

BOARD OF REGENTS

**UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF NEVADA
UNLV Foundation Building, Events Room
University of Nevada, Las Vegas
4505 Maryland Parkway, Las Vegas
Thursday- Friday, November 30 - December 1, 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
Mr. Steve Sisolak

Members Absent:

Mr. Tom Wiesner

Others Present:

Chancellor Jane Nichols
Interim Vice Chancellor, Finance & Administration Dan Miles
Interim Vice Chancellor, Academic & Student Affairs Sherwin Iverson
General Counsel Tom Ray
Interim President Robert Silverman, CCSN
President Stephen Wells, DRI
President Ron Remington, GBC
President John Richardson, TMCC
President Carol Lucey, WNCC
President Carol Harter, UNLV
President Joe Crowley, UNR
President Richard Moore, NSCH
Chief Administrative Officer Suzanne Ernst

Also present were Faculty Senate Chairs Dr. Fred Jackson, CCSN; 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; and Dr. William Albright representing DRI. Student government leaders present included Mr. Carlos Ledon, UNR; Ms. Victoria Jakubowski, UNR-GSA; Ms. Cheryl Radeloff, UNLV-GSA; Mr. Paul Moradkhan, UNLV; Ms. Elisa Goyeneche, GBC; Ms. Michelle Lacerda, TMCC; and Ms. Leslie Carlen, WNCC.

Chair Thalia Dondero called the meeting to order at 1:38 p.m. with all members present except Regent Wiesner.

1. Introductions – Regent Phillips introduced the newly elected Regent for his district, Ms. Linda Howard. President Remington introduced Ms. Lauren Ohlin, Director of Marketing-GBC, who would assist with the Great Basin College

presentation later that day.

2. Chair's Report – Chair Dondero thanked President Harter and her staff for hosting the meeting, adding that she was amazed with the incredible growth and fine development of the university. She noted the following:

- As growth in southern Nevada continues, UCCSN is planning development with community leaders of the first state college. A list of task forces formed to address planning for the new college was reviewed: Executive Task Force, Architectural Review Task Force, Finance Task Force, and Academic Task Force. Faculty representatives from UNLV, UNR, and CCSN will also participate with appointed Regents on all of the task forces. Community leaders will participate with Regents on the other task forces. A report will be forwarded to the Nevada Legislature.
- Due to the changing nature of health care education in Nevada and the development of the School of Medicine's Academic Medical Center, Chair Dondero reactivated the Health Care Education Committee to be chaired by Regent Doug Seastrand.
- Chair Dondero commended Mr. John Kuhlman for the current issue of the Regents' Review.

Regent Alden expressed his pleasure with the appointment of Mr. Tim O'Callaghan to the NSCH Architectural Review Task Force, adding that his father, former Governor Mike O'Callaghan, and the O'Callaghan family was known for their service to the state. Regents Alden and Dondero agreed that he was a very talented individual.

3. Chancellor's Report – Chancellor Nichols reported that a new phone system had been installed in the Las Vegas System Administration office. The new phone system is reportedly user friendly and allows easy transfer of calls between Las Vegas and Reno. She guaranteed the Board that, when calling the System office, they would always talk to a real, live person. She credited Director of System Computing Services Mr. Van Weddle, for working hard to facilitate the transition. Other items included:

- Chancellor Nichols is working with the Governor and institution presidents on the UCCSN budget and a COLA for UCCSN faculty and staff. She hopes to provide the necessary assistance to ensure the best salary package is obtained.
- The System Administration office is beginning to take shape as vacant and interim positions are filled and/or restructured. A number of searches are underway, with new searches scheduled for the first of the year, including positions for:
 - Facilities/Property/Real Estate
 - Human Relations/Personnel
 - Director of Banking & Investments
 - A recommendation for the Vice Chancellor for Finance and Planning is expected for the January meeting.
- The Chancellor's cabinet was holding a retreat the following week to plan for the next six months.
- In expectation of hiring three new institution presidents, a study of presidential benefits will be conducted. Results will be presented at a future meeting.
- A report by the National Center for Public Policy and Higher Education was recently released and sent to the Governor. This is the first published report card on higher education and Nevada's marks were not very good. The study was a performance report and did not consider many characteristics of the state or higher education system. Grades ranged from B in Affordability to D and F in other areas. The Chancellor will forward the results to Board members.

Chancellor Nichols called for selected presidential reports.

President Carol Harter, UNLV – President Harter's presentation focused on UNLV's commitment to serve the community, state and nation in the best manner possible. Dr. Harter stated that she was pleased to be president of such a dynamic institution, adding that students, faculty and staff were the key to strengthening community ties. She noted that research in solving community problems and creating new opportunities for economic development was a primary concern of the institution. She cited the following examples:

- The College of Education has done a superb job in trying to increase the number of teachers for the community. Since 1994 UNLV has nearly tripled the number of teacher graduates, and most graduates remain in Clark County. Clark County hires approximately 70% of the graduates, which is twice the national average.
- Nursing graduates have nearly doubled. UNLV has accepted every academically qualified student in the nursing and teacher preparation programs.
- The nationally ranked Hotel Management program produces many of the hotel industry leaders for Nevada and the world. Assistant Professor Stowe Shoemaker is a respected lecturer and consultant across the country due to his research regarding customer loyalty, revenue management and strategic pricing.

Regents Alden and Sisolak left the meeting.

- Boyd School of Law is preparing to graduate its first class in Spring 2001. Dean Richard Morgan worked tirelessly to hire a spectacular faculty. Public service is a requirement for all UNLV law students. A new law clinic is being created where students will counsel those in the community who would otherwise not have access to legal services. A major gift of \$2 million is forthcoming to support the law clinic.
- UNLV Research efforts have provided tangible community benefit with research involving:
 - Health problems caused by environmental contaminants in drinking water.
 - A study of the sediment delta at the mouth of the Las Vegas wash where it enters Lake Mead.
 - Local transportation issues; evaluation of pavement marking material, design criteria for bus turnouts, and an analysis of the risks of transporting materials to the proposed nuclear repository at Yucca Mountain.
- A team of scholars from UNLV, UNR and DRI are conducting research on the effects of increased carbon dioxide on the arid eco-system.
- The UNLV Cancer Institute is a cooperative effort of faculty members from three colleges and five disciplines performing sophisticated research on cancer-related issues.
- Research generates millions of dollars to the university and the community. UNLV has attracted more than 400 new faculty to the campus. Coming from the very best institutions in the nation, they create a powerful synergy with long-time faculty members.
- 8 new masters and 9 new doctoral programs have been created in the past 5 years. UNLV has committed to create doctoral programs only under two circumstances:
 - They provide a specific service to the community and/or state.
 - UNLV could achieve some national distinction.

Regents Alden and Sisolak entered the meeting.

- Humanities – Associate Professor Ann McDonough has created an innovative Senior Theater Program, which has received national attention.

Dr. Harter stated that construction on campus would likely continue for the next 10-20 years. She felt that, with the Board's assistance, they would achieve funding for a new science and engineering building, renovation of Wright Hall, a new student services building, a new parking garage and more dormitory space. She felt confident that UNLV would accomplish their goals with the Board's decision to appoint Dr. Jane Nichols as Chancellor and Dr. Joe Crowley as Assistant to the Chancellor for Legislative Relations.

Regent Sisolak left the meeting.

President Joe Crowley, UNR – Dr. Crowley related there had been a tradition for the two university presidents to engage in a non-wager. Upon losing one year, President Harter was called upon to write a sonnet glorifying the Wolfpack while wearing a Wolfpack sweatshirt. This year President Harter determined the terms of the non-wager. Since UNR's Wolfpack lost to UNLV's Running Rebels, Dr. Crowley donned a red UNLV sweatshirt and recited the 'Ballad of the Battle at the Boyd' (on file in the Board office).

President Crowley presented his colleague, President John Richardson (an Oregon Ducks fan), a New Yorker cartoon depicting a man and two ducks in honor of his departure.

Regent Sisolak entered the meeting.

Regents Phillips and Sisolak left the meeting.

4. Approved-Resolution, Sale of Bonds, UNLV – The Board approved a resolution pertaining to the universities of the UCCSN authorizing construction, other acquisition, rehabilitation and improvement of a parking structure and the Cox Pavilion at UNLV. (Resolution 00-9 on file in the Board office)

Financial consultant, Mr. Scott Nash, reported that the successful bidder had been ABN AMRO, Inc. for \$27,385,000 in revenue bonds at an interest rate of 5.246% for the UNLV Cox Pavilion and parking structure.

Regent Hill moved approval of the Resolution for the Sale of Bonds at UNLV. Regent Rosenberg seconded. Motion carried. Regent Alden voted no. Regents Phillips, Sisolak and Wiesner were absent.

Regent Gallagher asked Regent Alden to explain his negative vote. Regent Alden replied it was consistent with past voting behavior. He felt there was a serious lack of master planning, though he believed that this project was worth supporting.

5. Information Only-Batelle Study Update - Dr. Lou Tornatzky provided an update on Nevada's science, engineering, and technology strategies related to the new national economy. Chancellor Nichols reported that System Administration and the campuses had worked in partnership with Dr. Tornatzky and Lt. Governor Lorraine Hunt. Dr. Nichols stated that the Lt. Governor was anxious to receive feedback from the Board in support of Dr. Tornatzky's report.

Dr. Tornatzky, a Sr. Principal Associate with the Batelle Memorial Institute, related that the institute is one of the largest contract research and development and consulting organizations in the world. They perform strategic planning for universities, states, research parks, and private technology organizations. Their mission is to attempt to bring technology awareness on issues of local, regional, and state economic development. He reviewed the goals of the study and recommended actions having relevance to the UCCSN. The goals included creating a technology strategy for Nevada to strengthen the economy.

Regent Sisolak entered the meeting.

An advisory committee was formed consisting of members from the private sector, government, academic community and economic development organizations, which was very helpful to the study team. Portions of the report address why Nevada should have a technology strategy. Nevada was benchmarked against other western

mountain states. The report summarizes Nevada's strengths and weaknesses. He reported that the economy of the state is robust and growing. Quality of life and the cost of doing business is a major advantage for the state. The major shortcoming is in workforce development. The technology sector is thin but rapidly growing. He noted a robust small business economy and weaknesses in research and development. Nevada has a weak technology image.

Key Role of UCCSN in Overall Strategy:

- Of 32 recommended actions, 16 involve UCCSN as the lead organization.
- UCCSN is a key partner in 8 other recommended actions.
- The strategy will succeed only to the extent that UCCSN plays a strong leadership role in implementation.

Recommended actions included:

- Conduct a core technology competencies analysis – with a focus on the 4-6 technology domains in which Nevada has a good chance to achieve excellence. (Critical priority)
- Re-orient MAP toward higher value-added products and markets – with an expanded customer base and range of services and a shift toward assistance in product development in high margin, technology-based products. (Moderate priority)
- Renewed missions for UNR and UNLV – strengthen mission and goals that champion a role in industry partnering and economic development. Review and strengthen mission statements, goals, and reward systems. (Critical priority)
- Expanded mission for DRI – with a greater emphasis on industry partnering and technology commercialization, and a funding formula that provides incentive for mission expansion. (High priority)
- Launch a Nevada Research Alliance – increase the level of research funding within the university system. (Critical priority)
- Re-engineer the Applied Research Initiative – replace formula allocations with peer-reviewed competitive process that creates clear incentives for industry involvement, inter-institutional partnering and downstream commercialization. (High priority)
- Flexible and none-incremental funding options for UCCSN – create resources that can be spent opportunistically and proactively in support of strategy and System goals. (High priority)
- Effective statewide university-industry technology transfer function – centralize functions staffed by seasoned technology professionals. (High priority)
- Increase technology industry input to higher education programs – create a coordinated responsive system. (Critical priority)
- Ongoing capacity to assess emerging personnel needs in tech industry – work with technology industry to develop an annual survey approach. (High priority)
- Expand intern and Co-Op opportunities – establish campus and unit level coordinators and a statewide plan. (High priority)
- Establish a Center for Excellence in Information Technology – responding to State and national growth trends in IT industry; multi-campus. (High priority)
- Expand the scope of the Millennium Scholarship – targeted at brightest Nevada high school graduates. (High priority)

Regent Phillips entered the meeting.

Dr. Tornatzky discussed the concept of 'brain drain'. He suggested a program-within-a-program targeted at the brightest Nevada high school graduates.

- Increase and create incentives for program cooperation within UCCSN – the Board can play a significant role in fostering cooperation and collaboration. Competition for scarce resources is to be expected. (High priority)

- Expand entrepreneurial education and training – strengthen Nevada's base of technology entrepreneurs with system-wide approach. (High priority)
- Create a Silver State Technology Corporation – a necessary adjunct to UCCSN implementation responsibilities. (Critical priority)
- Develop industry-university-federal sector cooperative research centers – opportunity to leverage growing technology sector in Nevada industry and huge federal R&D presence. (High priority)

Potential Roles for Board of Regents:

- Endorse in principle.
- Form a committee to study the strategy and action recommendations, and report back to the Board.
- Focus early implementation efforts on critical priority items.
- Coordinate with to-be-established Silver State Technology Corporation (or equivalent).

Regent Derby thanked him for his report, adding that she was excited by the prospects.

Regent Seastrand thanked him for his report, adding that it clarified the long-term big picture. He endorsed the Georgia Research Alliance model and felt it was necessary for the Board to make some commitments. He suggested seeking legislative approval for using savings from the institutions to provide one-shot funding for these items and immediate Board action on the recommendations.

Regent Alden remarked that indirect cost recovery was critical for these projects. President Harter noted that indirect cost recovery was mentioned in the report. Dr. Tornatzky noted that success depended upon the Board's commitment to implement the recommended actions.

Regent Phillips related there is a growing class of taxpayers concerned that their children will not be able to take advantage of the Millennium Scholarship (due to GPA requirement). He noted there was also concern about the tobacco money to fund those scholarships.

Regent Phillips asked whether the study depended upon Millennium Scholarships. Dr. Tornatzky replied that base funding would be required and agreed that providing scholarships to a broader base of students would help close the education gap in Nevada.

Regent Gallagher urged formation of an ad hoc committee to implement the recommended actions.

President Crowley felt the group making decisions at the state level was the more important audience. He noted the significant role that higher education had played in economic development in Nevada. It has taken a long time to make people realize that technology also requires appropriate staffing. He felt that state decision-makers would need to agree to the recommended actions in the report and suggested that copies be sent to them. Dr. Tornatzky agreed, adding that the report also acknowledged that fact.

Regent Hill asked whether Dr. Tornatzky met with state legislators regarding this report. Dr. Tornatzky replied that he had at some administrative levels. Regent Hill asked about their reception of his recommendations. Dr. Tornatzky replied that it had been very positive, though they did express concern for funding the recommendations. Regent Hill noted that the report mentioned the importance of articulation between the universities and community colleges. He asked whether Dr. Tornatzky was aware of preferences expressed for folding DRI into the two universities. Dr. Tornatzky replied that he felt it would be a mistake to eliminate or absorb the Desert Research Institute. He did support expansion of their mission.

Regent Kirkpatrick asked about indirect cost recovery. President Harter clarified that DRI was able to recover 100% of their indirect costs, while UNR and UNLV could only recover 75%. Regent Kirkpatrick expressed concern for what would be sacrificed in order to achieve 100% indirect cost recovery.

Chancellor Nichols related that the study recognized that ownership had to occur with the Governor and the Legislature. She noted that it was the Governor's study and felt that the System needed to emphasize what was yet to be accomplished for the Governor and Legislature.

Regent Sisolak recalled there had been a lengthy discussion with Senator Raggio relative to indirect cost recovery, and that an agreement had been reached to leave indirect cost recovery at 75%. President Crowley stated that the study committee was not to recommend increases in existing revenue sources but Senator Raggio was willing to discuss that in the Legislature. Vice Chancellor Miles agreed with Dr. Crowley's assessment. Regent Sisolak asked whether something else was adjusted. President Harter replied that an adjustment was made to library acquisitions funds.

Regent Phillips expressed concern for comparisons with the Georgia model. He noted that the Millennium Scholarships were funded with tobacco money, while the Hope Scholarship was funded by a lottery (which was less tenuous). Dr. Nichols reported that the Georgia model related to research. She stated there would be a presentation on the Millennium Scholarships the following day.

President Wells clarified that DRI agrees with UNR and UNLV's request to receive full indirect cost recovery. He noted that the community colleges should also be included in workforce development projects.

6. Approved-Presidential Transition, UNR – In accordance with the Handbook, Title 4, Chapter 3, Section 20, the Board approved the following transition package for President Joe Crowley:

-Title of President Emeritus.

-Approval of professional development leave for fall semester 2001 at a salary of \$158,535 (such leave designed to prepare him to return to the duties of a full-time faculty member).

-Rank of Regents' Professor with tenure at UNR at a salary of \$115,000 (effective January 1, 2002).

-Title of Assistant to the Chancellor for Legislative Relations for the period January 1, 2001 through June 30, 2001.

Regent Alden moved approval of the transition package for President Joe Crowley. Regent Phillips seconded. Motion carried. Regent Wiesner was absent.

7. Approved-Appointment, Deputy to the Chancellor, UCCSN – The Board approved the appointment of Ms. Nancy Flagg as Deputy to the Chancellor in the Las Vegas System Administration office at a salary of \$90,000, representing a 6% increase over her present salary.

Regent Alden moved approval of the appointment. Regent Phillips seconded.

President Harter expressed her support of Ms. Flagg's appointment and congratulated her. Chancellor Nichols expressed her gratitude to President Harter for relinquishing Ms. Flagg.

Regent Rosenberg was supportive of the decision to appoint Ms. Flagg, but was not agreeable with the salary. Regent Phillips felt the salary was commensurate with the quality of her work.

Regent Kirkpatrick clarified that a search had been conducted.

Motion carried. Regent Rosenberg voted no. Regent Wiesner was absent.

8. Approved-Salary Increase, Vice President, GBC – The Board approved a \$10,000 salary increase for Vice President Stan Aiazzi for contract year 2000-2001 effective November 1, 2000. Vice President Aiazzi served as Acting President for three months during President Remington's Board-approved leave and has also assumed the additional responsibility of overseeing the college's marketing and recruiting programs.

President Remington noted that it had been the Board's practice to afford a salary increase upon assumption of additional duties. The increase would be in affect from 11/01/00 through 06/30/01. He felt that Mr. Aiazzi deserved award of the recommended salary.

Regent Phillips moved approval of the salary increase. Regent Gallagher seconded.

Regent Phillips expressed his support for the salary increase.

Regent Sisolak asked whether salary increases had been granted with non-state dollars in the past. Chancellor Nichols stated that she was not aware of any circumstances. Regent Sisolak noted that the increase would result in an increase in retirement of \$2500 per month and asked when salary increases had been funded with non-state dollars. President Remington replied that if the Board did not want to use non-state dollars, GBC would locate a state-funding source. He agreed that the increase could impact Mr. Aiazzi's retirement, as the increase recommended at the previous meeting for the Interim Vice Chancellor also impacted his retirement. Regent Sisolak noted that no increases were granted to any of the presidents. He felt it inappropriate to approve a raise of this magnitude six months prior to retirement. He acknowledged the part-time faculty complaints that they were not paid enough. He expressed concern for setting a precedent with using non-state dollars for such a purpose. President Remington related that the increase would equate to \$139.56 per month. Vice Chancellor Miles calculated the retirement benefit at \$2,500 annually (not per month), based upon a \$10,000 salary increase. With the increase effective 11/01/00, the retirement benefit would be 2/3 of \$2500 annually.

Regent Derby also expressed concern with the use of non-state dollars and the precedent it may set. President Remington replied that he would restructure the increase with the use of state dollars.

President Crowley noted that may people were paid with non-state dollars, adding that it was not uncommon. Regent Derby clarified that no presidents were paid with non-state funds. Regent Phillips noted that Mr. Aiazzi was not a president and felt the impact to his retirement was irrelevant. He felt Mr. Aiazzi deserved the increase.

Regent Gallagher stated that the increase was in keeping with past practices, adding that Mr. Aiazzi had been with GBC for 30 years and had done a tremendous job.

Regent Hill proposed a friendly amendment to the motion to include the use of state dollars. Regents Phillips and Gallagher accepted.

GBC Faculty Senate Chair Mr. John Patrick Rice urged Board support of the increase, adding that Mr. Aiazzi had served the institution well, especially in President Remington's absence.

Regent Alden indicated that he would not support the motion due to the possible perception of impropriety with adjusting Mr. Aiazzi's salary so close to retirement.

Regent Kirkpatrick asked whether it was a practice to raise a person's salary so close to retirement. Chair Dondero replied that Mr. Aiazzi had served as an interim president. Regent Kirkpatrick felt that if bonuses at CCSN could be condoned, certainly this increase could be supported.

Regent Phillips stated that the issue was whether or not Mr. Aiazzi deserved the increase. He urged Regent Alden to reconsider his vote.

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

Regent Sisolak asked whether the item had been appropriately noticed with the amendment. General Counsel Ray replied that an appropriate amendment had been made.

The meeting recessed at 4:05 p.m. and reconvened at 4:15 p.m. with all members present except Regent Wiesner. Ms. Ernst announced there would be a reception that evening in honor of retiring Regent David Phillips at Piero's at 6:00 p.m.

Chair Dondero introduced Mrs. Jan Bigerstaff, State Board of Education and Mr. Douglas Thunder, State Department of Education.

9. Approved-Reapportionment/Redistricting Proposal - A workshop was held to review and discuss proposals regarding redistricting and reapportionment. Action was taken which included approval of legislative recommendations and related matters.

Dr. Keith Schwer reported on the significant population increase in Clark County and its associated impact to Washoe County and the remainder of the state. All information was preliminary using 1999 voter data. After the April census results are released the data will be adjusted accordingly.

Key principles:

- Keep regent residence in district.
- One person one vote.
- + of – 5%.
- Voting Rights Act of 1965.
- Keep contiguous district boundaries.
- Use voter precinct boundaries.

Dr. Schwer stated that with 11 Regents, each would represent 9% of the population. If the population of Washoe County was 16% of the state, then 2% of rural Nevada's population would go to Regents Hill and Rosenberg. Regent Gallagher would pick up most of the rural counties to arrive at the minimum required population. In Clark County, Regent Dondero's and Regent Phillips' districts would increase in size/population to arrive at the required minimum. There would be two districts mainly in Washoe County and one district mainly in the Carson/Tahoe area.

Dr. Schwer then demonstrated movement of district boundaries with the software. Regent Phillips requested street names be depicted to illustrate district boundaries. Dr. Schwer complied.

Mrs. Bigerstaff asked whether State Board members' addresses were also included. Dr. Schwer agreed to do so in the future. Dr. Schwer related that the state demographer information was not yet available to breakdown districts in any other way than with voter information. He noted they must wait for the census data.

Regent Phillips asked whether districts could be projected with two additional Regents. Dr. Schwer related that they could not at this point. Models with 9-13 Regents will be available shortly, based upon voter data. He noted the need to adjust the projections once the census data was received.

Chancellor Nichols asked about the historic relationship between voter participation and total population, and whether it provided some predictability. Dr. Schwer replied that it provided some indications. He illustrated past population vs. registered voter data.

Regent Gallagher asked whether the projected southern boundary was south of Tonopah. Dr. Schwer replied that it was (and just north of Clark County).

Regent Phillips expressed concern for the viability of minority representation in his projected district. Dr. Schwer replied that in order to meet the minimum population requirements, they increased Regent Phillips' and Regent Dondero's districts. Chair Dondero stated there should be a reasonable district configuration.

Regent Rosenberg suggested redrawing the district lines without considering present Regent districts and focusing on population. Dr. Schwer replied that the map was based upon maintaining 11 Regents.

Regent Derby observed that, to be fair, the districts needed to have an equal number of people in each district. She also felt that requiring a seated Regent to move would be unreasonable.

UNR Student Body President Mr. Carlos Ledon asked why the same material was constantly presented with no consideration given to prior Regent requests for maps with no district boundaries.

Regent Sisolak left the meeting.

Regent Dondero stated that there were many considerations. She recalled a time when all sitting commission representatives had to be re-appointed due to the magnitude of district changes.

Regent Kirkpatrick felt the Board should consider what the Legislature does. He requested a map of 11 districts without consideration of any existing Regents. Dr. Schwer replied that the maps represented well-developed areas of population, currently divided into districts. He stated he would provide models for 9, 10, 12 and 13 members in the future and the census data would be available by April 1st.

Regent Rosenberg asked whether they could expect to see a clear projection in April with models of 9-13 Regents. Dr. Schwer agreed that they could. Regent Derby noted that the April meeting was April 1st. Chair Dondero observed that it might require a special meeting.

Regent Alden expressed concern that none of the maps considered demographics. Dr. Schwer related that voter information also did not include demographics. Regent Alden stated that he pledged to the Latin/Hispanic community to consider their needs when the Board made decisions regarding redistricting. He asked whether there was a means for depicting demographics. Regent Dondero related that her district was primarily Hispanic.

Regent Gallagher asked whether the Hispanic community was more dispersed than the African/American community. Regent Dondero agreed that it was. She noted there was also a significant Hispanic community in Regents Seastrand and Wiesner's districts. Regent Alden requested a map without consideration of current districts (for 9-13 members).

Regent Rosenberg asked about the possibility of an overlay with demographic considerations. Dr. Schwer related that he would need to review the information and the precincts compared with the census data. Regent Rosenberg observed that the maps would not be controlled by voter registration as some people did not vote. He noted that the census data would provide some indication of minority representation.

Mr. John Patrick Rice expressed concern for meeting the needs of rural Nevadans as well.

Regent Derby noted that the Board stresses the importance of being System representatives, adding that it might not be a bad idea to have a varied district. Regent Gallagher related that it would require a private airplane to accomplish.

Mrs. Bigerstaff suggested a joint special meeting after all the information was available with the Board of Regents and the State Board. Regent Alden suggested they include the Clark County School Board as well.

Chancellor Nichols was reluctant to wait until after April 1st. She suggested that Dr. Schwer start submitting maps on a regular basis with data depicting districts, precincts and street indicators, so the Regents and State Board could determine the implications. She hoped to explore the possibility of projecting population by district. She asked that he begin collecting data and submitting data to the Regents as quickly as possible.

Regent Derby moved approval of having the consultants begin immediately sending detailed information by precinct and district with scenarios and to explore further the possibility of population estimates by precinct. Regent Rosenberg seconded.

Mr. Thunder requested that the State Board also be included.

Dr. Nichols requested that the motion include that information be provided at the January or March meeting. Regents Derby and Rosenberg agreed. Motion carried. Regents Sisolak and Wiesner were absent.

The meeting recessed at 5:10 p.m. and returned to the Audit Committee meeting. Since Regent Sisolak was not present the Audit Committee adjourned. The Board meeting reconvened at 8:05 a.m. for Foundation reports on Friday, December 1, 2000 with all members present except Regents Phillips, Seastrand, Sisolak, and Wiesner.

10. Approved-Foundation Reports - The Board heard Foundation reports from UNLV, UNR, DRI, and CCSN on Friday, 12/01/00 beginning at 8:00 a.m. Please refer to the individual institution Foundation minutes for specific details.

The meeting reconvened at 9:15 a.m. with all members present except Regents Derby and Wiesner.

11. Information Only-Presentation-Academic Medical Center - Representing Presidents Joe Crowley and Carol Harter, Dr. Robert Miller, Dean of the School of Medicine (SOM), presented the current status of planning for a multi-institutional academic medical center located in Las Vegas. The presentation included a rationale for the center, a review of its potential components, and a discussion of the advantages and disadvantages of various locations for the academic medical center.

Dean Miller discussed the need for an Academic Medical Center (AMC) in Las Vegas, which would provide a collection of health educational institutions located in one geographic location. The AMC would include the SOM, the dental school, a pharmacy school, a cancer center, in- and outpatient facilities, and possibly a nursing school.

Regent Derby entered the meeting.

Dean Miller related that Las Vegas was the largest city in the U.S. without an Academic Medical Center and itemized some benefits for having one:

- Student/teacher interactions in various disciplines.
- Improved education for all students.
- Economies of scale with shared faculty, classrooms, labs, and a common library.
- Continuing medical education for medical care providers.
- Concentration of researchers interacting with clinicians.
- Multidisciplinary research.
- Top researchers are attracted to Academic Medical Centers.
- Provision of specialized medical care (transplants, gene therapy, etc.)
- Improved outreach to all areas in Nevada.
- Diversification of the economy; revitalize downtown Las Vegas area.
- Attract patients who might go elsewhere for care.
- Expansion of the job market with high-level positions and start-up biotechnology companies resulting from research.
- Companies interested in moving to the area look for excellent medical care.

Dean Miller related that a planning group was formed in January consisting of: Mr. Doug Lein, City of Las Vegas; Ms. Somer Hollingsworth, Nevada Development Authority; Dr. Stephen Rice, UNLV; and Dr. Mike Harter and Dean Miller, SOM. The planning group has since expanded and he expressed his gratitude for the collaborative spirit.

Dean Miller initially felt that the 10-acre Tenaya property would be ideal for such a project, but realized that it was too far from the other institutions/organizations with whom they would need to be in close proximity. This past summer, Union Pacific land became available that would provide a central location near all of the important organizations and provide easy freeway access. The Union Pacific site is comprised of 200 acres, which would provide room for expansion.

Dean Miller displayed a conceptual drawing of the AMC, which would include an administration building, shared classrooms and teaching labs, shared research space, cancer research, pharmacy school, allied health, biotechnology and tele-medicine, dental and medical clinics. Future buildings could include: a hospital, private physician offices, assisted living center for seniors, wellness center and a geriatrics center. He indicated there could also be living space and some retail. Dean Miller indicated that future steps included Board approval of the general concept, further study, perform a fiscal analysis and develop a business plan, continue to work with the City of Las Vegas and return to the Board as new information develops.

President Harter announced that Mayor Oscar Goodman had many potential clients for the property, adding that he regarded UCCSN institutions as major resources for the development of the City of Las Vegas. She related that he had expressed interest in this concept and saw it as a means to enhance the quality of life for everyone in Nevada.

Mayor Goodman stated that people were only limited by their imagination. He related that Dean Miller had first discussed this project with him upon his arrival in Las Vegas, feeling that it would make a fine contribution to the community. Mayor Goodman felt the Center would change the whole environment of the state. Mayor Goodman reported there are currently 61 acres in the heart of the city available for immediate development. The City has sent 'Requests for Qualifications' to entertainment and sports concerns, home and business developers. Mayor Goodman felt the AMC would take Las Vegas to a higher level.

Regent Gallagher felt the concept would be helpful not only to Las Vegas but to the entire state. Regent Alden agreed that it was a great idea and collaboration of resources. Regent Seastrand thanked Mayor Goodman for making it possible to collaborate with the City. He noted the demonstrated need for these services and was thrilled with the Mayor and Dean Miller's vision. He was hopeful that the Health Care Education Committee would address this project quickly. Regent Derby was also thrilled with the prospect. She asked whether the land had to be purchased or whether it was available. Mayor Goodman stated that the land was available for consideration for use for this project, adding that the City was not interested in making money from the land. Regent Sisolak offered his services for expediting the project and was appreciative of Mayor Goodman's and the City of Las Vegas' support for the project. Regent Dondero was glad to bring the business downtown. Regent Hill asked about the facility size and cautioned against thinking too small. Dean Miller replied that more acreage was not feasible at this time, adding that the Tenaya property was too small and also had height restrictions. He noted that UCLA Medical Center started with 30-35 acres and felt that something similar would be ideal for this project. The City has control over 61 acres and Union Pacific land nearby could be acquired. Regent Dondero asked the Health Care Education committee to bring forward a recommendation for the full Board to consider. Regent Alden asked to participate on the committee.

The meeting recessed at 9:55 a.m. and reconvened at 10:10 a.m. with all members present except Regent Wiesner.

Great Basin College – Faculty Senate Chair John Patrick Rice and Ms. Lauren Ohlin presented a video display of activities at GBC:

- Reynolds Foundation enhancement project.
- Comments from students enrolled in GBC's Elementary Education programs in Wells and Elko.
- Bachelor of Applied Science degree making students good managers.
- Nursing program student found GBC program on the World Wide Web.
- Occupational Studies – welding, automotive skills, heavy equipment.
- Dual-booth, portable computer lab used in Winnemucca, Ely and several other remote sites.
- Millennium Scholarships extended to 532 students in GBC service area. Students find many opportunities for studies in Fine Arts and pre-requisites for law school.
- Access was cited as the key for those attending classes. Courses are also offered via distance education.

12. Approved-Master Plan for Facilities – Vice Chancellor for Finance and Administration Dan Miles reported that the Governor's Budget Office requested information on UCCSN's plan to meet facility space shortfalls over the next 8-10 years. Each campus has been asked to provide information on planned and potential future projects and identify how they might meet space shortages. The Board reviewed the report before it was transmitted to the Budget Office. (White Packet #11 on file in the Board office)

Vice Chancellor Dan Miles reported that bond debt was subject to constitutional and practical limitations. Mr. Miles indicated that the report was not a master plan or capital priority list, but rather an estimate of each institution's requirements over the next 8-10 years. He apologized for the delay in mailing the report, explaining that they were working under the State Budget Director's timeframe.

Regent Dondero clarified that the list was not in priority order. Mr. Miles agreed, adding that he had also clarified that with the Governor's office.

Regent Alden asked whether action would be taken. Mr. Miles stated that the only action was Board approval to send the report to the Governor's office. Mr. Alden stated that it was difficult to review data on such short notice (he received his copy Thursday morning). He felt there was a lack of continuity between each presentation and that there

should be more uniformity. Mr. Miles agreed that uniformity would have made a better presentation. He acknowledged that, had there been more time, his office would have done so.

Dr. Nichols related that one of the 'critical hire' positions would be responsible for facilities, physical plant, and property requirements.

Regent Seastrand noticed there were no System Administration requests. Dr. Nichols replied that, at this time, System Administration did not have a plan for capital requests. Regent Seastrand asked whether the Academic Medical Center was included. President Harter replied that it was, though if they had more time in which to prepare, more information could have been included.

Regent Hill moved approval of the Master Plan for Facilities. Regent Sisolak seconded.

Regent Kirkpatrick felt the plan should be revised over time. Mr. Miles agreed, adding that the new position would facilitate better coordination between campuses. Regent Kirkpatrick clarified that the report did not constitute budget plans for the next two years.

Regent Alden cautioned that each campus could not always have a new building and suggested long-range planning include joint use of facilities. Regent Seastrand agreed that sharing resources was important and hoped that would be considered in future planning efforts.

Regent Rosenberg felt that UNLV's presentation was easier to understand than UNR's. Mr. Miles agreed, adding that, had there been more time, a standardized template would have been employed.

Regent Hill commented that planning for joint efforts like the Academic Medical Center should be listed separately in an effort to promote more collaboration in the future.

Motion carried.

13. Withdrawn - Acceptance of Land Purchase Offer, WNCC – President Lucey withdrew her request for Board approval of accepting the offer presented by A&K Earth Movers, Inc., for the purchase of 3.52 acres of land adjacent to the Fallon Campus on Auction Road, Fallon, Nevada and to seek appropriate financing up to \$650,000.

14. Tabled-Property Acquisition, UNR – The Board tabled action on the acquisition of the Manke corner (north of Peccole Field). The owners of the property located at the northeast corner of the UNR campus have offered to trade their 3.19-acre parcel of land for a 7.50-acre parcel located at the Main Station Farm in southeast Reno. The subject property, located across from the Chancellor's Office, is the last remaining parcel needing to be acquired by UNR in this area and will enable UNR to begin finalization of its plans to start the development of the north campus by providing an opportunity to negotiate the relocation of the wetlands and making 5+ acres of land available for development purposes. The Dean of Agriculture concurs with this sale.

-Farm Property Value - \$200,000 (including water rights and fencing).

-Evans Avenue/Enterprise Road Value - \$1.40 per square foot.

Regent Sisolak requested backup material for the item. Ms. Ernst explained there was no backup material provided. President Crowley showed Regent Sisolak the original agenda item request. Regent Kirkpatrick commented that the request was actually a transfer of property rather than an acquisition. He agreed that sufficient data had not been provided. Regent Alden stated that it would be helpful to have the necessary reference material prior to the meetings.

President Crowley acknowledged that items 14, 15 and Consent Agenda item 6 were related. He explained a campus priority to establish a land acquisition fund, which was not funded by the Legislature, but included private donations. The money is used to acquire properties surrounding the university as quickly as possible when they became available. He related that long, painful negotiations were required to acquire these properties at a favorable price for the university.

Regent Gallagher moved approval of Board consideration of agenda items 14, 15 and Consent Agenda item 6 simultaneously. Regent Rosenberg seconded.

Regent Sisolak asked whether Consent item 6 was related to the wetlands relocation mentioned in agenda item 14. President Crowley replied that it was.

Motion carried. Regent Wiesner was absent.

(6)Tabled-Effluent Irrigation and Lease Agreement, UNR – The Board tabled action on a long-term lease with the City of Reno for 190 acres of land at the Nevada Agricultural Experiment Station Main Station Farm on McCarran Blvd. in Reno. The agreement also provides for the delivery by the City of treated effluent and reclaimed water to the Farm for irrigating approximately 700 acres. (Ref. C-6 on file in the Board office)

15. Tabled-Purchase of Aeolia (Wagon Wheel) Motel, UNR – The Board tabled action on the purchase of the Aeolia Motel, formerly the Wagon Wheel Motel, located at the northwest corner of the University of Nevada, Reno for \$440,000 or \$6.80 per square foot.

Additionally, the sellers have agreed to clear the property of all buildings and structures, etc. for \$60,000, which would be made outside of escrow. This price is below the average rate of two appraisals, one by UNR and the other by the sellers' estate. The property is within the University's Master Plan. (Ref. B on file in the Board office)

President Crowley reported there was a small stream running on the Manke property constituting wetlands. The property cannot be developed unless other wetlands are provided elsewhere. Establishment of a wetlands mitigation area was addressed in Consent Agenda item C-6. Board approval of these two projects would allow development of the northeast corner of the UNR campus.

Regent Gallagher asked whether UNR was trading the Main Station Farm property for the north campus property. Dr. Crowley replied that they were. He indicated that the university property was adjacent to property Mr. Manke already owns. It is considered flood plain land, as is a significant part of the Main Station Farm.

Regent Gallagher moved approval of the Manke property acquisition, the Aeolia Motel purchase and the Effluent Irrigation and Lease Agreement for UNR. Regent Phillips seconded.

Regent Sisolak asked about the property appraisal for item 14. Dr. Ashok Dhingra replied that UNR had considered the appraisal of the 7.5-acre Farm property, the value of the water rights and the fencing to be worth \$200,000. He indicated that the General Counsel's office had received a copy of the appraisal. Regent Sisolak asked for the appraisal on the land. Dr. Dhingra replied that he requested a copy of the appraisal from his office. Regent Sisolak asked whether the item could be tabled until the information was received. President Crowley stated that the effort had taken years to accomplish. He related that it was an opportunity that needed to be acted upon immediately. Regent Sisolak asked about the value of the two appraisals for item 15. Dr. Dhingra replied that the average had been \$496,500, with UNR's offer being lower and the owner's being higher. President Crowley observed that the Board had not requested appraisals for previous transactions. He stated that a copy would be provided that

afternoon. Regent Sisolak asked whether there were buildings on the properties listed (Ref. B, Page 2 of 3 on file in the Board office). Dr. Dhingra replied that UNR was buying the land at less than the appraised value of both the buyer and seller. Regent Sisolak asked for information regarding the buildings. Dr. Dhingra replied that the buildings were irrelevant because UNR would be getting the land for less than other properties have sold for in that area.

Regent Phillips asked whether the appraisals had been certified and whether the negotiated price had been the targeted price. Dr. Dhingra replied in the affirmative for both questions. Regent Phillips asked whether the appraisals were available. Dr. Dhingra replied that they were. Regent Gallagher suggested responding to Regent Sisolak's concerns prior to Board action. Regent Sisolak requested appraisals for the properties listed in Ref. B. President Crowley suggested the appraisals be faxed to the meeting.

Regent Alden asked whether the two corners of the UNR campus were designated for development in the master plan and whether they being acquired at a fair value. Dr. Dhingra replied that the property was in the master plan and that it was a good deal at less than \$10/sq. ft. Dr. Crowley stated that the 5-acre gully with the little stream could not be developed without the Mainstation Farms wetlands mitigation. He indicated that the Corps. of Engineers would need to approve the trade. If the trade were approved, the other 3 acres could be developed. Regent Alden asked about the net cost and total acreage for the north campus property acquisition. Dr. Dhingra stated that it was difficult to respond since they still had to work out water rights and filling the gully. Regent Alden asked about the cost to acquire the property. President Crowley replied that there was no cost since it was a straight trade. Regent Alden asked about the anticipated cost to put the property in use. Dr. Crowley replied they would need to figure the cost of filling the gully. He indicated that it would be done as the property was developed. The property would be acquired for future development. Regent Alden felt the property acquisition/trade was a good idea.

Regent Hill asked whether there was concern for making the appraisals public. Dr. Dhingra replied that he was not overly concerned and agreed to provide them for the Board. He stated that normally one tries to prevent other buyers from discovering what was paid so they don't inflate their offers. Dr. Dhingra stated that they would like the Board to decide today because there were other buyers willing to pay more and UNR had negotiated a very reasonable price. Regent Phillips noted that the Board had previously relied on Dr. Dhingra's considered opinion. Regent Alden stated that having the information prior to the meeting could have prevented this delay.

Regent Derby asked whether System Administration supported the request. Chancellor Nichols stated that she did, adding that it served as a reminder that better documentation should be provided.

Regent Sisolak felt that property acquisition was a detailed science and did not want the blind desire to acquire property to allow too much money to be spent. He felt that appraisals were necessary. Chair Dondero felt that System Administration should review these documents prior to submittal to the Board, adding that she had faith in their judgment. Regent Sisolak observed that the legal staff only reviewed the legality of the contracts and not whether (or not) it was a good deal. Chancellor Nichols replied that System Administration had no expertise in determining a good deal and had relied upon the campuses to provide that expertise.

Regent Rosenberg moved to table action on the three UNR items until appraisals were received in the afternoon. Regent Kirkpatrick seconded. Motion carried. Regent Phillips voted no. Regent Wiesner was absent.

Regent Phillips asked whether earnest money had been pledged. Dr. Crowley replied there had not been a pledge of any funds. Regent Phillips observed that anyone could now outbid UNR at this point. Dr. Crowley acknowledged that it was true.

President Lucey noted the expertise of Mr. Jim Jeffers, who had been very helpful to her. President Crowley stated

that significant attention was given to property acquisitions, adding that the institutions did not squander their money. He agreed that Mr. Jeffers was the master of property acquisitions. He acknowledged that property acquisition was a very serious undertaking and had no objection with a review process at the Chancellor level.

Regents Phillips left the meeting.

16. Approved-Audit Committee Report - Chair Steve Sisolak reported the Audit Committee met November 30, 2000 and received an update from Mr. Tom Judy, Associate Vice President for Finance and Administration-UNR, on the status of the University of Nevada School of Medicine Practice Plan. As of the end of October 2000, the Practice Plan had net income before depreciation of approximately \$480,000. A balance sheet and profit and loss statement for year ending June 30, 2000 was provided to the committee. The Practice Plan has drawn down approximately \$400,000 on their Letter of Credit. Mr. Judy will attempt to negotiate a lower interest rate on the Letter of Credit. Internal advances remain between different departments within the Practice Plan.

The committee tabled a status report on the UNR Fire Science Academy. Mr. Tony Flores, Vice President for Finance and Administration-UNLV presented a report on the expenditure of general parking fees and fines for fiscal years 1997-98 through 2000-01.

Mrs. Sandi Cardinal, Director of Internal Audit, reported that the institution bank reconciliations were up to date.

Chair Sisolak requested Board action to approve the following committee recommendations:

External Audit Reports – The committee reviewed the following external audit reports and management letters as presented by PricewaterhouseCoopers:

- Consolidated Financial Statements, UCCSN
- Consolidated Management Letter, UCCSN
- Financial Statements, UNR
- Management Letter, UNR
- Financial Statements, UNLV
- Management Letter, UNLV
- Financial Statements, System Administration
- Financial Statements, DRI
- Management Letter, DRI
- Financial Statements, TMCC
- Management Letter, TMCC
- Financial Statements, CCSN
- Management Letter, CCSN
- Financial Statements, WNCC
- Financial Statements, GBC
- Office of Management and Budget (OMB) Circular A-133 Report.

The committee discussed Management Letter comments regarding the System pavilion Bond documentation, the UNR Fire Science Academy reporting structure and DRI Financial Statement preparation. Regent Alden requested that each institution prepare written year-end closing procedures.

Operational Audit Report – The committee reviewed the following operational audit report: (Ref. I on file in the Board office)

- Purchasing Department, BCN

The committee requested that the Interim Vice Chancellor for Finance review the functions and structure of Business Center North and Business Center South and recommend possible improvements to the Audit Committee.

Regent Sisolak noted that he had received a great deal of inquiry regarding requests for information including: 1) definition of emergency vs. non-emergency hires as they relate to each campus and related campus statistics, 2) categorical breakdown of host account expenses.

Regent Sisolak moved approval of the Audit Committee recommendations and acceptance of the report. Regent Derby seconded. Motion carried. Regents Phillips and Wiesner were absent.

17. Approved-Academic, Research & Student Affairs Committee Report - Chair Jill Derby reported the Academic Research & Student Affairs Committee met November 30, 2000. Faculty Senate Chairs presented information and led a discussion of issues and concerns pertaining to the distinction between upper and lower division instruction.

President Richard Moore provided an update on progress of the Nevada State College, including the status of the institutional sponsorship by UNR. President Moore addressed the planning process and progress toward accreditation.

Board Chair Thalia Dondero announced that she would establish committees for architecture, financial, and academic planning. The committees will include Regents and citizens from the community. Chairs of the committees will form an executive committee. President Moore is developing committee definitions and timelines.

President reported that progress is being made toward accreditation. UNR is the sponsoring institution. Dr. Patricia Miltenberger has been named the senior accreditation liaison. She has extensive experience with accreditation organizations and processes. Dr. Miltenberger outlined the process for Nevada State College. During the first year, the new institution must be sponsored by an accredited agency for students to be eligible for financial aid and for credits to be transferable. There are three steps to accreditation:

- The University of Nevada, Reno must prepare a prospectus for substantive change indicating a contract agreement for sponsorship.
- Specific agreements for operations and accreditation services that the sponsor will provide. The committees established by Chair Dondero will design functions to be agreed upon by the sponsor and the new institution.
- The first two steps above will lead to a self-study and application of candidacy during the first year. Currently there are UCCSN computing systems in place for accounting, purchasing, student records, common course numbering and articulation procedures, which makes the accreditation process easier.

Regent Sisolak left the meeting.

Chair Derby requested Board action to approve the following committee recommendations:

- New Program Proposals – The committee reviewed the following new program proposals:
 - Doctor of Philosophy in Judicial Studies, UNR. (Ref. C on file in the Board office)
 - Bachelor of Science in Human Services, UNLV. (Ref. D on file in the Board office)
 - Summer Studies in London International Program/Contract, UNLV. (Ref. E on file in the Board office)
- New Units, UNLV – The committee reviewed the following new unit proposals for UNLV:
 - Workforce Development & Occupational Research Center – to provide comprehensive, workforce-

related resource services, professional development opportunities and research-based information and products to the workforce and education communities. (Ref. F on file in the Board office)

- o Aging Center – to facilitate interdisciplinary scholarly projects that will add to the body of knowledge in aging, serve the local community through outreach programs, and provide a focus for activities in the area of aging. (Ref. G on file in the Board office)
- o Nevada Manufacturing Research Center – to provide a link between university and private industries and governmental agencies. The Center would provide a supportive research environment for faculty and students, and an effective conduit for technology transfer of the results of university-based research. (Ref. H on file in the Board office)

During public comment, Interim Vice Chancellor for Academic and Student Affairs Dr. Sherwin Iverson reported three items from the Academic Affairs Council November 29, 2000 meeting:

- There is strong support for the work of the discipline committees. A publicly accessible directory of department chairs will be developed.
- The council will review specific transfer issues at future meetings.
- The program submission policies will be modified to include articulation procedures.

The committee requested follow-up summaries of actual enrollment and budgets for new programs be submitted one year after program approval and following the time schedule defined in the proposal request.

Regent Derby moved approval of the ARSA Committee recommendations and acceptance of the report. Regent Rosenberg seconded.

Regent Kirkpatrick asked about the cost effectiveness of the doctorate in Judicial Studies. President Crowley replied that he felt that it was cost effective. He related that the money was all private with the exception of the student fee component. UNR has not asked for state money and the focus of the program will be the dissertation. The most valuable component has been the thesis, which is labor-intensive. UNR hopes to include people from UNLV's law school to assist with supervision of thesis production.

Regent Seastrand noted that the committee would be requesting reports from new programs to provide actual FTE and budgetary information following the first year of approval. Actual figures will be compared with the original projections.

Motion carried. Regents Phillips, Sisolak and Wiesner were absent.

18. Approved-Campus Environment Committee Report - Chair Tom Kirkpatrick reported the Campus Environment Committee met November 30, 2000. Interim Associate Vice Chancellor for Academic and Student Affairs Ms. Chris Chairsell presented an inventory of campus climate surveys recently conducted at all institutions. Information regarding the costs of conducting a System-wide climate survey in 2001 was provided by Ms. Chairsell. Costs will depend upon the scope and depth of the survey. The committee approved a motion for staff to continue the survey fiscal development process.

At the request of campus representatives, Ms. Chairsell presented a review of the State of Nevada Committee on Benefits' policies on eligibility requirements. Eligible participants include: full-time employees of the State of Nevada, a professional full-time employee of the University of Nevada under annual contract, a member of the Nevada Senate or Assembly. Eligible dependents for medical, dental and vision plans include: a spouse and children. The committee requested that System staff bring forth additional information at a future meeting regarding current benefits administered by the Regents, the fiscal impact of extending those benefits to domestic partners, and criteria

for defining domestic partner. Committee action regarding a request to the State of Nevada Public Employees Benefit Program was tabled.

An update on setting System diversity goals was presented by Ms. Chairsell. The institution presidents have appointed representatives to assist in setting the System Diversity Goals for 2001-2005. A meeting will be scheduled during the first week of December to begin the process. It is anticipated that the process will conclude by the end of December. The committee will follow procedures for establishing diversity goals, which have already been approved by the Campus Environment Committee and the Board.

Regent Sisolak entered the meeting.

Chair Kirkpatrick requested Board action to approve the following committee recommendations:

vFiscal Impact of Conducting 2001 System-wide Climate Survey – The committee considered information provided by staff concerning an estimated fiscal impact of conducting a System-wide climate survey in 2001.

Regent Kirkpatrick moved approval of the Campus Environment Committee recommendations and acceptance of the report. Regent Alden seconded.

Regent Dondero asked why the domestic partner and benefits item had been tabled. Regent Kirkpatrick replied that the committee felt they required more information prior to taking action.

Motion carried. Regents Phillips and Wiesner were absent.

19. Approved-Finance & Planning Committee Report - Chair Dorothy Gallagher reported the Finance & Planning Committee met November 30, 2000 and the committee reviewed responses to information requested at the October 19, 2000 committee meeting including:

- Schedule of FY99-00 State General Fund reversions.
- Report of NSCH actual revenue and expenditures for FY 99-00.
- Report on the status of and revised revenue forecasts for the dental school. The committee decided to revise the overall budget request of the dental school for the 2001-2003 biennium to conform to the latest revenue estimates.
- Report on the organization of NSCH interlocal agreement with University Medical Center.

The committee reviewed the 1st quarter FY00-01 Self-supporting Budget Revisions report, the 1st quarter FY00-01 All Funds report and the 1st quarter FY00-01 Fiscal Exceptions report. The committee also reviewed a suggestion from System Bond Counsel, Mr. John Swenseid, to request legislation to make certain technical changes to the UCCSN Securities law (Nevada Revised Statutes, Chapter 396). The changes discussed related to conforming the securities law to changes in the Uniform Commercial Code. The committee also discussed the idea of delegating the authority to accept the final interest rates on bonds to eliminate the need to sell bonds on a Board meeting date. State and local securities laws have been amended for this delegation. Other technical changes to the securities law were discussed.

Chair Gallagher requested Board action to approve the following committee recommendations:

- Revise the biennial budget request for the dental school to conform to current revenue and expenditure estimates.
- Request a Bill Draft Request to amend the University Securities law to conform to recent changes in the

Uniform Commercial Code and other matters.

Regent Gallagher moved approval of the Finance & Planning Committee recommendations and acceptance of the report. Regent Hill seconded. Motion carried. Regents Phillips and Wiesner were absent.

20. Approved-Investment Committee Report - Chair Mark Alden reported the Investment Committee met November 17, 2000. 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 September 30, 2000. Endowment investments returned 1.2% for the quarter and 4.5% for the first nine months of the year. The System's managers defensive characteristics helped them to post strong relative performance over this period. In addition, the System's allocation to REITs and absolute return managers also helped to boost performance. The committee instructed Mr. Van Voorhis to attempt to reduce investment fees.

The total return for the pooled operating funds was 2.1% for the third quarter and 5.6% for the first nine months of the calendar year. For the third quarter, all but the System's bond manager outperformed their respective benchmarks. The System's equity and absolute return managers did particularly well. While the System's international stock manager did well on a relative basis, it was a tough quarter for international stocks as a result of the euro's continuing decline against the dollar.

Mr. Van Voorhis briefly discussed a change in the operating policy of Farallon Capital, in which they planned use of a limited amount of leverage going forward. Given their strict risk controls and their historical success of adding value using this strategy in another fund of theirs, this was deemed to be acceptable by Mr. Van Voorhis, and no action was taken.

The committee discussed asset allocation and distribution policies for the operating funds, the distribution policy (currently distributing 6.2% of the operating funds). Mr. Van Voorhis emphasized that setting a fixed distribution rate would make it possible for the schools to plan their budgets, but it would also result in a fluctuating surplus or deficit based on monthly movements in the capital markets. After a long discussion, it was decided not to change the distribution level from its current 6.2% and to review the situation in January 2001.

Regent Alden moved approval of the Investment Committee recommendations and acceptance of the report. Regent Kirkpatrick seconded.

Regent Sisolak felt it necessary to note that the System was paying out more in the operating pool than was being earned. He noted that it was PricewaterhouseCoopers' (PwC) opinion that the System was not getting a rate of return on these funds comparable to that of peer group institutions. Regent Alden stated that the reserve set aside was showing a deficit of \$3.2 million. Regent Derby asked about the System's obligation to the campuses. Mr. Miles replied that in an attempt to provide the funds promised to the campuses the System operated with a reserve. On a month-to-month basis expected funds are distributed to the campuses even when it was more than what was earned for that given month. The estimated deficit was \$3.8 million at the time of the meeting. Since then, two manager reports have been received and the deficit is now \$1.4 million. Mr. Miles indicated that the deficit would move up and down as reserves were paid out vs. what was earned. The operating pool is a pool of approximately \$210 million and the reserve is a reflection of the System's position by comparing what was earned vs. what was paid to the campuses. It is based on the supposition that over time the earning rate will provide a small positive reserve. From month-to-month it will move from positive to negative. The consultant reviewed the past 8-10 years (approximately 7.4% earned annually) and determined there would be sufficient earnings to pay the campuses and generate a positive reserve. Regent Derby asked whether Cambridge Associates felt that 7.4% was a reasonable expectation. Mr. Miles replied that it was their projection and recommendation. Regent Gallagher asked whether annual reviews of

the payouts were still being done. Regent Alden replied there had been a major change to the policy. It used to be reviewed once per year and now will be reviewed quarterly. Regent Gallagher asked about annual reviews of the allotment to the campuses. Regent Alden replied that it would now be done quarterly. Regent Gallagher asked when a reduction would be made if there were a problem in the market. She noted that the campuses planned on a fixed amount of money. If the payout was changed quarterly, it could negatively impact campus budgets. Regent Alden stated that payouts would be reduced in line with reduced earnings.

Chancellor Nichols stated that the payout process to the campuses had been changed this year. This is the first time a percentage has been guaranteed based on a long-term view of likely investment income, not the actual. That is why they are now being monitored quarterly. The intention was to provide the campuses with some assurance of income for budget purposes. She noted that investments were not doing as well this year as in the past.

Regent Hill asked whether PwC was claiming that the UCCSN was earning a below standard amount on their investment. Regent Sisolak explained that there are two separate agencies. PwC worked with the Audit Committee and Cambridge worked with the Investment Committee. PwC made specific comment that the rate of return was not acceptable in comparison with peer group institutions. He stated that it was notification from an audit perspective. Vice Chancellor Miles explained that Cambridge is an independent consultant that makes recommendations to the committee. Regent Hill felt that if conservative CPA's were saying that UCCSN was not getting an appropriate return, they should take action. Regent Sisolak agreed. He noted that they had given Mr. Miles some names. Chair Dondero stated that it would be added to the next agenda.

Regent Rosenberg was also disturbed by PwC comments. He noted that the better performing peers could also be subjecting themselves to higher risk investments. Regent Sisolak agreed, but noted that they were achieving a greater rate of return in a down market. He stated that payout on a long-term earning (i.e. 10 years) might yield negative rates of return for several years in a row. He agreed with the Chancellor that this new procedure was starting in a down market.

Motion carried. Regents Phillips and Wiesner were absent.

Regent Phillips entered.

21. Approved-TMCC Presidential Search Committee Report - Chair Jill Derby reported the TMCC Presidential Search Committee met November 13, 2000. It was noted that Regent Dondero and Chancellor Nichols had visited with various constituencies on the TMCC campus. After the visit it was thought that the committees should consider whether the search should be delayed until after the legislative session.

General Counsel Tom Ray reviewed the appeal to the Supreme Court concerning the CCSN Presidential Search and the potential impact on the TMCC Search. The committees reviewed the presidential search calendar and after a lengthy discussion agreed to: 1) Begin work on the prospectus to have it completed by June, and 2) Begin the search in July 2001, with the president to be selected by March 2002 and seated by July 1, 2002. Chair Dondero reported that this action assured the campus that the search was progressing and that a timeline had been adopted.

Regent Derby moved approval of the TMCC Presidential Search Committee recommendations and acceptance of the report. Regent Rosenberg seconded.

TMCC Faculty Senate Chair Mr. Bill Newhall stated that the TMCC faculty fully supported the choice and appointment of the Interim President. He stated that the general sentiment of the faculty was that it was in the best interest of the college for a high-quality search to begin with as little delay as possible. Regent Kirkpatrick asked

about the length of the interim presidency. Regent Derby that it would be approximately 18 months. Regent Kirkpatrick asked for faculty feedback. Mr. Newhall reported that the faculty felt it essential to maintain a very strong leadership. He added that the search should not be compromised in any way and that the college required the best possible president as quickly as possible. Regent Derby explained that the committee spent a great deal of time discussing the timeline. She noted that the Institutional Advisory Committee made this recommendation with only 3 dissenting votes. The Regent Committee voted 4 to 1 to approve the recommendation. She felt that between the two committees there was a good deal of consensus. Mr. Newhall's point of view was expressed, but this was the desire of the overwhelming majority.

Motion carried. Regent Wiesner was absent.

22. Approved UNR Presidential Search Committee Report - Chair Douglas Roman Hill reported the UNR Presidential Search Committee met November 16, 2000. Consultant Dr. Shirley Chater discussed her pre-search findings. She visited the University of Nevada, Reno campus and met with various groups of interested parties. From these meetings, Dr. Chater prepared her findings and a draft prospectus, which was reviewed by the committees in detail with various changes suggested and agreed upon. The prospectus, with the changes incorporated, will be sent to the committees for review before it is distributed. The committees also reviewed a draft advertisement and made changes to the material. The advertisement, with changes, will be placed in four publications identified by the committees and will likely appear in December. The ad will also be available for review on the university's website. It was agreed the committees would meet again January 25, 2001. They hope to complete selection by the end of March 2001.

Regent Hill moved approval of the UNR Presidential Search Committee recommendations and acceptance of the report. Regent Gallagher seconded. Motion carried. Regent Wiesner was absent.

The meeting recessed at 12:12 p.m. and reconvened at 1:05 p.m. with all members present except Regents Phillips, Sisolak, and Wiesner.

23. Information Only-Teachers' Tax Initiative - Discussion was held regarding the impact to higher education from the teachers' tax initiative. (White Packet #23 on file in the Board office)

Vice Chancellor Dan Miles reported that the initiative petition backed by the Nevada State Education Association entitled 'Nevada Tax Fairness and Quality School Funding Accountability Act' has garnered enough signatures to be forwarded to the next session of the Nevada Legislature for action. It will take precedence over all other measures except appropriation bills. The initiative must be enacted or rejected by the Legislature 'without change or amendment' within 40 days. If enacted by the Legislature it shall become law. If rejected by the Legislature or no action is taken within 40 days, the Secretary of State will place the question on the ballot at the next general election (November 2002). If the voters approve the initiative it takes effect and the Legislature is prohibited from amending, annulling, repealing, setting aside or suspending the measure for 3 years.

Regent Sisolak entered the meeting.

The initiative proposes a 4% tax on business income, effective January 1, 2002 if the Legislature enacts it, or January 1, 2003 if the public adopts it. The provisions of the tax have been the topic of media attention, with a great deal of public discussion regarding whether small businesses can afford it. The tax would be imposed on Nevada taxable income in excess of \$50,000 (business income/activities reported to the IRS). Businesses and individuals that report federal taxable income will have to file a state tax return even if their business income does not exceed \$50,000.

A number of questions have been raised by organizations opposed to the petition including whether the proposal invades the constitutionally prohibited personal income tax area. It does include as business income the interest and dividends on obligations or securities of any state or political subdivision of a state, setting up a direct conflict with NRS 350.710. It also increases the existing business license tax from \$25/employee/quarter to \$25.50/employee, which currently produces approximately \$80 million annually.

The petition requires that all revenue derived from this new tax be deposited to a special trust account providing state aid to school districts. The purpose of the initiative was to create a new revenue source for state K-12 expenditures. Mr. Miles suggested that this could have an impact on higher education. According to press reports, the promoters of the petition predict this tax would generate at least \$250 million annually. This would increase state appropriations for K-12 to approximately 50% of the general fund. Section 53 states, 'the basic support guarantees must be established in such amounts so that collectively, after deducting local money available for public schools, they represent not less than 50% of the projected revenue of the state for that year.' In Nevada, funding for K-12 is governed by a mechanism designed to achieve equitable support for all school districts and all students. Unfortunately, there are a number of K-12 costs that are not covered by basic support guarantees. Those programs would either have to be eliminated or more than 50% of the state's general fund would have to be devoted to K-12.

Mr. Miles reported that if the petition were implemented and the Legislature was unable to make any changes that lessen the impact of the requirements, there would likely be a negative impact on UCCSN. A lawsuit has been filed, which opposes the initiative on the grounds that it unconstitutionally imposes a personal income tax and fails to provide enough revenue to meet expenditure requirements. A district court decision is expected the following week, with an appeal to the Supreme Court following thereafter. He felt it important to track the petition as it progresses to the Legislature. Chancellor Nichols stated that she would provide regular briefings to the Board regarding potential implications to higher education.

Regent Gallagher asked whether it would be appropriate for the Board to take a position. Chancellor Nichols replied that it would have little impact with the Legislature, adding that the System should be careful not to appear to be against increases for K-12 and should instead concentrate on the dire consequences of the 50% issue. She stated that if the Legislature did not act upon it and it went to the public, the Board would then need to reevaluate their level of involvement.

Regent Phillips entered the meeting.

24. Approved-Financial Aid Report - A report was presented on financial aid in the UCCSN including national comparisons. Discussion was held regarding alternatives for redirecting a portion of available financial aid as required by the Millennium Scholarship (NRS 396.911).

Chancellor Nichols introduced Dr. Susan Moore, the State Director for Millennium Scholarships, and thanked her for her tireless efforts.

Dr. Sherwin Iverson thanked Sr. Research Analyst Ms. Lori Tiede for her efforts in assembling information on financial aid. He also expressed appreciation to financial aid directors Judy Belanger, UNLV; Nancee Langely, UNR; Chemene Crawford, CCSN; Joan Williams, GBC; Mona Concha-Buckheart, TMCC; and Jim Hadwick-WNCC, as well as Dr. Susan Moore.

He reported that he was seeking Board direction on the best way to respond to a requirement of the Millennium Scholarship statute. He noted that access is a UCCSN priority, including whether students can afford to attend the

institutions. Financial aid is a critical cornerstone for access. He noted that the State of Nevada is proud of its low fee structure for its residents. Low fees do not equate to low cost, and that is why financial aid is such an important factor.

Ms. Tiede thanked the financial aid directors, adding that she had worked with them and Dr. Susan Moore since January. She reported the cost of attending college involves more than simply tuition and fees. The average cost of attendance for full-time students living away from home (2000-2001) ranges from \$10,579 at the community colleges to \$13,384 at the universities. In 1998-99, the UCCSN distributed \$129,522,729 in financial aid to students. The major source of financial aid was federal monies (62%), with the state contributing 19%. Financial aid awards include: grants, grants-in-aid, scholarships, loans, and on-campus employment.

Self-Help (69%) vs. Gift Aid (31%) – Students helped themselves go to college via student loans (which need to be repaid upon leaving the school) and on-campus employment (earning pay for services rendered). Gift aid (including scholarships, grant-in-aid, and grants) does not have to be repaid. National data related to student indebtedness indicate that in 1999 undergraduates owed an average of \$10,173 upon leaving a four-year college and \$4,728 upon leaving a community college. Ms. Tiede noted that Nevada's average loan rate extended over 4 years was higher than the national average.

Dr. Iverson reported that in Fall 2000 nearly 4,300 students receiving a Millennium Scholarship had enrolled. He noted that the State Treasurer's office had been very flexible in providing money as students arrive. 7,186 Nevada students qualified for a Millennium Scholarship. 60% of those eligible students enrolled and received an award.

Chancellor Nichols reported that NRS 396.938 requires the following Board actions:

-Direct a significant portion of other available financial aid to culturally disadvantaged or at-risk students, and students who graduated from high school before May 1, 2000 who wish to attend college and have the potential to be successful, but who do not otherwise meet the eligibility requirements for Millennium Scholarships.

She noted that the intent of the Millennium Scholarships was to change student behavior. It is targeted at retaining the best and brightest students in the state and encouraging children (and families) who do not ordinarily go to college to attend UCCSN. The primary reason for not going to college is cost. There is a culture in Nevada that believes a college education is not necessary in order to make money and be successful. The UCCSN is attempting to change that philosophy. Now efforts are made to convince students as early as grades 7-9, that if they work hard in high school they will be able to afford to go to college. She reported that the statute also required the Millennium Scholarships to have some focus on Nursing and Teaching. This will be the topic of discussion during the next legislative session. Financial Aid option areas include:

-Millennium Scholarship offset

- Nevada Student Access Program - \$5.9 million awarded; funds supported by registration fees; at least 80% need-based. Could increase the percentage directed to students with need or find other ways to focus aid on student populations named in statute.
- Regents' Award Program - \$1.3 million available annually; funds supported by the Estate Tax; work/service requirement; 80% to students with need and special circumstances (head of household, single parent, age 22/never attended college/break in enrollment, unusual family circumstances, first-generation college). Could increase the percentage directed to students with need, focus aid on student populations named in the statute, or give campuses flexibility with regard to work requirements. The work requirement has been a positive influence in keeping students in college.

- Grants-in-Aid - \$4.9 million awarded; funds supported by the general fund; pays student fees. Could redefine eligibility for Grants-in-Aid or redirect funds to other programs or to a new program. Not a source of funds that will satisfy the statute requirement.
- Create a new program – seek new monies to support legislative mandate; redirect a portion of funds from Grants-in-Aid, Nevada Student Access, and the Regents' Award Program; focus aid on student populations named in the statute.

Chancellor Nichols suggested developing a plan for what could be done with new money for those who do not currently receive the Millennium Scholarship. She felt that some funds from existing programs would need to be redirected to focus on those groups identified in the statute. She suggested developing a plan that provides some assurance of financial assistance for those Nevada students who fall below a certain income level and have the potential to benefit from post-secondary education. She felt it would need to be incorporated with the RAND Study in order to direct students to the community colleges and/or universities based upon the likelihood of success. She felt it would be an attractive program for students falling below a specific income level, yet exhibiting potential for success. She suggested implementing a higher percentage to need-based (90%). She asked the Regents for a commitment to double the efforts to work with K-12 to ensure that students are aware of these programs.

Chair Dondero asked about the initial Millennium Scholarship award. Chancellor Nichols replied that the directive was to redirect funds for those students not helped by the Millennium Scholarship. She stressed that students must be enrolled in a program leading to a degree or certificate.

Regent Kirkpatrick asked for a definition of 'a significant portion' and whether individuals graduating after May 1st who did not qualify for a scholarship were intentionally excluded. Chancellor Nichols replied that those students were excluded from the Millennium Scholarship because of their high school graduation date. She stated that the Board would determine the 'significant portion'. Dr. Nichols stated that the mandate was intended to bring attention to those students who might need financial assistance now that the Millennium Scholarship is in place.

Regent Phillips asked whether a separate but equal financial aid was required for those who did not qualify for a Millennium Scholarship. Dr. Nichols agreed. Regent Phillips felt the NRS requirement was discriminatory and unconstitutional and created a class of students. Chancellor Nichols stated that all financial aid programs created groups of students who do/do not qualify. She noted that it put the onus on the Board to address this issue and to acknowledge when sufficient resources were not present.

Regent Hill disagreed with Regent Phillips, but felt it could be unconstitutional if incorrectly applied. He asked what Board action was required. Dr. Nichols replied that she would like to bring back at the January meeting a detailed proposal and cost analysis. She was trying to get a sense of the Board's preference for redirection of funds and creating a plan that could be presented to the Legislature. Regent Hill agreed with the legislative ruling and was concerned there are many students with the potential to be successful that do not qualify for a Millennium Scholarship. He preferred addressing students with financial need.

Regent Hill moved approval of directing the Chancellor to bring back a detailed proposal and cost figures to the Board's January meeting, including possibilities, ideas and cost breakdowns. Regent Kirkpatrick seconded.

Regent Seastrand asked whether the Board would determine 'significant portion' and 'culturally disadvantaged or at-risk'. Chancellor Nichols felt the Board would need to accept a commonly accepted definition. Regent Seastrand observed that the Millennium Scholarship targeted the smart students and the other programs targeted the poor. Chancellor Nichols replied that some students' circumstances would prevent them from obtaining a Millennium Scholarship regardless of how hard they tried.

Regent Derby agreed with increasing the percentage directed to students in need.

Regent Gallagher asked whether there was an alternative plan if the Estate Tax were to be eliminated. Chancellor Nichols acknowledged the importance of the Estate Tax to financial aid programs. She felt it critical to plan for the future.

WNCC Faculty Senate Chair Mr. Perry Johnson asked what was planned for faculty/staff Grants-in-Aid. Chancellor Nichols replied that the salary compensation committee was working on bringing the program into compliance with IRS requirements for dependent children.

Motion carried. Regent Phillips abstained. Regent Wiesner was absent.

25. Approved-Workers' Compensation Coverage Renewal – The Board approved renewal of the UCCSN's Workers' Compensation coverage on the terms outlined in the reference material (Ref. J on file in the Board office). Coverage becomes effective January 1, 2001.

Chancellor Nichols introduced Risk Manager Mr. Jon Hansen, adding that he had already saved the System millions and was working hard to apply risk management perspectives on all work product.

Mr. Hansen reported that 8 quotes had been received from 4 different companies and 2 different agencies. Based on the quotes, he recommended the bid from Virginia Surety. He reported the recommended program would yield a savings to the System of \$175,000 next year and further savings of \$203,000 in 2004 and 2005. The estimated cost of the program for next year was \$2.4 million. The program reduces the amount of loss the UCCSN must absorb from any one claim. He reported this was the first step in the revision of the UCCSN workers' compensation program and a reduction of fixed costs. The next step is a reduction in the number and severity of actual claims.

Regent Kirkpatrick moved approval of renewal of the UCCSN's Workers' Compensation coverage. Regent Derby seconded. Motion carried. Regent Wiesner was absent.

26. Approved-Fiscal Impact Statement – The Board approved adopting a new policy to be included in the Regents' Handbook, Title 4, Chapter 9, new Section D, to require a fiscal impact statement under certain circumstances for proposals before the Board and its committees. At its October meeting, the Board approved a request to bring a proposed policy back for consideration. (Ref. K on file in the Board office)

Vice Chancellor Dan Miles reported that the proposed policy language was modeled after the Legislature's fiscal note policy, which requires notification of legislation having a fiscal impact. Proposals likely to increase fiscal costs or reduce revenue to the System in excess of \$25,000/fiscal year would require such a fiscal impact statement.

Regent Hill moved approval of adopting a fiscal impact policy, Handbook, Title 4, Chapter 9, new Section D. Regent Alden seconded.

Regent Gallagher asked about the fiscal impact if System Administration staff provided a service other than normally provided. Mr. Miles replied that if there was a request made that did not require additional staff or outside help, there would be no fiscal impact. If additional help/consulting were required in excess of \$25,000 it would require a fiscal impact statement. He stated that it would not eliminate requests for information of System or campus staff that could be routinely provided. Regent Derby indicated her support of the policy.

Regent Seastrand asked whether they had considered the fiscal impact of providing a fiscal impact statement. Mr. Miles replied that they had. He stated that this would be implemented when a campus proposed something that would cost money.

Regent Hill observed that it implied that help could be hired for \$24,999 or less and agreed that the Board should be aware if a request would cost significant money. He asked whether agenda item requests would require a fiscal impact statement and whether they could possibly be done in one meeting. Chancellor Nichols and Chair Dondero agreed on both cases.

Motion carried. Regent Wiesner was absent.

27. Approved-Handbook Change, ASB Constitution, GBC – The Board approved changes to the Great Basin College Associated Students Constitution, Handbook, Title 4, Chapter 11. (Ref L on file in the Board office)

Regent Derby moved approval of the Handbook change to the ASB Constitution, Title 4, Chapter 11. Regent Alden seconded. Motion carried. Regent Wiesner was absent.

Regent Phillips left the meeting.

28. Approved-Handbook Change, Investment Strategy Revisions – The Board approved changes to the Handbook, Title 4, Chapter 10, Section 3.4.b and Section 3.5, to recognize the new strategic asset allocation permitted and targeted percentages adopted by the committee and Title 4, Chapter 10, Section 5.B.4, to clarify asset classes authorized under the long-term pool portion of the Operating Funds Pool as approved at the October 4, 2000 Investment Committee meeting. (Ref. M on file in the Board office)

Regent Alden moved approval of the Handbook investment strategy revisions, Title 4, Chapter 10, Sections 3.4.b, 3.5, and 5.B.4. Regent Hill seconded. Motion carried. Regents Phillips and Wiesner were absent.

29. Approved-Handbook Change, Distribution Policy – The Board approved changes to the Handbook, Title 4, Chapter 10, Section 5.F.1, allowing the Investment Committee to establish the distribution rate, instead of establishing the rate in the Handbook as approved at the October 4, 2000 Investment Committee meeting. (Ref. N on file in the Board office)

Regent Alden moved approval of the Handbook change to the investment distribution policy, Title 4, Chapter 10, Section 5.F.1. Regent Rosenberg seconded. Motion carried. Regents Phillips and Wiesner were absent.

30. Approved-Consent Agenda – The Board approved the Consent Agenda with the exception of item (6), which was approved separately:

(1)Approved-Minutes – The Board approved the minutes from the meeting held October 19-20, 2000.

(2)Approved-Vice Chancellor for Technology, UCCSN – The Board approved a title change for System Computing Services Director Davan Weddle to Vice Chancellor for Technology. No salary increase was involved in the title change.

(3)Approved-Capital Improvement Fee Funds, GBC – The Board approved the use of Capital Improvement Fee funds for the following projects at GBC:
Cafeteria Remodel Design\$10,000

Electrical Technical Building Design 1,000
Completion of Arts Annex 5,000
Dawson Child Center Improvements 10,000
Storage Barn Improvements 6,000
Geothermal Connections 30,000
Fiber Optic Lines 18,000
TOTAL: \$80,000

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

Tobacco Users Helpline (Charleston Campus) \$17,000
Remodel Room D-237 (Charleston Campus) 14,000
Art Complex Expansion (Charleston Campus) 150,000
Horticulture Program (Charleston Campus) 15,000
CNA Program (Henderson Campus) 23,000
Modular Unit Purchase (Henderson Campus) 38,935
Overhead Panels/Canopy Phase V (Cheyenne Campus) 15,400
Truck Driving School (Cheyenne Campus) 25,000
TOTAL: \$298,335

(5) Approved-Contract, Southern Nevada Workforce Investment Board and CCSN – The Board approved a contract between the Southern Nevada Workforce Investment Board and the UCCSN Board of Regents on behalf of the Community College of Southern Nevada. The purpose of this grant is to provide employment and training services to adult and dislocated workers in southern Nevada. (Ref. C-5 on file in the Board office)

(7) Approved-Abandonment of Easement, UNR – The Board approved an abandonment, cancellation and termination of easement on the north part of the UNR campus. This abandonment was required by the City of Reno so that UNR could place a cell site structure on the property.

Regent Alden moved approval of Consent Agenda with the exception of item #6. Regent Kirkpatrick seconded.

Regent Sisolak asked about the adult dislocated worker contract (5). President Silverman explained that it was a grant approved by the Workforce Investment Board. Federal monies are focused to communities for job training and helping with employment. CCSN was successful with a \$1.3 million grant request. CCSN is obligated to get 600 people employed, provide training and keep them productive members of the workforce. The grant enables CCSN to hire 15 workers to help with career placement and assessment.

Motion carried. Regents Phillips and Wiesner were absent.

Regent Phillips entered the meeting.

Chair Dondero appointed Regents Seastrand (chair), Alden, Gallagher, and Sisolak to serve on the Health Care Education Committee. She noted that she would participate in an ex-officio capacity. Regent Dondero also named Regent Derby (who formerly served ex-officio) as an official member of the CCSN Presidential Search Committee to replace outgoing Regent Phillips.

14. Approved-Property Acquisition, UNR – (Cont'd.)

(6) Approved-Effluent Irrigation and Lease Agreement, UNR – (Cont'd.)

15. Approved-Purchase of Aeolia (Wagon Wheel) Motel, UNR – (Cont'd.)

Chair Dondero noted that Vice President Ashok Dhingra had distributed the information requested by Regent Sisolak and asked if there were any questions. Regent Sisolak commented that there were two appraisals: UNR's was for \$345,000 and the owners had been \$643,000. He asked why there was such a big difference between the two appraisals. President Crowley replied that it was part of the negotiation process. Regent Sisolak asked whether there was an appraisal on the trade properties. President Crowley replied that the \$200,000 estimate had been derived by determining a reasonable value of \$75,000 for the 7.5 acres, \$105,000 for the water rights, \$10,000 for fencing, \$3,500 for survey costs, \$3,500 for water rights transfer fees, plus \$3,000 in incidental costs.

Regent Alden moved approval of Agenda items 14 and 15 and Consent item (6). Regent Rosenberg seconded. Motion carried. Regent Wiesner was absent.

31. Public Comment – Mr. John Rolfe Elliot, former consultant for the SOM, was happy the previous financial crisis (that raised concerns about whether or how the school should continue) had been resolved and that consideration was now being given to an Academic Medical Center. He attributed the success to the new Dean and a strong administrative team developed over the last two years. He noted it would require diligent oversight by the Board. He felt that good financial reporting and working relationships with the SOM leadership would lead to a successful Academic Medical Center.

Regent David Phillips stated that he had enjoyed working on the Board and with staff, faculty and administration. He was looking forward to concentrating on his private practice, adding that he would be willing to serve on Board committees should the need arise. He stated that he would miss everyone, felt the staff should be paid more for their efforts and was proud to be able to send his children to school in Nevada.

Mr. Dave Anson stated that he had written the Board about a desire to fly the POW/MIA flag at System Administration buildings. He thanked them for granting the request. He noted that the Chancellor's letter indicated the flag would be flown on patriotic holidays. He felt the flag should be flown everyday as a symbol of the cost of the freedom we enjoy and in honor of the people who paid the ultimate sacrifice in service of their country. Regent Sisolak thanked Mr. Anson for bringing the matter to his attention.

Ms. Carol Conder reported that she had been teaching freshman composition at UNLV for 12 years and 4 classes/semester for 3 years. She stated that she was neither temporary nor part-time though that was her pay classification. She related there were over 500 such individuals on the UNLV campus. She reported that temporary/part-time employees had not received a raise in 10 years. They are requesting \$2500/3-unit class. She also asked the Board to work as their advocates. She asked that their salaries not be the first item cut from the budget when negotiating with the Governor.

32. Information Only-Remarks by President Joe Crowley - After 22 years as President of UNR, Dr. Joe Crowley offered parting observations on higher education in Nevada.

President Crowley noted that it had been a custom of the Board for long-serving members to offer candid remarks upon parting. He volunteered his remarks given the length of time he served, hoping that they would find them respectful, candid, and helpful suggestions. He offered the following observations:

-The System has grown so much, so fast and become so complex, that it is time to reconsider the governance structure. As the System has grown, a sense of institutional advocacy has been lost. The Board ought to be institutional advocates, regardless of the districts they represent. He hoped the RAND Study would offer alternatives for governance. He suggested the Board could evolve into a statewide Board with a separate board of visitors for

each of the universities, comprised of appointees reflecting the responsibilities of the universities and DRI. He suggested a separate board of governors for the community colleges. He felt the institutions required a governing component that was an advocate for the institution and would make recommendations to this Board.

-He noted that he had served with 35-40 Regents with varying personalities. He felt that this Board was a team with tremendous talent that lacked chemistry. He recommended the Board impart some measure of stability so the institutions could have some expectation of Board behavior and a sense of direction for all to share that would lead to stability and predictability.

-He felt the Board allowed too much time for debate and talk, adding that it was not a helpful approach to moving business forward. He encouraged consideration of limiting Board debate while still reaching wise decisions.

-Micromanagement, a timeless question that boards and presidents constantly struggle over. He felt that this Board was far more actively engaged in administrative matters than any other under which he had served. Part of the stability and predictability that presidents and others would like to see would include a set of commonly shared rules. He noted that almost every meeting the presidents were surprised by requests for documentation that was not previously required. He recommended establishment of some rules so the presidents could perform better with an understanding of the rules and expectations. Given that the Board is in the process of hiring 3 new presidents, they too will want to understand the rules and fit the pace and rhythm of the Board.

-He noted that the Board's single most important duty was the hiring, evaluation, and firing of the presidents. Part of that responsibility is care and nurturing. He did not feel that this Board had been particularly nurturing. The presidents have felt their credibility under assault. He acknowledged appropriate constituent comment, but felt the Board might discover that the presidents are not overpaid or over compensated. He suggested a thorough examination of appropriate presidential compensation. He noted that the Board did not accomplish much by saving \$27,000 when they did not award presidential merit.

President Crowley offered his comments not as criticism, but with profound respect and appreciation for the support provided to him personally in the past. He noted that he was not leaving his position due to personal bitterness, but hoped the Board would take his suggestions seriously. He thanked the Board for the privilege of serving for 23 years.

Regent Hill recited a self-written limerick in honor of President Crowley. Regent Dondero thanked President Crowley for his remarks, adding that the Board was well aware they had a wonderful group of presidents. Regent Alden thanked President Crowley for his leadership, adding there would be a void in his absence. Regent Alden asked President Crowley if he felt it was time for Regents to be appointed. President Crowley stated that it had been considered in the past, adding that it might be time to review it again. He noted that the public did not want to surrender this right as they viewed it as a loss of democracy. He felt that consideration of this alternative would be a good exercise for the Board. He stressed that institutional advocacy was required, adding that the Regents shouldered a huge task with no pay. He felt the presidents required high profile advocates for their institutions.

Regent Derby left the meeting.

Regent Dondero stated that an elected board represented the public and the people who voted for them. She noted appointed boards ultimately answered to the person who appointed them and not the constituents.

33. New Business – None noted.

The meeting adjourned at 3:17 p.m.

Suzanne Ernst

Chief Administrative Officer to the Board