

# UCCSN Board of Regents' Meeting Minutes October 24-25, 1980

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BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

October 24, 1980

The Board of Regents met in special session on the above date in the William Carlson Education building, University of Nevada, Las Vegas.

Members present: Mr. Robert A. Cashell, Chairman

Mr. James L. Buchanan, II

Mrs. Lilly Fong

Mr. Chris Karamanos

Mrs. Molly Knudtsen

Dr. Louis E. Lombardi

Mr. John R. Mc Bride

Mrs. June F. Whitley

Members absent: Mr. John Tom Ross

Others present: Chancellor Donald H. Baepler

President Joseph N. Crowley, UNR

President Judith Eaton, CCCC

President Leonard Goodall, UNLV

Vice Chancellor Larry Lessly

Secretary Bonnie M. Smotony

The meeting was called to order by Chairman Cashell at 10:05 A.M.

Chairman Cashell requested consideration of the following emergency item.

1. Investment Recommendation from Valley Bank

Mr. Monte Miller reported that the University holds 2400 shares of Boeing stock. He recommended this stock be sold, noting that it is presently selling at 34-3/4, adding that this will result in a loss of approximately \$4,700, but the stock is weak and is expected to continue to go down.

Dr. Lombardi moved approval. Motion seconded by Mrs. Fong, carried without dissent.

## 2. Intercollegiate Athletics

Mr. Cashell stated that the purpose of the meeting was to discuss Intercollegiate Athletics at the two Universities, specifically the area of institutional control of these programs.

Mr. Mc Bride stated that he wished to read a prepared statement which would include a motion.

Mr. Buchanan objected, suggesting that such a statement might go into other items not on the agenda and thereby lead to a violation of the Open Meeting Law, and possible lead into a personnel session as to the professional competence of an individual. He requested that the statement be submitted to the Chair for review before its introduction.

At the request of Chairman Cashell, the statement was reviewed by Counsel. Upon Counsel's assurance that the statement would not violate the Open Meeting Law and did not contain any reference that would more appropriately be handled in a personnel session, Mr. Mc Bride read the following statement:

Approximately one year ago, I was one of two Regents interviewed by several WAC Presidents and the previous WAC Commissioner, Stan Bates, regarding the UNLV application for admission to that conference. One of the questions asked of me was: Did UNLV and the Regents have institutional control over Intercollegiate Athletics? In response to that question, I indicated that since I had been in office for less than a year, I could not speak for the past. I did, however, state that in my judgment, with the recent appointments of Dr. Goodall as President, and Dr. Negratti as Athletic Director, we would have institutional control. I further stated that as a Regent, I would have it no other way, and if I believed that not to be the case, I would so advise the WAC and NCAA. Individual Boosters or a Booster organization cannot be allowed to run, directly or indirectly, the Athletic Program of any honorable institution. Lest anyone take comments out of context, let me make it clear that Boosters are not only welcome to support our Athletic Programs but are absolutely necessary for appropriate financial support, particularly in view of the pressures faced due to inflation, lack of adequate State support, and Federal Title IX requirements. They cannot, however, be allowed to "run the

Department".

I am concerned and distressed that it was necessary for this Board to meet in special session today to discuss this subject, but in my judgment, it is absolutely essential that this subject be aired publicly by this Board. As I see it, the issue is not the resignation of Negratti, but the far more serious question of institutional control over Intercollegiate Athletics. I am also convinced that this session would not have been necessary if a couple of Regents had not brought up the question of reporting relationships of the UNLV Athletic Fund Raising Office at the end of the August 29th Board meeting. I had to leave the meeting early that day (but not until after the last action item on the agenda), so I was not aware of the discussion until I received my copy of the minutes. I subsequently asked for a transcript of that discussion, which I have with me. It is obvious to me from reading that transcript that Dr. Goodall was misled into believing that the Associate Director of Athletics reported directly to the UNLV President and that, furthermore, this was Board policy. An investigation shows nothing further from the truth. I challenge any Board member to find such a policy in

any Board meeting minutes or the Board's policy manual.

No single Regent or group of Regents can set Board policy; a majority of the Board must do that. Furthermore, the Fund Raiser for Athletics carried the title of Associate Athletic Director, not Associate UNLV President; his performance ratings were given by Bill Ireland during the administrations of Baepler and Dixon and by Negratti since Dr. Goodall's appointment. In addition, all of his leave and travel requests are approved by the Athletic Director.

The argument that Athletic Fund Raising activities impinges on other donors and therefore it is a function of the President's Office is facetious to say the least.

What about the donors for the Concert Series or the Theatre Series? These activities are not run by the President's Office, and yet you will find many of the same donors in all three functions.

By misleading Dr. Goodall, this Board will have to take the responsibility for the flap over Dr. Negratti's resignation. Furthermore, certain irresponsible comments made to the Press implied that the Board was unhappy with Dr. Negratti, which is a total falsehood. I

know for a fact that a majority of this Board supported and still supports Dr. Negratti and believes he has done an excellent job in a difficult situation. However, there still remains in the Athletic Department a very small group who like to "free-wheel" it -- this still disturbs me. However, I want to make it clear that I have the highest regard and admiration for the many outstanding men and women in that Department and hope that some day they will prevail.

Before closing my remarks, I would like to recall some of the events of the last week for the information of the Regents. Late Thursday afternoon, a week ago, Dr. Goodall called me and asked if I could meet with him and Dr. Negratti at breakfast the next day (Friday). He indicated that Dr. Negratti wanted to submit his resignation, and knowing that I was a friend of Al's, asked if I would join him in "talking Al out of it". We met for more than two hours Friday morning and, as you know, we were unsuccessful. I felt then, and feel now, that the impasse resulted from a communications problem or misunderstanding and not a lack of institutional control. Both Dr. Goodall and I tried to convey the fact that the Fund Raising issue would be resolved to his satisfaction

at the next Board meeting. Dr. Goodall has already directed the Fund Raising Office to supply all of the requested information, and I am sure the Board will endorse the two Presidents' actions on reporting lines of the Athletic Fund Raisers today. I wish Friday the 17th had not happened, for I still believe Dr. Negratti has been a breath of fresh air to our University System. He has done a tremendous job in a short period of time.

I am not going to try to talk Al into withdrawing his resignation, for I have tried that and I respect his decision. At the end of our discussion period, I intend to submit a motion to the Board as an action item.

This motion will propose that the Board:

- (1) Totally subscribe to the principle of institutional control over Intercollegiate Athletics, and that the Presidents of UNLV and UNR see that such a mandate is carried out.
- (2) Reaffirm its total support of both Dr. Goodall and Dr. Negratti in their actions to restore confidence and integrity and credibility to the Athletic Department.

(3) Concur in the recommendations of Presidents Crowley and Goodall in their organizational assignment of Athletic Fund Raising responsibilities within their institutions.

(4) Authorize and direct Kafoury, Armstrong and Company to conduct an audit of Athletic Fund Raising activities on both Campuses with particular emphasis on ticket and cash equivalence accountability.

I would now like to ask the Chairman if he would recognize Dr. Goodall for comment and his recommendation regarding Athletic Fund Raising activities.

Thank you, Mr. Chairman.

Following his statement, Mr. Mc Bride noted that a recommendation had also been placed before the Regents in which the UNLV Alumni Association had asked for an audit such as he was recommending (filed with permanent minutes).

President Goodall stated that before he made a recommendation on the matter under discussion, he wished to comment on

Mr. Mc Bride's statement concerning their meeting with Dr. Negratti and their unsuccessful effort to persuade him to reconsider his decision to resign. President Goodall agreed that it would not be productive to pursue that with Dr. Negratti, stating that he respected his decision, and accepted his decision to resign. He expressed appreciation to Dr. Negratti for his willingness to continue during the transition period required for recruiting a new Director, and added the following statement for the record:

That search (for a new Director) will begin very quickly. Concerning the transition, let me say just a word to those of you who may fear, or even those who may hope, that UNLV is going to have a renegade Athletics Program, or that UNLV is going to give up the progress of the past year, or that UNLV is going to allow this program to be influence or overrun by outside forces. If you have those thoughts, then may you hear this loud and clear. UNLV is going to have an Athletics Program that this University and this community will be proud of. We are going to have institutional control of Athletics. We are going to use that institution control to have a program, which I have said many times in the past, will be: (1) consistent with the aca-

demographic goals of this University; (2) consistent with the budget limitations we place upon it; and (3) consistent with the rules and policies of the NCAA, the conference and of this University. Those are my personal commitments, and I can assure you those are commitments that are shared by the Faculty Senate, through the expression of the Executive Committee, by the Intercollegiate Athletics Council, and I am confident by every member of this Board of Regents. That is where we are, that's the base upon which we are going to build, and that is the point upon which we are going to go forward, under Dr. Negratti's leadership through the transition, and under his successor.

President Goodall then read the following statement and recommendation for the record:

From the time I arrived in July, 1979 until the time of the August, 1980 Regents meeting, the Athletics Fund Raising Office was a part of the Athletic Department and reported to the Athletic Director. This was true under Dr. Ireland and then under Dr. Negratti. During the past months, Dr. Negratti performed all the normal supervisory duties for that Office, and even changed Dr.

Pearson's title, making him Associate Director rather than Assistant Director. I was unaware of there being any problem on this subject until the time of the August meeting.

At the August meeting I was asked whether the Athletics Fund Raising Office reported to me and I said it did not; rather, it reported to the Athletic Director, as the title implied. The Regents asked me to review this subject and bring back a recommendation. They also asked that the Office report to me in the interim, based on what was said to be past Regents policy.

Some have thought I could have settled the whole matter with a simple phone call or memorandum. In fact, I could not; once the Regents asked that I return with a recommendation, I assumed I could not take further definitive action until the matter had come back for the Board's review of my recommendation.

As you are aware, I was in the midst of a Campus-wide administrative study at that time. The Board had funded similar studies at UNR and UNLV and ours was proceeding. I told my staff members, including Dr. Negratti,

that I intended first to provide the Board with a copy of the study for information, and then, after you had time to read it and comment, I would return with specific recommendations. The report was in your October agenda for your information. Because of the short time between the October and November meetings, it was my intention to return with specific recommendations at the time of the December meeting rather than the November meeting.

It has been suggested that I may have wanted to delay this decision so that it could be made after the WAC matter was resolved. That does not make sense because the December Regents meeting is early in the month, but the WAC meeting is not until the Friday before Christmas.

I still believe it would be most appropriate to address the entire subject of administrative structure as a whole, but because of the recent attention given to this matter, I am prepared to make a recommendation now.

I recommend that the Athletics Fund Raising Office be located where I had placed it prior to the August Re-

gents meeting, in the Athletic Department. The Head of that Office should report to the Athletic Director.

This is the administrative organization found on most Campuses with which I am familiar. This recommendation has the unanimous support of the Intercollegiate Athletics Council. I recommend approval.

In the discussion following, Dr. Wayne Pearson commented on the history of the Athletic Fund Raising efforts at UNLV, noting that the function was initiated in 1970, and he joined the staff in 1971. Currently, there are three people working in the Office -- himself, Mr. Dave Pearl and a secretary. Dr. Pearson stated that his salary and that of the secretary are paid from University funds; that Mr. Pearl's salary is provided partly from the University and partly from the Rebels Club for his service as Executive Director of that organization. He also pointed out that all solicitations for the Athletic Program are made by himself and his staff, and all checks for scholarships are made payable to the Board of Regents and deposited to University accounts. Dr. Pearson reported that this year's pledges to date amount to \$1,253,800, of that total, \$1,026,168 has been collected.

Mrs. Fong asked about the funds collected by the Rebels Club

for events such as the Frank Sinatra Concert, noting that solicitation letters request that such checks be made payable to the Rebels Club. Dr. Pearson explained that the stationery and postage costs for such solicitations are borne by the Rebels Club, and although his office is doing the work for this affair, just as it does for several such Rebels Club sponsored affairs each year, funds are collected by the Club.

In response to a question from Mrs. Fong as to the percentage of Mr. Pearl's salary paid by the University compared with that paid by the Rebels Club, Dr. Pearson estimated that the University pays about 2/3 of his salary. In response to a subsequent question from Mrs. Fong concerning the availability of a financial statement for the Rebels Club, Dr. Pearson stated that any donor to the Rebels Club could see the financial statement by visiting the office of George Fox. Mrs. Fong suggested that such records should be more readily accessible, adding that if Mr. Pearl receives the greater portion of his salary from the University, the books should be available for Regents who wish to examine them.

Dr. Pearson pointed out that the Rebels Club is not an

official arm of the University and cannot be, under NCAA rules, explaining that in order to be an official arm of the University, a Boosters Club must be a bonafide alumni organization, whereas the Rebels Club has only about five percent of its total members who are alumni of UNLV.

Mr. Buchanan suggested that since, as Dr. Pearson points out, the Rebels Club is a separate organization, the Board of Regents does not have any authority to request access to the Club's records. He pointed out that money which is contributed for scholarships comes to the University and is accounted for, thereby providing the necessary institutional control. He objected to the criticism of the Athletic Fund Raising operation, suggesting that Dr. Pearson and Mr. Pearl and the Boosters ought to be congratulated on building that function into such a successful operation.

Mrs. Fong stated that her remarks were not intended as criticism; rather she believed that as publicly elected Officials, the Board of Regents should be accountable to the taxpayers for the way in which the institution is run. Mr. Buchanan agreed, and suggested that is indeed the case. However, he pointed out that the Rebels Club works for the benefit of the University and has never interfered with the

internal affairs of the University, and what they do with the money they raise or how they get it is their concern.

The only appropriate control the Regents should exercise is over the money that comes to the institution for scholarships.

Mr. Mc Bride commented that he did not regard the discussion as criticism of the Fund Raising operation or of the Rebels Club, pointing out that the concern stems from the inability of the University to demonstrate that it is fully in control of the Athletic Program.

Mr. Buchanan objected to UNLV being "put on the block", suggesting that if the Board wished to talk about control, then perhaps it ought to look at UNR, pointing out that all of the money collected for scholarships for UNR is collected by the Boosters and the University therefore has no institutional control at that institution.

President Crowley pointed out that this procedure is being changed to require that scholarship contributions for Athletics are made payable to the Board of Regents, in the same manner as that described for UNLV.

Mr. Cashell stated that it was not intended to focus negative attention on UNLV, rather to provide an opportunity for a full airing of the concerns. He agreed that the Rebels Club, Dr. Pearson and Mr. Pearl worked very hard and successfully for the UNLV Athletic Program, as do their counterparts at UNR, and their efforts are greatly appreciated by the two institutions and by the Board. He added that he also personally appreciated very much the fact that neither of the two Boosters organizations had called him to request the special meeting be cancelled, although he had received calls from several individuals who had objected to the meeting.

Mr. Mc Bride requested that his motion stated earlier also include the recommendation from the Joint Intercollegiate Athletics Committee that all scholarship sales be handled through the two Universities with all checks made payable to the Board of Regents. He noted that this procedure is now followed by UNLV, and as noted by President Crowley, is being put into effect for UNR beginning in January, 1981. Mr. Mc Bride also noted that his motion included concurrence with the recommendations of Presidents Crowley and Goodall in their organizational assignments of the Athletic Fund Raising responsibilities, and that would accommodate Presi-

dent Goodall's recommendation presented earlier.

Motion seconded by Mrs. Fong.

Mr. Buchanan commented on Mr. Mc Bride's motion, objecting to the suggestion for commendation of Dr. Goodall and Dr. Negratti, stating that he did not believe this was in order since Dr. Goodall and Dr. Negratti were merely doing the job they are employed to do. He also objected to the proposed audit, pointing out that Kafoury, Armstrong and Company had just completed an audit of ticket and cash handling. Mr. Buchanan further objected to the recommendation by President Goodall concerning the administrative structure, suggesting that it was inappropriate to change the policy concerning reporting lines at this point.

Mr. Cashell pointed out that there has never been a Board policy placing the Athletic Fund Raisers in a direct reporting line to the President. Mr. Buchanan disagreed, recalling that this was discussed by the Board in August at which time it was reaffirmed that the Fund Raising function did indeed report to the President, that it had reported to Dr. Baepler when he was President, and to the President previous to him. Mr. Buchanan stated that as far as he was concerned

that policy had not been changed.

Dr. Baepler recalled that when he was President of UNLV, Fund Raising was totally coordinated through the President's Office; however, he agreed that it was not a Regents policy.

Mr. Buchanan moved to amend the motion before the Board to require that until such time as a new Athletic Director is appointed and assumes his duties, the President's Office shall be responsible for all Fund Raising activities at UNLV. Motion was not seconded.

At Mr. Buchanan's request, the motion was restated for clarification, as follows:

That the Board:

- (1) totally subscribe to the principle of institutional control of Intercollegiate Athletics and that the Presidents of UNLV and UNR see that such a mandate is carried out;
- (2) reaffirm its total support of both Dr. Goodall and Dr. Negratti and their actions to restore confi-

dence, integrity and credibility to the Athletic

Department;

(3) concur in the recommendations of Presidents Crowley

and Goodall in their organizational assignment of

Athletic Fund Raising responsibilities within their

institutions;

(4) authorize and direct Kafoury, Armstrong to conduct

an audit of Athletic Fund Raising activities on

both Campuses with particular emphasis on ticket

and cash equivalency accountability;

(5) concur in President Goodall's recommendation that

the Athletic Fund Raising Office be located where

he had placed it prior to the August meeting -- in

the UNLV Athletic Department; and

(6) direct that all scholarships sales be handled

through the two Universities with all checks made

payable to the Board of Regents, with this to

become effective at UNR in January, 1981.

Mr. Buchanan requested that each of the points in the motion

be voted on separately. Mr. Mc Bride declined to amend his motion, requesting that it be voted on as a single motion.

Motion then carried unanimously by roll call vote.

Mrs. Fong reported that she had received a letter from Harry and Peggy Polk, in support of Dr. Negratti, and asked that the letter be noted in the minutes.

Mr. William Morris, Secretary/Treasurer of the University Rebels Club, commented on the relationship of the Club to the University, referring briefly to Mrs. Fong's comments about the Club's financial statement. He pointed out that mailing copies of the financial statement to all 1700 members of the Club would be very costly. He noted that, as an alternative, the Club makes financial reports at its meetings for the information of the members.

Mr. Morris also commented on the efforts of the Rebels Club to provide money for the University's Athletic Department, in addition to the scholarships for Athletics, whenever possible and wherever there is insufficient money available from other sources, citing as an example \$150,000 which the Club borrowed to provide funds for the Marching Band, and

\$15,000 that was given to the Department to buy sports awards for the past two years. Mr. Morris noted that these funds are raised through the various activities sponsored by the Rebels Club, such as the Frank Sinatra Concert, the Jogathon, and exhibition games. Mr. Morris also suggested that when the Intercollegiate Athletics Program is funded sufficiently, there may be no need for such an active Boosters organization.

In commenting further, Mr. Morris recalled that in a recent investigation by the NCAA, the Rebels Club had provided photostats of all checks for the past five years, with explanations as to what each one was for, and as a result the NCAA had commended the Rebels Club for the way in which their records were kept. Insofar as an audit of the Club's records are concerned, Mr. Morris estimated that it would cost \$40,000 to go back over the past 13 years to bring an audit forward.

President Goodall expressed appreciation to the Rebels Club, for the kind of support it is giving to the UNLV Athletic Program, suggesting that he did not believe any quality program could remain strong without such support and added that he looked forward to its continuance.

Dr. Negratti reaffirmed the statement by Mr. Morris that the Rebels Club, and Mr. Morris in particular, have always been available for help when asked, but have never pressured the University or the Athletic Department in any way.

The meeting adjourned at 11:35 A.M.

Bonnie M. Smotony

Secretary of the Board

10-24-1980