Chief General Counsel (or at the request of the Chief General Counsel, NSHE Special Real Estate Counsel). Regent Brooks seconded. Motion carried.

18. Approved – Redfield Campus Access Easement Relocation Grant of Easement – UNR – The Committee recommended approval for the Grant of Easement, APN 144-070-22, better known as the Redfield Campus, and authorizing the Chancellor or designee to execute the Grant of Easement, after consultation with the Business, Finance and Facilities Committee Chair and review by the NSHE Chief General Counsel. *(Ref. BFF-18 on file in the Board Office.)*

UNR President Sandoval requested the Grant of Easement, better known as the Redfield Campus.

Vice Chair Moran moved approval for the Grant of Easement, APN 144-070-22, better known as the Redfield Campus, and authorizing the Chancellor or designee to execute the Grant of Easement, after consultation with the Business, Finance and Facilities Committee Chair and review by the NSHE Chief General Counsel. Regent Boylan seconded. Motion carried.

19. Information Only – New Business – None.
20. Information Only – Public Comment – None.

The meeting adjourned at 11:42 a.m.

Prepared by:

Angela R. Palmer
Special Assistant and Coordinator
to the Board of Regents

Submitted for approval by:

Keri D. Nikolajewski
Interim Chief of Staff
to the Board of Regents

Approved by the Board of Regents at its March 10, 2023, meeting.