

BOARD OF REGENTS

**UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
Aspen Building, Sarah Winnemucca Hall
Western Nevada Community College
2201 W. College Parkway, Carson City
Thursday-Friday, October 19-20, 2000**

Members Present:

Mrs. Thalia Dondero, Chair
Mr. Mark Alden
Dr. Jill Derby
Mrs. Dorothy S. Gallagher
Mr. Douglas Roman Hill
Dr. Tom Kirkpatrick
Mr. David Phillips
Mr. Howard Rosenberg
Mr. Doug Seastrand (via telephone)
Mr. Steve Sisolak
Mr. Tom Wiesner

Others Present:

Chancellor Jane Nichols
Interim Vice Chancellor, Finance & Administration Dan Miles
Interim Vice Chancellor, Academic Affairs Sherwin Iverson
General Counsel Tom Ray
Interim President Robert Silverman, CCSN
President Stephen Wells, DRI
Vice President Stan Aiazzi, GBC
President John Richardson, TMCC
President Carol Lucey, WNCC
President Carol Harter, UNLV
President Joe Crowley, UNR
President Richard Moore, NSCH
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 included Mr. Carlos Ledon, UNR; Ms. Victoria Jakubowski, UNR-GSA; Ms. Cheryl Radeloff, GSA-UNLV; Mr. Shannon Schilling and Mr. Jason Scott, CCSN; Ms. Elisa Goyeneche, GBC; Ms. Michelle Lacerda, TMCC; and Ms. Leslie Carlen, WNCC.

Chair Thalia Dondero called the meeting to order at 1:04 p.m. with all members present except Regent Seastrand.

1. Information Only-Introductions – None.

2. Information Only-Chair's Report – Chair Dondero thanked her colleagues on the Board for taking time away from their families to attend to Board matters. She thanked the presidents, faculty senate and student body representatives for taking time away from their campuses and all those present for their interest in higher education. She noted ongoing searches for the presidents of CCSN, TMCC, and UNR. She met with faculty, staff, and students at those campuses, stating they were the backbone of their institutions. She expressed gratitude to the citizens in Mesquite for their willingness to host a community college campus in their rapidly growing area.

3. Information Only-Chancellor's Report – Chancellor Nichols provided the following updates:

- UCCSN partnered with the Governor, Lt. Governor, and the Commission on Economic Development on the Batelle Study, which is reaching completion. Study recommendations will be presented at an October 31st meeting. She hoped that everyone would read the study, which will have an impact on all UCCSN institutions. The study concentrates on research, technology transfer, and workforce development. Dr. Nichols hoped the study would form a foundation on which the Legislature will view those issues.
- System Administration is reviewing ways for the System and the campuses to operate more efficiently and effectively. The System is collaborating with the Governor to operate more efficiently. Areas under review include: tuition, faculty workload, cost of searches, use of space, and summer school. The Board will hear presentations as the studies are completed.
- The Governor is involved with a proposal to consider acceptance of the report on a ten-year plan for capital development. UCCSN has been asked to submit a 10-year capital request plan. Interim Vice Chancellor Dan Miles will present material at the next meeting that will be submitted to the Governor by the middle of December.

Chancellor Nichols called for selected presidents' reports.

President Carol Harter, UNLV – Dr. Harter announced the opening of the Enterprise Health Care and Dental Clinic. Local and state officials have been working for two years to build a clinic to accommodate the estimated 265,000 Clark County residents with no health insurance. The grand opening is scheduled for Tuesday, October 31st, and will provide 18,400-sq. ft. located on Martin Luther King Blvd. Several agencies have collaborated to provide quick care, primary care, men's and women's health services, dental care, pharmaceutical services, and treatment for HIV-positive patients. The clinic is a partnership between the City of Las Vegas, the City of North Las Vegas, Clark County, University Medical Center, the Economic Opportunity Board, Nevada Health Centers, and UNLV. UNLV'S dental school will operate the dental clinic with 10 chairs staffed by three dentists. Clark County, the City of Las Vegas, and the City of North Las Vegas have contributed \$293,000 in equipment for the clinic and the county will lease the building for \$1/year. Regent Phillips thanked UNLV and the Board for placing this much-needed facility in this area. He felt it would be used extensively.

President Carol Lucey, WNCC – Dr. Lucey welcomed those present to Western Nevada Community College and introduced various faculty who make WNCC a quality learning community:

- Professor Winnie Kortemeier (Earth Sciences, Honors Program Coordinator, 1999-2000 Teacher of the Year) – was proud to take part in life-changing experiences and found teaching a personal challenge to reach each student.
- Professor Perry Johnson (Drafting Technology, 2000-2001 Faculty Senate Chair) – gains satisfaction from interaction with the students and high-caliber colleagues. He still finds each day unique even after teaching for 30 years.
- Dr. Steve Carman (Biological Science/Physical Science, Partner in Science Education for Middle School

Youth, Developer of five Internet classes in the sciences) – enjoys making a constructive impact on people's lives and a better country for the future.

- Professor Marilee Swirczek (English, Advisor-Lone Mountain Writers Group, 1991 WNCC Teacher of the Year, 1996-1998 UCCSN Outstanding Faculty Award) – appreciates the look of understanding in the students' eyes and helping her students "climb toward the sun."
- Susan Schoeffler (Computer Information Systems Instructor, Computer Graphics Designer, successful teacher from kindergarten to university level) – admires her students' determination to learn, forfeiting leisure time, reworking their budgets, and working overtime to push the limits of their mind.
- Teri Zutter (Adult Basic Education Coordinator, GED Preparation/English as a Second Language Instructor) – expressed her love of teaching and the thrill of watching a student gain confidence in their abilities.
- Professor Robert Collier (Chair Natural Sciences Department, Physics 2000 Alumni Lecturer at James Madison University, WNCC Outstanding Faculty Member 1997-1998, NASA Space Grant Coordinator) - believes it important to encourage students to be bold and creative and to expand their scientific understanding. He views his students as the next generation of scientists and engineers.

Dr. Lucey felt it was important to remember that the System created opportunities for teachers to interact with students and that everyone's lives were enhanced by giving.

President Richard Moore, Nevada State College at Henderson – Dr. Moore noted that the Board first considered having a community college 30 years ago. The idea did not succeed at first, but Mr. Howard Hughes intervened and donated the money to start a community college. He provided a brief history of the nine months of development for Nevada State College at Henderson (on file in the Board office). He reviewed changes and adaptations to the college's mission statement, academic principles, timeline and state funding. He reminded the Board of the three key factors leading to the development of the college:

- Expanding Population.
- Improving Access.
- Providing Student Choice.

Regent Alden asked whether the Chancellor would review increasing K-12 partnerships. Dr. Nichols replied that she would, adding that K-16 efforts and joint programs were part of the Rand study. Regent Alden suggested reviewing distance education delivery to rural areas and other cost efficient means for the delivery of education.

Chair Dondero noted three articles from the Nevada Business Journal provided by Regent Sisolak regarding: President Crowley's 22-year history at UNR, teaching medicine in Nevada, and School to Careers programs. She stated that item #12 (Request for Payment to Foundation, UNR) had been withdrawn from the agenda.

4. Approved-Appointment, Interim President, UNR – The Board approved the appointment of Dr. Stephen McFarlane as Interim President of the University of Nevada, Reno to take effect upon the departure of President Joseph Crowley on December 31, 2000. The Chancellor and Board Chair have consulted with the campus. The appointment was made with the understanding that the appointee would not be a candidate in the UNR Presidential Search. Dr. McFarlane currently serves as Department Chair for Speech Pathology & Audiology and has been with UNR for 26 years. (White Packet #5 on file in the Board office) Terms included:

- Effective: 01/01/01.
- Base Salary: \$180,194 prorated while serving as Interim President.
- Auto Allowance: \$6,000 prorated.
- Housing Allowance: \$12,000 prorated.

- Host Account: \$5,000 prorated.
- Will return to position of Department Chair for Speech Pathology & Audiology once the permanent UNR President is selected.
- Not a candidate for the UNR presidency.

Regent Rosenberg moved approval of the appointment of Dr. Stephen McFarlane as Interim President of the University of Nevada, Reno with the terms and conditions as presented. Regent Alden seconded.

Regent Alden asked whether Dr. McFarlane would begin working with Dr. Crowley immediately. Dr. McFarlane assured him they had already begun the process. Regent Alden clarified that Dr. McFarlane would not become a candidate for the permanent position. Dr. McFarlane agreed. Regent Sisolak asked about determination of the salary. Chancellor Nichols replied that the increase was 12% above his current salary.

Motion carried. Regent Seastrand was absent.

Dr. McFarlane thanked the Board and Chancellor for their confidence, adding that he looked forward to working with the existing administration. President Crowley congratulated the Board on their choice, adding that he had known Dr. McFarlane for many years. He noted Dr. McFarlane's compelling vision for development of the audiology department.

5. Approved-Search Firm Contract, UNR – The Board approved accepting the proposal of and entering into a contract with Academic Search Consultation Service, Inc. to provide services in conjunction with the UNR Presidential Search. Regent Hill reported that the UNR Presidential Search committee voted to use the same service used for the Chancellor Search, adding that they had also provided the lowest bid. The consultant, Dr. Shirley Chater, was responsive to the needs of the Chancellor Search committee and concerns of the Regents. Chancellor Nichols clarified that the contract was for \$55,000.

Regent Hill moved approval of entering into a contract with Academic Search Consultation Service, Inc. to provide services in conjunction with the UNR Presidential Search. Regent Phillips seconded.

Dr. Nichols noted there was a separate agenda item requesting up to \$70,000 to cover this contract as well as travel expenses for the candidates. Regent Alden asked whether the search would be conducted in the open. Dr. Nichols replied that the System always operated under the Open Meeting Law, adding however, that an appeal to the Nevada Supreme Court on certain aspects was pending. She noted there would be a report later in the day.

Motion carried. Regent Seastrand was absent.

Regent Seastrand entered the meeting via telephone.

6. Information Only-Rand Report Update - Dr. Roger Benjamin of the Rand Corporation provided an update on progress on the study of Nevada higher education.

Dr. Benjamin reported that the purpose of the study was to provide the Regents with the means and analysis to formulate a blue print for Nevada's higher education system. He discussed four tasks, which would build on the results of the Batelle Study:

- Projections of the Nevada economy
 - Review findings of Batelle study on projected workforce requirements, revise as appropriate.
 - Determine to what extent these requirements will be met by the current higher education system.

- Profile of Post-Secondary Assets
 - What proportion of the Nevada population (by race/ethnicity) pursue higher education and where do they go to school?
 - What are the current plans of the Board of Regents or others for expanding or changing the distribution of post-secondary resources in Nevada?
- Match Economic growth and development needs and higher education capacity
 - What types of higher education (community college, four-year, graduate/research) appear to be needed over the next decade?
 - What evaluation criteria might be developed to make decisions about where and when such higher education services might be placed; what strategic priorities might be set and measured?
 - What might be the priorities (mission differentiation based) for implementing suggested changes in Nevada higher education over the next decade?
- Present possibilities for the blue print
 - What state-based policies for setting tuition and fees and providing financial aid to Nevada residents might be considered to implement the higher education priorities chosen?
 - What options for the blue print are there?

Regent Alden was concerned that looking ahead 10 years might not be enough. Dr. Benjamin replied that the degree of uncertainty rose with the number of years projected. Regent Alden observed there were limited state funds and asked how the private sector fit into the study. Dr. Benjamin replied that he did not know the answer, but he would present several scenarios and the tradeoffs of each. He suggested that some hard choices would need to be made when considering the most effective use of state assets and limited resources. Regent Alden expressed concern for diminished resources. Regent Kirkpatrick noted several 'for-profit' institutions were available in Las Vegas.

Regent Hill asked about other states that Dr. Benjamin had studied. Dr. Benjamin replied he had conducted studies for California, CUNY (System of New York City campus), Texas, and Kentucky. Regent Hill asked what conclusions were derived and how they were received.

Dr. Benjamin replied that, with the California study, they reviewed projections for 1995-2010. It was clear that enrollment growth and participation rates (without raising African-American and Hispanic participation rates) would result in an access deficit of 1 million students unless the economy grew beyond 5% per year. This was primarily due to competition between corrections, health and social services mandates, and non-mandated higher education. California had to focus its resources and attention on the community colleges in order to meet the needs of the immigrants. California is now using a combination of productivity enhancements including: distance learning, information technology, putting more resources into the community college and CSU system, and preserving UC's research capacity. Texas has enormous access deficits and is trying to increase participation rates of under-represented groups while attempting to become #3 in research. The Rand data showed that it could not be accomplished without enormous new resources.

Regent Hill asked about the states' responses. Dr. Benjamin replied there were substantial government changes to the CUNY Board of Regents and CUNY adopted the study's mission differentiation and governance ideas. Regent Hill asked whether there had been a great deal of controversy. Regent Kirkpatrick asked whether any actions in New York had required governor or legislative intervention. Dr. Benjamin replied that it had. CUNY shifted from a weak to a strong Chancellor model, which required legislative and Regent action. They are also implementing a new master plan, which changes their enrollment funding formula. They are trying to give the new Chancellor and their Board time to remove remediation from the senior colleges to the community colleges, which was a controversial recommendation. In California, the diagnosis was controversial but is not today. California has a growing gap

between rich and poor. When broken down by ethnic group it reveals severe separation between ethnic groups. Dr. Benjamin related that just attending high school/no high school did not provide much of a future, adding that African-American and Hispanic participation rates are very low.

Regent Alden asked whether private institutions provided a positive or negative impact. Dr. Benjamin replied that the west used mostly public education, with some private education offered in California. He felt that a mix of both was good for the economy and alternative choices. He felt that the UCCSN should be open to distance learning via the Internet, given the size of the state and limited resources. Regent Alden asked whether the study would consider core curriculum for the universities. Dr. Benjamin stated that he had no plans to address that issue, but could if there was sufficient time and resources.

Regent Kirkpatrick asked about Dr. Benjamin's experience with the use of distance education as opposed to bricks and mortar. Dr. Benjamin replied that he had no experience, since it was too early. His group has a proposal with NSF to evaluate the effectiveness of distance learning compared to on-site instruction. He noted that the number of distance education students was increasing daily. Regent Kirkpatrick requested a copy of the NSF report once completed.

Chancellor Nichols asked the Board to set aside time for a workshop in January to discuss the results of this study. She recommended holding it in advance of the regular Board meeting on a separate day. Regent Alden felt it was a good idea, adding that he wanted to see the Batelle and Rand study results. Chancellor Nichols stated that a report on the Batelle study findings was planned for the next Board meeting (November 30-December 1). She noted the Board would have the results to integrate into what is heard on the Rand study. She felt it could have an impact on the budget and that it was important to have the workshop before the legislative session begins. Dr. Derby felt it critical to hold the session separate from a Board meeting and to devote 1-2 days for it. Regent Dondero agreed it provided a wonderful opportunity to look ahead, adding that the workshop would be held sometime between January 10th and 18th.

7. Approved-Appointment, Interim President, TMCC – The Board approved the appointment of Dr. Rita Huneycutt as Interim President of Truckee Meadows Community College to take effect upon the departure of President John Richardson, on December 30, 2000. The Chancellor and Board Chair have consulted with the campus. The appointment was made with the understanding that the appointee would not be a candidate in the TMCC Presidential Search. Dr. Huneycutt currently serves as the Senior Vice President for TMCC. (White Packet #7 on file in the Board office) Terms included:

- Effective: 01/01/01
- Base Salary: \$137,101 prorated while serving as Interim President
- Auto Allowance: \$6,000 prorated
- Host Account: \$5,000 prorated
- Will return to position of Senior Vice President for TMCC once the permanent TMCC President is selected
- Not a candidate for the TMCC presidency

Regent Rosenberg moved approval of the appointment of Dr. Rita Huneycutt as Interim President of the Truckee Meadows Community College with the terms and conditions as presented. Regent Hill seconded.

Regent Sisolak asked about the policy regarding housing allowances. Chancellor Nichols replied that, a few years ago, the Board decided that the community college presidents would not get a housing allowance. Regent Sisolak questioned the reasoning. Regent Derby suggested revisiting the policy. Regent Sisolak asked who received housing allowances. Chancellor Nichols replied that housing allowances were granted to the presidents of UNR, UNLV, DRI,

NSCH, and the Chancellor. Regent Sisolak did not feel the policy was fair.

Motion carried.

Dr. Huneycutt thanked the Board and the Chancellor for their support throughout the process. She stated that it would be a team effort during her term.

Regent Seastrand left the meeting (via telephone).

The meeting recessed at 2:45 p.m. and reconvened at 2:55 p.m. with all members present except Regents Phillips and Seastrand.

8. Approved-Search Firm Contract, TMCC – The Board approved accepting the proposal of and entering into a contract with ACCT (Association of Community College Trustees) to provide consultation services in conjunction with the TMCC Presidential Search. Regent Derby reported that the search firm contract was \$27,500.

Regent Derby moved approval of accepting the proposal of and entering into a contract with ACCT for consultation services in conjunction with the TMCC Presidential Search. Regent Rosenberg seconded. Motion carried. Regents Phillips and Seastrand were absent.

9. Approved-Addition of Assistant General Counsel Positions in Las Vegas and Reno – The Board approved two Assistant General Counsel positions funded by the University of Nevada, Las Vegas and the University of Nevada, Reno. Chancellor Nichols reported that the universities require additional legal support and would fund two Assistant General Counsel positions in the General Counsel's office (one in Las Vegas and one in Reno). Dr. Nichols related that the request arose in part as a result of Fire Science Academy (FSA) litigation at UNR, which will require the full-time work of an Assistant General Counsel with the assistance of others. She noted that the cost of hiring outside counsel for FSA or similar litigation is prohibitive. It is more economical to handle litigation in-house in the office of the General Counsel and the cumulative expertise of the current legal staff is invaluable and widely recognized. In order to continue to improve the extent of legal services available to all System institutions, a request for additional legal positions was made. UNLV (with the agreement of President Harter) will fund one position in the Las Vegas General Counsel's office. UNR (with the agreement of President Crowley) will fund one position in the Reno General Counsel's office. In light of the pending litigation, the Assistant General Counsel in Reno will be hired immediately and, upon funding of the position, the Assistant General Counsel in Las Vegas will be hired through a search conducted by General Counsel Tom Ray with the participation of UNLV. Dr. Nichols noted that the positions would report to the General Counsel, but would provide additional staffing to the universities to meet their needs. UNR and UNLV agree to a permanent commitment for funding of these positions.

Regent Rosenberg moved approval of the addition of two Assistant General Counsel Positions (one in Las Vegas and one in Reno) funded by the two universities. Regent Hill seconded.

Regent Kirkpatrick asked about the projected cost. General Counsel Ray replied that it would cost approximately \$90,000 per attorney. Regent Sisolak acknowledged the need for additional staff and questioned whether two additional attorneys would be enough. He suggested having the other institutions contribute to partial funding of two additional positions to alleviate the workload. Dr. Nichols stated that the System had requested an additional attorney in the budget request to be located in Las Vegas. She was willing to discuss this with the other institution presidents. Regent Sisolak asked her to do so.

Regent Rosenberg asked about the average hourly rate for a good lawyer and whether this was an economical

solution. General Counsel Ray replied that the Board would save substantially with this model rather than going outside. Regent Kirkpatrick asked whether a good attorney could be attained for \$90,000. General Counsel Ray was optimistic that they could recruit outstanding lawyers.

Regent Alden asked that the ombudsman issue be revisited.

Regent Rosenberg noted that three student government representatives had also asked the Board to revisit the ombudsman issue.

Motion carried. Regents Phillips and Seastrand were absent.

10. Approved-Academic, Research and Student Affairs Committee Report – Chair Jill Derby reported the ARSA committee met October 19th with Dr. Sherwin Iverson, Interim Vice Chancellor for Academic and Student Affairs, presenting information about transfer courses available to students on the Internet and in the campus course catalogs. The issue of transfer has changed radically over the last few years and transfer is the norm rather than the exception for today's student. Typically, 60% of baccalaureate degree recipients attend more than one institution. Transfer information is available on the UCCSN website and each institution has a transfer center to assist students. The course transfer guide shows where courses are taught and which courses articulate to the universities. According to a recent review by Academic and Student Affairs, the transfer guide is up to date. The web page contains transfer and major-to-major agreements existing between all UCCSN institutions. These agreements provide students with guidelines to follow toward degree completion.

Regent Hill requested information regarding whether students who complete all the requirements at the community college could transfer to the university and complete a baccalaureate degree within two years. Mr. Marion Littlepage and Dr. Ken Lucey, Common Course Numbering System Co-Coordinator, presented an update on the current status of the development of a common course numbering system. The Common Course Numbering Committee (CCNC) has established procedures for discipline committees to implement common course numbering. A fast-track process has been developed to implement changes to campus course catalogs and on November 3rd six discipline committees will be meeting. Copies of the discipline committee reports will be forwarded to Regents on the committee. The process of implementing common course numbering is highly complex and involves changes to the Student Information System. A motion was made and approved that the CCNC meet with the campus transfer center directors.

Ms. Maxine Neats, WNCC Advisory Board Chair, read a letter supporting common course numbering and articulation completion. Dr. Derby requested approval of the following committee recommendations:

vUndergraduate Transfer and Common Course Numbering – the CCNC will meet with campus transfer centers to discuss current transfer issues. System staff will provide feedback regarding progress being made.

vNew Program Proposals:

üBachelor of Science in Computational Physics, UNLV – the program is intended to train students in the interdisciplinary area of physics and scientific computing.

Regent Derby moved approval of the committee recommendations and acceptance of the report. Regent Sisolak seconded. Motion carried. Regents Phillips and Seastrand were absent.

11. Approved-Audit Committee Report – Chair Steve Sisolak reported the Audit committee met October 19th and received an update from Dr. Ashok Dhingra, Vice President for Finance & Administration-UNR, on the status of the University of Nevada School of Medicine Practice Plan. The plan ended FY99-00 with revenues exceeding expenses by about \$1,000. Dr. Dhingra stated that the plan expects to have revenues exceed expenditures by \$800,000 for the

current fiscal year. Dr. Dhingra outlined several challenges facing the Practice Plan during the current year, including:

- The plan has drawn down \$475,000 on a letter of credit.
- The Southern Practice Plan has \$215,000 in liabilities.
- The OB/GYN department has split from the OB/GYN Foundation and may not collect on \$300,000 in accounts receivable.

Dr. Dhingra also reported on the status of the UNR Fire Science Academy. A statement of revenues and expenditures for the period July 1, 1998 through September 30, 2000 was reviewed. A cumulative deficit of \$2,363,670 exists at the end of September 2000.

The committee received a detailed listing of the unrestricted account balances for UNR as of June 30, 2000. Mrs. Sandi Cardinal, Director of Internal Audit, reported that the institution bank reconciliations are up to date. Regent Sisolak requested approval of the following recommendations of the committee:

- Internal Audit Reports – the committee reviewed the following internal audit reports:
 - Counseling & Testing, TMCC
 - Tutorial Services, CCSN
 - Human Resources Department, CCSN

System-wide Enrollment Audit – the committee requested a one-year System-wide enrollment audit be completed by the Internal Audit department.

Regent Phillips entered the meeting.

Regent Sisolak moved approval of the committee recommendations and acceptance of the report. Regent Alden seconded.

Regent Alden commended Regent Sisolak and Mrs. Cardinal for reprioritizing department audits. Regent Kirkpatrick asked whether the Practice Plan was in debt. Regent Derby asked whether there was a plan to get the Practice Plan back into a profit status. Dr. Dhingra replied that, last year, the Practice Plan earned approximately \$1,134. This year the plan should generate an \$800,000 surplus, which would cover expenses (line of credit, funds borrowed between departments within the Practice Plan, and outside creditors). He reported that the plan should be operating profitably by the end of this year. Regent Kirkpatrick noted that Dr. Dhingra made projections 1½ years ago how the plan would get out of debt. Regent Sisolak stated that \$475,000 had been borrowed on a line of credit and there were some uncollected OB-GYN Foundation receivables, which General Counsel Ray was investigating. If some of those receivables could be recovered, it would reduce the debt on the line of credit. He stated that Dr. Dhingra was concentrating on reducing the \$475,000 interest-bearing bank loan.

Motion carried. Regent Seastrand was absent.

12. Approved-Campus Environment Committee Report – Chair Tom Kirkpatrick reported the Campus Environment committee met October 19th with Interim Associate Vice Chancellor for Academic and Student Affairs, Ms. Chris Chairsell, who presented issues to be considered as the focus of the committee. Topics included:

- Setting diversity goals.
- Conducting a campus climate survey.
- SHEPAC report.
- Domestic partners issues.

- Childcare.

A schedule of topics was proposed by Ms. Chairsell, designating the November meeting for a presentation on domestic partners issues and determining the budget and function for campus climate surveys. An inventory of campus surveys will be taken and presented. At the December meeting, the committee will determine diversity goals. Institutional reports on childcare will be presented at the January meeting. The April meeting is the target date for campus climate survey readiness and distribution. The surveys will be compiled during Summer 2001 with findings presented in September 2001.

Dr. Steven Oberg, Chair of the Safety, Health and Environmental Protection Agency Advisory Committee (SHEPAC) presented an annual report on the committee's activities and the status of safety, health and environmental programs at the UCCSN institutions. It was recommended that staff consult presidents and campus staff to explore the System's effectiveness in issues of safety and environmental health. Regent Kirkpatrick requested approval of the following committee recommendations:

- Presentation of Issues to the Committee
- Presentation of Schedule of Issues to the committee

Regent Phillips left the meeting.

Regent Kirkpatrick moved approval of the committee recommendations and acceptance of the report. Regent Gallagher seconded. Motion carried. Regents Phillips and Seastrand were absent.

13. Approved Finance and Planning Committee Report – Chair Dorothy Gallagher reported the Finance and Planning Committee met October 19th to review a number of fiscal year-end 2000 reports, the consolidated budget for Nevada State College at Henderson, and to consider proposed changes to the current host account policy. Information reports reviewed by the committee included: (Reports on file in the Board office)

- FY99-00 State Operating Budget-to-Actual Report
- FY99-00 Self-Supporting Budget-to-Actual Report
- 4th Quarter FY99-00 Self-Supporting Fiscal Exception Report
- FY99-00 Transfers of Non-State Budget Expenditures to State Budgets
- FY99-00 Budget Transfer Report (State Appropriated Budgets)
- FY99-00 Annual Budget Revisions Report (Self-Supporting Budgets)
- Handbook Policy-Host Accounts – the committee reviewed current Handbook policy and a proposed revised policy and Chancellor's memorandum that would clarify and strengthen host account policy. The Chancellor's memorandum identifies the rules in greater detail than what is appropriate in policy.

Regent Sisolak left the meeting.

Regent Gallagher requested approval of the following committee recommendations:

- FY99-00 Accountability Report Board of Regents Approved Budget-to-Actual – the report compares the Regents' approved budget to actual expenditures and is required to be submitted to the Governor's Budget Office and the Legislative Counsel Bureau.
- Nevada State College at Henderson Consolidated Budget Report FY2001 – the Board approved various elements of the NSC budget and the presentation provided a clearer understanding of the budget.

Regent Phillips entered the meeting.

Regent Gallagher moved approval of the committee recommendations and acceptance of the report. Regent Alden seconded. Motion carried. Regents Seastrand and Sisolak were absent.

Regent Sisolak entered the meeting.

14. Approved-Investment Committee Report - Chair Mark Alden reported the Investment committee met October 4th and Interim Director of Banking & Investments, Mr. Steve Salaber, reviewed the Investment Committee Handbook. Mr. Matt Lincoln, Cambridge Associates (consultants to the committee), reviewed the history of the endowment, background on Cambridge Associates, and the evolution of the endowment asset allocation over time.

Mr. Lindsay Van Voorhis, Cambridge Associates, reviewed the asset allocation and performance for the pooled endowment and pooled operating funds of the UCCSN for the quarter ended June 30, 2000. Endowment investments returned (-0.9%) for the quarter and 11.8% for the fiscal year ended June 30, 2000. The total return for the pooled operating funds was 1.7% for the quarter and 5.0% for the fiscal year ended June 30, 2000.

The committee discussed the distribution policy for investment income earned on the pooled operating funds. Mr. Van Voorhis presented a recommendation to establish a target rate for distribution at 6.4%, assuming a 7.34% earnings rate. The difference between the two rates should allow the reserve to be replenished and would provide a predictable level of support to the campuses at 5% and a predictable 1.4% to the Board and System Administration.

The committee decided to reduce the payout rate to 6.2%, which would be reviewed quarterly and adjusted if necessary. The committee discussed investment policy revisions to update the endowment funds strategic allocation and permitted ranges and investment policy revisions to update the operating funds for clarification of asset classes and distribution policy change. Regent Alden requested Board action on the following committee recommendations:

vInvestment Strategy Revisions – Investment Objectives and Policies for Endowment Funds detailed in the Handbook, Title 4, Chapter 10, Section 3.4.b and 3.5, be amended to recognize the new strategic asset allocation permitted and targeted percentages adopted by the committee. Additionally, amendment of the Handbook, Title 4, Chapter 10, Section 5,B.4, to clarify asset classes authorized under the long-term pool portion of the Operating Funds Pool.

-Distribution Policy – Distribution of investment income detailed in the Board Handbook, Title 4, Chapter 10, Section F.1, be amended allowing the Investment committee to establish the distribution rate, instead of establishing the rate in the Handbook.

Regent Alden moved approval of the committee recommendations and acceptance of the report. Regent Phillips seconded.

Regent Sisolak asked when the return rate on the equity portion would be reviewed in light of market fluctuations. Regent Alden replied they would be reviewed quarterly. Regent Derby asked about allowing the Investment committee to establish the distribution rate, instead of establishing the rate in the Handbook. Regent Alden replied that it was formerly set in the Handbook, which allowed no flexibility. It will now be reviewed quarterly. Regent Gallagher clarified that quarterly changes would be brought forward for Board approval. Regent Alden agreed. Regent Derby felt it important to follow the distribution commitments closely. Regent Alden clarified that the changes were made to the pooled operating funds.

Motion carried. Regent Seastrand was absent.

15. Approved-Estate Tax Committee Report - Chair Douglas Roman Hill reported the Estate Tax committee met October 18th to consider a revision to the approved allocation of estate tax funds for the 2001-2003 biennium. In August, the committee recommended an estate tax allocation totaling \$38.12 million for the coming biennium, which was approved by the Board in August. The committee reviewed a projection of the estate tax fund for 2001-2005 and considered the allocation of estate taxes previously approved. The approved request removed from the allocation all one-time expenses and those items now covered by the state funding formula. One item (Equipment/Technology Needs for the System Computing Center) was removed because it was thought the expense was entirely for one-time equipment. A portion of this item, however, is an ongoing expense for the two remaining payments of approximately \$1 million each for existing mainframe hardware in Las Vegas. Regent Hill requested Board action on the following recommendations of the committee:

- Add \$2 million to the 2001-2003 Estate Tax Allocation Request – The committee reviewed the ongoing expense and recommended approval of adding \$2 million to the estate tax allocation for the 2001-2003 biennium bringing the total request to \$40.12 million. The \$2 million addition would complete the annual payments for the System Computing Center's mainframe in Las Vegas.

Regent Hill moved approval of the committee recommendations and acceptance of the report. Regent Sisolak seconded.

Regent Alden felt the estate tax fund should be used judiciously, adding that he would not support the motion. Regent Rosenberg asked about an alternative funding source. Chancellor Nichols replied that the budget had already been submitted to the state, and the only area she felt was prudent was within the estate tax. She noted there was only one new item listed under estate tax expenditures (\$3 million performance funding for campuses), adding that it had been a strong recommendation from the formula funding study committee to find a serious program to reward institutions for certain behavior. She related that the committee agreed not to take the money from this item. Regent Kirkpatrick stated that the committee seriously discussed reducing performance funding but decided against it.

Regent Alden proposed a friendly amendment to reallocate \$2 million from performance funding to cover the SCS shortage. Regent Hill did not accept the friendly amendment because he felt that performance funding was important. Motion died for lack of second.

Regent Gallagher stated that, in the past, the Board had hoped to endow the entire estate tax for future use, but the Legislature assured the Board they would deduct the endowment amount from their budget request. Regent Alden observed that the estate tax would not always be a revenue stream. He urged the Board to reconsider their action. Regent Sisolak asked whether Regent Alden's proposal was considered. Regent Kirkpatrick assured him that the committee did discuss it, but decided it was not the best idea. Regent Hill acknowledged that none of the committee members were happy about the expenditure, but felt they had no other choice.

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

16. Approved-CCSN Presidential Search Committee Report – Regent Rosenberg reported the CCSN Presidential Search committees met jointly with the Institutional Advisory committee September 29th to interview five candidates for the CCSN presidency. Subsequent to the last meeting, Dr. Stephen Head and Dr. Robert Silverman withdrew their names from consideration. The joint committees planned to hold all interviews on September 29th and invite up to three candidates for a return visit and a second interview the week of October 2-6. Just prior to the meeting, the court granted the Review-Journal's motion for a preliminary injunction, holding that a community college president

was a public officer. Consequently, closed session interviews could not be held for the finalists as posted. The committee addressed the remainder of the agenda and determined that the five applicants would be interviewed on October 6th in open session. At that time, the committee believed that it was still feasible to recommend a CCSN Presidential candidate at the October 19-20 Board meeting. After the committee meeting and a meeting with the General Counsel, the Board Chair authorized General Counsel Ray to appeal the ruling to the Nevada Supreme Court. As a result of those decisions, the October 6th joint meeting was cancelled and candidates were notified regarding the current status of the CCSN presidential search process. The continuation of the presidential search is now pending the Nevada Supreme Court decision.

Regent Rosenberg moved acceptance of the report. Regent Hill seconded.

Regent Alden stated that he disagreed with the decision to appeal, adding that he preferred proceeding with the search.

Motion carried. Regent Seastrand was absent.

17. Approved-UNR Presidential Search Committee Report and Budget Request for the Presidential Search -

Chair Douglas Roman Hill reported the UNR Presidential Search committee met September 20th. Three search firms (Hedrick & Struggles, Academic Search Consultation Services and A.T. Kearney) presented proposals to the committee to provide professional services for the search for the UNR President. Each firm answered questions from members including the cost for the services. The committee then considered several options in conducting the search process and the members approved the search firm process with the consultant reviewing all applications. The committees then discussed the various search firms' proposals. The Institutional Advisory committee recommended A.T. Kearney as the search firm. After a spirited discussion, the Regents' committee approved Academic Search Consultation Services as the search firm. The committees reviewed staffing needs, additional expenses and the cost of the approved proposal, and estimated the cost of the search to be up to \$70,000. The members determined that this would be the budget necessary to complete their charge and approved a budget request of \$70,000. The committee determined that Dr. Shirley Chater, as the search consultant, would meet with various constituent groups and draft a leadership statement to be brought back for their review. Regent Hill requested Board approval of the following committee recommendations:

vSearch Process – the committees considered various options and adopted a search process.

vSelection of Search Firm – the committees approved the hiring of a search firm (Academic Search Consultation Service, Inc.).

vBudget Request – the committees determined the budget necessary to complete their charge and approved a budget request of up to \$70,000.

Regent Hill moved approval of the committee recommendations, a budget request of up to \$70,000 for the UNR Presidential Search and acceptance of the report. Regent Rosenberg seconded.

Regent Alden stated that Dr. Crowley would not be easily replaced. He recommended the search be conducted in the open. Regent Gallagher felt that all searches had been conducted openly following consultation.

Regent Sisolak asked about the cost difference between a university search and a community college search. Regent Hill replied that there were three major search firms for university president searches. All three were interviewed. He felt that using a search firm was necessary in order to allow some privacy to the applicants. The firm being used for TMCC specializes in community college searches. Regent Derby related that most search firms use a figure representing a portion of the president's salary. Regent Kirkpatrick observed that ACCT was prepared to conduct community college presidential searches and operated very efficiently. He asked how much had been spent

on searches this year. Chancellor Nichols replied that the information would be provided at a future meeting. Regent Derby commented that the presidential hiring process was the most important Board task and felt the money was well-spent. Regent Hill noted that the committee had selected the least expensive firm, adding that the other two firms had been equivalent at \$20,000 higher.

Motion carried. Regent Seastrand was absent.

18. Approved-Site Dedication, DRI – The Board approved holding a site dedication, in cooperation with the Department of Energy (DOE) and the Nevada Test Site Historical Foundation (NTSHF) on December 18, 2000, in advance of design development completion, in order to coincide with the 50th anniversary of the Nevada Test Site. The event will acknowledge the collaborative efforts of DRI, DOE, and NTSHF to assure this important and controversial period of Nevada and United States history is forever remembered and is accessible to the scientific community and the citizens of southern Nevada. It is also a celebratory precursor to the construction of the Las Vegas facility, which will house and display the associated artifacts and archives.

President Wells introduced Mr. Troy Wade, Chairman of the Nevada Alliance for Defense, Energy and Business and Chairman of the NTSHF, and Mr. Darwin Morgan, Deputy Assistant Manager for Public and Institutional Affairs at DOE Nevada. Mr. Morgan reported there are approximately 5 million pages of the history of nuclear weapons testing. Researchers will use the repository to understand the Cold War aspects of nuclear weapons testing. Dr. Wells provided a projected timeline with schematics to be finalized this month and groundbreaking in early Summer 2001. Requesting opportunity for site dedication on December 18th.

Regent Kirkpatrick approved DRI holding a site dedication in cooperation with DOE and NTSHF to coincide with the 50th anniversary of the Nevada Test Site. Regent Gallagher seconded.

Regent Dondero clarified that this would not be seen as endorsing nuclear waste storage. Mr. Morgan assured her that it was not connected to nuclear waste storage. Regent Hill felt it an incredibly important site to have in Nevada especially for those who grew up when above ground testing was occurring in the 1950's. He felt it important for people to understand the impact it had on people. Regent Derby commented that she supported the project and felt it was important to document this part of history that had an enormous impact on the world.

Motion carried. Regent Seastrand was absent.

The meeting recessed at 4:20 and reconvened at 4:30 p.m. with all members present except Regent Seastrand, who participated via telephone.

19. Information Only-Report on Litigation Involving CCSN Presidential Search - General Counsel Tom Ray reported to the Board on the status of litigation initiated by the Review-Journal (R-J) against the Board of Regents in connection with the CCSN presidential search.

General Counsel Ray reported that the Open Meeting Law allowed closed sessions to be held to discuss the character and/or alleged misconduct of an employee, but forbade the discussion of appointment to public office. He indicated that presidents had never been considered public officers and this had never been questioned before, but the Review-Journal brought forward a complaint. A hearing was held and the district court ruled that presidents are public officers and, as such, closed sessions could not be held to conduct their interviews. General Counsel Ray believed it important for the Board to pursue an appeal as it would also provide important guidance for future

searches. He felt the presidents and the Board need to know whether presidents are indeed public officers as there are other ramifications including yearly reporting requirements that have never been done in the past. The Board Chair and Chancellor agreed it was important to pursue the appeal. General Counsel Ray will request an expedited hearing and is optimistic the court will oblige. A written order has to be prepared by the judge prior to pursuit of the appeal. The R-J's attorney has not yet prepared the order and the transcript has not been completed. The General Counsel's office is urging the order to be filed so an expedited appeal can be pursued. He was optimistic the Supreme Court would provide a favorable review and was hopeful for results early next year.

Regent Hill asked about public officers being named by state constitution. General Counsel Ray replied that NRS 281.045 defines public officers as either elected officers or positions created by constitution and/or statute with duties clarified in NRS. He related that that statement was the basic argument. Regent Hill asked whether deans, vice presidents, and department chairs could also be considered public officers under the R-J definition. General Counsel Ray's opinion was that it would not be a big stretch. Regent Hill asked whether it could also be extended to senior administrators working in the Chancellor's office. General Counsel Ray replied that, while the court did not say that, it had held that presidents were.

Regent Gallagher asked whether court action could expedite the filing of the necessary order. General Counsel Ray indicated that he was hoping to avoid that. He stated they were pursuing an outside entity to prepare the transcript. He noted again that it was a bigger issue than the Open Meeting Law, as it concerned whether presidents are public officers.

Regent Sisolak asked whether the System could move ahead with the search and still pursue an appeal since the candidates had agreed to public interviews. General Counsel Ray replied that they could, but it would make the appeal moot. He felt the Board needed to decide which avenue to pursue. Regent Sisolak asked whether the court could uphold the original decision. General Counsel Ray replied that the court could issue an order affirming the decision, which would make the district court's decision binding. He was hopeful that, because of the issues, the Board would get a published Supreme Court opinion.

Regent Rosenberg observed that it had cost the Board a great deal of money and asked whether the R-J was required to post a bond. General Counsel Ray replied that they were required to post a bond. The System argued for a substantial bond, but he believed the court imposed \$1,000. Regent Rosenberg felt it was wrong to hurt an institution and the students by delaying the filing.

Regent Sisolak asked whether there was any indication the court intended to apply the public officer finding to lower administrators. General Counsel Ray replied that they had not. He related that filing additional reports was a ramification from finding presidents to be public officers. The connection to the Open Meeting Law was that public officers could not be interviewed in closed session. Regent Gallagher asked what additional duties were required of public officers. General Counsel Ray replied that they were required to file annual financial reports, adding that he was researching the matter further.

Regent Rosenberg asked whether all personnel sessions would be required to be held openly. General Counsel Ray replied that it was not the scope of this ruling, but he felt it was possible to push this matter further. Regent Derby observed that the Chancellor had been defined as a public officer for quite some time and yet the Board had been able to hold closed personnel sessions per statute. She asked whether that could be called into question. General Counsel Ray replied that he did not know, adding that the present ruling would not affect that. He stated that someone could file another lawsuit and stretch the issue a bit further.

Regent Sisolak asked whether the Chancellor position was defined as a public officer. General Counsel Ray replied

that the Chancellor's position was set forth in the Nevada Revised Statutes (NRS). He asked about the Board's argument that presidents were not public officers. General Counsel Ray replied that the position of Chancellor was created by law in Chapter 396 and that was the difference.

Regent Rosenberg stated that closed sessions were held for the protection of the candidates and not to hide anything. He felt the candidates could not speak freely if the interviews were conducted in the open because they have existing jobs. He felt they would not be as forthcoming as they would be in a confidential closed session. Regent Gallagher observed that the search committee would also be limited in the questions they could ask.

Regent Seastrand asked when the CCSN Presidential Search committee could expect to interview candidates. General Counsel Ray replied that it was difficult to predict, but was hopeful for a decision from the court early next year. He related that once the motion for expedited treatment was filed, a court order would be received providing the timeframe for filing briefs. Regent Seastrand asked whether it was reasonable to expect knowing the timeline within the next two weeks. General Counsel Ray replied that he expected it would be a little longer since the written order had not been received. He suggested that once a timeline was received, if the court denied expedited treatment, the Board might wish to weigh pursuing the appeal vs. proceeding with the search.

Regent Kirkpatrick asked whether the candidates had been notified and if they were waiting. Ms. Ernst replied that she contacted all candidates via telephone and had received notes from some of them. Chancellor Nichols also sent the candidates a letter. Ms. Ernst stated that the candidates were notified the System believed there would be no action taken before January 2001. She indicated that, so far, the candidates were holding.

Ms. Jakubowski asked how the decision affected the UNR and TMCC Presidential searches. She asked whether those committees would also be postponed. General Counsel Ray replied that when the committees reached the point of candidate interviews they would be affected. He felt that both committees were a long way from that now and that a ruling should be received by the time they were ready to interview.

Regent Seastrand left the meeting (via telephone).

Regent Sisolak asked whether item #12 had been withdrawn permanently. Dr. Crowley replied he would not bring the issue back.

20. Approved-TMCC Presidential Search Committee Report and Budget Request for the Presidential Search -

Chair Jill Derby reported the TMCC Presidential Search committee met October 2nd and General Counsel Tom Ray reviewed the guidelines and process for presidential searches and the requirements of the Open Meeting Law. Mr. Joe Conte from the Association of Community College Trustees (ACCT) presented a proposal to provide professional services for the search. Discussion followed the presentation and the committees then approved the hiring of ACCT as the search firm for the TMCC Presidential search. The committee reviewed staffing needs, additional expenses attributed to the search process, determined the budget necessary to complete their charge, and approved a budget request for up to \$45,000. Members began a preliminary discussion on applicant characteristics and several were identified. The committee scheduled their next meeting for November 13th. Regent Derby requested Board action to approve the following recommendations of the committee:

- Selection of Search Firm – The committees approved the hiring of ACCT as the search firm.
- Budget Request – The committees determined the budget necessary to complete their charge and approved a budget request of up to \$45,000.

Regent Derby moved approval of the committee recommendations, acceptance of the report, and approval of a

budget request of up to \$45,000 for the TMCC Presidential Search. Regent Gallagher seconded. Motion carried. Regent Seastrand was absent.

21. Information Only-Proposed Definition of Upper-Division Instruction – Regent Hill requested the faculty senate chairs and Dr. Iverson provide a report in 2001 regarding the definition of upper-division instruction (attended by lower-division students).

Regent Derby noted that the ARSA committee discussed this issue at their meeting and requested information for future meetings regarding this issue and its relationship with articulation. She indicated that the ARSA committee wanted to be involved with faculty feedback regarding this issue. Regent Hill stated that he was not a member of that committee and requested it be scheduled at a time when he could attend. Regent Gallagher agreed that a definition was necessary. She stated that there had always been a feeling that the universities would raise a course to the 300-level so that they would not accept the same course offered at a 200-level from the community college.

Regent Wiesner requested comments from the presidents. President Crowley noted that the faculty felt strongly about their right to determine the curriculum. He felt that it was appropriate for the Board to encourage changes, but not to make the changes themselves. He felt the best way to solve these complex problems was to provide faculty and departments the opportunity to work out their differences, adding that it was always appropriate to ask questions.

Chair Dondero requested comments from the faculty senate chairs. Mrs. Mary Spoon concurred with President Crowley. She hoped the disciplines and the Common Course Numbering Committee would be allowed to determine the definitions. Dr. John Filler agreed, adding there had been a tremendous amount of discussion and goodwill expressed by the faculty to address those issues. He felt that faculty were diligently doing the job. He noted that many things could account for a student being in an upper-division course. Mr. Bill Newhall stated that the faculty senate chairs were in agreement that it was a faculty function, adding there were academic standards and curriculum committees to deal with these issues on a regular basis. He agreed with Regent Hill that there were issues to be addressed and/or clarified, and assured the Board that faculty would resolve the issues.

President Moore suggested that it was likely faculty was having a hard time with this because it was a difficult problem, adding that the problem areas should be noted. President Harter suggested that Dr. Moore's logic would not apply to all levels of instruction as there were different requirements for different years of attendance. She felt that it was a faculty issue that the faculty must address. She thought it would be helpful for Regent Hill to meet with them so he could hear some of the problems and subtle differences.

Dr. Fred Jackson agreed that it was a faculty issue. He noted that, just as all students tend to be different, courses were different in terms of their fit in programs. He stated that it created dynamic situations that may never be solved in a lasting manner. He stated that faculty must continue to debate, argue and ultimately arrive at better courses and programs for the students.

President Lucey stated there were clear differences in the way states and universities treat upper- and lower-division courses. She felt it was important for certain courses to be offered at the two-year level for workforce development. She also agreed that it was important for the faculty to develop a more sophisticated curriculum. She suggested the Regents could help by focusing on the length of time required for a student to obtain an associates degree (2 years) and a baccalaureate degree (2 more years when transferring) if they do everything right. She felt that an outline for a full-time student would be helpful in addressing part-time student concerns.

Mr. Newhall offered to clarify these issues with any of the Regents. He hoped the Board directive was to move

forward and not something more specific. Regent Gallagher stated that she did not intend to imply that Regents should take over curriculum development. She agreed that the faculty should define the issues: Are lower-division classes properly classified; Do they transfer; How do they transfer; Is there a problem with the same course classified as 200-level at the community college and 300-level at the university. She had no desire to work on the curriculum and asked the faculty to provide answers to those questions. Regent Hill was not interested in dictating curriculum, but was interested in knowing the progress. He asked about the criteria for upper-division and lower-division courses. He felt it was a Regent's duty to understand what the faculty was doing, how they were doing it, and whether they were doing it. He felt it important for the Board to understand what is happening and was interested in knowing what is being done. He requested a future agenda item for this report.

Chancellor Nichols was delighted with the tone of the discussion. She acknowledged that the faculty had been anxious about the direction of this issue. She noted that the new formula funding required differentiating the funding between lower- and upper-division. The state has requested an explanation of the difference between the two. She stated that they would need to be very clear because of the difference in funding levels.

The meeting recessed at 5:20 p.m. and reconvened at 8:05 a.m. on Friday, October 20th with all members present except Regents Kirkpatrick, Phillips, Seastrand, and Sisolak to hear the Foundation reports.

22. Approved-Foundation Reports - The Board heard Foundation reports from UNLV, GBC, TMCC, and WNCC. (See individual Foundation minutes)

The foundation meetings adjourned at 9:10 a.m. and the full Board meeting reconvened at 9:20 a.m. with all members present except Regent Seastrand. The Board tried unsuccessfully to reach Regent Seastrand via telephone (equipment failure).

23. Approved-Campus Security and Police Overview - Discussion was held regarding policies or potential policies governing police conduct in the performance of their duties. Specific police practices and issues were identified by the Board for inclusion in a study for presentation to the Board at a future meeting. The Board approved a study to consider campus police practices. (White Packet #26 on file in the Board office)

Dr. Nichols proposed that all campuses provide current practices, including: police/security force mission, size, funding model, adequacy, and effectiveness. She then suggested the campuses could address issues raised previously by the Board related to: training/education of officers and standards and certification for employment. She proposed a review of methods in place to ascertain the effectiveness and quality of the operations, as well as a review of the administrative position within the institution and any other general practices that might be appropriate. She recommended the report be presented as information on current practices in relation to current conversation at the state level regarding consolidation of all forces. She indicated that the campuses feel strongly that this would not be in the best interest of the students or the campus. She felt the report would provide a helpful tool to address initiatives related to that. She suggested the report be prepared by a task force of campus representatives working with System staff.

Regent Hill moved approval of authorizing the Chancellor to perform the study as outlined and report back to the Board. Regent Phillips seconded.

Regent Hill stated that he was not interested in micromanaging campus security, but had great concern for the safety of the staff and students. He felt that campus security was a primary concern of the Board. He mentioned that he read about reforms initiated by UNLV Director of Public Safety Jose Elique, and was very impressed with some of the reforms. He felt it was terribly important to have a partnership between the security forces and the

institution with the understanding that people should feel good about and not have an adversarial relationship with the police department. He asked Chancellor Nichols to include him in the initial meeting so he could provide input.

Chair Dondero asked about a timeframe. Chancellor Nichols felt the results could not be provided earlier than the January meeting, adding the report would be compiled expeditiously.

Motion carried. Regent Seastrand was absent.

24. Tabled-Report on CCSN Administrative Review - Chancellor Jane Nichols continued her review of concerns raised at CCSN with recommendations for future policy changes to address those items. (White Packet #26 on file in the Board office) The matter was tabled and referred to the Audit committee.

Dr. Nichols indicated this would be her final report, which stemmed from allegations in the press regarding CCSN. She related that Chair Dondero felt it was imperative for System Administration to review the validity of the claims and take appropriate action. System staff was involved with the review process, which was unusual, since it was not customary for System Administration to investigate campus practices. Normally investigations are conducted via an audit or presidential review. She emphasized that her review of internal practices at CCSN was performed solely to clear the air, to provide direction for the institution if problems were found, and to determine whether System policy was adequate. She indicated that, in many cases, System policy was not current and required updating to address new programs and issues that have arisen in recent years. Areas in need of modification include:

- Loan of equipment.
- FTE count.
- Use of bonuses.
- 24-hour use of vehicles.
- Emergency hires.

She has requested stricter adherence of CCSN to personnel policies regarding improvement and promotion and FTE count related to refunds. She felt it essential, prior to the legislative session, for CCSN to: 1) Fix the areas of concern, 2) Have a clearer understanding of appropriate methods of operation, and 3) Provide clear answers for the public. She noted there was a pending Attorney General investigation and the Chancellor's report did not include any of the issues that had been referred to the Attorney General. The investigation could take up to one year to complete.

Allegation #1 – Emergency Hire Practices:

Dr. Nichols reported there is a strong System requirement for hiring practices. The Board also has a strong Affirmative Action statement and supports the necessity of open searches. Emergency hires are allowed (that do not follow those practices) when circumstances necessitate filling the position quickly. CCSN's handbook describes acceptable circumstances and provides a 1-year limit for emergency appointments. Active recruitment to fill the position is expected to be conducted during that year. The emergency hire is not prohibited from applying for the position, but no guarantee of the job is given. The accusations centered on whether CCSN hired employees on an emergency basis and then guaranteed the emergency hire the permanent position. Internal Audit reviewed data on CCSN emergency hires and found that, over the past three years, there has been increased use of emergency hires. Dr. Nichols felt that this increased use of emergency hires had given rise to the perception that they are overused. She has suggested to CCSN that great caution should be used with emergency hires and that all searches should be appropriately conducted.

Regent Sisolak asked about the ramifications for the increased use of emergency hires. Chancellor Nichols replied

that it was difficult for her to recommend 'punishment', adding that the remainder of the report would reveal particular policies that do not prohibit the use of emergency hires when used appropriately. She had no evidence showing there was not valid reasons for the hires. She felt it possible to assume that emergency hires were used too readily. She stated that the institution was in the process of changing presidents and that she had directed Interim President Silverman to address the issue aggressively within the institution, and assumed the next president would also be told to do that. She did not believe the Board should apply blame. Regent Sisolak restated that an allegation was made regarding misuse of emergency hires, there were no ramifications, but there would be new policy for the next president to follow. Chancellor Nichols replied that if the Board wished to take other action they could do so.

Regent Rosenberg asked whether emergency hires included letters of appointment. Chancellor Nichols replied that they did not. Regent Kirkpatrick found the number of emergency hires unbelievable. He felt the percentage of emergency hires was too high and reflected unfavorably on the institution as well as the person hired. He asked the Chancellor to put a hold on all departments (in process or planned) for positions above the department chair level until the new president was hired. He felt that interim appointments would be acceptable, but no permanent positions. He asked who would determine what is and is not essential. Chancellor Nichols replied that it would be the president's responsibility.

Regent Phillips left the meeting.

Allegation #2 – Promotions for Administrators:

Dr. Nichols reported there had been very significant increases in some administrators' salaries in a very short period of time, which demonstrated the perception of unfair practices. She believed it could be due to the practice of dividing administrative responsibilities resulting from vacancies among existing administrators. With increased responsibility and change in job description, there were concurrent increases in salaries for existing administrators, which complies with System policy.

Regent Phillips entered the meeting.

She noted that some salary increases were equity increases in light of market factors. It could not be determined that a breach of UCCSN policy occurred, but there was the appearance of uneven salary practices. She suggested the expansion of responsibilities for existing administrators as a practice should be weighed carefully against filling existing positions or create new positions that could be advertised and open to others. She felt that better communication and consistent application of salary policies would be critical to reassure the campus community that administrative salary decisions are equitable and consistent.

Regent Sisolak restated that allegations were made regarding significant increases for some, again with no ramifications, and wondered if things were being 'swept under the rug'. Chancellor Nichols replied that open discussion of the allegations was proof they were not being 'swept under the rug'. She stated that the ramification had been a great deal of negative publicity for the institution. She stated there were faculty and students doing an excellent job. The items being addressed were administrative in nature. The Chancellor has told the college president to 'clean up their act'. She stated that they were addressing the issue openly, adding that, to her knowledge, no policy was broken. Regent Sisolak asked whether policy would be established for everything that did not have one before because common sense was not used. Dr. Nichols replied that the Board would review the findings and if they wished to take personnel action it would be a separate issue. Regent Phillips clarified that no breach of UCCSN policy was found. Dr. Nichols agreed.

Regent Hill expressed concern for the manner in which this was handled. He stated there had been indictment and trial in the press and that breach of policy was one thing. He acknowledged the Regents were an administrative

board reviewing many things done at the institutional level. He questioned whether policy was breached in the dormitory raid at UNLV, adding that he did not believe it was. He felt that part of the raid defied common sense. He was not supportive of initiating inquisitions for lack of common sense. He noted that presidents had contracts, were at-will employees, and could be fired at the end of their contracts. He felt there should be a policy and it should be followed. He felt it was inflammatory to say the issue was 'swept under the rug' when no policy was broken. He agreed the Board should review the findings and establish new policy. Chair Dondero stated that she had requested a review of Board policy and whether they were doing the right thing.

Regent Kirkpatrick was disturbed that a selected group of people received enormous salary increases; some over 150% over a period of less than four years. He felt it had a detrimental effect on the hard-working faculty and staff who were not allowed to participate in the largesse. He hoped the Attorney General's (A.G.'s) investigation would take care of the specific instances and apologized to the Chancellor for the garbage dumped in her lap. He felt the Board had a serious problem if administrators could not justify the trust placed in them. He was not interested in calling a closed personnel session and agreed to wait for the results of the A.G.'s investigation.

Regent Alden suggested establishing a timeline for the decisions (allegedly made with a lack of common sense) with a parallel timeline for enrollment increases. He felt the timeline would show the points in time where decisions were made which were in direct response to the enrollment crisis and who was in charge during that time. He agreed with Regents Sisolak and Kirkpatrick, but also agreed with Regent Hill. He wanted neither an inquisition nor to overlook the incidences. He felt it should be clarified who was in charge and what the enrollments were at the time to see if there were any parallels. Chancellor Nichols stated that it would be possible to create that timeline. She agreed that it was true the institution was growing during that time, adding that she could track those issues if the Board desired.

Regent Phillips again clarified there appeared to be no breach of any policy. Chancellor Nichols replied her review had determined there was no breach of policy related to the increases in salary. Regent Phillips asked whether the issue was under investigation by the Attorney General. Dr. Nichols replied that it was. Regent Phillips felt the Board should wait to see results of the investigation prior to making any indictments. Chancellor Nichols replied that it would serve the Board to await the results of the A.G.'s investigation.

Regent Kirkpatrick agreed with Regent Phillips except in those instances where the Chancellor had identified specific areas where corrective action was warranted immediately (i.e. equipment care and maintenance, hiring practices, and promotions). He felt the Board should take action in those areas without waiting for the investigation results because it would strengthen the institution. He stated that, even though there may have been no breach of policy, it did not infer that someone had not failed in the execution of their duties. Regent Phillips asked whether Regent Kirkpatrick was concerned with the appearance of impropriety. Regent Kirkpatrick replied that he was.

Allegation #3 – Employee Abuse of Financial Aid and Nevada Grant-in-Aid:

Dr. Nichols reported allegations were made that CCSN professional employees' dependents registered for classes and received grants-in-aid or financial assistance while actually attending an out-of-state institution of higher education. She reported that, after extensive investigation and class roll examination, there was no validity to these charges. She could not find any evidence that it was true, with the one exception that has been widely publicized that occurred one year ago and has been resolved. She dismissed the charges for lack of evidence.

Allegation #4 – Double Billing:

Dr. Nichols reported there were allegations that computers were charged to federal grants and state accounts at the same time. Internal auditors are presently reviewing a sampling of transactions to confirm that no double billing occurred. She noted that federal grant requirements allow equipment purchased with federal funds, with a value up to \$5,000 to become the property of the institution at the end of the grant. She concluded that this perception might

have arisen as equipment was transferred to the ownership of CCSN. Dr. Nichols reported that, to date, they had found no evidence to support the claim. She related that if the audit revealed that this had occurred it would be returned to the Board.

Regent Sisolak asked about a timeline. Mrs. Sandi Cardinal replied that the auditors were reviewing the equipment and the preliminary stages are complete. She reported the auditors were attempting to locate some of the equipment, but expected to know the status within the next couple of weeks. She felt it could be reported at the next meeting. Regent Sisolak asked about trying to locate the equipment. Mrs. Cardinal replied that the auditor attempted to locate the equipment without contacting the individuals responsible for the equipment. Most of the equipment was located, but some could not be, so now the institution is assisting with location. She related that some equipment was not found in the room in which it was listed. Regent Sisolak asked whether the institution had located the equipment. Mrs. Cardinal believed it had been located.

Chancellor Nichols related she would discuss items 5-8.

Regent Wiesner moved approval of tabling the item and referring it to the Audit Committee. Regent Phillips seconded.

Regent Gallagher asked about the charge to the Audit committee. Regent Wiesner replied that they would make a recommendation to the full Board. He felt that if the Board wanted to spend a full day on the issue they could, but if not, it should be turned over to Audit committee and let them come back with a full report. Regent Phillips agreed adding that the Board was discussing something that was not yet complete. He felt it wiser to wait until the investigation was complete and all the questions were answered. He agreed with sending it to the Audit committee with a report before the full Board.

Mr. Alden related that some things were not Audit committee related. He wanted to go through the entire report.

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

Regent Sisolak asked that this item appear on the next Audit committee meeting and to allow sufficient time for discussion. Regent Wiesner suggested holding the Audit committee prior to the next Board meeting.

25. Information Only-UCCSN Policy on FTE Count for State Support – Interim Vice Chancellor for Academic Affairs, Dr. Sherwin Iverson provided a presentation on the UCCSN's current headcount and FTE enrollment reporting policies. An overview of efforts to re-examine and clarify existing policies and to draft new policies accommodating enrollment-reporting requirements of the new funding formula was provided. (Ref. C on file in the Board office)

Dr. Iverson acknowledged the work of Ms. Tamela Gorden- UCCSN Interim Director for Institutional Research, as well as Institutional Research Officers Ms. Kari Coburn-UNLV, Ms. Janice Brown-UNR; Mr. Joe West-CCSN, Ms. Susan Riggs-WNCC, Mr. Tyler Trevor-TMCC, and Mr. Danny Gonzales-GBC. Dr. Iverson provided an overview of enrollment reporting procedures and a commitment of future policy review and analysis. He reported that it is a complex process entailing the counting of enrollments as of the last day to drop/add for regular enrollments.

Regents Alden and Sisolak left the meeting.

Dr. Iverson reported that one of the basic measures reported was headcount of enrolled students, which was determined as those students taking at least one credit-bearing course at the institution. This measure is

unduplicated, regardless of the number of courses taken, and is the basic measure of the number of people served by the institution. He indicated that it also had implications for workload.

Regent Sisolak entered the meeting.

Dr. Iverson reported that a second measure used was known as FTE (full-time equivalent) student, which reflected the number of courses taken. He related that it was an important measure for academic planners to help determine the number of staff necessary to provide instruction.

- Undergraduate FTE is determined by student credit hours divided by 15.
- Graduate FTE is determined by student credit hours divided by 8.

Sometimes FTE is computed to provide an idea of how much work someone is doing. More often it is computed for state funding. FTE exclusions include: the law school, the medical school, non-credit avocation courses, recreation courses, community service courses, self-supporting courses, summer session instruction, students receiving 100% refunds, and students who have registered but have not paid. He indicated it was more complex than headcount.

Regent Alden entered the meeting.

Dr. Iverson stated that System Administration proposes a System-wide review of enrollment procedures and policies (with collaboration of appropriate campus officials and staff). The objective is to gather and review System-wide policies and to create a single document containing those policies that stresses uniformity of data, accuracy of data, and simplicity. The intent is to display all current policies with suggestions for change in one document and to gain public trust. He related that System Administration wanted to be clear about the manner in which enrollment is counted and reported for state funding. Areas under review include:

- Construct a general review of headcount and FTE enrollment concepts and its relationship to institutional processes.
- Review refund policies.
- Review course drops/adds and their relationship to FTE.
- Review census dates.
- Review carry-over enrollment.
- Review relationship between credit hours and contact hours.
- Review contract course instruction.
- Review the implications of the new funding formula, which imposes significant changes to the manner in which enrollment is counted.
 - Graduate enrollment will be totaled at the masters-level divided by 12 and at the doctoral-level divided by 9.

Dr. Iverson reported that a meeting was held with the campuses to discuss how to handle counts in the future. Agreement has been reached on basic concepts including: enrollment projections, methodology, and precise reporting categories. Instructions will be provided to the campuses. He related that dual reporting would be required until the new method was adopted.

Regent Alden asked about technology requirements for immediate calculation of FTE enrollments following course additions/deletions. Dr. Iverson replied that nothing was available at this time to immediately calculate FTE. Regent Alden asked about the length of time required following the beginning of the semester. Dr. Iverson replied that an accurate count could be obtained from the individual campuses.

Regent Gallagher expressed gratitude for the work being performed on such a difficult issue. She felt it would be helpful in the future. Dr. Iverson agreed.

Regent Sisolak asked about students who drop all courses and receive a 100% refund. Dr. Iverson replied that those students were not counted as FTE. Regent Sisolak asked whether they would be counted as FTE if there were a delay in processing the refund. Dr. Iverson replied that the rules stated that dropped courses were not to be counted towards FTE. Dr. Nichols stated there was a rule that all refunds have to be processed before the count date to avoid that happening. Regent Sisolak asked about the count date. Dr. Iverson replied that it was October 15th for the community colleges in the fall and the last day to add/drop for the universities. Regent Sisolak asked whether that policy was followed without exception. Mrs. Sandi Cardinal, Director of Internal Audit, replied that refund process dates were reviewed as part of the FTE audit process. She indicated that, at the community colleges, if refunds were processed late it would reduce the carry-over for the next semester. She related that it would inflate one semester, but would be reduced the following semester. Regent Sisolak asked about the number of 100% refunds. Ms. Connie Capurro, Acting Dean of Student Services/Registrar-WNCC, replied there were approximately ten more refunds to process at WNCC due to emergency situations.

Regent Hill asked whether each institution was counting FTE in the same manner. Dr. Iverson replied that the rules were the same for the community colleges but differed slightly for the universities. Mrs. Cardinal replied that the universities did not carry-over. Regent Hill asked whether remedial courses counted towards FTE. Dr. Iverson replied that non-credit, remedial/developmental courses that were required in order to progress into credit-bearing courses were counted.

Ms. Jakubowski expressed concern for the FTE formulas for masters and doctorate courses. She indicated that, according to campus policy, a graduate student could not take more than 6-9 credits without many signatures, which meant that graduate FTE would be reduced. Dr. Iverson replied that, using the new method, graduate FTE enrollment from last fall would be reduced only slightly, but funding could still increase because the formula had changed.

Regent Sisolak asked about the number of 100% refunds at CCSN. Mr. Allen Ruter, Vice President of Finance & Administration-CCSN, reported there was a maximum of 100. He related there were many reasons, including financial aid packets processed late and late class starts, so the carry-over consideration could not be eliminated. Regent Sisolak asked how the universities managed to eliminate it. Mr. Ruter did not know the answer for universities, but indicated that the community colleges could not eliminate carry-overs. Regent Sisolak asked why it wasn't the same between institutions. Chancellor Nichols suggested asking the task force to review and consider whether it should be the same.

Regent Phillips asked about the medical school/law school students not counted in FTE calculations due to different funding. Dr. Iverson replied that the medical school budget was not driven by the formulas for funding. He indicated that they did have a total count of students for those schools. President Harter related that the dental school was treated in the same manner.

Regent Rosenberg observed that UNR could adjust a student's schedule by adding a course in a semester subsequent to one in which a course was dropped so as not to jeopardize their financial aid. He related that he had encountered medical withdrawals at the end of a semester that required high-level approval for refunds and count adjustments.

26. Approved-Fiscal Impact – The Board approved considering implementation of a practice whereby the Board and its committees would require a fiscal impact statement be included before adopting a new policy or approving

requests for information/reports outside of routine staff work.

Chancellor Nichols related that the policy would require a fiscal impact statement be included when items are presented for Board approval, if a fiscal impact was anticipated. She related that the policy was in place in the Academic Program area.

Regent Hill moved approval of implementing a practice requiring a fiscal impact statement be included prior to adopting new policy or approving requests for information/reports outside of routine staff work. Regent Alden seconded.

Regent Gallagher stated that the Board had been concerned about un-funded state/federal mandates. She noted that occasionally the Board delivered un-funded mandates to the campuses. She felt it important for the Board to know the cost of proposed items and strongly supported the motion.

Regent Sisolak expressed concern that the policy could potentially stifle an individual's request because of the associated fiscal impact. He asked whether a Regent's request could be denied due to the cost. Chancellor Nichols replied that it was not intended to stop requests, but to inform the Board so the need for the information could be weighed against the cost. Regent Sisolak asked whether the potential fiscal impact could determine whether a request was granted. Chair Dondero replied that it could. Regent Sisolak felt it was a dangerous path.

Regent Gallagher observed that any request could be overruled. She felt that the Board should determine the cost-effectiveness of any request. Regent Sisolak noted that, at the legislative level, any elected official had the right to ask for information. He felt that this policy could circumvent such a request. Regent Kirkpatrick noted that it had already occurred to the Board. He recalled when the previous Chancellor denied several Regents' request due to the cost of providing such information.

Regent Hill understood Regent Sisolak's concern, reminding him that the item proposed development of a policy and not adopting a specific one at this point. He noted that there was likely no additional fiscal impact when System Administration staff provided information for the Board. He felt that if money had to be spent to comply with a specific request, then the Board should decide if the money should be spent in that manner. He felt the Board was held to a standard of public review and did not want to spend money recklessly in violation of their fiduciary responsibility.

Dr. Nichols noted that System Administration played the same role for the Board as the Legislative Counsel Bureau did for the legislature. She related there was no intention to stop providing that service for the Board. She indicated that the item was designed to address those instances where a fiscal impact might rise above the level of existing staff and affordability (i.e. hiring a consultant to perform the job). Regent Sisolak asked who would make that determination. He felt that any elected official could not be denied because of the associated cost. Chair Dondero felt that a fiscal impact should be considered. Regent Hill felt the policy could be drafted in such a manner that Regent Sisolak's concerns were addressed. He suggested the Board review the policy once it was drafted. He too did not want to be put in a situation where Regent requests were denied due to lack of funds. He felt that it was reasonable to know the additional cost of such requests.

Regent Gallagher noted that using System Administration staff did not imply that information could be retrieved at no cost. She felt that, if outside help was required to assist staff, there should be a statement showing the financial impact.

Upon a roll call vote the motion carried. Regents Alden, Derby, Dondero, Gallagher, Hill, Kirkpatrick, Phillips, and

Wiesner voted yes. Regents Rosenberg and Sisolak voted no. Regent Seastrand was absent.

The meeting recessed at 11:00 a.m. and reconvened at 11:08 a.m. with all members present except Regent Seastrand.

27. Approved-Retirement Plan Changes – The Board approved the adoption of the 'Excess Benefit Plan of University and Community College System of Nevada'. This is a 415(m) plan designed to allow excess contributions beyond the current \$30,000 cap under the 'University and Community College System of Nevada Defined Contribution Retirement Plan Alternative'. (Ref. D on file in the Board office)

Ms. Donna Dubois, Manager-UNR Personnel Services, and Ms. Carla Henson, Associate Director-UNLV Human Resources, announced the creation of a new retirement plan (Plan II) to work in conjunction with the current Retirement Plan Advisory (RPA) document for UCCSN faculty and administrators. She noted that they appeared before the Board previously to request approval of RPA funding changes to provide more options for employees participating in the tax-sheltered annuity program. She indicated that, as a result of those changes, further steps were required to correct the RPA plan. One of the responsibilities of the RPA committee is to ensure that retirement plans are in compliance with all state and federal laws governing retirement plans. The committee reviews federal changes to retirement plans and provides recommendations. Ms. Dubois reported that NRS 286.808 indicated that the Board of Regents would allow each participant in the plan to contribute 10% of his/her salary to the plan, which was then matched by the Board.

Ms. Dubois reported there were federal laws preventing the full 10% contribution to the retirement plan:

- The 415-limit - an IRS code which caps all retirement plan contributions \$30,000 per calendar year.
 - The 10% contributed by the employee and the 10% contributed by the employer are added together.
 - After \$30,000, no additional contributions can be made for the employee during that calendar year.
- The OBRA-93 - places further limits on the salary that can be taken into account when making contributions.
 - Grandfathered group – hired prior to 1/1/96. Salary limit: \$275,000.
 - Non-grandfathered group – hired after 1/1/96. Salary limit: \$175,000.

Ms. Dubois reported that the 415-limit placed a restriction of \$30,000 on the total contribution, so anyone earning over \$150,000 would not have contributions on earnings in excess of \$150,000. She discussed an IRS regulation (415(m) plan) permitting government entities to create a plan document allowing contributions in excess of the 415 limits. The 415(m) plan must mirror the retirement plan already in place. Former Interim Chancellor Anderes approved an expenditure for PricewaterhouseCoopers to research whether this plan was possible for UCCSN. PricewaterhouseCoopers developed the 'excess benefit plan document' (Plan II). She stated that employees earning more than \$150,000 would fall into Plan II, which would allow contributions beyond the \$30,000 cap, but still limited by the OBRA-93 caps. Ms. Dubois noted that, had the previous funding changes not been approved, it would not be necessary to make the changes currently presented. The previous pension plan imposed a \$30,000 cap on employee contributions and a separate \$30,000 cap on employer contributions. When the funds were re-directed to allow for more voluntary TSA's, the joint \$30,000 cap was initiated. She clarified that they were requesting approval to return the plan to its former contribution status.

Regent Kirkpatrick moved approval of adoption of the retirement plan changes as presented. Regent Gallagher seconded.

Regent Sisolak asked how many people would be affected by the 415-limit and about the impact to the state and the overall cost. Ms. Dubois replied that 68 employees were affected, with the majority working at the School of

Medicine. She related that those employees hired before 1/1/96 had a \$275,000 ceiling and those hired after 1/1/96 were limited to \$170,000. Ms. Henson noted that it was not an additional cost, but what was required to maintain the current plan and allow employees to participate in the 10% employee/10% employer contributions.

Ms. Dubois reported the overall costs:

- Non grandfathered employees (hired on or after 1/1/96; \$170,000 OBRA limit)
 - 30 employees.
 - North - \$750,000 state contribution (with the \$30,000 cap).
 - South - \$150,000 state contribution (with the \$30,000 cap).
 - North - \$837,000 state contribution (without \$30,000 cap).
 - South - \$159,000 state contribution (without \$30,000 cap).
- Grandfathered employees (hired before 1/1/96; \$275,000 OBRA limit)
 - 38 employees.
 - North - \$1,000,000 state contribution (with the \$30,000 cap).
 - South - \$60,000 state contribution (with the \$30,000 cap).
 - North - \$1,300,000 state contribution (without \$30,000 cap/with \$170,000 OBRA).
 - South - \$68,000 state contribution (without \$30,000 cap/with \$170,000 OBRA).

Ms. Dubois related that it was not an additional expense, because those numbers would have applied had the plan not been changed previously. Regent Sisolak asked whether those rates were currently being paid. Ms. Dubois replied that they were, adding that if the Board did not approve the proposed changes personnel would need to refund those contributions already recorded for this year. Regent Sisolak asked whether that would result in a savings to the state. Ms. Dubois replied that it would. Ms. Henson stated that it was important to realize that it would eliminate a benefit for 68 people. Ms. Dubois stated that according to the NRS, the 10% employee/10% employer contribution was still in place. The limits on the NRS were due to federal law and changes made to the pension plan in order to encourage people to voluntarily save.

Regent Hill asked when the federal law went into effect (\$30,000/415-limit), when the 10% contribution policy was passed and whether there was a cap on the 10% contributions prior to the inception of the 415-limit. Ms. Dubois replied that the federal law had been in effect for at least 10-15 years, the 10% contribution was passed in the 1970's when the legislature allowed the University System to create a separate plan and remove the faculty from PERS if they wished, and that there was no limit on the contributions prior to the 415-limit. Regent Hill felt that removing the limit would cost additional monies. Ms. Dubois replied that it became a savings rather than a cost. Regent Hill asked why the contribution caps had not been put in place. Ms. Henson replied that those contributions had always been paid, adding that the \$30,000 cap was discovered when the retirement plan changed from a 401a/403b to a 414h pickup about one year ago. She explained that they were trying with the 415m to maintain what the UCCSN had always employed. She stated that there would be no additional cost with the 415m, but if it were not adopted, 68 people would be capped at the \$30,000 limit, which would decrease a benefit they had enjoyed since initial employment. Regent Hill asked whether the contributions had been reduced to comply with the 415-limit. Ms. Dubois replied that the 415-limit became effective this year and that contributions had not been decreased accordingly. She related that they would need to secure a refund for any contributions in excess of the limit.

Dr. Derby stated that she advocated increases to part-time salaries for many years and was disturbed with decreasing a faculty benefit. She asked about the legal ramifications if this were not approved. General Counsel Ray replied that he was not familiar with the IRS and retirement plan issues, but noted that taking away a benefit would raise questions of impairment of contract and vested rights. Dr. Nichols felt it difficult to comment because she would be impacted (as well as some of the presidents) by the Board's decision. She explained that it was not a new

cost, but would allow the same level of contributions as had been accepted in the past prior to the changes. She complimented staff for their diligent pursuit of IRS provisions.

Regent Kirkpatrick asked about the \$334,000 cost per year. Ms. Dubois replied that half came from employee contributions with the other half contributed by the employer. Regent Kirkpatrick observed that the Board had denied modest increases to the presidents' salaries in an effort to save money. He noted that most of the individuals affected by the cap were earning more than the presidents. In view of that, he did not support the changes to the retirement plan.

Regent Rosenberg observed that it would impact 68 people by removing a benefit they had been receiving. He felt it sent an inappropriate signal and would further impact the presidents.

Ms. Jakubowski felt that the benefits committee should have considered the ramifications prior to changing the plan. She noted that the students could put the \$300,000 to very good use. Ms. Dubois replied that the ramifications were considered, but the 415(m) wasn't well known, adding that the plan sponsors were also not aware of it. She noted that there are only two universities in the U.S. that have a 415(m) document. She reported that, once they became aware of the 415(m), research was conducted for the past 8 months.

President Crowley observed that by not approving the proposed changes, the Board could impair the success of on going searches for presidents as well as positions in the School of Medicine and certain vice presidents, deans, and law faculty. He encouraged Board support of the recommendations.

Regent Dondero asked whether uncapped contributions were part of the salary package offered to new hires. Ms. Dubois replied that it was, adding that orientation packages were presented to all new employees including retirement information referencing a 10% employee/10% employer contribution.

President Harter observed that not approving the recommendations would put the institutions in an unfavorable market as they strive to build medical and law schools and hire the best people. President Lucey stated that the recommendations would not affect her or anyone at WNCC. She felt the issue was salary, adding that if it was reasonable to hire someone at more than \$150,000, the benefit package should be no different from someone earning less. She noted that a standard retirement package was 20% (10% employee/10% employer). She asked whether the employee could make a larger than 10% contribution if they were earning less than \$150,000. Ms. Dubois replied that they could not. The contribution is restricted to 10% employee and 10% employer. If an employee desired to make excess contributions they were directed to the voluntary tax sheltered annuity program.

Mr. Perry Johnson observed that the impact to the System was approximately \$160,000, which amounted to a small percentage when compared with salaries.

Regent Sisolak observed that, with inflation, more people would move into this elite group of 68. In reference to recruitment promises, he noted that students were promised an education for a specified fee only to have a technology fee added to it. He stated that when the situation changed the students were asked to help. He commended the Foundations for their fundraising efforts. He felt it symbolic for the Board to deny the recommendations because the number of people affected would increase with time.

Regent Alden noted that the annual impact to the budget was \$168,000. He asked about the source of funding the recommendations. Ms. Henson replied that those contributions had already been included in everyone's budget. Regent Alden asked whether the two other universities with 415(m) were public institutions. Ms. Dubois replied they were government institutions, one in Texas and one in Colorado. Regent Alden asked about the practice for private

institutions. Ms. Henson replied that it depended upon the retirement document in place. Regent Alden asked what the presidents and medical school and law school deans were promised when they were hired. Ms. Dubois replied that they were promised a 10% employee/10% employer contribution up to the OBRA limits, adding that they were aware of the federal limits. Regent Alden asked what was promised to the dean of the School of Medicine. Ms. Dubois replied that the benefit package reviewed included the OBRA limit of \$170,000. Regent Alden asked what was promised to the dean of the law school. Ms. Henson replied that the same benefit package review was provided. Regent Alden asked what was promised to President Harter. President Harter replied that she was under the \$275,000 limit. Regent Alden felt the Board should approve the recommendations so as not to change the benefit packages promised.

Regent Hill reiterated that the contributions were built into the budget so the money was available. He acknowledged that it was part of their contracts. He felt the Board had little control over IRS changes.

Regent Kirkpatrick asked about the cap applying to those hired now. Ms. Henson replied that the maximum contribution would be \$170,000 (instead of \$150,000).

Chair Dondero noted that there were contracts in place with the people hired, adding that they had to abide by the signed contract.

Mr. Carlos Ledon asked what change had occurred if contracts were in place. Ms. Henson replied that it was important for people to plan for their retirement. The old plan document did not allow faculty and staff to save very much money. The plan was changed a few years ago to the 414h pickup, which raised the limit for voluntary contributions. She clarified they were not changing the plan, but instituting a mirror plan. The first plan was still in effect and would not change.

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

28. Approved-Ground Lease Agreement, CCSN – The Board approved a ground lease agreement, with changes, between CCSN and Accessible Space, Inc. (ASI) to define the leasing relationship between CCSN and ASI to establish a neurological rehabilitation facility on the Charleston Campus. The facility would benefit CCSN Health Science students and a previously under-served population of Nevadans. (Ref. E and White Packet #31 on file in the Board office)

Dr. Silverman reported that the project involved the use of tobacco money for construction of a \$5 million building to be located on the Charleston Campus. He indicated there were plans for expansion with a Reynolds Foundation grant request. The scope of the project included:

- 3.24-acre parcel providing a minimum of 3,000-sq. ft. for CCSN use for 40 years.
- Other partners will be added to the project in the future.
- Agreement with the builders that the building will be built with input from the campus and require minimal modifications for classroom use upon its reverting to campus ownership.
- Building subject to inspection by the Public Works Board to ensure the quality and standard of building is consistent with the rest of the college.
- CCSN to have control over the plans, including review and modification rights.
- CCSN to have control over plan and building modifications.
- CCSN to have review rights on any sublets and other partners incorporated.

- Builders/operators will enter into operational agreement clearly defining roles.
- Lease is not transferable; should ASI go bankrupt, go out of business, or be absorbed by anyone else, the building reverts directly to CCSN.
- No charge to CCSN for use of 3,000 sq. ft./classrooms and office areas.
- No financial liability to UCCSN. Insurance required for any operational problems and/or demolition from fire.
- CCSN to enter into agreement with operators that will define how the facility is operated, including selection of clients.
- Maintenance & Operation - CCSN responsible for their 3,000 sq. ft. Remainder to be performed by CCSN and billed back to the company.
- Security provided by CCSN and billed back to operators.
- Special metering system and/or separation of operational expenses. CCSN to seek reimbursement for operational expenses when separation is not possible.
- Parking area and operational agreement still under negotiation.
- Joint project; will invite UNLV physical therapy programs to participate.

Regent Wiesner requested feedback from the Chancellor and President Harter. President Harter related that she was not really involved except the physical therapy program would make use of the facility. Chancellor Nichols reported that System Administration had tracked the project very carefully and was comfortable that the conditions of the lease protect the institution and the System.

Regent Alden requested assurance that it was an 'airtight' lease including proper bonding should something go wrong. General Counsel Ray replied that the contractual documents were only as good as the parties that have to perform them. He believed that adequate protection (via bonding and insurance) was provided. Regent Alden asked whether it was imperative to approve the ground lease prior to the hiring of a new CCSN President. Chancellor Nichols replied that it was difficult to answer with certainty. Her understanding was that the opportunity must be acted upon or the offer would be removed and the building would be built on another site. She concluded that the opportunity was time limited and would not await the arrival of the new president. Dr. Silverman noted that, without the lease, CCSN would not qualify to apply for the Don Reynolds Foundation enhancement grant for this building. Regent Alden requested assurance that the project would work within the Academic Master Plan and Campus Master Plan. Dr. Silverman assured him that it would.

Regent Kirkpatrick indicated his support for the project. He asked whether there had been other offers for this project (i.e. soccer facility promised to another neighborhood park). Dr. Silverman saw no similarities between the two projects. He indicated that a plan for Charleston was provided to depict how this project would fit in with the soccer fields. He related that, in previous discussions, the land across the street from the campus was identified for possible future acquisition. He noted that this property would not help with this facility, adding that he would pursue it in the future.

Regent Phillips requested the following amendments to the ground lease agreement:

- Section 3(c) (bottom of page 3) - change 60-day provisions to 90 days and 30-day provisions to 60 days.
- Section 10-Insurance During Initial Construction (page 11) – add 'prior to occupation' before 'the Lessee shall'.
- Section 11-Insurance After Initial Construction (page 12) – add 'prior to occupation' after 'the Lessee shall'.
 - Add statement that all Lessees and Sub-Lessees indemnify the System and the college.
- Section 11(d)-Insurance After Initial Construction (pages 12-13) – Lessee to share in cost of professional malpractice insurance for employees and students.
- Section 12-Destruction of Leased Premises (page 14) –

- o Lessor to have some say about Lessee's sole option to terminate lease.
- o Termination notice should be longer period than indicated.
- o If loss occurs in the first twenty years of lease, any balance of insurance proceeds to go to Lessor for scholarship funds.
- Section 14-Termination and Removal of Property (page 15) – Mr. Phillips to discuss privately with Dr. Silverman.
- Section 23-Notices Under the Lease (page 18) – add copy of notice to be sent to Chancellor's office and General Counsel's office.

Dr. Fred Jackson indicated that the project had been endorsed by the faculty senate and was a wonderful opportunity for their students. All faculty concerns had been addressed and he urged moving forward with the program as quickly as possible.

Regent Hill expressed concern that the mission could change over time. He suggested including a statement in the lease that patients that could be a danger to students would not be accepted. Dr. Silverman replied that CCSN checked other facilities and planned to address that concern in the operational agreement. He indicated that General Counsel recommended that the operations of the facility should be separate from the lease. The operational agreement will address mission/mission change and client selection criteria. Regent Hill felt there was more leverage with including the statement in the lease agreement and requested that it also be specifically indicated in the operational agreement.

Regent Dondero asked about parking. Dr. Silverman replied that parking was a growth issue at the Charleston Campus. He related that discussions regarding all new developments would include parking enhancements, adding that parking would also be part of the Reynolds grant request. Regent Dondero asked about fencing around the facility. Dr. Silverman replied that fencing had not been discussed. Regent Dondero noted that the certificate of completion (Section 3(c)) could be different from a certificate of occupancy. Dr. Silverman indicated he would take that under advisement.

Regent Phillips expressed his support for the project.

Regent Phillips moved approval of the ground lease agreement for CCSN with the changes suggested. Regent Sisolak seconded.

Mr. Robert Hogan, Nevada Community Enrichment Project (NCEP), stated that the clients (intended for treatment at the facility) were currently in other facilities within the community, with no special fencing, and attending high schools or the community college within the city. He related that the clients did not have mental illness, adding that the community service center grant was very specific regarding the selection of clients. The clientele would primarily suffer from multiple sclerosis and/or traumatic brain injuries, adding there was no potential need for fencing or security. The clients would require assistance and therapy. He noted that ASI had been in business for over 20 years providing this type of service, adding that the mission was not likely to change. Regent Dondero asked whether it was a 24-hour operation. Mr. Hogan replied that only the 6-unit transitional housing would be 24-hour care. The intent was to provide a humane transition for high school students from a nursing home to the real world without having to return to the nursing home.

Regent Hill asked whether ASI would object to a lease condition making dangerous/violent clients criteria for termination of the lease. Mr. Hogan replied they would not as it was already included in the mission criteria. Regent Phillips asked whether the project was a non-profit organization. Mr. Hogan replied that it was a coalition of non-profit organizations. Regent Phillips requested consideration of diverse clientele. Mr. Hogan stated that the NCEP were

leaders in the community regarding diversity.

Regent Hill requested there be a provision in the lease for no dangerous or violent clients to be housed or the lease would be terminated. Regent Phillips agreed. Regent Sisolak asked about approval of the lease if Dr. Silverman was not successful in negotiating all of the changes. Regent Phillips stated that he would leave Section 3(c) up to Dr. Silverman's judgment, but felt that the amount of time provided in the ground lease was insufficient.

Dr. Silverman noted that Asst. General Counsel Karl Armstrong had been representing CCSN. General Counsel Ray preferred the Board not take action on the lease until the changes had been made. Dr. Silverman noted a time requirement for applying for the Reynolds grant, adding that there was also a time line on the tobacco money. He felt confident that he could negotiate the changes. Regent Wiesner felt the Board was placing significant pressure on Dr. Silverman to negotiate the changes. He felt that the suggested changes should comprise the ground lease or it would not be approved. Mr. Hogan invited Regent Phillips to participate with the lease negotiations. Regent Phillips indicated he would share his notes with Dr. Silverman. He was willing to explain his concerns, but felt lease negotiations should be handled by System Counsel.

Regent Sisolak asked whether the project would be void if Dr. Silverman was unable to successfully negotiate the recommended changes. Dr. Silverman noted that Regent Wiesner suggested Board approval of the ground lease subject to the changes suggested by Regents Hill and Phillips. If Dr. Silverman was not successful, he would need to return at the following meeting to discuss the status of lease negotiations. Regent Sisolak established that Mr. Hogan's organization would be agreeable to the changes.

Regent Wiesner proposed a friendly amendment to approve the ground lease contingent upon successful negotiation of the changes recommended. Regents Phillips and Sisolak agreed. Upon a roll call vote the motion carried unanimously. Regent Seastrand was absent.

29. Approved-Handbook Change, Equipment Disposal and Loan Policy – The Board approved amending the Regents' Handbook, Title 4, Chapter 10, Sections 20.8 and 20.9, and adding a new section to clarify and strengthen Board policy regarding the disposal and loan of equipment. (Ref. F and White Packet #32 on file in the Board office)

Interim Vice Chancellor Dan Miles reported specific changes to the Handbook regarding the disposal of surplus property and the loan of property. He noted that the Business Centers have a regular procedure for handling surplus property. Once a department/campus determines equipment is not required, the equipment is turned over to the Business Center Purchasing Department and offered by bid to any other campus entity. If the property fails to move, it is disposed of by advertising for sealed bids, open auction, or by whatever manner is most advantageous to the Purchasing Department. Governmental or other political subdivisions are given preference. Thereafter, the Purchasing Department will consider disposal by discard or donation. Mr. Miles reported that equipment with a useful life of more than two years and valued at \$2,000 or more was inventoried. Changes were proposed to existing policy included:

- Loans of equipment to not-for-profit entities may be made if it is determined to be in the best interest of the institution and the public good. All loans must be documented in writing, including which entity is responsible for maintenance, and approved by the President.
- Equipment that is sensitive in nature or subject to theft that is valued below \$2,000 must be separately tracked by the institution. The Chancellor shall periodically provide a list of equipment items that must be separately tracked.
- All equipment located at off-campus sites and used for institutional programs must be inventoried and

maintained in the same manner as equipment on campus. If the institution does not control the site, written agreements must be in place with the organization that owns or controls the site.

Regent Hill moved approval of the Handbook change, Title 4, Chapter 10, Sections 20-8 and 20.9 and the addition of a new section clarifying and strengthening Board policy regarding the disposal and loaning of equipment. Regent Kirkpatrick seconded.

Regent Sisolak noted that there was no mention of 'community college' property in the policy. Chancellor Nichols replied that the Handbook required quite a bit of housekeeping since much of the policy was developed prior to the inception of the community college. Regent Sisolak asked whether the policy would affect all institutions. Dr. Nichols replied that it would apply to everyone within UCCSN. Regent Sisolak asked whether an annual report could be provided to the Board listing equipment loans by institution and to whom the loans were provided. He asked whether it should be specified that loans could only be made to non-political, non-profit entities. Dr. Nichols indicated that his requests would be added to the policy. He asked about a list of disposed/discarded property. Mr. Miles replied that after all procedures had been exhausted, the equipment could be disposed of or donated. Dr. Nichols replied that the institutions were very sensitive to finding entities that could use the equipment no longer useful to the institution. Regent Sisolak asked about the liability associated with donated equipment. General Counsel Ray related that one could be sued for just about anything. Regent Sisolak asked about having the recipient sign a release. General Counsel Ray replied that the recipient could sign an indemnity agreement with each donation.

Regent Kirkpatrick asked who (within each purchasing department) was responsible for making the decisions. Dr. Nichols replied that each institution had a Purchasing Department head usually reporting to a vice president. Regent Kirkpatrick asked who decided which entity would receive donated equipment. Dr. Nichols replied that the process occurred within each institution. President Crowley stated that UNR donated to a number of churches.

Regent Alden noted there was also valuable equipment valued at less than \$2,000. Dr. Nichols replied that the suggested policy would determine particular items below \$2,000 (like computers) that should be tracked. She explained that the Chancellor would decide which items should be inventoried since theft was rampant everywhere.

Mr. Carlos Ledon suggested adding a statement regarding equipment of a sensitive nature and subject to theft. Chair Dondero thanked him for his suggestions.

Motion carried. Regent Seastrand was absent.

30. Approved-Handbook Change, Housing Allowance Policy – The Board approved an amendment to the Handbook, Title 4, Chapter 3, Section 23.5(b), to give the Board of Regents discretion to grant dual housing allowances and housing allowances for other executives. (Ref. G on file in the Board office)

Dr. Nichols reported that the proposed changes were to bring the Handbook in line with current practice. She noted that currently housing allowances were granted for the Chancellor, the two university presidents and the president of DRI.

Regent Hill moved approval of the Handbook change, Title 4, Chapter 3, Section 23.5(b), giving the Board discretion to grant dual housing allowances and housing allowances for other executives. Regent Alden seconded.

Regent Sisolak asked about community college presidents not receiving a housing allowance. Regent Rosenberg suggested bringing the issue forward on a future agenda. Regent Derby agreed, adding that the proposed language allowed Board consideration of options for community college presidents. She asked for an agenda item and fiscal

impact statement at the next meeting. Regent Sisolak asked why it was not part of their salaries. Regent Kirkpatrick noted that some institutions actually provided housing on campus for the institution president. Regent Sisolak asked whether the tax implications were the same. Regent Kirkpatrick replied that it was taxable. President Crowley suggested that executive perquisites had been discussed and recommended by an executive committee. Regent Rosenberg suggested the item be included on the next Board agenda.

Motion carried.

31. Approved-Consent Agenda – The Board approved the Consent Agenda with the exception of item #4 (Acceptance of Gift, NSCH):

(1)Approved-Minutes – The Board approved the minutes from the meeting held September 7-8, 2000.

(2)Approved-Tenure on Hire, UNLV – The Board approved tenure on hire for Dr. Gregory Schraw, Professor of Educational Psychology, retroactive to August 21, 2000. The faculty of the Department of Educational Psychology voted unanimously on his hire with tenure at a faculty meeting in August 2000.

(3)Approved-Honorary Doctorate, UNLV – The Board approved bestowing the honorary Doctor of Laws degree upon Senator Richard Bryan at UNLV's Winter Commencement on Sunday, December 17, 2000. (Ref. C-3 on file in the Board office)

(5)Approved-Capital Improvement Fee Funds, CCSN – The Board approved the use of Capital Improvement Fee funds for the following projects at CCSN:

Classroom Conversion (Palo Verde High Tech Center)\$18,000
Automotive Area Sewer Line (Cheyenne Campus)4,721
Animation Program (Charleston Campus)25,000
Surgical Technology Program (Charleston Campus)24,000
Art Program (Charleston Campus)10,000
Photography Program (Charleston Campus)10,000
TOTAL:\$91,721

(6)Approved-Capital Improvement Fee Funds, UNLV – The Board approved the use of Capital Improvement Fee funds for the following laboratory projects at UNLV:

Chemistry Labs\$340,000
Anthropology28,600
Teaching Learning Center179,800
Animal Care Lab90,600
Engineering/Biology81,000
Relocation of seven programs (to accommodate lab renovations)280,000
TOTAL:\$1,000,000

(7)Approved-Sale of Land, UNR – The Board approved the sale of 160 acres to the U.S. Forest Service (USFS). The USFS offered to purchase 160 acres of bare land, located 50 miles west of Ely, near the ghost town of Hamilton, Nevada. The subject property is rangeland in the Humboldt National Forest's proposed wilderness area. The property was gifted to the UNR College of Agriculture in 1986, along with a number of other parcels throughout the state, with no deed restrictions. The Dean of the College of Agriculture

31.Approved-Consent Agenda – (Cont'd.)

(7)Approved-Sale of Land, UNR – (Cont'd.)

concurred with the sale. The USFS offered \$32,000, the appraised value, on the following terms: (White Packet #C-7 on file in the Board office)

FY 2000 - \$10,000 cash for 50 acres

FY 2001 - \$10,000 cash for 50 acres

FY 2002 - \$10,000 cash for 50 acres

FY 2003 - \$2,000 cash for 10 acres

TOTAL: \$32,000 160 acres

(8)Approved-Resolution, Bank Loan, UNR – The Board approved a Resolution accepting a bid for a bank loan in the amount of \$1,500,000 for the purpose of financing in part the cost of matching equipment grants and providing equipment and operating funds to new faculty as part of their start-up packages.

RESOLUTION NO. 00-8

WHEREAS, the University and Community College System of Nevada (the 'University') intends to borrow up to \$1,500,000 from _____ (the 'Bank') pursuant to a letter from the Bank dated October ____, 2000 in response to a solicitation of bids therefore (the 'Proposal', attached hereto) for the purpose of financing in part the cost of matching equipment grants and providing equipment and operating funds to new faculty as part of their start-up packages for the University of Nevada, Reno, such borrowing to be evidenced by a note signed by the appropriate officials at the University (the 'Note'). (Ref. C-8 on file in the Board office)

Regent Gallagher moved approval of the Consent Agenda with the exception of item #4. Regent Hill seconded. Motion carried. Regent Seastrand was absent.

(4)Approved-Acceptance of Gift, NSCH – The Board approved acceptance of a \$360,000 gift, to be paid in monthly installments, from The Landwell Company to initiate architectural drawings for academic classrooms and the Student Services building for Nevada State College at Henderson.

Regent Alden asked about the amount of the gift. Dr. Moore replied that the total Landwell Company gift was \$400,000, which included \$40,000 for payment of one of the present four employees and \$360,000 towards the start of the architectural plans.

Regent Kirkpatrick asked whether an architect had been hired. Dr. Moore replied that one had not been hired, adding that if the Board approved this item they would work with the Public Works Board to find an appropriate architect. Regent Rosenberg asked whether there would be a competitive selection of architects and plans. Regent Kirkpatrick asked to be kept apprised of the architect hiring and plans. Dr. Moore replied that he would. Regent Rosenberg asked whether the Board would review multiple alternatives. Dr. Moore assured the Board that it would be a high-quality building and that all alternatives would be submitted for Board approval.

Regent Derby moved approval of acceptance of the gift for NSCH. Regent Kirkpatrick seconded. Motion carried. Regent Seastrand was absent.

Chancellor Nichols reported that support material for Consent Agenda item #8 (Resolution, Bank Loan, UNR) had not been included. UNR Vice President for Administration and Finance, Dr. Ashok Dhingra reported that the successful

bidder was Nevada State Banksigns at a 5.9% interest rate. Regent Wiesner asked about the reason for the loan. Regent Rosenberg replied that it was for matching equipment grants.

Regarding Consent Agenda item #7 (Sale of Land, UNR) Regent Sisolak asked where the \$32,000 would be deposited. President Crowley replied that there was no involvement by the cooperative extension as they had no presence in the area. He stated that the property was remotely located and had been given to the College of Agriculture, which was not being used. He related that UNR had simply received an offer at the appraised value.

32. Public Comment – Mr. John Patrick Rice stated that the definition of upper-division classes within the UCCSN should be a faculty responsibility. He felt there was increased willingness amongst the faculty to work together, adding that the Board had made great strides in unifying campus faculty.

33. New Business – Regent Sisolak noted that Mr. John Kuhlman wrote an eloquent letter on his behalf to Southwest Airlines regarding offering the state discount to students. The contract is being re-negotiated, and in light of the shortage of seats and over abundance of passengers, it was not likely the students would be offered a reduced rate. He encouraged others to write Southwest Airlines regarding this matter.

The meeting adjourned at 1:05 p.m.

Suzanne Ernst
Chief Administrative Officer to the Board