

## **BOARD OF REGENTS**

### **UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA**

**E.L. Cord Performance Theatre**

**Great Basin College**

**1500 College Parkway, Elko**

**Thursday-Friday, June 22-23, 2000**

#### **Members Present:**

Dr. Jill Derby, Chair

Mr. Mark Alden

Mrs. Thalia Dondero

Mrs. Dorothy S. Gallagher

Mr. Douglas Roman Hill

Dr. Tom Kirkpatrick

Mr. David Phillips

Mr. Howard Rosenberg

Mr. Doug Seastrand

Mr. Steve Sisolak

Mr. Tom Wiesner

#### **Others Present:**

Interim Chancellor Tom Anderes

Vice Chancellor Jane Nichols

General Counsel Tom Ray

Interim President Robert Silverman, CCSN

President Stephen Wells, DRI

President Ron Remington, GBC

President John Richardson, TMCC

President Carol Lucey, WNCC

President Carol Harter, UNLV

President Joe Crowley, UNR

President Richard Moore, Nevada State College at Henderson

Chief Administrative Officer Suzanne Ernst

Also present were Faculty Senate Chairs Dr. Fred Jackson, CCSN; Dr. Paul Buck, DRI; Mr. John Patrick Rice, GBC; Mr. Bill Newhall, TMCC; Dr. John Filler, UNLV; Mrs. Mary Spoon, UNR; Mr. Perry Johnson, WNCC; and Ms. Stephanie Brown, UCCSN. Student government leaders present were Ms. Elisa Goyeneche, GBC; Ms. Cheryl Radeloff, GSA-UNLV; Mr. Carlos Ledon, UNR; Mr. Casey Gillham, TMCC; and Ms. Leslie Carlen, WNCC.

Chair Jill Derby called the meeting to order at 8:00 a.m. with all members present.

**1. Information Only-Closed Session Employee Evaluation** - In compliance with NRS 241.030, a closed session was held for purposes of discussion of the character, alleged misconduct, professional competence, or physical or mental health of an employee of the UCCSN.

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Regent Alden moved approval of moving to a closed session. Regent Phillips seconded. Motion carried.

The meeting moved to a closed session at 8:05 a.m. and returned to open session at 1:05 p.m. with all members present.

**6. Introductions** – President Wells introduced DRI Faculty Senate Chair Dr. Paul Buck and Vice President for Finance & Administration Mr. Alan L. Austin, Jr. He announced that Dr. Jack Hess would leave DRI for one year to serve as Science Advisor/Congressional Fellow to Senator Reid in Washington, D.C. President Remington introduced GBC Faculty Senate Chair Mr. John Patrick Rice. President Richardson introduced TMCC Student Body President Mr. Casey Gillham and ASTM Treasurer Ms. Michelle Laceroa. President Lucey introduced WNCC Faculty Senate Chair Mr. Perry Johnson and Student Body President Ms. Leslie Carlen. Interim President Silverman introduced CCSN Faculty Senate Chair Dr. Fred Jackson. President Crowley introduced UNR Faculty Senate Chair Mrs. Mary Spoon. Regent Sisolak introduced Assemblyman David Goldwater.

**7. Chair's Report** – Dr. Derby shared personal observations in preparation for stepping aside as chair. She felt it important to note the Board's landmarks and milestones achieved, particularly with the difficult issues addressed, and to re-inspire the Board with its accomplishments. She noted that the Board sustained a time of tremendous change, transition, departures, turbulence and uncertainties while still growing and improving, and cited the following:

- New initiatives:
  - High Tech Centers.
  - More programs; Better quality; More students than ever before.
  - New campuses added.
- Partnerships Developed:
  - K-12.
  - Business & Industry.
  - Governor/Millennium Scholarship Program.
- Committed to increasing the college going rate.
- Advance Planning (10 years in advance).
- Establishing a state college.
- Strengthened commitment to diversity.

Dr. Derby encouraged the Board to be proud of their accomplishments in spite of the difficult journey, and asked them to remember they are a System of 7 (going on 8) institutions. She reminded them of the need to unite the institutions and align their aspirations with statewide goals. She encouraged Board members to be less hard on one another and to strive towards offering more choices to more students for better quality programs. She offered three brief suggestions for the Board:

- Continue to work on performance/effectiveness, and cultivate a better Board image.
- The appointment of a permanent Chancellor provides the opportunity to discover a better method of working together (Board, Chancellor and Presidents).
- Determine a method of doing the job with more enjoyment of one another:
  - Meetings are too long and taxing.
  - Determine what can be delegated to staff and committees.
  - Move in the direction of better performance and effectiveness.
  - Support the next chair and be aware of the chair's challenge to be fair, patient, unflappable and optimistic.
  - Set a tone for civility and mutual respect.

Dr. Derby related that it had been a rewarding experience and encouraged Board support for the leadership of those elected the next day and those in the future. She expressed her pride in the fact that, in spite of turbulence, great landmarks had been achieved for higher education. She credited those accomplishments to her fellow Regents, the UCCSN staff, institution presidents, and all others comprising the leadership team. She expressed her optimism for the future and her gratitude for the privilege of serving as chair.

Regent Kirkpatrick reported that he attended the ACCT regional meeting in San Antonio, Texas, finding it even better than the previous one. One workshop addressed the contributions a college makes to the community it serves (return on investment). A program was developed showing that every dollar expended, for the community college studied, returned \$273,000 to the community it served. The national ACCT meeting will be held in October in Nashville, Tennessee. In 2001 the national meeting will be held in Chicago with simultaneous regional meetings in celebration of the 100th anniversary of community colleges.

**8. Chancellor's Report** – Dr. Anderes thanked the Board for the opportunity to work with them, adding that it had been challenging as well as rewarding. He acknowledged the institution presidents for their ability to compromise in spite of representing different-sized institutions with differing missions. He indicated that they understood the necessity of working together. Dr. Anderes also thanked the business officers he worked with during the past five years, adding that they are an intelligent group of people interested in pursuing new ideas. He thanked Mr. Larry Eardley, Mrs. Sandi Cardinal, and Mr. Tim Ortez in System Administration for their valiant and continued leadership efforts in the absence of a Vice Chancellor. Dr. Anderes stated that he enjoyed working for the UCCSN and asked the presidents to make their reports.

President Robert Silverman, CCSN – Dr. Silverman accompanied Presidents Harter and Lucey to Washington to attend an accreditation meeting. The accreditation team was very receptive to CCSN and commended the institution's faculty morale and commitment to student services. Official notification will be received in two weeks. Progress was made toward workforce development with the receipt of a \$1.3 million grant from the Workforce Investment Board in southern Nevada. A renewable grant, it provides CCSN the ability to hire 16 new positions (primarily in student services). CCSN is forming a partnership with 14 entities in the workforce development arena. They will be located at the West Sahara site to provide a one-stop shop for employment/workforce development.

President Carol Lucey, WNCC – Dr. Lucey attended an accreditation meeting in Blaine, Washington and gained

insight to what other institutions have learned about assessment and academic advisement. She expressed her confidence in the outcome of WNCC's accreditation assessment. WNCC is the recipient of a \$25,000 Nevada Bell grant to add further instrumentation to the observatory. With the outpouring of support from the community, it is now being referred to as a science park. The project will enhance science education, K-12, college education and community service. She expressed her dismay in losing a strong ally and supporter with the retirement of Vice President Michelle Dondero and expressed gratitude for her support. Dr. Lucey announced plans to offer a weekend program in nursing (accreditation team recommendation) this fall. Dr. Derby thanked and commended Michelle Dondero for her service.

President John Richardson, TMCC – TMCC High School graduated 75 students this year, with 93% planning to go on to college. By comparison, there were 26 graduates in the first class of 1998. Millennium scholarships were extended to 64% of the graduating class. Most students plan to attend TMCC, followed closely by UNR and then other institutions nationwide. Students completed an average of 21 credits of college-level work prior to graduation. Next year, 250 students are projected. Dr. Richardson observed that community college faculty are not often recognized for their research efforts. He reported that Dr. Carola Naumer recently received a National Endowment for Humanities research grant on the subject of nature, mythology, and the works of man. This summer she will study the region around Naples and Pompeii, which was the inspiration for many works of ancient Roman and modern literature.

President Ron Remington, GBC –GBC is compiling an electronic portfolio for graduating students that displays their progress and could be helpful with admission to graduate programs and for future employers. Dr. Jack Smith reported the portfolios would be student-maintained and introduced this fall. He felt it could become a valuable assessment tool, demonstrate actual learning, and help students with their employment efforts. Students will be taught to equip themselves with a 21st century, digital resume in CD format. A sample portfolio was demonstrated.

President Richard Moore, Nevada State College at Henderson – Dr. Moore acknowledged the efforts of Mayor Jim Gibson and Dr. Tom Anderes with establishing a new state college in Henderson. He added that Board Chair Jill Derby also played a pivotal role in the process. Dr. Moore reported he was in the process of forming a panel of local educators and scholars, and a national group of faculty members to mentor the college.

President Stephen Wells, DRI – DRI received one of six new National Science Foundation awards regarding climatic variability, ecosystems and global change in the form of a 5-year, \$3 million, multi-institutional collaboration. Dr. David Mitchell was awarded the first DRI Peter Wagner Medal of Excellence for research on the growth of snowflakes in cloud storms, the role of clouds in climate processes, and the development of Mexican monsoon storm systems affecting the southwest. The Reno-Sparks Chamber of Commerce recently recognized DRI for environmental excellence. Due to the efforts of Mrs. Beth Wells and local businessman, Mr. Tom Harvey, DRI is now featuring 'The Millennium Series', a vibrant collection of original paintings designed to encourage interest in the planet.

President Carol Harter, UNLV – Board members will receive a video presentation and brochure depicting partnerships for economic diversification that are based on research in which UNLV is engaged. UNLV is working closely with Lt. Governor Lorraine Hunt on a number of opportunities in the interest of economic diversification. Dr. Harter cited two Goldwater Scholarship recipients: Mr. Jonathan Find and Ms. Kate Martin. The scholarship was created for undergraduate students conducting research in math, natural science, or engineering. Both students are members of the UNLV Honors College and competed with 1,176 nominees. Graduate student Bobby Youngblood received a \$24,000 James Madison fellowship to spend four weeks at Georgetown University studying public administration and policy. She is a non-traditional student (both her son and daughter have already obtained degrees from UNLV). Due to the efforts of the faculty, the School of Social Work has received full accreditation.

President Joe Crowley, UNR – Dr. Crowley invited Board members to attend Bishop Desmond Tutu's speech Saturday night on the topic of reconciliation. UNR is already experiencing the impact of the millennium scholarship. The registration process is 75-80% complete. A freshman level enrollment increase of 25-30% has been realized, with a 9-10% overall FTE increase over last year. Dr. Crowley acknowledged daunting challenges in the coming year, adding that he was glad the new residence hall had been built. It has been full since April and will be completed in August. UNR set a record in the number of presidential scholarships with 42 acceptances. The search for a new Vice President for Research now has five finalists. The committee is pleased with all of the candidates and will make a decision and recommendation soon. Dr. Shannon Ellis was elected president of the National Association of Student Personnel Administrators (NASPA).

Dr. Derby commented that Dr. Anderes gained the Board's confidence very quickly with his work and presentations, and thanked him for his leadership efforts during the past year. She stated that it had been a pleasure to work with him, adding that Oregon was fortunate to have him. Dr. Derby presented Resolution #00-5 to Dr. Anderes (on file in the Board office).

Dr. Derby acknowledged the efforts of GBC staff in hosting the Board meeting.

Regent Alden left the meeting.

**9. Approved Handbook Change-Commencement Schedules** – The Board approved modifying language in the Regents' Handbook, Title 4, Chapter 1, Section 4. The change simplified the scheduling of campus commencement dates. (Ref. A on file in the Board office)

Dr. Anderes related that holding commencements on Sundays, while providing opportunity for Regents to attend all of the commencements, had proven problematic. Chair Derby reminded Board members that the Board had previously expressed a desire to attend all commencements, adding that current policy prohibited simultaneous commencement exercises. She suggested modifying Handbook language to remove the prohibition for simultaneous commencements, adding that a schedule could be worked out between institution presidents and the Chancellor.

Regent Rosenberg asked why commencements couldn't be held on different days, or at different times when held the same day. President Harter related that UNLV's size required two commencement services, adding that they also provided use of their facilities to CCSN as well as other members of the community. She indicated that holding graduation on Mother's Day had not been well received by the community. Chair Derby observed there appeared to be no reasonable solution without upsetting the students and their families. Regent Phillips was not in favor of holding commencement on Mother's Day. Dr. Nichols replied that it made the System realize the policy needed to be revisited. She suggested the two university presidents should discuss it and make a recommendation to the Chancellor, who could then verify the necessity of holding commencements on the same day. She indicated that the Regents' intent was clear and that it was now up to the presidents to resolve.

Regent Alden reentered the meeting.

Regent Seastrand commented that, in the past, the day was selected by the Chancellor and/or alternated with the other institution. He felt the intent of the change was to put institutional control back with the institutions. He supported the change and observed that forcing commencement on a specific day was not viable.

Regent Rosenberg commented that, since the commencements were planned two years in advance, each institution would be aware of Mother's Day. He questioned why an arrangement couldn't be made so both university graduations

could be attended, and did not support the proposed language. Dr. Harter replied that graduation had to be scheduled close to the completion of final exams, which did not afford much planning time.

President Crowley observed there were underlying issues:

- a. Commencements have become more frequent, longer, and demanding due to growth. Some people desire a college-by-college commencement so the audience need not sit through the entire ceremony.
- b. Holding commencement on any Sunday morning was contentious.
- c. Regents attending all commencements was a worthy objective, but had not helped the students' perception of the Board.

Regent Seastrand moved approval of the Handbook change, Title 4, Chapter 1, Section 4. Regent Dondero seconded.

Student Carlos Ledon observed that, even though the commencements were held on separate days last year, all Regents still did not attend all of the commencements. He supported the change. Recent UNLV graduate, Mr. Eric Nystrom, expressed his desire to see the Handbook language changed.

Motion carried. Regent Rosenberg voted no.

**10. Approved Handbook Change-Millennium Scholarship Report** - Vice Chancellor Jane Nichols provided an update on millennium scholarship eligibility and the appeals process. Information on eligibility for students with disabilities was presented and discussed. The Board approved changes to the Handbook, Title 4, Chapter 18, Section 17.20, allowing the Chancellor to act on behalf of the Board to certify eligibility. The Board also approved a legislative request to add a Millennium Scholarship amount of \$60 per credit for state colleges and upper-division Great Basin College courses. (Ref. C on file in the Board office)

School Superintendent Dr. Mary Peterson reported the millennium scholarship would provide the necessary incentive for students to continue with higher education. Approximately 10% of the K-12 population is eligible for special education services (with some kind of disability ranging from mild to severe). The Individualized Education Plan (IEP) directs the instructional program for each special education student and outlines the special services and/or accommodations that must be provided to the student during the course of their K-12 career. Each IEP must identify the accommodations to be made to allow student participation in the high school proficiency exam. If a student completes the years of education, but does not take the exam, they can receive an adjusted diploma. NRS 389.015 requires students to pass the high school proficiency exam in order to graduate with a standard diploma. Dr. Peterson related that many/most special education students do take the high school proficiency exam. IEP special accommodations include:

- Testing setting (individual or small group setting).
- Location different from regularly administered test.
- Special lighting can be provided.
- A special amplifier can be provided.
- Scheduling of test (given twice as much time).
- Portions of the test can be administered at different times of the day.
- Test directions (read aloud, re-read, provided in sign language).
- Test format can be provided in large print or Braille.
- Test answer mode (a clerk can assist student with filling in answer sheet).
- Non-mechanical aids (a calculator can be used if specified in the IEP).

Further accommodations require State Department of Education permission. Accommodations are required by federal law and must be provided to students through the age of 21.

Regent Phillips asked about statute requirements. Dr. Peterson replied that the statute stipulates that a graduate receiving a standard diploma must pass the high school proficiency exam. Students must receive a standard diploma and graduate with a 3.0 GPA in order to take advantage of the millennium scholarship. Accommodations are allowed for special education students, when the accommodations are outlined in their IEP. Regent Phillips asked about constitutional challenges. Dr. Peterson replied that she was not aware of any.

Dr. Nichols reported that System Administration reviewed the accommodations that K-12 provides to special education students when taking the proficiency exam (to become eligible for the millennium scholarship). The other issue was determining whether the Board has the legal authority under statute to require the proficiency examination for millennium scholarship eligibility. She indicated that the NRS specifically stipulates that recipients must be a graduate with a 3.0 GPA. The statute also empowers the Board of Regents to set other requirements (i.e. tests). It was recommended that requiring the proficiency exam allowed an even playing field for all students. Dr. Nichols stated that private high school students in Nevada are not required to pass the proficiency exam. She indicated that the proficiency exam was an important factor in setting standards and raising K-12 achievement. The UCCSN has been supportive of the use of the exam. This issue was raised specifically for special education students. Dr. Nichols related that General Counsel had reviewed the legislative intent, adding that it appeared clear that the intent of the legislature was that the proficiency exam should be required. Regent Phillips expressed his opposition to use of the exam, adding that he felt it was discriminatory.

Regent Kirkpatrick commented that he understood that 10% of graduating seniors fail the exam. Dr. Peterson replied that figures would not be available until the final test administration was reported. She reported that last year, 709 students out of 17,000 failed the proficiency exam and 2,000 students failed to earn sufficient credits.

Dr. Nichols reported that scholarship eligibility was identified by the school districts and the State Treasurer's office. An appeals committee for the Board has also been established. They are in receipt of one appeal to date, which was handled at the staff level.

Dr. Nichols requested Board approval of the Handbook change that would allow the Chancellor to act on behalf of the Board to certify the list of eligible recipients and to consider adding \$60 per credit to match tuition for state colleges and upper division GBC courses.

Regent Rosenberg moved approval of Handbook change, Title 4, Chapter 18, Section 17.20 and approval of a legislative request to add a Millennium Scholarship amount of \$60 per credit for state colleges and upper division Great Basin College courses. Regent Gallagher seconded. Motion carried.

**11. Approved National Headquarters, NCJFCJ** – The Board approved a facility to be built, by and for, the National Council of Juvenile and Family Court Judges (NCJFCJ) at the Redfield site of UNR. The Redfield Foundation has approved construction of the facility at this site. The NCJFCJ Board of Trustees has approved construction of a 67,000-sq. ft. facility at a cost of \$8.5 million. Funding of the project will be provided by solicitations to foundations and corporate contributors. (Ref. J on file in the Board office)

Dr. Crowley reported that the NCJFCJ had been on campus since 1969 and had outgrown its current location in the Midby-Byron building. The university would own the building and supply utilities, basic maintenance and repair. Mr. Dave Funk, Executive Director and CEO of the NCJFCJ, stated that it was an exciting opportunity for the NCJFCJ and UNR, and expressed his familiarity with the Redfield campus plans. He mentioned that he met on numerous

occasions with architect Don Mackey and builder Dean Shaver. The proposed plans include stucco brick buildings, in conformance with the building code for that campus. UNR would provide the property necessary to build the building, landscaping and parking, as well as off-site work (roadways and access). The Council would have exclusive use of the building until they relocate. The NCJFCJ would be responsible for raising the necessary funds to construct the building, parking lot and landscape requirements. He requested they not be restricted to a specific time limit, but anticipated construction to begin within a 2-year time period. The NCJFCJ felt it important to be affiliated with the University System due to the tremendous educational training of judges, social workers, and probation officers. He estimated an economic impact to Reno-Sparks of more than \$6 million. Some students include judges from Macedonia, China, South Africa, the Philippines, Guam, Great Britain, and New Zealand. The proposed building would provide state-of-the art teaching capability and house all administrative personnel under one roof.

Regent Gallagher moved approval of building a NCJFCJ National Headquarters on the Redfield campus. Regent Wiesner seconded.

Regent Kirkpatrick asked about the plans meeting Redfield requirements. President Crowley replied that it would qualify and comply. Regent Phillips established that the NCJFCJ would raise the money, as there was insufficient room to expand on campus. He suggested locating the new facility in TMCC's Old Town Mall (OTM) area. Mr. Funk replied that a private provider might not have the ability to accomplish what is planned. He stated they also looked at the area east of the automobile museum in addition to South Meadows Parkway. Regent Phillips established that, if certain conditions were not met, the property would revert to the Redfield Foundation. Dr. Crowley clarified that the only responsibility was to turn dirt by the end of this year. Regent Phillips asked whether there was a problem developing in a depressed area like OTM. Mr. Funk replied that NCJFCJ wanted to retain their affiliation with the university.

Regent Sisolak asked about UNR providing the maintenance and utilities on the building. Dr. Crowley related that estimated maintenance costs were \$300,000-350,000/year. This was the historic agreement the Board made with the Fleischman Foundation when the National Judicial College and NCJFCJ originally located on campus. He indicated that these organizations bring a great deal of credibility to the state of Nevada and higher education, as well as an economic impact to the area. Regent Sisolak asked about utility costs. Dr. Ashok Dhingra replied that they estimated \$50,000/year in utilities. Regent Sisolak established that repairs would also be the responsibility of UNR.

Mr. Alden asked about System liability. General Counsel Ray replied that he would review all contractual obligations. He clarified that the NCJFCJ would raise the money and contract with the builders, which would not involve the System. The building would be gifted to the System upon completion.

Regent Dondero observed that the current focus was on victims of juvenile crime. She commented that the State just built a new facility in southern Nevada for juvenile offenders and asked how this new development would affect that facility. Mr. Funk replied that training would be provided for anyone operating public or private prison systems/detention centers for juvenile offenders. Regent Dondero expressed concern for the location being so far from Las Vegas. Mr. Funk replied that they train throughout the United States and could not build at every prison location. President Crowley clarified that not all clients came to Reno, as some were trained on-site. Regent Phillips suggested building at the new state facility in southern Nevada. Mr. Funk explained that juvenile crime was only one sector of the training provided. They offer many types of training (i.e. drug & alcohol abuse, domestic violence).

Regent Hill felt the System should have some right to review the construction and design of the building since UNR would be obligated for maintenance and repair. Mr. Funk had no objection. He indicated that material from the Redfield Foundation had been provided to the architects to ensure compliance with the strict requirements of the Redfield Foundation.



Regent Hill proposed a friendly amendment to include a reasonable right for UNR and UCCSN to review the plans and construction to ensure conformance to the standards of existing buildings on campus. Regents Gallagher and Wiesner accepted the friendly amendment. Motion carried. Regent Phillips voted no.

The meeting recessed at 3:10 and reconvened at 3:20 p.m. with all members present.

**12. Information Only-Fire Science Academy, UNR Report** - Representatives of PricewaterhouseCoopers presented a report to the Board regarding the programs, financing, enrollments, and quality of facilities at the UNR Fire Science Academy (FSA). The consultant report was sent to all Regents in May. (Ref. B on file in the Board office)

Dr. Anderes stated that the Board directed him to identify the necessary expertise to independently review the programs, finances and facilities of the FSA. PricewaterhouseCoopers (PWC), a large consulting firm, suggested an expert in the field of fire safety and provided the analytical insight on finances, organization, and marketing strategy. The report responded to all Board issues and offered a number of recommendations. The most significant component was enrollment. The issue was whether long-term, projected enrollments could be attained.

Mary Lynn Palenik, Director of Research & Analysis-PWC, and Fred Hipwell, Partner-PWC, reviewed the role of their firm with the study and discussed the FSA's original business plan and the 1997 Rose/Glenn marketing plan (which was never implemented). Even after hiring new executive directors, the organizational structure was insufficient to support the daily operational activities and responsibilities of the academy. PWC documented their observations of the original business plan and the 1997 Rose/Glenn plan. They also interviewed national fire science representatives and organizations, and competitive educational facilities. The purpose of the interviews was to gain an understanding of the potential competitive set of the academy. They identified the top 5-10 schools in the nation. Academy participants were also interviewed as they walked off the field. The analysis provided a breakdown of the four key elements in the business/marketing plan (strengths, weaknesses, opportunities, and threats). She reported that the FSA strengths far outweigh its weaknesses, opportunities and threats. Limitations cited included: Texas A & M, limited air travel, high costs, proximity of props to one another, cost of fuel, and rumors of closing.

Observations:

- Overall facility – world-class, new, well-maintained, hands-on training, safety, realistic props.
- Location – viewed as difficult to get to, but not a deterrent to enrollments.
- Organizational structure – non-traditional organizational structure with two co-directors. Could benefit from a CEO's strategic vision, relationship development and fundraising.
- Financial – tuition, fundraising and grants. Enrollment projections would support operating budget by 2005.
- Reporting structure – unique. FSA reports to University Advancement instead of the College of Extended Studies.
- Media Coverage – perception of enrollment, hiring and relocation of staff, and fundraising efforts are hampered by adverse media coverage.

Regent Sisolak asked about research conducted on environmental concerns. Ms. Palenik replied that it was outside of the scope of work.

Dr. Crowley reported an initial goal of 3,100 students/year was established, which was revised to 2,900/year. The last report indicated 2,887 enrollments. Average tuition projection was higher (\$685) than the actual \$610. Some courses are now offered at a lower price as a marketing incentive. This was balanced with cost reductions, so the academy

should break even for the year. Fundraising is critical in order for the academy to meet its objectives over the next few years. UNR is currently in discussion with 46 petroleum companies seeking substantial gifts (\$50,000 - \$5 million). Dr. Crowley related that fundraising is difficult when there is public discussion of selling/closing the academy, and also discouraged future attendance. He indicated that UNR had no intention of closing or selling the academy. He concluded that the staff had done a magnificent job of turning a desperate situation around.

Regent Phillips asked about:

- The academy making a profit.
- Money saved by closing the academy.
- The cost of keeping the academy open, if promised donations never materialize.
- Money saved by selling the facility.

Dr. Crowley replied they were not making a profit at this time. Closing the academy would cost \$55 million over the next 18 years, while keeping the facility open would cost somewhat less. Dr. Crowley related that he knew of no prospective buyers, and would not recommend selling the academy. He stated that a significant recovery had been realized this year. FSA staff made substantial marketing efforts revealing new markets for the academy. He expressed confidence in the enrollment projections for the following year. He indicated that private fundraising could not be projected, adding that donors tend not to donate to projects in threat of closure. Regent Phillips expressed concern that no profit had been realized. Dr. Crowley replied that no profit was anticipated for this year. Last year there were 400 enrollments. This year there were 2,900 projected, with 5,000 projected for the following year. Dr. Crowley related that it would take 4-5 years to reach a profit status. This was complicated by a very serious management problem, for which he held himself responsible. He felt the business had potential to realize a profit for the institution. UNR was aware that the academy's future was reliant upon non-state funding. He reported that, with enrollments, the facility was breaking even in terms of revenue vs. expenses.

Dr. Crowley reported that significant progress was made in generating interest in the academy. It is recognized as a world-class facility and people will come if the marketing is performed properly. He related they lost the first year due to the management problem. He thought the staff hired would do the job. Instead, they spent a year recovering from that experience. He stressed the need to implement good fund-raising strategy, adding that the principal believers were the users (petroleum companies). He stated they would need another year to recover a \$1.5 million deficit, as they had not raised sufficient funds. A \$750,000 loan is still outstanding to UNR, as well as a \$1 million loan from the Foundation. That loan was based on a commitment from a donor who still intends to honor the commitment. He indicated they would need to ask the Board to allow an exception on the next exception report and that a strategic marketing plan would be in place by July 31.

Dr. Crowley indicated that progress was made with the list of 140 warranty items, adding that 137 of those items had been addressed. One of the major items (containment of fuel storage tanks) was being worked on by contractors and should be complete in the next two weeks. Two remaining issues (containment in prop area and the storage ponds) were the most expensive items and had been referred to as environmental problems. The prop containment area has been closely monitored for zylene and has been tested by an independent firm on a quarterly basis. He assured the Board that the FSA had not violated any pollution standards. UNR is in discussion with All-Star Investments regarding the warranty issues. All-Star feels the problems are contentious and does not agree they are entirely responsible. An independent 3rd party will be hired to determine All-Star's responsibility. They hope to have the problems fixed in July to conclude the warranty issues. The water/fuel separation issue was a concern for waterfowl landing in the ponds and not with any leaks.

Regent Hill observed that closing the facility would be more of a loss than continuing to operate with the revised

marketing plan and working towards a profit status within a few years.

Regent Rosenberg commented on the water treatment tank (needs replacement with a larger tank) and standing water/oil seeping into the ground. He understood why Regent Sisolak was upset with what he saw. He stated that the damage sounded minimal but appeared awful. He added there was a problem receiving a detailed final accounting of the project's total cost from All-Star (including the developer's profit). He felt they should stop paying the lease, clean up the problems, and allow litigation to settle the issue. Dr. Crowley related that, while the problems could be repaired, they required a determination of who is the responsible party. He felt that litigation would be too time consuming and preferred to pursue negotiation as a solution. Co-Director Ms. Denise Baclawski clarified the warranty issues:

-Water/oil separator – the in-ground tank handles the flow from the fire field and separates the oil from the water. It has a 12,000-gallon capacity and runs at 12,000-gallons/minute. Essentially clear water goes to the water treatment facility and the oil is re-used or disposed. There has been no environmental breach. The fire field receives 4,000-gallons/minute, creating a bottleneck and more oil in the treatment plant than expected. It increases the requirement to treat the ponds as an environmental problem, as they were designed to be cleaner. Oil is skimmed manually to rectify problem, which is costly.

Regent Rosenberg observed that water overshot the burn area, causing the standing water, and asked why the area was not lined with cement. Ms. Baclawski replied that the FSA asked All-Star the same question. FSA staff believe it does not meet the intent of the permit, and they are negotiating with the builder to fix it no later than September 1st.

Regent Sisolak asked about:

- The use of 250 gallons of fuel/student.
- The amount of oil seeping into the ground.
- FSA staff knowledge of an environmental concern last October and the delay in bringing it to the Board's attention.
- Black soil and rocks; oil-polluted water standing in puddles.
- Every burn shooting more oil onto the ground; the area being eroded.

Ms. Baclawski replied that the amount of fuel depended upon the class taught. The amount burned vs. recovered varies based on the class and type of prop used. They have been recycling 20-40% of the fuel. The balance is sludge (land-fill item), a byproduct of the burn process. She indicated there was no indication of seepage into the water table and results from samples taken last Thursday had not yet been received. Ms. Baclawski explained that, when the warranty issue was raised in October, no one understood the magnitude of the problem and felt it premature to bring before the Board. She reaffirmed that the puddles were on the list of items to be fixed immediately. She stated that some of the black puddles were likely soot and hydrocarbon burn-off, adding that they were waiting for the test results.

Elko mayor, Mr. Mike Franzoia, commented that warranty issues were common with all new buildings, adding that they could be remedied. He discussed the adverse effect that closing the facility would have on the Elko/Carlin community, adding that the community had been very supportive of the FSA. He reported that Elko had researched more affordable flights for academy students, and predicted they would be profitable within 5 years.

Mr. Wes Simpson, fire chief for the Exxon/Mobile refinery in Billings Montana, stated that the academy was the finest facility in the world. He hosted and coordinated the Exxon/Mobile conference held there last month and acknowledged the efforts of FSA staff, adding that significant future business was generated. Texas A&M fire fighters agree that the facility is better than Texas A&M and LSU. The overall training provided now cannot be compared with what was offered in the past. He encouraged the Board to continue with the facility in spite of the

strain on finances, resources, and patience. With the Exxon/Mobile merger, larger conferences will be coming in the future. He indicated that the refineries in Billings, Montana and Yellowstone would come here for training. Regent Seastrand asked whether Mr. Simpson felt it possible for this facility to raise enrollments from 2,900 to 9,000/year. Mr. Simpson replied that he was not a professional educator, adding that number seemed significant. He suggested that more diverse course offerings could help increase enrollments.

Elko county commissioner, Mr. Nolan Lloyd, expressed his appreciation for the FSA staff, adding that Elko County made a significant investment in the academy. He requested Board consideration for continuing with the academy effort. Mr. Phillips asked whether the county was in a position to offer financial assistance. Mr. Lloyd stated they were not.

The meeting moved to a UNLV item to accommodate speaker flight schedules.

**13. Information Only-Dental School Status Report, UNLV** - A comprehensive status report on the issues surrounding the processes contributing to the creation of a dental school at UNLV was presented, including a review of the status of the dental clinics and Medicaid eligibility, both key components contributing to the viability of the dental school.

Provost Douglas Ferraro reported that present dental schools do not serve the number of applicants in the country. Future projections indicate 3,600 retirees/4,000 graduates in 2000 and 4,600 retirees/4,000 graduates by 2010. Nevada ranks 50th in the ratio of people-to-dentists and has the most unmet needs for dental service. He suggested that money spent on the 40 WICHE dental students (attending out-of-state) could be saved by providing in-state access to a dental school. Dr. Ferraro related that the dental school's mission was to provide a low-cost, quality, professional education to Nevada residents, and access to low-cost, quality, dental care for the underserved population of Nevada. The school would also contribute to the growth and development of UNLV as a major public research university.

- Sources of Revenue:
  - Dental Clinics – Medicaid, Culinary Plan; Dental Student Practice.
  - Student Tuition.
  - State General Fund.
- Total Guaranteed UNLV dollars.
  - 40% guaranteed Medicaid contracts - \$4,260,000/year.
  - Nevada Check-Up Program - \$672,000/year.
  - Culinary Contract - \$1,560,000/year.
  - Total = \$6,492,000/year.

Dr. Ferraro mentioned an additional contract dealing with the remaining 60% of Medicaid patients. The dental school could serve some portion of those "fee-for-service" Medicaid patients. The culinary contract practice has averaged a 50% rate of overhead (70% is more typical).

Three clinic facilities were reviewed. Expansion of the practice is anticipated in order to serve the number of expected Medicaid patients. Lease-purchase agreements have been negotiated with the dentists. The Enterprise Dental Facility is a cooperative project involving UNLV School of Dentistry, Clark County, City of Las Vegas, City of North Las Vegas, University Medical Center (UMC), Rural Health, EOB/Social Services. The landlord, UMC, would offer UNLV a \$1/year lease plus utilities. The cities and county are anxious for a dental school to address the unmet dental needs of the community. The City of Las Vegas and the county have provided \$100,000 each for startup equipment, while the City of North Las Vegas has provided \$37,500. Dr. Ferraro reviewed the UNLV Dental School

revised financial summary (on file in the Board office). Dr. Ferraro reported that money generated by FTE (using current formulas and assuming the cost is no more expensive than running the nursing programs) would render the dental school profitable by FY04.

Dr. Richard Valachovic, a pediatric dentist serving as executive director of the American Dental Association, reported that the issues Nevada is experiencing are felt nationwide. The nation is graduating 40% fewer dentists/year due to the closure of private schools. At this rate, retiring dentists are not being replaced. He noted the need to provide a sound base for the future of education. He stated that the unique, sound financial model did not rely solely on student tuition. The schools that closed were primarily reliant upon student tuition. The ADA is in strong support of the UNLV Dental School. He commended the development of a new way of educating dentists while addressing the critical need for dentists, adding that it could serve as a model for the rest of the country.

Regent Phillips asked about:

-7 dental schools closing since the mid-80's.

-Why the private institutions failed.

-The UNLV school requiring state funding.

Dr. Valachovic replied that the closed schools were private and dependent upon tuition dollars. He commended UNLV's brilliant diversified marketing plan, adding that the combination of diversified revenue streams was a positive indicator. He related that the private institutions failed due to the rising cost of education and a total reliance upon tuition. He stated there had also been some problems with their missions. Northwestern wanted to be a strong research university and the dental school provided no input to the research mission. Dr. Valachovic anticipated formula state funding to be part of the revenue base for UNLV's school.

Regent Sisolak expressed concern for competition to private practicing dentists. Dr. Valachovic replied that the dentist-to-population ratio in Las Vegas/Clark County was the worst in the country. With such a demand for dental services, access to care was a problem. Even patients who could afford to pay have trouble getting access to dentists. He related there are no major markets that perceive dental schools as competition. They are perceived as a source of continuing education and as elevating the state's stature. Most dentists are in one-person practices. Within the growing metropolitan area of Las Vegas, the dental population could not plausibly view the dental practice as a threat.

Regent Kirkpatrick observed that dentists do not appreciate the UCCSN using taxpayer money to compete with dentists' business. Dr. Valachovic replied that the vast majority of dentists would not be threatened. There are three dental schools in Boston sharing a good working relationship with the dentists in the community. He related that teaching programs were not typically viewed as a threat to practicing dentists.

Regent Hill asked whether other programs/schools had attempted to do what Nevada was. Dr. Valachovic replied there were institutions seeking alternative revenue streams, but UNLV's plan was more entrepreneurial than the others. Regent Hill asked about a negative economic impact when the school began graduating dentists. Dr. Valachovic replied that 75 students/year was a fairly small contribution and would not meet existing needs, especially as older dentists retire.

Regent Sisolak was under the impression that local dentists did not object to the culinary/Medicaid treatment, since they were not receiving any service. Dr. Valachovic clarified that those patients had the most difficulty with access to care and could not afford a private dentist. He indicated the trend was seen across the country. Children on Medicaid (with difficult dental problems) were transferred from one facility to another because dentists are fully booked. Provost Ferraro reminded the Board that the Culinary Union requested this service for their members

because they are so under-served.

Regent Alden commented about:

- The financial model considering use of existing SOM faculty (UNR School of Medicine).
- Grants & Contracts enhancing UNLV's pursuit of Research I level.
- The dental school being self-supporting.
- Nevada Board of Dental Examiners' requirements.

Dr. Ferraro replied that UNLV had not intended to use the SOM as a base for the dental school. He indicated that those collaborations could exist at the clinical level (3rd-4th year). President Harter related that dental graduates would count toward the total doctorates produced by an institution. Dr. Ferraro replied that the extraordinary demand in the country for continuing dental education could be an additional revenue stream. Regent Alden expressed his support for the dental school with the requirement that the school be self-supporting. Dr. Ferraro commented that Nevada had difficult licensing laws for all professions and was hopeful that, as the school matures, there would be a review of dentistry board requirements. Senator Ray Rawson related that he had worked carefully with the dental examiner board since last session, adding that many shared the same concerns. He indicated that the dental school would provide the impetus for change. Significant changes had been made with more licensees this year than last.

Regent Phillips asked about:

- Prior commitments for not needing state money (self-supporting venture).
- Dependency upon formula funding from the state.
- Annual cost.

Senator Rawson replied that he never considered the Board would treat dental students different from other students. He related that no special appropriations would be required. President Harter replied that the intent was for \$10 million/year in operating expenses, when fully enrolled. The hope was for an appropriation (via formula or line item budget allowance) similar to the Law School. If UNLV were to receive an appropriation similar to the nursing program, they could generate \$6,900,000 when fully enrolled. She added that tuition and the practice plans would generate \$8 million/year and they would need help with the remaining \$2 million/year. Dr. Ferraro reported that in FY06 (when the school is fully operational) dental school expenses would be \$10,129,310. Projected revenue earned through the practices and tuition was \$8,658,663, yielding a shortfall of \$1,459,647. If the dental school were formula funded they would have sufficient funds to run the dental school.

Regent Kirkpatrick asked about:

- Money spent on the WICHE students.
- When the decision was made to handle 75 students/year.
- State funds for the dental school.

Dr. Ferraro replied that \$14,800 would be spent on 40 WICHE students, some of which could be directed to the dental school. He related that the decision had been made a few months ago to serve 75 students/year. Dr. Ferraro related that \$4,927,000 would only account for one year of enrollments, adding that startup costs precede enrollments.

Regent Dondero asked about:

- The number of medical school students/year at UNR.
- The dental school being under UNLV and separate from the medical school.
- Quick care centers under UMC.
- Rent paid to UMC quick care centers.

President Crowley replied that the medical school enrolled 52 students/year. Dr. Ferraro replied that the dental school would operate separate from the UNR School of Medicine under the auspices of UNLV. President Harter related that the residency program had been placed with UNR since it was an accredited, health-related school. She indicated that the two programs may share similarities, but had not been compared. Dr. Ferraro related that the Enterprise Clinic would operate as a UMC quick care center. He stated that UNLV was hiring clinical faculty on salary to produce services. They may introduce a faculty dental plan resembling the medical practice plan at a later date, but they were taking a cautious approach. Dr. Ferraro related that UNLV would be an independent operator with salaried employees.

Regent Sisolak requested clarification of:

- Money paid for WICHE students.
- Impact of the culinary union pulling out or federal rule changes with Medicaid.

Dr. Ferraro replied that they currently spend \$14,700/student/year. There were approximately 47 dental students this year. He suggested they could participate as an importer of WICHE dental students. Dr. Ferraro related that it was possible that the customer base could change, but escape clauses had been established to prevent permanent liabilities. The culinary contract has an open enrollment period and has not assigned all of their patients to UNLV. They anticipate gaining patients, not losing them. The Medicaid model is unique in Nevada and is being studied by competitor states.

Regent Seastrand thanked those who spoke on behalf of the dental school and added his support for the dental school.

## **12. Information Only-Fire Science Academy, UNR Report – (Cont'd.)**

Regent Sisolak asked about:

- Rumor of a leaky membrane under one of the ponds.
- The zero-discharge permit (intentional violation).
- State awareness of fuel/oil/water discharge.
- EPA notification.
- Annual losses and sources of loans.
- A private enterprise venture operating under the auspices of the university, with students receiving no benefit.
- The source of the \$55 million figure (in danger of loss).
- Donations raised thus far.
- Damage to future litigation by continuing to operate the academy.
- 3rd party determination of liability.

Ms. Baclawski replied there was no truth to the rumor. Monitoring wells had been tested with no indication of leaks. The membrane is comprised of a 16 mil. liner typically used for containment of hazardous materials. She indicated that the intent of a zero discharge permit was to prevent upset of the water table, adding that they had requested warranty resolution. She stated that test results, requested last week as part of reporting requirements, had not been received. She indicated that the EPA had not been notified and reiterated they had not received any indication of environmental violation.

Dr. Crowley related that the \$750,000 had been loaned from two property funds (long-standing policy of property acquisition due to land-locked nature of the campus). The loan made no impact on the university's financial position. A third account utilized was designated for research equipment to fund new faculty startup/lab setup costs. The first

repayment was to be made to that account. He indicated the leases approximated \$3 million/year for 18 years. Ms. Jenny Frayer, Vice President/Treasurer-UNR Foundation, reported there is an 18-year lease payment commitment. Additionally, closing the facility would require security, perimeter fencing, and upkeep. Ms. Frayer reported that \$5,000 had been raised.

General Counsel Ray replied that liability would depend on the cause of the problem and who was responsible. If contaminates are touching the ground due to an inadequate design, the individuals who designed the facility would be responsible. He acknowledged that the problems must be fixed as quickly as possible. He related that All Star proposed a 3rd party would be hired (with appropriate expertise) to determine the problems, assign blame, and determine who is responsible to fix the problems. The UCCSN would be bound by that determination and hold All-Star harmless to any future litigation. He indicated that the best approach would be to get them to agree to fix the problems without litigation and he did not feel that All Star's proposal was acceptable.

Regent Kirkpatrick asked about:

-Project facility cost.

-August decision.

-Projections of loss (\$4 million since October 1999; \$750,000 more by August 2000).

Ms. Frayer reported that the project facility cost was \$18 million (buildings, prop field, underground infrastructure) plus \$9 million (architect fees, permits, marketing, development management fees and furniture), yielding a total cost of \$27 million.

Dr. Crowley related that, in January, he indicated that by August they would be in a position to bring forward a recommendation for handling the lease. He felt there was strong incentive for All-Star to fix the problems since they own the lease and have a substantial responsibility to take care of the problem. Dr. Crowley reported projections for a requirement of \$7.5 million in private fundraising, if enrollment projections are accurate. They have developed a donor list and are engaged in discussion with them. He indicated they were not prepared to reach a conclusion to close the facility.

Regent Seastrand asked about:

-Seasonality to enrollments (high in spring and fall).

-How to increase lower enrollment periods.

Mr. Simpson replied that training is seasonal. Refineries send firefighters/rescue workers to train March-June and again in September-October, and not during the holidays or summer vacations. He acknowledged that it was difficult to organize classes when family impacts attendance. Traditionally in the oil industry, January-February is a period of high maintenance when the refinery is completely shut down with a massive workforce working to get the facility back in operation. He suggested enrollments could be increased in slack periods by offering non-burning classes and classroom-based certification for managers and incident command (fire chiefs, managers, law enforcement, leadership classes for supervisors). Regent Seastrand encouraged the FSA to employ efforts in that direction, adding that he felt it possible to raise enrollment rates. Mr. Simpson commented that different classes burn different levels of fuel, with some classes burning no fuel. He stated that using the number of students/year to project gallons burned/year would be inaccurate. Fuel usage should consider which classes are taught and what resources are consumed.

Regent Gallagher asked whether the ARF (Airport Rescue & Firefighting) program was also cyclical. Mr. Verle Jarvey, Elko Fire Department, replied that it was not as cyclical, though they do try to avoid extreme hot/cold months. He added that SRK (the environmental consultant hired to perform environmental tests for the FSA) and fire



marshals report incidents to the EPA. Mr. Chris Jensen, Elko airport director and member of the Elko Fire Department, reported that every ARF department in the country must be retrained annually, which could fill in some enrollment gaps. In the California-Nevada-Utah region there are 900 ARF fire fighters.

Mr. Phillips asked about:

- Voiding the lease due to warranty issues.
- Other schools duplicating fire fighting training efforts.

General Counsel Ray stated that it was difficult to determine, since a set of facts would need to exist in order to void the lease. He offered to provide individual briefings on a confidential attorney/client basis.

Interim President Silverman stated that CCSN was not duplicating the effort, but could use the facility to enhance their training efforts. President Richardson stated that the Board should be aware that TMCC has had a fire technology program since 1972, and has competed with UNR for short-course training. The PricewaterhouseCoopers' report listed competitor colleges near Chico, California; Salem, Oregon; and Lansing, Michigan but did not cite TMCC. TMCC has competed for years with training industry and fire department personnel in hazardous materials, municipal fire fighting and rescue. Because of concerns raised with the approval of Carlin, he insisted that a memo of understanding be signed by both institutions to prevent competition with one another. That memo granted exclusive right to TMCC for wild land fire fighting training for governmental agencies. UNR was approached by BLM in December 1999, to provide such training. Had UNR approached TMCC and requested collaboration, they would have been willing to do so. He wrote President Crowley advising that he felt UNR's actions violated the agreement. President Crowley's response indicated that his sources believed that TMCC's activities were limited to Washoe County. Dr. Richardson stated that it was clear that TMCC was the regional BLM training center. Dr. Richardson then notified Dr. Crowley that he felt the agreement was null and had been violated. The FSA is offering a BLM working camp this summer. Washoe County is building a \$16 million Fire & Police Training Center near the Dandini campus, which TMCC will manage. TMCC will offer competitive programs. In December 1998, UNR's courses & curriculum committee approved 30 lower-division and upper-division courses for academic credit in crisis and emergency management. Questions regarding duplication and contact with the community college were answered inaccurately. President Richardson spoke to President Crowley about these courses and provided Continuing Ed Dean Ferguson with a list in November 1999 and never received a reply.

President Crowley responded to President Richardson's statements, stating that the agreement had taken a long time and there had been discussion about not offering courses for credit. TMCC's fire program director had previously worked at the FSA. He felt it unfortunate that TMCC felt the agreement was violated, adding that the Fire Academy welcomed the competition. Last summer there was a series of destructive wild land fires in the Carlin area. BLM approached Carlin personnel (who were not employed when the agreement was negotiated) regarding use of the facility for its proximity to wild lands. When Dr. Crowley was notified, he reminded the staff of the agreement with TMCC. BLM stated they were in contact with TMCC, but wanted to use the FSA facility because of its proximity to the wild land fire area. Since BLM was not planning on using TMCC, President Crowley accepted BLM's offer. Regarding the credits, UNR is not offering a degree program, the offer academic credit as a means of attracting enrollments. They are attempting to respond to President Richardson's letter by gathering data to determine whether the courses being offered should be lower/upper division. He noted that UNR would like to again develop cooperative relationships with TMCC for the good of the community.

Regent Alden asked about:

- The facility being used for multiple training purposes.
- Outreach to other countries.
- Future opportunities for DRI.

Ms. Baclawski agreed that increased enrollments would need to come from such areas, and marketing strategies were being researched in that direction. They anticipate a 15% market share that they would like to increase to 20% (4,500 students). She indicated they were also pursuing the mining industry. The Nevada Mining Association has partnered with the FSA on a task force to develop mine-specific training and a simulated underground mine prop.

President Wells agreed that opportunities exist for partnerships throughout the state (i.e. hazmat facility at the Nevada Test Site, Dow Chemical).

Regent Sisolak asked about:

- Additional expenses associated with new props.
- PWC's determination that TMCC was not a competitor.
- Receiving a copy of the SRK test results.

Ms. Baclawski replied that the only new prop under discussion was for the mining association. They were working through the task force for donations to various aspects of the prop, and were well aware there were insufficient FSA funds. Director of Internal Audits, Ms. Sandi Cardinal, related that Fred Hipwell indicated there were many thousands of these programs throughout the country and TMCC's program was not viewed as substantial competition. Ms. Baclawski observed that FSA's clientele was significantly different since they do not train municipal fire fighters, but had a strong industrial base. Ms. Baclawski replied she would send the report to President Crowley. President Crowley indicated it would be forwarded to the Chancellor's office.

14. Accepted Mission Differentiation Report – The Board approved a proposal from the Rand Corporation for an analysis of the Nevada higher education system. Dr. Nichols introduced Dr. Roger Benjamin from the Rand Corporation who reported:

- Nevada higher education system is in the forefront of the coming transformation.
- New knowledge-economy provides opportunities, but people need more skill levels.
- Globalization is good, but requires positioning at the top of the product cycle.
- Immigration brings many people with low educational assets.
- Enormous social/economic inequality problem in the U.S.
- Focus on what Nevada higher education will be about in the next decade.
- Clear understanding of more extraordinary growth in the future.

Dr. Benjamin stated that (in consideration of the new dental school), a 5-10-year projection should also include deficits in the nursing and allied healthcare fields, distribution issues with medicine, and spending money on professional schools vs. 4-year/graduate programs or community colleges technical areas. Rand Corporation tries to generate a sense of tradeoffs for a state and project future economic deficits with occupational needs, capacities for post-secondary education and how to meet future occupational needs. Rand Corporation helps project what types of institutions/programs would be required in the future.

- Continue to support programs of high quality.
- Which institutions/programs are essential to meeting goals for participation rates.
- Student demand.
- Cost.
- Comparative Advantage.
- Determine priorities and mission differentiation in order to pursue goals.

Regent Alden supported long-range planning. Dr. Nichols reported that the cost of Rand Corporation bringing this forward in January would be \$150,000. She suggested that salary savings from unfilled positions could be used to implement the plan.

Regent Alden moved approval of the Mission Differentiation Plan. Regent Rosenberg seconded.

Presidents Harter and Crowley felt it was a critical process and highly recommended Rand Corporation and their work. President Moore expressed his appreciation for Dr. Benjamin's work. President Lucey expressed her desire to support the plan without depriving the System of important financial support. Regent Sisolak asked whether there were other bids. Dr. Nichols replied there were not. She surveyed other states and their planning process, and found a consistent pattern of the most recent activities being done within the context of the work of the Rand Corporation. She approached Rand first (because there were not comparable entities) and negotiated this reduced price. She did not feel it necessary or appropriate to entertain an RFP process. Regent Sisolak stated that he could not support spending \$150,000 without using an RFP process. Regent Rosenberg suggested the Board should depend strongly on the experts they employ. He expressed his trust in Dr. Nichols and the Rand Corporation. Regent Hill asked whether Dr. Benjamin would remain in control of the project. Dr. Benjamin replied that he would. General Counsel Ray reminded the Board that they could assign contracts of any amount without benefit of an RFP process. Regent Seastrand asked about the impact of not filling vacancies in the System office. Dr. Nichols replied there were a variety of methods that could be employed. She stated that she would be willing to hold a position vacant if it were the only means of paying for this because she felt it was that important.

Chair Derby expressed her confidence in Dr. Nichols and urged the Board to vote in favor. Regent Kirkpatrick felt it wise to wait for the new Chancellor to hire their own staff.

Motion carried. Regent Sisolak voted no.

The meeting recessed at 7:10 p.m. and reconvened on June 23, 2000 at 8:10 a.m. with all members present except Regent Phillips.

As the meeting opened, Regent Gallagher asked to speak. She said that she owed an apology to the people of Elko for what happened the prior day with no word of protest. She expressed her embarrassment for the behavior of the Board, one of the presidents and Regent Sisolak. She felt it was not fair to the chair-elect and urged the behavior to stop. She stated that she would not tolerate the behavior and urged other Regents to do the same. Regent Sisolak did not feel that any of the presidents embarrassed themselves, adding that the presidents were merely advocates for their institutions.

**15. Information Only-ADA Facilities Planning** – In response to a Regent request to review issues surrounding the access of the disabled to educational facilities, the System offered a brief background on the planning process that identifies ADA-related projects. (Ref. D on file in the Board office)

Dr. Anderes related that the System felt the issue of handicap access was extremely important and considered the efforts undertaken by the institutions (planning and budget requests) quite good. Each institution provided a brief report on their efforts. An extended list (to be presented later) identified maintenance/renovation projects, including facilities in need of upgrade to meet ADA requirements. Each facility is reviewed in terms of age, program change, code requirements, ADA requirements, and life/safety concerns, which comprises the plan for the biennium. Regent Alden stated that he met with Mr. Jeff Guinn to specifically discuss ADA. Mr. Guinn met with UNLV's Pat Christianson to discuss ADA access at Thomas & Mack Center. He acknowledged that some things could not be repaired in a day. Regent Alden felt confident that the required changes would be made and asked whether each

campus had a 504 plan. Dr. Anderes replied that they either had one or were preparing one. Regent Alden asked that the 504 issue be addressed again in the fall, and congratulated UNLV for their efforts and progress.

**16. Approved Nevada State College Accreditation** - President Richard Moore discussed the accreditation process for the new State College and requested approval for a sponsoring institution for accreditation purposes.

President Moore related that in order to ensure a smooth accreditation, he recommended deferring the opening of the college to the second year of the biennium. He suggested hiring four faculty in the first year to make recommendations regarding degrees and degree programs, general education requirements, and a review of possible articulation agreements with the two universities and the community colleges. The proposed college would like to have strong relationships with both universities. He proposed the establishment of partnerships with UNLV to include joint programs and joint appointments of faculty members. The first two years of the biennium would be devoted to this effort. He proposed that UNR be the technical sponsoring institution for accreditation purposes (in order for students to receive financial aid they must be sponsored by an accredited institution). Dr. Moore anticipated eligibility of accreditation candidacy within one year.

Regent Gallagher moved approval of a partnership with UNLV to offer joint programs and/or joint appointments of faculty and a partnership with UNR as the sponsoring institution for accreditation purposes. Regent Hill seconded.

Regent Sisolak voiced his concerns:

- Why UNLV was not selected with its closer proximity.
- New president of UNR shouldering additional responsibility.
- Feelings of faculty and citizens of Clark County.
- Morale and image problems (competing institutions).

Dr. Moore replied that he felt it important to maintain close relationships with both institutions. Dr. John Filler reported that UNLV faculty had expressed a willingness to work with Nevada State College and would be happy to be the sponsoring institution. He indicated that the faculty stood ready to assist in any way.

Regent Kirkpatrick voiced his concerns:

- The burden imposed on an interim and/or new president at UNR.
- UNLV's desire to act as the sponsoring institution.
- UNR not logistically sound.
- Desire for more specific agenda item wording.
- Dr. Moore's preference for UNR over UNLV.

President Harter acknowledged that Dr. Moore's selection was a surprise and a disappointment since she and UNLV expressed the desire to sponsor the new institution. She felt the distance between the two institutions, combined with Dr. Crowley stepping aside as president, did not make UNR a logical choice. She felt it set up a competitive rather than a complementary pairing of institutions.

After a roll call vote the motion carried. Regents Alden, Derby, Gallagher, Hill, Rosenberg, Seastrand, and Wiesner voted yes. Regents Dondero, Kirkpatrick, and Sisolak voted no. Regent Phillips was absent.

President Crowley clarified that UNR did not seek the appointment, adding that UNR would do their best job in pursuing the obligation.

**17. Information Coordination of Legislative Lobbying** - A review of alternative lobbying approaches to the legislative session was provided. The Board previously requested input on options in coordinating lobbying, with specific attention on the role and responsibility of the System relative to the constituent units.

Dr. Anderes related that the ideal option for the next session would be to focus a coordination of lobbying through the System office with the Chancellor as the primary lobbyist. The System would develop strategies for a balanced approach of communicating Board budget requests, priorities, and legislative initiatives. The Chancellor would utilize institution representatives to uniformly review the information with legislators. A specific follow-up process would be created requiring feedback to the Chancellor's office from the presidents when institution representatives spoke/met with the governor and/or legislators. A better opportunity for success would be created with this sharing of information. Dr. Anderes recommended this more formal approach than what is currently in place, which would also make everyone aware of what is happening within all of the institutions. He related that the option continued to use the Chancellor as a focus with a strengthened process for information retrieval via the institution presidents and suggested Board discussion and adoption.

Regent Dondero asked whether the presidents had approved this plan. Dr. Anderes replied that they had. Regent Kirkpatrick concurred, adding that it had been required for quite some time. Regent Wiesner asked whether a specific outline had been prepared and requested one. Dr. Anderes related that one had not been prepared, but could be before he left.

**18. Approved Appointment, Interim Vice Chancellor, UCCSN** – The Board approved the appointment of Mr. Dan Miles as Interim Vice Chancellor for Finance and Administration, for the period July 1, 2000 to June 30, 2001, at a base salary of \$130,000.

Dr. Nichols reported that Mr. Miles had been the head of the LCB fiscal division and would be extremely helpful during the next legislative session. She indicated that the salary was in line with what he currently earned in overtime during session.

Regent Kirkpatrick moved approval of the appointment. Regent Hill seconded.

Regent Sisolak asked whether a search had been conducted or other candidates had been considered. Dr. Nichols replied they had not since it was an interim appointment in a crisis situation. She assured him a search would be conducted for a permanent position. Regent Sisolak expressed concern for the lack of searches and the level of the salaries. He was aware of the salary schedule, but felt the salary issue required further review. Regent Rosenberg agreed in part, but felt it was fine since it was a one-year appointment on an interim basis. No permanent appointments were being made in the absence of a permanent Chancellor. When asking people to give up jobs, with no promise of further employment after the appointment runs out, he was comfortable with the recommendation. Regent Dondero stated the salary was comparable with like institutions for the level of expertise required.

Motion carried. Regent Phillips was absent.

**19. Approved Appointment, Interim Vice Chancellor, UCCSN** – The Board approved the appointment of Dr. Sherwin Iverson as Interim Vice Chancellor for Academic and Student Affairs, effective July 1, 2000, at a base salary of \$107,852. Dr. Nichols reported that it was a 10% increase in salary, adding that he would revert to the Associate Vice Chancellor position when she returned to her Vice Chancellor position

Regent Hill moved approval of the appointment. Regent Dondero seconded. Motion carried. Regent Phillips was

absent.

Dr. Nichols noted that institutional research was extremely important and Dr. Iverson played a pivotal role in that effort. Ms. Tamela Gorden will assume additional duties in this area as well. Dr. Nichols announced that Dr. Silverman loaned Dr. Chris Chairsell to the System, where she will serve as Associate Vice Chancellor for Academic and Student Affairs for one year.

**20. Approved Appointment, Vice President, UNLV** – The Board approved the appointment of Mr. Anthony Flores as Vice President for Finance, effective July 1, 2000, at a base salary of \$143,267. (Ref. E on file in the Board office)

Regent Wiesner moved approval of the appointment. Regent Hill seconded.

Regent Sisolak asked whether a search had been conducted. Dr. Harter replied that they conducted a national search.

Motion carried. Regent Phillips was absent.

**21. Approved Appointment, Vice President, WNCC** – The Board approved the appointment of Dr. Stanley G. Aman as Vice President for Academic & Student Affairs, effective August 1, 2000, at a salary of \$109,686. (Ref. F on file in the Board office)

President Lucey related that he was the unanimous search committee choice following a national search. He has a substantial publication record and great success in the acquisition of grants and contracts.

Regent Kirkpatrick moved approval of the appointment. Regent Gallagher seconded. Motion carried. Regent Phillips was absent.

**22. Approved Appointment, Vice President, DRI** – The Board approved the appointment of Mr. Alan L. Austin, Jr. as Vice President for Finance and Administration, effective July 1, 2000, at an annual salary of \$140,004. (Ref. G on file in the Board office)

Regent Dondero moved approval of the appointment. Regent Hill seconded.

Regent Sisolak asked whether a search was conducted. President Wells assured him that a national search was conducted.

Motion carried. Regent Phillips was absent.

**23. Approved Appointment, Interim Vice President, UNLV** – The Board approved the appointment of Dr. Rebecca A. Mills as Interim Vice President for Student Life, retroactive to May 20, 2000, at a salary of \$127,500. (Ref. H on file in the Board office)

President Harter explained that, while a national search was being conducted, she desired someone with experience in Dr. Ackerman's absence.

Regent Dondero moved approval of the appointment. Regent Rosenberg seconded. Motion carried. Regent Phillips was absent.

**24. Information Only-Presidential Compensation** - Salary adjustments for presidents were brought forward for discussion, with action likely to be taken at the August meeting.

Dr. Anderes provided a handout (on file in the Board office) illustrating the salary recommendations, based on annual and periodical evaluations, on which merit is based. He noted that each president's salary was frozen during the prior year, adding that he recommended no more than 5% salary adjustments for individuals receiving a periodic evaluation (3-4 years). The 5% figure was derived from a 2.5% increase over the last two years. Individuals receiving annual evaluations were recommended for a 2.5% increase. A 3-tier system was utilized (outstanding/commendable/satisfactory), with no increase recommended for satisfactory performance. He clarified that, even with the increases, the presidents remain below the median of the System salary schedule (national average). He related that two presidents (Moore, Silverman), were not recommended for salary increases due to their time in title and not because of their performance. He stated that no evaluation was prepared for Dr. Crowley, who would be retiring. Dr. Anderes related that the Board could agree to different recommendations:

- President John Richardson - received a very strong periodic review and was given high marks in a number of areas; a 5% merit increase was recommended.
- President Carol Harter – periodic review performance was commendable; reflected on a number of areas of strengths and areas for improvement; was well beyond satisfactory; a 3% merit increase was recommended.
- President Ron Remington – received an excellent review on his periodic evaluation; a 5% merit increase was recommended.
- President Carol Lucey - very strong annual review; warranted an outstanding; willingness to pursue challenges; admirable service; 2.5% merit increase recommended.
- President Stephen Wells – outstanding annual review; was challenged by organizational issues in his first year as president; a 2.5% merit increase was recommended and a 1-year extension of his contract with another annual review to get him in sync with the other presidential reviews.
- President Joseph Crowley – no review process conducted. His contract expires at the end of June. Contract revisions are recommended for the extension of his contract as president of UNR with other potential options.

Regent Rosenberg expressed his respect for all of the presidents. He stated that he would make a motion at the next meeting to freeze salaries again for another year, in an effort to display a commitment to the governor that the UCCSN was attempting to hold down costs. Dr. Anderes replied that, in spite of external factors that could justify freezing salaries, he felt the performance of the presidents warranted the increases recommended. The salary study revealed that salaries were below the median in the market place. He stated it would be difficult to rationalize not supporting the increases due to exceptional presidential performance under difficult circumstances, adding that it should be given more weight than public perception. He reminded the Board that it would be the second year with no increase for the presidents, adding that their performance justified the increases recommended.

Regents Sisolak asked about consistency in percentage increases, adding that it could be misinterpreted. He observed that other salaries could be frozen as well, and expressed confusion that some presidents earned less than some vice presidents. Dr. Anderes replied that differences in salaries were reflective of levels of responsibility. A conscious effort was made to move away from subjective raises with the salary analysis and felt the recommendations were legitimate. The 5% increase related to presidents who had been in position for 3-5 years and did not receive an increase last year. The 2.5% increases were recommended for presidents in position for less than two years. The only subjective recommendation was 3% vs. 5% for outstanding vs. commendable.

Regent Seastrand asked the presidents to consider viable suggestions for Board consideration. Regent Dondero asked whether the size of a campus determined the recommended raise. Dr. Anderes replied that the size of an

institution had some implication, but the analysis was based upon a performance evaluation tied to the salary schedule. He felt that the salary ranges addressed size only in a broad sense.

**25. Information Only-Campus Salary Report** - Interim Chancellor Tom Anderes reported on Vice Presidents' and Deans' salaries. (White Packet #24 on file in the Board office)

Dr. Anderes reported that vice presidential salary increases were mostly performance related, though there were a few equity issues. All vice presidential salaries were at or below the median salary range. Almost all of the deans' salaries were below the median. DRI had a few above the median, but the salary review had a difficult time finding comparable positions/duties for DRI. Dr. Anderes felt the salary ranges were reasonable based on the market place.

**26. Information Only-UCCSN Cabinet Contracts** -

A. Chair Jill Derby provided a report on the evaluations of General Counsel Tom Ray and Chief Administrative Officer Suzanne Ernst. Contract adjustments would be presented to the Board for consideration/action in August.

This was the first year the Board evaluated these two officers. Regents Derby and Dondero contacted the Board, and found they both exhibited outstanding performance. Ms. Ernst stepped in when three major vacancies occurred (Chancellor, Deputy to the Chancellor, and Secretary to the Board). She executed a smooth transition with a tremendous amount of work. The Board also recognized the services of General Counsel Tom Ray. Litigation status is in a much better place than one year ago and he has made good hires. A 5% merit increase was recommended for each of them based on their outstanding evaluations. Both officers are understaffed and do outstanding work.

B. Interim Chancellor Tom Anderes reported on the evaluations of Executive Director of System Computing Services Davan Weddle and Director of the University Press Ron Latimer. Contract adjustments would be presented to the Board for consideration/action in August.

Dr. Anderes related that Mr. Weddle provided extremely strong performance in an area that is intensively competitive, costly, and demanding. His salary was substantially below the market for his position in a very competitive market. Mr. Weddle did not receive an adjustment last year and fell even farther behind his peers. A 10% merit increase was recommended for an outstanding review with an equity adjustment (bringing his salary to \$123,610). Mr. Ron Latimer has also done a very good job with commendable performance in bringing the University Press into a more positive revenue situation. He also received no raise last year. A 4% merit increase was recommended.

The meeting recessed at 9:15 a.m. and reconvened at 9:25 a.m. with all members present except Regent Phillips.

**27. Approved President's Contract, UNR** - The Board considered and made a decision regarding President Joe Crowley's contract, extending it to June 30, 2001, including job assignment, employment terms and conditions.

The terms presented included:

- Continuation as President of the University of Nevada, Reno at the same salary (\$202,069) for the period July 1, 2000 to December 31, 2000.
- Appointment as UCCSN Lobbyist for the period January 1, 2001 to June 30, 2001 at a salary at the mid point between his presidential salary and his eventual academic faculty salary (\$158,535). Perquisites associated with the office of president, including but not limited to automobile, housing and host allowances, would not



continue after January 1, 2001. Office space and support staff to be provided by System Administration.

Regent Hill moved approval of President Crowley's contract, including job assignment and employment terms and conditions presented. Regent Wiesner seconded.

Regent Sisolak requested a copy of the paperwork and voiced his concerns:

- Job function from January 1, 2001 through June 30, 2001.
- Newly created position of System Lobbyist.
- Lack of a national search or open application.
- Lack of agenda language notifying the public of the position.
- Presidential and Faculty Senate feedback regarding the appointment.
- The source of funds to pay the position.

Chair Derby replied that Dr. Crowley would be the System lobbyist for the time period requested and that it was a new position. She indicated there were some parallels with an interim appointment. The System identified qualifications for the position as someone very familiar with System budgets and legislative procedure. A concern exists that the newly appointed Chancellor would not have the depth of experience/exposure that Dr. Crowley possesses. She felt it an opportunity where the perfect person was willing to serve in that capacity.

Dr. Anderes related that it provided a transitional opportunity. The new Chancellor may/may not decide to have a System lobbyist, but in the interim the System would need a seasoned alternative to provide leadership during the session. Were the position permanent, a search would be warranted, but for a short-term appointment it would be an exercise in futility.

General Counsel Ray stated that the agenda item described the action being contemplated as the extension of President Crowley's contract and discussion of his duties. He felt the description satisfied the minimum requirements of the Open Meeting Law. Dr. Derby related that searches are time-consuming and costly. While the System utilizes full searches for permanent positions, vacated positions must be filled in a timely manner.

All of the presidents spoke in favor of the appointment of Dr. Crowley as System Lobbyist.

Dr. Anderes reported that a combination of vacancy savings and the System self-supporting budget would be used to fund the position.

Regent Kirkpatrick expressed his support for having one representative for the System and asked about:

- The organizational structure of the position.
- Whether institution lobbyists would report to that position.

Dr. Anderes felt the System Lobbyist should be consulted regarding the approach used during the transitional period. In the long-term, the Chancellor would be the lobbyist. It would be very difficult for a new Chancellor to be successful and to have an impact. All information should be focused through the Chancellor, with Drs. Nichols and Crowley developing a strategy and coordinating information.

Regent Seastrand questioned the need for a System lobbyist and asked Dr. Crowley if he would be independent and represent every institution and the System's priorities. Dr. Crowley replied that he was not applying for the job, but had offered his services because he felt he could be useful for the System. He assumed that responsibility at the request of the 1979 chair when there was a serious problem in the legislature. For many years he has taken the

responsibility to attend to System priorities in the legislature, feeling it was good politics to do for the System what he was trying to accomplish for his own institution. He strongly believed that the Chancellor should lead the System through the legislature, and would regard his responsibility to the Chancellor and to be guided by the Chancellor. He would visit with each campus to gain a full understanding of each institution's needs and would view himself as working for the presidents as well. He acknowledged that it would be a tough job, but felt up to the challenge. He made the offer because he thought he could help, adding there would be no hard feelings if the Board did not appoint him. The institution representatives would not report to him. He would meet with them periodically to review priorities.

Regent Kirkpatrick felt it imperative to develop a reporting point for the position. Dr. Crowley replied the position would report directly to the Chancellor, and suggested that a better title could be developed as well. Regent Kirkpatrick asked whether a policy would be developed. Dr. Nichols suggested that the new position would coordinate the lobbying efforts on behalf of all the campuses and with their representatives. She offered to bring forward an organization chart (to be developed by Interim Chancellor Anderes) and recommendations for the operation of and a title for the position at the next meeting.

Regent Gallagher expressed her confidence in Dr. Crowley's ability to represent the System in an effective manner.

Regent Sisolak asked whether there would be 9 lobbyists present at the next session (one from each institution plus the System). Dr. Anderes replied that it was possible, but the institution lobbyists would work more cooperatively with the System representative. It would be important to coordinate individual efforts to create a unified strategy keeping Board priorities in mind. The Chancellor would need to be informed when the presidents and/or institution lobbyists spoke to the legislature, as that awareness would benefit all of the institutions.

Regent Wiesner requested an agenda item prohibiting institutions from contracting with professional lobbyist firms. General Counsel Ray suggested it be put on the next agenda.

Regent Kirkpatrick wanted a policy developed that guided the activities for the next legislative session. He expressed his support of Dr. Crowley's integrity as the System's lobbyist.

Regent Seastrand suggested that staff bring forward recommendations to the Legislative Liaison committee proposing a structure and reporting lines in concert with recommendations proposed by Drs. Anderes and Nichols. Regent Wiesner reiterated that each campus should not hire lobbyist firms with the plans set forth that day. Dr. Harter clarified that several institution had full-time lobbyists on staff that do considerable work when the legislature is not in session, which was different from hiring a firm. Regent Wiesner agreed, adding that he was not interested in eliminating existing positions but in preventing the hire of professional lobbying firms. Regent Sisolak observed that it would benefit each institution to have a representative on the payroll, who would then register as a lobbyist. Dr. Crowley observed that most institutions have one person in some form, but there had never been a formal coordinated process. He related that those people provide access and necessary information. He related that there was a greater advantage to call upon institution presidents periodically as well. He did not want to eliminate a valuable resource, but felt it was different from contract lobbyists. Regent Alden related that, last session, five people displayed exemplary service: Dr. Crowley, Dr. Moore, Mr. Rick Bennett, Mr. Bob Dickens, and Dr. Jim Richardson. They worked diligently for the System and were supported by the efforts of Drs. Nichols and Anderes.

Motion carried. Regent Sisolak voted no. Regent Phillips was absent.

Dr. Crowley thanked the Board for the appointment and assured them he would work diligently for the entire System. Regent Sisolak stipulated that his vote was not directed against Dr. Crowley.

**28. Tabled Partnership: Nevada Community Enrichment Project, CCSN** – The Board tabled action on the approval for CCSN to negotiate an agreement with the Nevada Community Enrichment Program (NCEP) to lease 5 acres of land on the Charleston campus, where NCEP would build a full-service rehabilitation facility and eight residential apartments. (Ref. L on file in the Board office)

Dr. Robert Silverman related that the new project would expand and enhance education programs in the health and technology fields. CCSN was approached by Assemblyman Goldwater and others to work with a group of partners to develop the proposal. Tobacco revenues would be used for startup of the project. It would serve as workforce development by training the trainers of people working in physical therapy programs and was consistent with the academic master plan and academic program. It would also help meet unmet state needs by training untrained workers and clients. Clients would be housed in six residential units used as a transitional facility. 24-hour experience would be provided to those in occupational/physical therapy fields on a 5-acre parcel of the 80-acre W. Charleston campus. Negotiations have begun with the legislature regarding additional state land available between Campus Drive and Jones. The project would cost \$5 million to build, with a 50-year lease, and a business plan addressing a means of operating the business over time. He provided a copies of the business plan to the Regents.

Regent Gallagher expressed her concerns:

-Insufficient to study the business plan in detail.

-Allowing an interim President to create a program prior to the hire of a new president.

Regent Sisolak asked whether the money was time sensitive. Assemblyman David Goldwater replied that there was no time sensitivity to the \$5 million for the life transition center, which was an allocation from the tobacco settlement. He felt it provided unparalleled advantage for services to the disabled and consolidation of services with an educational component. The \$5 million has been procured and the building needs to be built. They are using a steering committee to accelerate the approval process. He related they needed to find land on which to build and did not want the process delayed with a lengthy decision-making process. Regent Rosenberg requested time to study the business plan and asked whether the item could be tabled to the August meeting. Assemblyman Goldwater replied that it could wait. President Silverman related that he had not intended to limit the decision time, adding that he would return with a negotiated contract for approval and had no intention to enter into a firm contract at this time. Regent Kirkpatrick agreed that more information was required with future impacts to the use of campus land and development.

Regent Kirkpatrick moved approval of tabling a decision on the partnership to the August meeting. Regent Rosenberg seconded.

Regent Hill noted that the action was to provide Board permission for Dr. Silverman to negotiate an agreement and not to enter into one.

Regents Kirkpatrick and Rosenberg withdrew their motion and second.

Assemblyman Goldwater affirmed that Regent Hill was correct. Regent Dondero related that she had spoken with Assemblywoman Barbara Buckley and Dr. Silverman, and felt there were many questions to be answered (financial plan/the director/state vs. campus jurisdiction). Regent Sisolak agreed with Regent Hill's assessment of the proposed action. Mr. Alden observed that it was a bipartisan legislative initiative approved almost unanimously. He agreed that the Board was authorizing negotiation of an agreement and not the signing of one. Mr. Goldwater related that the steering committee determined a number of proposed sites. Upon discovery of the community college site, they hoped to ascertain whether this proposal was inconsistent with their mission. Regent Alden expressed his support of the project. Regent Gallagher expressed concern for negotiating a business deal prior to ascertaining

Board desire for the project. She felt she had insufficient knowledge to make an informed decision.

Regent Hill asked about:

- Patients incapable of doing things on their own.
- The facility posing a danger to the campus community.
- What security measures would be required.
- Contractual concerns regarding the project moving to another site.
- System control of the area around the building.
- How many students were anticipated.
- General operation of the program.

Mr. Goldwater replied that clients were physically disabled. Mr. Goldwater and Dr. Silverman felt it was consistent with CCSN's mission. Emotionally disturbed/behavioral problems would not be served (only brain injuries/neurological problems). Regent Rosenberg was concerned this might fall under the jurisdiction of the System's new Allied Health position. He proposed approval of informal conversation between the parties until the next meeting. General Counsel Ray stated it would require a motion to table.

Regent Kirkpatrick moved approval to table the item to the next meeting. Regent Gallagher seconded. The motion carried. Regents Alden and Sisolak voted no. Regent Phillips was absent.

**29. Approved President's Contract, GBC** - The Board considered and made a decision regarding President Ron Remington's contract, including employment terms and conditions. Dr. Anderes recommended a 3-year contract extension to June 30, 2003 in view of President Remington's strong periodic evaluation.

Regent Dondero moved approval of a 3-year extension of President Remington's contract to June 30, 2003. Regent Rosenberg seconded. Motion carried. Regent Phillips was absent.

**30. Approved Presidential Leave, GBC** - Board policy (Title 4, Chapter 3, Section 11, Presidential Leaves) states that UCCSN presidents are expected to take periodic leaves consistent with certain provisions. Presidents are eligible for full semester leaves, at full pay, after their first six years of service and may opt for a three-month leave at such time. President Ron Remington has served as president of Great Basin College for eleven years. The Board approved his request for a 3-month leave. The objective of the leave is to develop a model for professional development of teachers in the Great Basin College service area. Mr. Stan Aiazzi will assume the presidential responsibilities during the leave period. Dr. Remington will provide a report to the Board at the completion of the leave and return to his duties at GBC for a period of at least one year according to policy.

Regent Kirkpatrick moved approval of the presidential leave for President Ron Remington. Regent Rosenberg seconded.

Regent Kirkpatrick noted that Dr. Remington had agreed to continue his participation with the Chancellor search committee.

Motion carried. Regent Phillips was absent.

The meeting recessed at 10:45 a.m. and reconvened at 10:55 a.m. with all members present except Regent Phillips.

**31. Approved Capital Budget Priorities 2001-2003** - The Board reviewed and approved the capital improvement

project priorities for the 2001-2003 capital budget. The maintenance and renovation request were also reviewed and approved. (Ref. I on file in the Board office)

Dr. Anderes explained the need to move Board's priorities forward to the governor, the public works board, and ultimately the legislature. He reviewed the 20 projects arrayed in System order. \$218.4 million in state funding and \$304.8 total with all funding sources. Projects being considered for non-general state fund sources were itemized for the governor and the legislature. These projects could be funded with student fees, donations, or other non-state sources and only the universities have requested such projects.

Dr. Anderes noted the oversight of a review of Mesquite (\$75,000 provided by the legislature for the study). The study is nearing completion with a recommendation anticipated for the August meeting. He suggested the addition of this as the #20 priority in anticipation of a \$5 million High Tech Center.

Dr. Anderes recommended \$15 million in slot tax revenues for maintenance and renovation projects under \$500,000. He recommended use of the slot tax at the \$15 million level with an additional \$5 million in state general funds to address the \$52 million requirement.

A discussion ensued regarding the priority rankings relative to institution and student needs . Dr. Anderes related that the budget would expose the governor, legislators, and others to System-wide actual needs.

Regent Seastrand moved approval of the 2001-2003 Capital Budget Priorities as presented with the addition of \$5 million for Mesquite. Regent Gallagher seconded. Motion carried. Regents Kirkpatrick and Sisolak voted no. Regent Phillips was absent.

**32. Tabled Community College Faculty Salary Schedule** - The Board tabled action on recommendations by the Blue Ribbon committee concerning the community college faculty salary schedule. The Board approved salary schedules for other faculty and staff at the May meeting. Dr. Nichols related that a recommendation had been received from the Blue Ribbon committee, but they were experiencing difficulty in implementing it and recommended tabling action to the August meeting.

Regent Seastrand moved approval of tabling action on the community college faculty salary schedule until the August meeting. Regent Kirkpatrick seconded. Motion carried. Regent Phillips was absent.

**33. Approved Collective Bargaining Agreement, TMCC** – The Board approved the collective bargaining agreement between UCCSN/TMCC and TMCC/NFA for the period from July 1, 2000 to June 30, 2002.

Regent Gallagher moved approval of the collective bargaining agreement for TMCC. Regent Kirkpatrick seconded. Motion carried. Regent Phillips was absent.

**34. Approved Consent Agenda** – The Board approved the Consent Agenda:

(1)Approved Minutes – The Board approved the minutes of the special meeting held May 9, 2000.

(2)Approved Tenure Upon Hire, UNLV – The Board approved tenure upon hire for the following individuals as recommended by President Carol Harter:

Effective July 1, 2000

Dr. Lee Bernick, Chair, Department of Public Administration

Dr. Ralph Reynolds, Chair, Department of Educational Psychology

Effective August 1, 2000

Professor Patrick Carlton, Department of Educational Leadership

Professor Bruce Markell, Boyd School of Law

Professor Alan Schlottman, Department of Economics

Associate Professor Tom Sharpe, Dept. of Health & Physical Education

Professor Robert Woods, Department of Hotel Management

(3)Approved Tenure, UNR – The Board approved tenure for Dr. Charles T. Coronella, effective July 1, 2000. Dr. Coronella has been promoted to Associate Professor effective the same date. (Ref. C-3 on file in the Board office)

(4)Approved Vice Presidential Transition, UNLV – The Board approved, in accordance with Handbook, Title 4, Chapter 3, Section 21, a request for reassignment for Dr. Robert Ackerman to a teaching position in the College of Education, following his 14 years of excellent service as Vice President for Student Services. The terms and conditions of the transition were provided. The Board also approved Dr. Ackerman's request for a partial professional development leave before he assumes the duties of a full time academic faculty member. The duration of the leave is to be one semester (Fall 2000). No other expenses related to the leave were recommended.

(5)Approved Vice Presidential Transition, UNR – The Board approved, in accordance with Handbook, Title 4, Chapter 3, Section 21, a request for reassignment for Dr. Kenneth Hunter to an academic faculty position in the Department of Microbiology in the School of Medicine, following his 11 years of excellent service as Vice President for Research and Dean of the Graduate School. The terms and conditions of the transition were provided. (Ref. C-5 on file in the Board office).

(6)Acceptance of Building, UNLV - In October 1998, the Board of Regents granted approval for the UNLV Foundation to proceed with construction of a facility to house its operations on the UNLV campus. The Board accepted the UNLV Foundation Building as a gift to the UCCSN Board of Regents on behalf of UNLV.

·UNLV Foundation Building

·23,300 sq. ft.

·Type 5 Non-rated Construction

·\$4,200,000 Estimated Building Value

·\$960,000 Contents on Loan to UNLV

·April 24, 2000 Move-in Date

(7)Approved Capital Improvement Fee Funds, CCSN – The Board approved the use of Capital Improvement Fee funds for the following projects: (Ref. C-7 on file in the Board office)

Gas Pump Fleetkey System, Cheyenne campus\$8,651.75

Radiowave/Wireless System\*\$15,000.00

TOTAL:\$23,651.75

\*To replace the current two-way radio system, which does not have the range necessary to cover CCSN's service area.

(8)Approved IFC Approval to Expend Additional Estate Tax Funds in FY 2001 for the Nevada Student Incentive Grant Program – The Board approved seeking Interim Finance Committee approval to expend within the Special Projects Budget additional estate tax funds in the amount of \$56,000 as a match to federal funds to be used to increase the dollar amount of grants awarded under the program to students who demonstrate financial need. (Ref. C-8 on file in the Board office)

(9)Approved Contract Revision – The Board approved an amendment to the existing contract with Wells Fargo Bank to include provision of credit card processing services for all UCCSN institutions through the year 2003.

(10)Approved Easement, UNR – The Board approved an easement requested by Nevada Bell to allow them to install a fiber optic litespan cabinet on the northwest corner of the UNR campus. The cabinets are part of Nevada Bell's project to provide Reno and Sparks with high speed ADSL fiber optic telecommunication service. Nevada Bell will pay the university \$5,000 for this easement. (Ref. C-10 on file in the Board office)

(11)Approved Handbook Change-Operating Policy, Rebel Yell Newspaper, UNLV - The Board approved amendments to the Rebel Yell newspaper operating policy. The operating policy has been reviewed by System Counsel and has been endorsed by the Rebel Yell Advisory Board. (Ref. C-11 on file in the Board office)

(12)Approved Handbook Change-Amendment, UNLV Bylaws – The Board approved an amendment to the UNLV Bylaws, Chapter 1, Section 4.6.12. The new language conforms to advice provided by System legal counsel regarding the authorized scope of the Faculty Senate Grievance Committee. Specifically, the amendment removes the consideration of student grievances from the charge of the committee. (Ref. C-12 on file in the Board office)

(13)Approved Handbook Change-Bylaws & Articles of Incorporation, UNLV Research Foundation - At its October 1999 meeting, the Board approved a motion to permit UNLV to proceed with the creation of the UNLV Research Foundation. The Board approved the Bylaws and Articles of Incorporation for the UNLV Research Foundation. These documents have been approved by the Board of Trustees of the UNLV Foundation and have been reviewed by General Counsel Tom Ray. (Ref. C-13 on file in the Board office)

(14)Approved Handbook Change-School of Medicine Resident Salary, UNR – The Board approved the stipend recommendations for 2000-2001, Title 4, Chapter 7, Section 3. These recommendations are in fact the increases that the SOM has been able to negotiate with affiliated hospitals, which reimburse the SOM for almost all of these costs. The policy regarding resident salaries is to set Nevada salary rates at the national 50th percentile level. The affiliated hospitals agreed to a 3% salary increase this year, though an increase of 6% would have been required to match the national average.

Recommended

Post-MD Year	1999-2000 Salary	2000-2001 Salary
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1	\$34,000	\$35,000
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235,700	36,750	
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337,400	38,500	
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439,100	40,250	
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540,750	41,950	
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(15)Approved High Speed Research Network Last Mile Connection Easements, UCCSN – The Board approved UCCSN to execute easement agreements with Sierra Pacific Communications (SPC) on behalf of its member institutions the DRI, UNR and UNLV in order to complete construction of last mile communications connections to the national High Speed Research network (Internet 2). These connections are necessary to access the Williams communications capacity provided under the joint agreements between Williams, UCCSN, the Nevada Department of Transportation (NDOT), and the Nevada Department of Information Technology (DoIT). (Ref. C-15 on file in the Board office)

Regent Alden moved approval of the Consent Agenda. Regent Gallagher seconded.

Regent Sisolak questioned spending on item (8) (IFC Approval to Expend Additional Estate Tax Funds in FY 2001 for the Nevada Student Incentive Grant Program). Dr. Anderes explained that the Estate Tax was a separate funding source. Salary savings from the previously vacant Associate Vice Chancellor position were reallocated for this purpose to match federal funds. He assured the Board it would be presented to the IFC for approval.

Motion carried. Regent Phillips was absent.

**35. Approved Naming of Facilities, CCSN** – The Board approved naming the baseball complex at the Henderson campus, 'Lied Field'. The Lied Foundation Trust, under the direction of Christina Hixson, pledged \$700,000 to complete the baseball facility.

Regent Alden moved approval of the naming of the facility. Regent Rosenberg seconded.

CCSN Athletic and Foundation Director Mike Meyer reported pledges for the soccer complex and baseball field, adding that a \$1 million gift was anticipated to build the women's soccer field.

Motion carried. Regent Phillips was absent.

**36. Approved Nevada Innovation Center, UNLV** – The Board approved UNLV to enter into a cooperative agreement with NTS Development Corporation (NTSDC) and the Nevada Development Authority (NDA) to establish the Nevada Innovation Center. The center is designed to contribute to the business development of the state by supporting the formation and growth of businesses based on science and technology.

Regent Seastrand moved approval of the Nevada Innovation Center at UNLV. Regent Alden seconded. Motion carried. Regent Phillips was absent.

The meeting recessed at 12:00 noon and reconvened at 1:00 p.m. with all members present except Regents Alden, Phillips, and Rosenberg.

**37. Approved Operating Budget Priorities 2001-2003** - The Board reviewed and approved a revised set of operating budget priorities for the 2001-2003 operating budget request. Vice Chancellor Jane Nichols reviewed the new formula funding models approved by the Committee to Study the Funding of Higher Education (SB 443) and discussed the ramifications of this process on the operating budget request for the next biennium. She also presented the proposed budget for the 2001-2003 biennium for discussion and approval.

Dr. Nichols reported on the construction of the budget request in a new format:

- Governor Guinn's budget request:
  - Request is only the base budget.
    - Is it necessary/essential'
    - Is it done right/effective'
    - Is it done in the most cost-effective way possible/efficient'
  - Ask if you can reallocate within existing budget to fund any new requests.
    - All campuses conducted fundamental reviews of all programs.
    - All campuses identified places where reallocation/efficiencies occurred and could occur in the future.
    - Examined use of non-state funds for other sources of funding.
    - All programs examined for essential nature and benefit to the state.



- o Areas of Efficiency:
  - Libraries.
  - SCS.
  - Paperless Purchasing.
  - Electronic Registration.
  - TQM (total quality management) efforts on each campus.
- o Areas Requiring Further Study:
  - Student tuition/fees; particularly out-of-state and tuition breaks.
  - Study effective and efficient use of space.
  - Study recruitment and search costs for professional positions.
  - Re-examination of system wide economies related to programs (Distance Education, Business Functions, Personnel, Purchasing, Software Purchase and Licensing).
  - Battelle Study (how higher education best contributes to state's economic growth/diversification).
  - Rand Study (most effective/efficient way for higher education to meet access needs of a growing state).
- o Grow Effective Use of Non-State Funds to Support Higher Education:
  - Source of funding/funding share.
  - Caseload growth.

Regents Alden and Rosenberg entered the meeting.

- Student enrollment.
- Services to the state.
- Research & Technology transfer.

- o Request New Initiatives and Programs:
  - Cannot be funded out of reallocation.
  - Requested in priority order.
  - Identity benefit to the state.
- o Request for funds that fall outside the state general operating fund.
- Continued unparalleled enrollment growth.
- New Formula Study:
  - o Establish new funding formula.
  - o Revisit 14-year old formula.
  - o Operating budget funding growth 1994-2000.
- New Formula Addresses Equity Through:
  - Use of a separate salary and cost factor for like campuses (instead of average cost).
  - Establishes identical salaries for new positions.
  - Establishes an equity pool for salary adjustments for UNLV.
  - Establishes identical student/faculty funding ratios for universities and community colleges at the lower-division level.
- New Formula:
  - Discriminates better on differential costs by program.
  - Uses a 3-year weighted rolling average.
  - Includes technology costs.
  - Funds at a base level the services for students with disabilities.

- Requests return of indirect cost recovery (was not successful).
- Sets aside money for competitive performance funding (2% goal).
- Success dependent on:
  - Flexibility in expenditures by budget category.
  - Greater accountability for success in use of funds.
  - "Hold Harmless" funds to protect institutions until the formula yields dollar amounts equal to current funding.

Dr. Nichols reported that the base budget request totaled \$919.2 million, with automatic adjustments for new O&M, merit/step increases, and other contractual agreements of \$34.7 million. The total adjusted base budget totals \$953.9 million. COLA adjustments were requested at a rate no less than the rate authorized for other state personnel (3%/year).

- #1 Priority – Caseload Changes
  - Formula-generated instruction and support-\$56.87 million based on enrollment growth of 15.5% for the biennium.
  - Governor's projected budget is based upon 4% growth/19.75%(believed low).
- # 2 Priority – Enhancements within current programs based on enrollment growth and demand for services (non-formula funded) totaling \$14.06 million.
  - Law School.
  - Medical School.
  - SCS.
  - Statewide Programs.
  - Other.
- Total Enhancement Request = \$70.93 million.

Dr. Nichols related that the Board must prioritize the following new programs/initiatives:

- Nevada State College = \$5.20 million.
- Dental School = \$1.81 million.
- Great Basin College = \$0.60 million.
- School of Pharmacy = \$2.82 million.
- One-Shot Dollars Request for Funding:
  - Hold Harmless/New Formula = \$0.65 million.
  - SCS Equipment = \$4.40 million.
  - Non-formula Equipment = \$2.80 million.
  - Planning for Summerlin Campus = \$1.0 million.
  - Redfield Startup = \$1.85 million.
  - EPSCoR Research Grants (UNLV, UNR, DRI) = \$4.0 million (in addition to Estate Tax).
  - Workforce development grants (community college) = \$3.0 million.
  - Applied/Basic Research (UNLV, UNR, DRI) = \$3.0 million.
  - Performance Funding = \$3.0 million.
- Total One-Shot Request = \$23.70 million.

Summary:

- Basic enhancement request (above adjusted base) equals approximately 20% of projected new state general revenues.
- New programs are set aside as 2nd tier enhancements if funding is available.

- All requests are to be prioritized prior to submission.
- Emphasis on access and quality education for students.
- Accountability and efficiency will be raised to new levels.

Regent Alden asked whether distribution of the \$459.6 million would be as indicated by line item. Dr. Anderes indicated that it would.

Regent Seastrand moved approval of changing the order of priority for one-shot expenditures making EPSCoR priority #3 and Applied/Basic Research priority #4 with all others moved down in order of priority. Regent Kirkpatrick seconded.

Dr. Nichols related that this was the most difficult area, adding that everything on the list was important. President Remington stated that changing priorities would move the workforce development grants down as well.

Regent Sisolak offered a friendly amendment to move the workforce development priorities up to priority #5 with all others moving down. Regents Seastrand and Kirkpatrick agreed. (Hold Harmless, SCS, EPSCoR, Applied/Basic Research, Workforce Development Grants).

Regent Dondero asked about the impact of changes in priority order. Dr. Nichols related that they had been presented in the same priority order as presented in May, which represented recommendations from the presidents. Dr. Anderes reminded the Board about Estate Tax funds earmarked for student information system programming.

Motion to approve priority order of one-shot expenditures with changes as indicated carried. Regent Phillips was absent.

Regent Alden understood that the \$4.7 million request for the dental school was not state dollars. President Harter replied that they must still request state approval to spend Medicaid, practice plan, and tuition money.

Regent Kirkpatrick moved approval of changing the orders of priority for the School of Pharmacy to #3 and Great Basin College to #4. Regent Sisolak seconded. (Nevada State College, Dental School, School of Pharmacy, Great Basin College).

Regent Sisolak questioned the dental school funds (#2). President Harter replied that the \$1.81 million request from the state was intended for dental school startup, assuming 75 students in the second year of the biennium.

Motion for change in order of priorities #3 and #4 carried. Regent Phillips was absent.

Regent Kirkpatrick moved approval of the 2001-2003 Operating Budget Priorities as modified. Regent Seastrand seconded. Motion carried. Regent Phillips was absent.

**38. Accepted Gift, UNR** – The Board accepted a donation from Richard L. Wagner, M.D., to the University of Nevada School of Medicine of his ENT practice (Ref. K on file in the Board office). Dr. Crowley related the gift was valued at approximately \$1.2 million, presented a minimal risk, and had been reviewed by the Dean Miller, General Counsel and the business officers.

UNR Controller Tom Judy clarified that the proposal did not include the equipment, but that it could be purchased from the doctor. The equipment would be appraised and, if determined to be a good deal, might be purchased. General Counsel Ray clarified that the issue before the Board was the acceptance of the gift (the assignment of the

lease and any expenses associated with maintaining the practice). President Crowley related that the practice would make money for UNR, adding they were not interested in acquiring the practice with significant risk. Mr. Judy reported there was less than two years left on the lease, adding that it was renewable at \$2,100/month. Dr. Crowley reported that it would be absorbed into the practice plan.

Regent Hill moved acceptance of the gift for UNR. Regent Seastrand seconded. Motion carried. Regent Phillips was absent.

**39. Information Only-Bill Drafts for 2001 Legislature** - The Board considered possible legislative action for the next session. All bill drafts must be submitted by September 1, 2000. Issues such as the carry-forward of unexpended general fund resources into future budgets or the revision of statute to provide eligibility for GBC and NSC for funds for education student financial aid and addition of NSC and upper-division GBC to Millennium Scholarship were considered. Dr. Anderes suggested a list could be submitted, via the Council of Presidents, for Board review in August. Regent Seastrand suggested including the cost of the equity funding study and 100% direct cost recovery.

**40. Approved Election of Officers** - In accordance with Regents' Bylaws, Article IV, Section 2, there was an election of officers for FY 2000-2001. These officers will serve from July 1, 2000 through June 30, 2001.

A.Chair – Mr. Alden nominated Thalia Dondero.

Regent Gallagher moved for closure of the nominations. Regent Alden moved approval of Mrs. Thalia Dondero as Chair. Regent Sisolak seconded. Motion carried. Regent Phillips was absent.

B.Vice Chair – Mr. Sisolak nominated Howard Rosenberg. There were no other nominations.

The motion carried for Regent Rosenberg as Vice Chair. Regent Kirkpatrick voted no. Regent Phillips was absent.

Dr. Nichols presented Resolution #00-4 to outgoing Chair Jill Derby (on file in the Board office).

**41. Approved Academic, Research & Student Affairs Committee Recommendations** - Chair Steve Sisolak reported the Academic Research & Student Affairs committee met June 22, 2000. Vice Chancellor Nichols presented a summary of the Review of Existing Programs for 1999-2000. The committee requested that a report of the System program review process be provided to Senator Townsend. Approval of the review was tabled to August, which will include information for the past two fiscal years. He requested Board action to approve the following recommendations of the committee:

- Handbook Change, Bachelor of Applied Science Degree - The committee considered an additional policy statement clarifying the requirements for the Bachelor of Applied Science degree. (Ref. M on file in the Board office)
- New Program Proposals – The committee considered the following new program proposals:
  - Bachelor of Applied Science, GBC (Ref. N on file in the Board office)
  - AAS, Aviation Technology, CCSN (Ref. O on file in the Board office)
  - Doctorate of Musical Arts in Performance, UNLV (Ref. R on file in the Board office)
  - Doctorate of Philosophy, Dept. of Special Education, UNLV (Ref. S on file in the Board office)
  - Master of Fine Arts, Screenwriting, UNLV (Ref. T on file in the Board office)
  - Executive Doctorate of Education in Leadership, UNLV (Ref. U on file in the Board office)

- Bachelor of Science in Biochemistry, UNLV (Ref. V on file in the Board office)
- Master Plan 2001-2003, Vision Statement and Mission Statement, DRI – The committee received a presentation for a new Master Plan, Vision Statement, and Mission Statement from DRI. (Ref. W on file in the Board office)
- Academic Master Plan Updates, CCSN, GBC, TMCC, WNCC, UNLV, & UNR – The committee received a summary of the institutions' Master Plan updates.

Regent Sisolak moved approval of the ARSA committee recommendations. Regent Seastrand seconded. Motion carried. Regent Phillips was absent.

**42. Approved Audit Committee Recommendations** - Chair Mark Alden reported the Audit committee met June 19, 2000 and received follow-up reports for Worker's Compensation and Safety & Loss-UNLV, Grants & Contracts-DRI, Hospitality Research & Development Center-UNLV, Purchasing Department-CCSN, Public Safety Human Services-CCSN, Fleischmann Planetarium-UNR, and Reprographics Department Leave Record Audit-UNLV. Director of Internal Audit, Mrs. Sandi Cardinal, reported on alternatives in the development of a work schedule for the Internal Audit Department. The committee received information on changes required by the Governmental Accounting Standards Board (GASB) to financial statements for the year ended June 30, 2002. An implementation team of UCCSN personnel will be formed to address the changes. The committee received an update from Tom Judy, Associate Vice President and Controller-UNR, on the status of the University of Nevada School of Medicine practice plan. The committee also received a report that institution bank reconciliations, other than TMCC, are up to date. He requested Board action to approve the following committee recommendations:

- Internal Audit Reports – The committee reviewed the following Internal Audit Reports as presented by Director Sandi Cardinal: (Ref. X on file in the Board office)
  - Language Resource Center, UNLV
  - MPE Facilities Maintenance, UNLV
  - Amusement & Vending Machines, UNLV
  - Barrick Accounts, UNLV
  - Board of Regents Office, UCCSN
  - Security Administration, UCCSN
  - Security Administration, TMCC
  - Student Financial Aid Department, TMCC
  - Admissions & Records, WNCC
  - Child Center, GBC
  - Associated Student Body, GBC
  - International Gaming Institute, UNLV
  - International Programs Department, UNLV
  - Literacy Development Center, UNLV
  - College of Hotel Administration, UNLV
  - System Administration Personnel, UCCSN
  - Motor Pool, CCSN
  - Copy Machines, CCSN
  - Physical Plant, CCSN
  - Presidential Exit Audit, CCSN
  - Grants & Contracts, WNCC
  - Human Resource Department, GBC
  - Library, GBC

- Extension of External Auditor Contract - The committee discussed the extension of the external auditor contract for PricewaterhouseCoopers for two additional years – June 30, 2002 and June 30, 2003. (Ref. Y on file in the Board office)

Regent Alden moved approval of the Audit committee recommendations. Regent Rosenberg seconded. Motion carried. Regent Phillips was absent.

**43. Approved Finance & Planning Committee Recommendations** - Chair Doug Hill reported the Finance & Planning committee met June 22, 2000 and received the 3rd Quarter Fiscal year 1999-2000 Fiscal Exceptions Report and the 3rd Quarter Fiscal Year 1999-2000 All Funds Report. The committee reviewed a Fire Science Academy Report concerning revenue sources. He requested Board action to approve the following recommendations of the committee:

- State Supported Operating Budget FY 2001 – The committee approved the 2000-2001 UCCSN Operating Budgets.

Regent Hill moved approval of the Finance & Planning committee recommendations. Regent Alden seconded. Motion carried. Regent Phillips was absent.

**44. Approved Investment Committee Recommendations** - Chair Dorothy Gallagher reported the Investment committee met May 18, and June 14, 2000. Tim Ortez, Director of Banking & Investments, reviewed performance for the pooled endowment and pooled operating funds of the UCCSN. Endowment investments returned 3.9% for the quarter ended March 31, 2000, (exceeding the median return of college and university endowments by 1.3%), while the total return for the pooled operating funds was 1.7% for the same period. The committee discussed the performance of the investment manager responsible for actively managing a portfolio of real estate investment trusts (REIT's), Mr. John McStay and decided to terminate Mr. McStay and hire the investment firm of EII Realty. The committee also discussed the distribution policy for the investment income earned on the pooled operating funds and decided the policy should be clarified with respect to operating and administrative expenses. The committee discussed the investment strategies for the pooled endowment and operating funds and decided to increase the endowment pool's allocation to fixed income securities. Further, the committee discussed the recent performance of the bond market and decided to recommend changes to the Board's investment policies that would allow the long-term pool to be invested in securities other than long-term bonds. She requested Board action to approve the following recommendations of the committee:

- Investment Strategy Revisions – The committee approved amendments to Handbook, Title 4, Chapter 10, Section B.4, Investment Objectives and policies for Operating Funds, to allow investments in assets other than fixed income securities that reduce volatility and/or improve performance.

- Distribution Policy – The committee approved amendments to Handbook, Title 4, Chapter 10, Section F.1, for distribution of investment income earned on pooled operating funds to be net of any allocation to Board and System Administration as well as any investment expenses that are incurred.

Regent Gallagher moved approval of the Investment committee recommendations. Regent Rosenberg seconded. Motion carried. Regent Phillips was absent.

**45. Approved ad hoc Equity Space Study Committee Recommendations** - Chair Thalia Dondero introduced Mr. Denis Curry who presented MGT's final report on the space study. Chair Dondero reported the ad hoc Equity Space Study committee met April 5, and April 21, 2000 and requested Board action to approve the following recommendations of the committee:

- Space Standards – The committee considered the remaining recommendations on standards and procedures used for identifying institutional space needs within the UCCSN.

Regent Dondero moved approval of the ad hoc Equity Space Study committee recommendations. Regent Sisolak seconded. Motion carried. Regent Phillips was absent.

**46. Accepted Health Care Education Committee Report** - Chair Doug Seastrand reported the Health Care Education committee met May 2, and June 23, 2000 and heard reports from UNLV, CCSN, TMCC, and WNCC regarding the current status of health care education, problems, and future directions. UCCSN institutions presented an overview of nursing programs offered, community and acute care needs, and issues related to training, recruitment and developmental education. Mr. Bill Welch from the Nevada Hospital Association reported that Nevada has a serious nursing shortage. The committee decided to study the nursing situation in Nevada in collaboration with the Nevada Hospital Association. There were no action items.

Regent Seastrand moved acceptance of the Health Care Education committee report. Regent Alden seconded. Motion carried. Regent Phillips was absent.

**47. Approved CCSN Presidential Search Committee Recommendations** - Chair Doug Seastrand reported the CCSN Presidential Search committee met June 1, 2000. The Regents' committee met jointly with the Institutional Advisory committee to review search materials, consider future search activities, and revise the search calendar accordingly. Chair Seastrand reported on the status of the CCSN Presidential search process, including the size of the candidate pool, questions frequently asked, and states of origin. Ms. Kathy Harney, Search Coordinator, distributed samples of recruiting materials and applicant correspondence. The committee discussed the effectiveness of recruitment methods, considered options for possible changes, and decided to stay with the current plans. The committee discussed methods of screening candidates and adoption of a common application rating sheet. However, members determined that the use of the rating sheet would be optional. Revisions to the search calendar were reviewed to establish a screening time of all applicants and the submittal of ten preferred candidates. A July meeting of the joint committees was scheduled to consider the results of the preferred listings, to determine semifinalists, and to decide on a method for checking references. An August meeting of the joint committees was designated as a time to select finalists for the position of CCSN President. He requested Board action to approve the following recommendations of the committee:

- Effectiveness of Recruitment Activities – The committee tabled changes to present recruiting activities.
- Rating Sheet – The committee recommended that use of the rating sheet be optional.
- Refinement of Search Calendar – The committee revised the search calendar as follows: application screening the weeks of June 12 and June 26; a listing of ten preferred candidates by July 10; joint committee meetings on July 14 and August 5 to determine semifinalists and finalists.

Regent Seastrand moved approval of the CCSN Presidential Search committee recommendations. Regent Alden seconded. Motion carried. Regent Phillips was absent.

**48. Approved Estate Tax Committee Recommendations** - Chair Douglas Roman Hill reported the Committee on Estate Tax met June 19, 2000 and reviewed the status of funding and use of the Estate Tax in the present biennium, and considered uses and funding options for the upcoming biennium. The distinct possibility that the tax would be reduced or eliminated created a sense of urgency in establishing guidelines for future allocations. The committee requested additional information on the endowment projections and alternative expenditure levels. There was considerable interest in attaining a level of expenditures that would allow the endowment to grow. The committee will offer recommendations to the Board on guidelines to allocate future funds base in part on the uncertain nature of the resource and desire to maintain a stable endowment. Possible guidelines include:

- Utilizing the funding for one-time expenditures.

- Targeting the endowment at a set amount of \$100 million and allocating half of all future increases (investment earnings) to the budget and half to grow the endowment.
- Utilizing the endowment principal only in the case of emergencies.
- Migrating the existing operational costs (continuing personnel and support) through the new formulas to the general fund.

The committee seeks Regent and presidential input for its consideration at its next meeting and will provide the Board with its recommendations at the August meeting.

Regent Hill moved approval of the Estate Tax committee recommendations. Regent Kirkpatrick seconded. Motion carried. Regent Phillips was absent.

**49. Public Comment – None.**

**50. New Business – None.**

The meeting adjourned at 3:15 p.m.

Suzanne Ernst  
Chief Administrative Officer to the Board