

UCCSN Board of Regents' Meeting Minutes December 4-5, 1987

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Pages 49-69

BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

December 4, 1987

The Board of Regents met on the above date in the Hall of Fame Room, Lawlor Events Center, University of Nevada-Reno.

Members present: Mrs. Dorothy S. Gallagher, Vice Chairman

Mr. James Eardley

Mr. Chris Karamanos

Mrs. Joan Kenney

Mr. Daniel J. Klaich

Members absent: Mrs. June F. Whitley

Mr. Joseph M. Foley

Mrs. Jo Ann Sheerin

Mrs. Carolyn M. Sparks

Others present: Chancellor Mark H. Dawson

President William Berg, NNCC

President Anthony Calabro, WNCC

President Joseph Crowley, UNR

President John Gwaltney, TMCC

President Robert Maxson, UNLV

President Paul Meacham, CCCC

President James Taranik, DRI

Mr. Donald Klasic, General Counsel

Dr. Warren Fox, Vice Chancellor

Mr. Ron Sparks, Vice Chancellor

Ms. Mary Lou Moser, Secretary

Also present were Faculty Senate Chairs Patricia Crookham (NNCC),

Frank Hartigan (UNR), Beverly Funk (CCCC), Bill Marchant (UNLV),

Dale Pugsley (WNCC), Steve Wheatcraft (DRI), David Wilkins (TMCC)

and Jim Williams (Unit), and Student Association Officers.

The meeting was called to order by Vice Chairman Gallagher at

9:45 A.M. on Friday, December 4, 1987.

1. Approved the Consent Agenda

Approved the Consent Agenda (identified as Ref. A, and filed with the permanent minutes) containing the following items:

(1) Approved the minutes of the regular meeting held October 15-16, 1987.

(2) Approved the gifts, grants and contracts listed in Ref. C-1, filed with the permanent minutes.

(3) Approved the addition of the following persons to the UNLV Engineering Advisory Council:

Du Ray E. Stromback, Henderson

Thomas F. War, Las Vegas

(4) Financial Aid reports were submitted for the following institutions and are filed in the Regents Office:

UNR , Ref. C-4a

UNLV, Ref. C-4b

CCCC, Ref. C-4c

NNCC, Ref. C-4d

TMCC, Ref. C-4e

WNCC, Ref. C-4f

(5) Approved the following interlocal agreements:

A. UNS Board of Regents and Department of Taxation

Effective: January 1, 1988 to June 30, 1989

Amount : Not to exceed \$53,000

Purpose : Methodology for annual estimates of
Nevada's population.

B. UNS Board of Regents/UNLV and Nevada Department of

Wildlife

Effective: December 1, 1987 to September 2, 1988

Amount : Not to exceed \$40,002

Purpose : Funding for Lake Mead crayfish study.

C. UNS Board of Regents/University of Nevada School of

Medicine and the Division of Mental Hygiene and

Mental Retardation

Effective: July 1, 1987 to June 30, 1988

Amount : Annualized maximum amount of \$388,152

Purpose : Psychiatric care, treatment and train-

ing.

D. UNS Board of Regents/CCCC/Henderson Campus and the
State Occupational Information Coordinating Com-
mittee

Effective: July 1, 1988 to June 30, 1989

Amount : \$1,995

Purpose : Nevada Career Information System.

E. UNS Board of Regents/WNCC and the State Occupa-
tional Information Coordinating Committee

Effective: July 1, 1988 to June 30, 1989

Amount : \$1,200

Purpose : Nevada Career Information System.

F. UNS Board of Regents/NNCC and the State Occupa-
tional Information Coordinating Committee

Effective: July 1, 1988 to June 30, 1989

Amount : \$600

Purpose : Nevada Career Information System.

G. UNS Board of Regents/UNLV and the Department of
Education

Effective: December 4, 1987

Amount : Not to exceed \$1,750

Purpose : To provide tuition waivers for a maximum of 35 teachers enrolled in CIE/ESE 500: Special Problems in Education.

(6) In October, 1987 the Board authorized Presidents to approve use of Capital Improvement Fee Funds with the proviso that they be reported at the next Regents meeting. Those transfers are listed below:

A. NNCC - \$3,000 to install outdoor lighting for Student Services parking area and for the area surrounding the two trailers.

B. UNR - \$17,000 to an account under the control of the Vice President of University Advancement to be used solely for costs associated with fund raising for the engineering and laboratory center as mandated by Assembly Bill No. 64 from the 1987 Session of the Legislature.

Mr. Klaich moved adoption of the Consent Agenda and approval of the prepared agenda with the authority to change the order of items as specified throughout the meeting. Mrs. Kenney seconded. Motion carried.

2. Report on Status of UNS Permanent Endowed Fund

Mr. Lincoln, Cambridge Associates, reported on the status of the UNS Permanent Endowed Fund.

The investment performance for the first 3 fiscal years was "extraordinary by any standard" with an approximate rate of 28% return per year. It exceeded the index portfolio made up of equally weighted market averages, and it exceeded almost all averages of other endowment funds for this period.

The fund began with \$20.5 million; it received approximately \$7 million in gifts; it distributed \$4.8 million to educational programs; and it was worth approximately \$40.1 million at the end of October after having lost \$5.8 million in the recent stock market downturn.

Mr. Lincoln stated that the endowment was strengthened when it diversified its approach to investing by placing more in

real estate and less in the stock market prior to "Black Monday". The fund is owned on a shares basis by all UNS institutions and most of the interest returned each year funds scholarships. A 5% spending rate applies to all institutions. Mr. Lincoln encouraged the Board to consider reducing that to a 4.5% spending rate to ensure the fund continues to grow "at least as fast as the rate of inflation" and to provide a steady stream of revenue to support the same programs 100 years from now that it does today. That is the long-term objective of an endowment.

Mr. Lincoln stated that because of the volatility of the market, he wanted to review for the Regents the historical returns of investments. The historical review which included annual returns for stocks minus inflation, bonds minus inflation, and money market instruments minus inflation, indicated that over the long span of history only investments in stock have been able to provide an investment return equal to inflation plus 4% to 5%.

Mr. Lincoln concluded that both he and the Investment Advisory Staff feel that for the endowment, the long-term requires that:

1. We allocate from 50% to 80% (or an average of 70%) of our total assets to stocks.

2. We allocate from 20% to 50% (or an average of 30%) of our total assets to long-term bonds to give us protection against periods of deflation or possible depression.

3. We diversify as much as possible with equity real estate and other products to hedge against all possible risks while still maintaining an exposure to equity markets with the potential for long-term growth.

3. Introductions

President Berg introduced newly elected ASB President Ken Chambers.

4. Chancellor's Report

Chancellor Dawson requested that Mrs. Edna Brigham, Assistant to the Chancellor, give a status report on the construction of the System Administration building located at Evans Avenue and Enterprise Road. She stated that the completion

date is expected to be in April, 1988.

Chancellor Dawson introduced the newly elected System Compensation Committee Chairman Kim Boal, UNR Managerial Sciences Associate Professor, who outlined issues under discussion by that Systemwide Committee, which serves as an advisory body to the Chancellor.

Compensation-related issues include: improved benefits/retirement planning and a Committee recommendation that two benefits counselors be hired to assist faculty; average salary levels and increases; the negative effect tax reform will have on business-related deductions; insurance costs; and, distribution of merit monies.

Dr. Boal stated the Committee supports studies comparing faculty salaries to 50 land-grant institutions and taking into account cost of living and tax rates. The Committee also endorses conducting an attitudinal survey of UNS professional employees concerning salary and benefits.

One major ongoing issue involves salary increases. They represent a visible benchmark to all as to the worth and value in which UNS holds people. Research in industry shows

that people who do an adequate job feel they should get a pay increase at least equal to the cost of inflation. Because that maintains the status quo, there are no real income gains. To give someone a raise lower than that takes away from their standard of living.

A second major issue is merit. The Committee recognizes that the goals and missions of UNS institutions are significantly different, so the Committee has gone on record recommending that issues of merit be left to the individual units. The Committee endorses a proposal to allow Community Colleges to develop criteria for merit increases separate from Universities, because different job performance criteria exists at Universities (such as research expectations) than at Community Colleges. Dr. Boal stated that those differences should be recognized in the evaluation process for merit pay.

The Compensation Committee also is reviewing the impact of new federal tax laws on a faculty member's ability to deduct expenses related to professional activities. Dr. Boal stated that because new tax laws significantly reduce deductions for travel, presenting papers, and attending professional meetings, "the cost of being a professor has actually gone

up". One issue the Committee will address is how can UNS best maintain the ability of the professor to remain active in the discipline without forcing him to take these expenses "out of his own hide". Given the average salary levels, it will be difficult.

Chancellor Dawson reported on the UNS lobbying efforts to remove a provision in the House version of the federal Budget Reconciliation Act that would eliminate the Estate Tax Fund. A handful of States, including Nevada, which have the "pickup" provision only, would lose the federal credit under a provision that instead makes the money a deduction. Chancellor Dawson stated that UNS has been actively lobbying the Governor and congressional representatives and are receiving assurances, particularly through Senator Harry Reid's office, that this has been brought to the attention of the Ways and Means Committee Chairman and that efforts are being made to delete this provision. The Chancellor's Office is monitoring the situation closely and will notify the Board immediately if there are any adverse developments.

5. Approved Resolution on Public Sale of Bonds, DRI

Approved a resolution (#87-10) for the public sale of bonds,

in a total principal amount not to exceed \$5 million, for facilities at DRI. In April, 1987 UNS sought legislation and received permission to seek bonding in the above amount.

Mrs. Kenney moved approval of the resolution for the public sale of bonds for facilities at DRI. Mr. Klaich seconded.

Motion carried.

6. Report from ASUN

ASUN President Carl Gatson reported on a recent self-study of student government. Among the recommendations which will result in change will be the addition of Senate seats to represent graduate students and outside constituencies, and development of programs to better showcase UNR's resources.

Mr. Klaich requested a copy of the self-study for all Board members.

7. Preliminary Discussion of 1989-91 Biennial Budget

Vice Chancellor Sparks provided Regents with a preliminary overview of parameters and priorities for building the next biennial budget request, adding that Regents will receive a

progress report in January and final recommendations for consideration in March. Among the budget issues to be addressed (not prioritized) are:

Continued improvement of the ratio of full-time to part-time faculty at Community Colleges. The ratio for FY 89 will be 57% full-time to 43% part-time. The UNS goal, and the national average, is 70% full-time/30% part-time.

Continued enhancement of a formula that determines the number of graduate assistants hired.

Strengthening of the formula that funds support services.

Full funding of the 2.5% merit pool established in 1985.

Matching funds for EPSCoR, a National Science Foundation federal grant to continue providing for top research projects at UNR, UNLV and DRI.

Vice Chancellor Sparks stated that the Chancellor's Office will recommission two compensation studies designed to

determine how University faculty and Community College faculty fare in national comparisons.

Those studies will be initiated as soon as national data becomes available, and will serve as the basis for determining what the 1989-91 salary request should be. That information will be forwarded to the Board of Regents for its consideration in the Spring. Among other possible budget requests for inclusion in the "enhancement" portion of the budget request are computing equipment, a satellite uplink for telestudies, new academic programs, equipment, scholarships and staff development.

8. Report on Systemwide Enrollments, Fall, 1987

Vice Chancellor Fox submitted the Fall, 1987 Enrollment Report, as contained in Ref. B, filed in the Regents Office.

Dr. Fox and Mrs. Karen Steinberg presented a System overview and summary of the enrollment figures.

They reported that the official figures show 53,187 students enrolled in UNS institutions this Fall, a 6.4% increase over Fall, 1986. In contrast, enrollment is projected to decline by 1% nationally during that same period. Nationally stu-

dent enrollment grew 1% from 1980 to 1985, while UNS grew by 28.9% between 1981 and 1987.

Of the total student population, 28,785 attend Community Colleges and 24,402 attend Nevada Universities. Most (71%) are part-time students. The average age is 27 years old, with full-time students being 25 years old, on the average, and part-time students are an average age of 30. Some 57% enrolled this Fall are female, up from 53% in 1981.

UNS projects a student population of more than 70,000 students by the year 2000.

The stereotypical College student today is typically an older, part-time, female student rather than the traditional 18-year-old high school graduate. This shift in the composition of an "average student" is being experienced not only in the University of Nevada System, but nationwide.

Running counter to State trends seen earlier, in 1987 UNS enrolled more full-time students. Viewed in terms of "full-time equivalent" students, rather than actual numbers of students being served, enrollments by institution for Fall of 1987 are:

University of Nevada-Reno	7,497
University of Nevada, Las Vegas	8,593
Clark County Community College	4,179
Northern Nevada Community College	474
Truckee Meadows Community College	2,627
Western Nevada Community College	1,162

The actual numbers of student enrolled by institution are:

University of Nevada-Reno	10,624
University of Nevada, Las Vegas	13,778
Clark County Community College	14,211
Northern Nevada Community College	2,079
Truckee Meadows Community College	8,483
Western Nevada Community College	4,012

Presidents indicated that those numbers don't tell the full story of numbers of people being served by UNS, because they do not include the thousands of Nevadans each year who enroll in continuing education programs.

Vice Chancellor Ron Sparks cautioned that UNS was budgeted for a 3.6% enrollment increase in Fall, 1987 and that the

actual 7.7% increase means that UNS is already developing a large gap which the 1989 Legislature will have to address.

This will cost \$3 million per year alone in new State dollars. The System needs to be sensitive to this when developing the 1989-91 budget request.

Mr. Klaich requested that the UNS Enrollment Report for Fall 1987 be distributed to Legislators and other key people to make them aware of the ramifications of enrollment growth.

9. Report on Local Area Network (LAN) Designs

In June, 1985 the Board approved an allocation from the Regents Special Projects Fund in the amount of \$60,000 to fund the design of a Local Area Network (LAN) System for UNS institutions. Sytek Corporation, the successful respondent to the RFP, has completed the design work and the results were reported by Mr. Dick Belaustegui, Director of System Telecommunications Network. See Ref. C, filed in the Regents Office.

10. Approved Change, UNS Code

Approved changes to the UNS Code, Sections 1.1, 1.4.4, 1.6.1

and 1.6.3 as contained in Ref. D, filed in the Regents Office. These changes reflect:

A. A change of name from UNS Computing Center to UNS Computing Services, and

B. Requiring Board approval for appointments of Directors of the Computing Center Services, Administrators reporting directly to the Chancellor, Vice Presidents of System institutions, and Dean or Administrators in positions equivalent to Deans in Community Colleges.

These changes were approved by the Board at the October 1987 meeting; however, Code changes require a 30-day notification to all institutions prior to adoption. Comments from institutions are included with the reference.

General Counsel Klasic posed the following amendment to Ref. D, Section 1.6.1(b):

3. 1.6.1 Appointment of Administrators

(b) The appointment of the Directors of the University of Nevada System Computing Services

and the University of Nevada Press, Administrators reporting directly to the Chancellor, Vice Presidents of System institutions, and Community College Deans or Administrators in positions equivalent to Deans in the Community Colleges of the System shall be subject to the approval of the Board of Regents, and such appointments shall not take effect, and no employment contracts for such positions shall issue or be binding, until Board approval is received. The appointment of all other Deans and heads of laboratories, centers, bureaus or similar administrative units by the Presidents shall be reported to the Board at its next regularly scheduled meeting after such appointment.

Mr. Karamanos moved approval of the changes to the UNS code as amended. Mr. Eardley seconded. Motion carried.

11. Report on Fallon Campus Facilities Project, WNCC

President Calabro introduced Mr. Bill Davies, Dean of College Services, who reported on building project in Fallon

authorized by the 1987 Session of the Nevada State Legislature. The new building is 7,600 square feet located on 10 acres and will house classrooms and faculty offices. The land would be leased for 50 years with a renewable 50-year lease at a rate of \$1 per year, and a loan of approximately \$55,000 to construct the building.

Chancellor Dawson requested that as the documents are finalized, the Board of Regents hold a special teleconference meeting to consider the documents.

Mr. Karamanos questioned whether it was feasible for the Board of Regents to provide the financing and collect interest on the loan. The Investment Committee was directed to look at this option of financing.

12. Approved Schedule Change in Officer Evaluations

Approved temporary suspension of Board policy contained in the Handbook, Title 4, Chapter 2.3, Officer Evaluations, until such time that the policy is rewritten. The current policy calls for Officer evaluations to be completed in January each year. The Chancellor has submitted to the Regents and Presidents a suggested plan for a more meaning-

ful evaluation process. It is anticipated the final draft of the plan, including a timetable for evaluations, will be available for consideration at the January, 1988 Board meeting.

Mr. Karamanos moved approval to temporarily suspend Board policy contained in the Handbook regarding Officer Evaluations. Mr. Klaich seconded. Motion carried.

13. Approved Easement, UNS

Approved an easement for underground electric distribution at the site of the System Administration building located at the corner of Enterprise Road and Evans Avenue in Reno.

Mr. Klaich moved approval of an easement for the System Administration building. Mr. Eardley seconded. Motion carried.

14. Approved Sabbatical Leaves, 1988-89

Nevada Revised Statutes and Board of Regents policy provide for the total number of sabbatical leaves which may be awarded each year. See Ref. E, filed in the Regents Office.

Utilizing the criteria followed in previous years, the maximum available leaves for 1988-89 are: UNLV - 10; UNR - 12; CCCC - 4; NNCC - 1; TMCC - 2; WNCC - 1; DRI - 2; Unit - 1.

A. University of Nevada, Las Vegas - President Maxson recommended the sabbatical leaves available to UNLV be awarded to the following:

Vicky Carwein, Nursing, Fall 1988

William Corney, Management, Spring 1989

Edward Kelly, Special Education, Spring 1989

Esther Langston, Social Work, Spring 1989

Lorne Seidman, Finance, Spring 1989

Eugene Smith, Geoscience, Academic Year 1988-89

John Stafanelli, Hotel Administration, Fall 1988

A. Wilber Stevens, English, Spring 1989

Anne Wyman, Geoscience, Spring 1989

Evangelos Yfantis, Computer Science & Electrical
Engineering, Academic Year 1988-89

Alternates

Richard Hoyt, Finance, Spring 1989

Bill Leaf, Art Department, Academic Year 1988-89

See Ref. F for summary of proposed projects, filed in
the Regents Office.

B. University of Nevada-Reno - President Crowley recommend-
ed the sabbatical leaves available to UNR be awarded to
the following:

Deborah Achtenberg, Philosophy, Academic Year 1988-89

Eva L. Essa, Home Economics, Academic Year 1988-89

James R. Firby, Geological Sciences, Fall 1988

Barbara A. Gunn, Home Economics, Spring 1989

Elisabeth Hansot, Political Science, Academic Year
1988-89

Husain Haddawy, English, Spring 1989

Cecile Lindsay, Foreign Languages & Literatures, Spring
1989

Stephen A. Moscove, Accounting & Computer Information
Systems, Fall 1988

Ann Ronald, English, Academic Year 1988-89

Howard Rosenberg, Art, Fall 1988

Richard W. Rust, Biology, Academic Year 1988-89

Tracy L. Veach, Psychiatry & Behavior Science, Academic

Year 1988-89

Alternates

Deborah Davis, Psychology, Fall 1988

Perry Jones, Music, Spring 1989

James K. Mikawa, Psychology, Academic Year 1988-89

See Ref. G for summary of proposed projects, filed in
the Regents Office.

C. Clark County Community College - President Meacham recommended the sabbatical leaves available to CCCC be awarded to the following:

Robert Dunkerly, Liberal Arts, One Semester

Dale Etheridge, Science & Health, Academic Year 1988-89,

50% Release

Arnold Friedman, Industrial Technology, Academic Year

1988-89

Candace Kant, Liberal Arts, Academic Year 1988-89

Alternate

James Santor, Industrial Technology, Academic Year

1988-89

See Ref. H for summary of proposed projects, filed in the Regents Office.

D. Western Nevada Community College - President Calabro recommended the sabbatical leave available to WNCC be awarded to the following:

Jim Pawluk, Educational Services, Academic Year 1988-89

See Ref. I for summary of proposed project, filed in the Regents Office.

Mr. Karamanos moved approval of the sabbatical leaves for UNLV, UNR, CCCC and WNCC. Mr. Klaich seconded. Motion carried.

15. Report and Recommendations of the Academic Affairs Committee

A report and recommendations of the Academic Affairs Committee meeting, held December 3, 1987, were made by Regent Daniel Klaich.

(1) Approved NNCC's participation in the Western Undergraduate Exchange Program, to begin Fall, 1988. This program allows students from participating WICHE states to be eligible to enroll in programs throughout the institution at a reduced tuition rate.

This WICHE program will enable students in participating states to enroll in entire institutions or specific programs designated by other western states at 150% of resident tuition. Tuition benefits will be available only to residents of states which also offer programs to WUE students, and only at the levels (baccalaureate and associate) that are open to WUE students in such other states. Nevada residents wishing to enroll in participating institutions in other states would be restricted to 2-year institutions.

It was explained that the only cost to the University of Nevada System is the difference in amount of out-of-state tuition and 150% of tuition.

Mrs. Sheerin wanted it clarified that this is not a blanket approval for the other institutions to partici-

pate, and Vice Chancellor Fox reaffirmed by stating that each Campus would bring proposals which would satisfy their particular needs.

(2) Information Only - President Crowley reported on the development of the Center for Logistic's Management, a new program being considered at UNR which relates to warehousing. This program will be submitted for proper program review procedures; however, President Crowley wished to inform the Committee that this program will require considerable private funding and that UNR is in the process of raising funds at this time.

Mrs. Sheerin requested a report on the Regents Scholars Program at the next Board of Regents meeting.

Mr. Eardley moved approval of the report and recommendations of the Academic Affairs Committee. Mrs. Kenney seconded.

Motion carried.

16. Report and Recommendations of the Budget and Finance Committee

A report and recommendations of the Budget and Finance Com-

mittee meeting, held December 3, 1987, were made by Regent James Eardley, Chairman.

(1) Approved to use Capital Improvement Fee Funds for the following projects at NNCC:

A. Remodeling kitchen in child care

center area	\$ 3,685
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B. Buy-out of contract with Gardner Engineering's Professional Services Shared

Savings Agreement	27,000
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If NNCC pays off the existing contract, it is released from the contractual requirement that Gardner Engineering must maintain the equipment. Considerable savings would be available by using local Elko firms for maintenance.

See item 1.(6) of these minutes for additional expenditures from the Capital Improvement Fee Funds at NNCC and UNR as they were reported to the Consent Agenda.

(2) Approved to use Capital Improvement Fee Funds for the

following projects at UNLV:

A. Remodeling and furnishings in the

Carlson Education building for the

Family Wellness Center \$60,000

B. Improvements to two lots located on Campus

for temporary parking 34,000

- (3) Approved the changes to the requirements for tax-sheltered annuity programs as outlined in Ref. B-3, filed in the Regents Office. These programs are offered on a voluntary basis to System employees.

The main change to the program will not require that prior to allowing a payroll deduction for users, a company will be required to have a minimum of 20 employees participating. Any employees currently enrolled in companies with less than 20 users will be allowed to continue with payroll deductions.

- (4) Approved the use of Special Projects Funds for the following activities which were discussed with the Board at the recent workshop:

A. Senior Research Analyst, Academic Affairs, up to

\$35,000 annually

As the UNS continues to grow and become more complex, there is an increasing need for Systemwide information. The staff in Academic Affairs, in addition to other duties, currently provides the following on-going studies: the System legislative planning report, the System course transfer guide, the Nevada high school seniors' survey, Fall and Spring enrollment reports, federal IPEDS surveys, legislative space utilization report, System affirmative action report, and requested special surveys and reports such as health care education, telestudies, academic computing, or salary surveys. In addition, staff support is provided for the review of new programs, articulation studies and Systemwide committees such as the Academic Affairs Council, Academic Computing, tuition reciprocity and others.

The need for enhanced or additional on-going reports had been identified as including, but not

limited to, the following: Statewide minority demographics, administrative salary surveys, enrollment projection and forecasting studies, degrees granted and retention studies, a System factbook, a System data dictionary, and data administration. Besides these on-going studies, additional special studies on current State and national educational issues such as assessment of educational outcomes, minority student recruitment and retention, teacher education, and educational cost containment need to be addressed.

The request is made for the remainder of the biennium, but a new position will be requested from the Legislature in the budget request. If it is not funded by the Legislature, it will either be brought back to the Board for additional funding or be discontinued.

Mr. Klaich requested that the new employee be informed that this position may be temporary.

B. Computer Programming for Automatic Budget System,
up to \$50,000 annually

The major problem with the current budget system is the lack of dedicated, full-time computer programming staff necessary to maintain and develop the automatic budget system. This problem is compounded even further with the development of the new financial accounting and payroll systems. This request will allow the budget system to be revised to make it compatible with the new financial systems, and will provide the opportunity to improve the budgeting process throughout the University of Nevada System.

This position will be also submitted as a budget request for continued support from the Legislature.

If it is not funded, Vice Chancellor Sparks stated that other sources would be sought such as from the University of Nevada Computing Services.

Approval was given to use up to \$50,000 annually of the Regents Special Projects Funds for development and maintenance of the Automatic Budget System in the Finance Office and for the payment of full-time dedicated computing programming staff for the sys-

tem.

After a discussion on utilizing the remainder of funds for faculty/staff development programs, the Chancellor was directed to prepare a report on current faculty/staff development programs at each Campus for background prior to the Board considering use of special project funds for staff development.

Mr. Karamanos moved approval of the report and recommendations of the Budget and Finance Committee. Mrs. Kenney seconded. Motion carried.

17. Report and Recommendations of the Investment Committee

A report and recommendations of the Investment Committee meeting, held December 3, 1987, were made by Regent Klaich, Chairman.

(1) Approved the following commitments to real estate investments. The Investment Advisory Staff met on September 9, 1987, and suggested further diversification into real estate investments representing an additional defensive move to give protection to the

portfolio in a volatile market.

A. Commitment of \$2.5 million of the UNS Permanent Endowment Funds to TCW Realty Advisors closed-end commingled real estate fund which is organized as a Parallel Limited Partnership and Group Trust.

B. Commitment of an additional \$1 million of UNS Permanent Endowment Funds to Advent Realty. With the investment of \$1.5 million previously approved by the Board of Regents, this addition would increase the total investment with Advent Realty to \$2.5 million.

Mr. Karamanos moved approval of the report and recommendations of the Investment Committee. Mr. Eardley seconded.

Motion carried.

18. Report and Recommendations of the Legislative Liaison Committee

A report and recommendation of the Legislative Liaison Committee meeting, held December 3, 1987, were made by Regent Daniel J. Klaich, Chairman.

(1) Approved the appointment of the UNS Statewide Legislative Network consisting of the members of the Legislative Liaison Committee, the Chancellor, Ron Sparks, Pamela Galloway and Mary Lou Moser, and the following citizens representing each of the Campuses:

UNR - Dave Russell and Steve Brown

UNLV - Mike Sloan and Elaine Wynn

CCCC - Shelley Berkeley and Hal Smith

NNCC - Art Glaser and Bill Wunderlich

TMCC - Paul Bible and Phil Rose

WNCC - Pete Rice and Barbara Little

DRI - Pat Shalmy and Kevin Day

(2) Directed the Chancellor's Office to seek legislation from the 1989 Nevada Legislature to restore the Higher Education Capital Construction Fund (HECC) to its original intent of guaranteeing UNS a minimum of \$5 million yearly from slot machine taxes and that these funds be directed for maintenance and remodeling needs for the System on an ongoing basis.

(3) At the October, 1987 meeting, in discussing capital

improvement needs of the System, the Board directed the Committee to develop a support structure for the passage of AJR 34, which would increase bonding indebtedness of the State from 1% to 2% of the assessed valuation of the State. That measure passed the 1987 Session of the Legislature, must again be approved in 1989, and be approved by Nevada voters in a subsequent general election. The Board directed that a resolution be sent to the Legislators and others in support of AJR 34.

(4) New Business

A. Mrs. Sheerin informed the Committee that Secretary Bennett is seeking legislation to discontinue federal funding to higher education institutions with loan default rates of 20%. This legislation would be detrimental, especially to Community Colleges in Nevada. Mrs. Sheerin asked the Chancellor to secure default rates for all Campuses using Secretary Bennett's formula, and to report these and suggested improvements to lending procedures to the Board of Regents. This information will then be reported to the Nevada congressional dele-

gation requesting their support.

- B. President Calabro requested that the Committee review the federal financial aid proposal which is before Congress. Guaranteed Student Loans are proposed for distribution to only students with Junior or Senior standing. This would cut off the Community College students.

- C. Mr. Klaich requested that the Board and Chancellor consider legislation for a pre-paid tuition plan.

- D. Mr. Klaich requested that the Chancellor seek membership on the State's study of the tax structure and requested a follow-up report.

- E. It is being proposed in Congress that the estate tax pickup funds be utilized to reduce the U. S. deficit. This is not contained in the Senate's version of the bill. It was noted that Ms. Pamela Galloway, Public Information Director, is working with Senator Harry Reid's office to secure these funds which are earmarked for education in Nevada.

Mr. Klaich explained that the function of the Legislative Liaison Network is to involve community people in the knowledge of UNS so that, if needed, they can be called upon to help during the Legislative Session.

Mr. Klaich moved approval of the report and recommendations of the Legislative Liaison Committee. Mr. Eardley seconded.

Motion carried.

19. Report and Recommendations of the Ad Hoc DRI Liaison Committee

A report and recommendations of the ad hoc DRI Liaison Committee meeting, held December 3, 1987, were made by Regent Joseph M. Foley, Chairman.

(1) Approved the plans and the lease of the property to the DRI Research Foundation as found in item 24 of these minutes.

President Taranik reviewed plans for the DRI Southern Nevada Research facility. He stated that the facility will consist of 3 phases located on 8 1/2 acres on the corner of Swenson Street and Flamingo Road. The pro-

posed site is highly visible to residents and visitors in Las Vegas. He reviewed several highlights to the project such as stimulating a close working relationship with community and industry; improving synergism between research programs at UNLV and DRI; fostering improved collaborative research with Government Agencies; and providing additional space. President Maxson was in agreement with the plans and felt this would give students and faculty exposure to the world class scientists within DRI.

(2) President Taranik stated the national search for Vice President for Finance and Administration at DRI attracted 129 applicants. After thorough investigation it was the consensus of the Committee to support the recommendation of Mr. Dale Schulke at the annual salary of \$85,000. See item 25 of the minutes for final approval.

(3) President Taranik and Mr. Gus Zuso, Special Assistant to the Vice President, reviewed DRI's Technological Innovation and Transfer Plan. The plan relates to research and economic development and will provide an opportunity for faculty to become more involved in

research. The transfer plan is a process to develop and bring innovation to the marketplace with the key elements being a research park that will provide direction; technical assistance; and innovation incubation that will need resources for development of the concept into the product. The plan is outlined in Ref. A of the ad hoc DRI Liaison Committee meeting, filed in the Regents Office.

(4) Approved the discontinuation of the current incentive pay plan for Administrators and to substitute that plan with a new pay structure for DRI Center Directors, as contained in Ref. B of the ad hoc DRI Liaison Committee meeting, filed in the Regents Office.

(5) President Taranik and Mr. Dale Schulke reviewed the plans for development of the Dandini Research Park stating that the preliminary engineering plans have been developed and the key elements needed for further development are the implementation of the Technological Innovation and Transfer Plan and the new facilities which will be completed in several phases.

Private funds are now being raised for the engineering

study for the road and utilities which is approximately \$40,000 - \$50,000. It was stated that the bond funds would be used as a last resort for funding; however, they will be used as a leverage to obtain federal funding for the construction of a building by matching federal funds with bond funds.

Mrs. Kenney moved approval of the report and recommendations of the ad hoc DRI Liaison Committee. Mr. Klaich seconded.

Motion carried.

20. Approved Emeritus Status, UNR

Approved John H. Trent, Professor of Curriculum and Instruction, UNR, to be promoted to emeritus status, retroactive to September 1, 1987.

Mr. Eardley moved approval of the promotion to Emeritus status at UNR. Mrs. Kenney seconded. Motion carried.

21. Approved Office Name Change, UNLV

Approved the name change from Office of Information Services to University News and Publications at UNLV. The new name

would more accurately reflect the functions performed in that area.

Mrs. Kenney moved approval of the office name change at UNLV. Mr. Klaich seconded. Motion carried.

22. Approved Title Changes, TMCC

Approved the following changes in title. The change is in title only and does not effect reporting level or contract salary.

Rita Gubanich from Dean, Institutional Services, to

Vice President of Institutional Services

Ron Remington from Dean, Instructional Services, to

Vice President of Instructional Services

Mr. Karamanos moved approval of the title changes at TMCC.

Mr. Klaich seconded. Motion carried.

23. Approved Salary Change, TMCC

Approved a salary change for Dr. Karen S. Garner, Executive Director of Development, from \$44,796 to \$48,796, an in-

crease of \$4,000 or 8.9%.

Dr. Garner's previous title was Assistant to the President.

Of her total new salary, 76.8% will be paid from Title III monies with the remaining from State funds. Dr. Garner will be reporting directly to the President and will continue to complete institutional planning activities for the College in addition to her new assignment to develop the Foundation.

Mrs. Kenney moved approval of the salary change for Dr. Karen Garner at TMCC. Mr. Klaich seconded. Motion carried.

24. Approved Lease, DRI

Approved a lease to DRI Research Foundation of approximately 8 acres south of Flamingo Road and west of Swenson Street for development of DRI Southern Nevada Research Center. See item 19(1) of these minutes for details.

Mr. Klaich moved approval of the lease to DRI Research Foundation. Mr. Karamanos seconded. Motion carried.

25. Approved Appointment, DRI

Approved the appointment of Mr. Dale Schulke as Vice President for Finance and Administration at DRI, at a salary of \$85,000, effective December 7, 1987.

Mr. Eardley moved approval of the appointment of Mr. Dale Schulke to the position of Vice President for Finance and Administration at DRI, at a salary of \$85,000, effective December 7, 1987. Mr. Karamanos seconded. Motion carried.

26. Approved Resolution for Loan, UNR

Approved the following resolution. At the June, 1987 Board of Regents meeting, UNR was authorized to borrow \$300,000 for the expansion of the Jot Travis Student Union. In order to obtain this loan at a favorable rate, UNR must certify that the loan qualifies as a tax exempt obligation under the Internal Revenue Code of 1986, as amended.

RESOLUTION #87-11

WHEREAS, the University of Nevada System (the "University") anticipates issuing less than \$10,000,000 in obligations the interest on which is exempt from federal income taxation during calendar year 1987; and

WHEREAS, the University intends on borrowing \$300,000 from First Interstate Bank of Nevada for the purpose of financing certain improvements at the University of Nevada, Reno, such borrowing to be evidenced by a note signed by the appropriate officials at the University (the "Note"); and

WHEREAS, the University will pay a more favorable interest rate on the Note if the University designates the Note as a "Qualified Tax Exempt Obligation" under Section 265 (b) (3) of the Internal Revenue Code of 1986 as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF THE UNIVERSITY OF NEVADA:

Section 1. The Note is hereby designated as a qualified tax exempt obligation pursuant to Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 2. This resolution shall be effective on its passage and approval.

Mrs. Kenney moved approval of the resolution for a loan at

UNR. Mr. Klaich seconded. Motion carried.

The meeting adjourned at 12:25 P.M.

Mary Lou Moser

Secretary of the Board

12-04-1987